

Borough Council of
**King's Lynn &
West Norfolk**



Cabinet

Agenda

Tuesday, 6th December, 2016
at 5.30 pm

in the

**Committee Suite
King's Court
Chapel Street
King's Lynn**



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX
Telephone: 01553 616200
Fax: 01553 691663

CABINET AGENDA

DATE: CABINET - TUESDAY, 6TH DECEMBER, 2016

VENUE: COMMITTEE SUITE, KING'S COURT, CHAPEL STREET, KING'S LYNN

TIME: 5.30 pm

As required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 - Items (20-22) below will be considered in private.

Should you wish to make any representations in relation to the meeting being held in private for the consideration of the above item, you should contact Democratic Services

1. MINUTES

To approve the Minutes of the Meeting held on 25 October 2016 (previously circulated).

2. APOLOGIES

To receive apologies for absence.

3. URGENT BUSINESS

To consider any business, which by reason of special circumstances, the Chairman proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

4. DECLARATIONS OF INTEREST

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it

relates. If a disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

5. CHAIRMAN'S CORRESPONDENCE

To receive any Chairman's correspondence.

6. MEMBERS PRESENT UNDER STANDING ORDER 34

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

7. CALLED IN MATTERS

To report on any Cabinet Decisions called in.

8. FORWARD DECISIONS (Pages 6 - 8)

A copy of the Forward Decisions List is attached

9. MATTERS REFERRED TO CABINET FROM OTHER BODIES

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda.

10. COUNCIL TAX DISCOUNTS FOR EMPTY, UNFURNISHED AND UNINHABITABLE PROPERTIES (Pages 9 - 16)

11. COUNCIL TAX SUPPORT SCHEME 2017/18 (Pages 17 - 41)

12. BUDGET MONITORING 2016/2017 (Pages 42 - 47)

13. REVIEW OF FINANCIAL REGULATIONS (Pages 48 - 93)

14. REVIEW OF HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING PROCEDURES AND CONDITIONS (Pages 94 - 98)

15. CIL - RESULT OF EXAMINATION (Pages 99 - 136)

16. RESULTS OF THE BID BALLOT (Pages 137 - 140)

17. TIMETABLE OF MEETINGS 2017/18 (Pages 141 - 142)

18. POLLING DISTRICT AND POLLING PLACE REVIEW (Pages 143 - 148)

19. EXCLUSION OF THE PRESS AND PUBLIC

The Cabinet is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PRIVATE ITEM

Details of any representations received about why the following reports should be considered in public will be reported at the meeting.

20. ENTERPRISE ZONE - DEVELOPMENT AND INFRASTRUCTURE (Pages 149 - 160)

21. CARE & REPAIR FRAMEWORK AGREEMENT FOR AIDS AND ADAPTATIONS WORKS (Pages 161 - 167)

22. INSURANCE CONTRACT TENDER (Pages 168 - 171)

To: Members of the Cabinet

Councillors A Beales (Vice-Chairman), R Blunt, N Daubney, A Lawrence,
B Long (Chairman), Mrs K Mellish and Mrs E Nockolds

Deputy Cabinet Members

For Further information, please contact:

Sam Winter, Democratic Services Manager 01553 616327
Borough Council of King's Lynn & West Norfolk
King's Court, Chapel Street
King's Lynn PE30 1EX

FORWARD DECISIONS LIST

| Date of meeting | Report title | Description of report | Key or Non Key Decision | Decision Maker | Cabinet Member and Lead Officer | List of Background Papers | Public or Private Meeting |
|------------------------|---|------------------------------|--------------------------------|-----------------------|---|----------------------------------|---|
| 6 December 2016 | Council Tax Support Scheme 2017/18 | Final Scheme for approval | Key | Council | Housing & Community Asst Dir - L Gore | | Public |
| | Council Tax Discounts for Empty & Unfurnished and Uninhabitable Properties | | Non | Council | Leader Asst Dir – L Gore | | Public |
| | Budget 2016/2017 – Monitoring | | Non | Cabinet | Leader Asst Dir – L Gore | | Public |
| | Review of Financial Regulations | | Non | Council | Leader Asst Exec Dir – L Gore | | Public |
| 9 | Insurance Contract Tender | | Key | Cabinet | Leader Asst Exec Dir – L Gore | | Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority) |
| | Care & Repair framework agreement for aids and adaption works | | Key | Cabinet | Housing & Community Exec Dir – D Gates | | Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority) |
| | Review of Hackney Carriage and Private Hire Licensing Procedures and Conditions | | | Council | Housing and Community Exec Director – G Hall | | Public |
| | Results of the BID vote | | Non | Cabinet | Human Resources and Shared Services Exec Dir – C Bamfield | | Public |

Agenda Item 8

| | | | | | | | |
|--|--|--|-----|---------|--|--|---|
| | CIL – Result of Examination | | Key | Council | Development Exec Dir- G Hall | | Public |
| | Enterprise Zone Development and Infrastructure | | Key | Cabinet | Regeneration Exec Dir – C Bamfield and Chief Executive | | Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority) |
| | Timetable of Meetings 2017/18 | | Non | Cabinet | Leader Exec Dir D Gates | | Public |
| | Polling District & Polling Place Review | | Non | Council | Leader Chief Executive | | Public |

7

| Date of meeting | Report title | Description of report | Key or Non Key Decision | Decision Maker | Cabinet Member and Lead Officer | List of Background Papers | Public or Private Meeting |
|------------------------|---|------------------------------|--------------------------------|-----------------------|--|----------------------------------|----------------------------------|
| 31 January 2017 | Budget | | Key | Council | Leader Dep Exec Dir – L Gore | | Public |
| | Electoral Review | | Key | Council | Leader Chief Executive | | Public |
| | Borough Council Contaminated Land Inspection Policy | | Non | Council | Environment Exec Dir – G Hall | | Public |
| | Members Code of Good Practice for Planning | | Non | Council | Development Asst Dir – S Ashworth | | Public |
| | Planning Scheme of Delegation | | Non | Council | Development Asst Dir- S Ashworth | | Public |
| | Notice of Motion – Coastal Economy | | Non | Cabinet | Regeneration Chief Executive | | Public |
| | Local Sea Defense Funding Update | | Non | Cabinet | Leader Exec Dir – G Hall | | Public |

| Date of meeting | Report title | Description of report | Key or Non Key Decision | Decision Maker | Cabinet Member and Lead Officer | List of Background Papers | Public or Private Meeting |
|------------------------|---------------------|------------------------------|--------------------------------|-----------------------|--|----------------------------------|----------------------------------|
| 28 February 2017 | | | | | | | |

| Date of meeting | Report title | Description of report | Key or Non Key Decision | Decision Maker | Cabinet Member and Lead Officer | List of Background Papers | Public or Private Meeting |
|------------------------|---------------------|------------------------------|--------------------------------|-----------------------|--|----------------------------------|----------------------------------|
| 11 April 2017 | | | | | | | |

REPORT TO CABINET

| | | | | |
|--|-------------------------------------|---|---|------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards | Discretionary | (a) Be entirely within Cabinet's powers to decide NO | | |
| | | (b) Need to be recommendations to Council | YES | |
| | | (c) Be partly for recommendations to Council and partly within Cabinets powers – NO | | |
| Lead Member: Cllr Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk | | Other Cabinet Members consulted: All Cabinet members | | |
| | | Other Members consulted: - Corporate Performance Panel | | |
| Lead Officer: Jo Stanton E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616439 | | Other Officers consulted: Ray Harding Lorraine Gore | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications YES | Equality Impact Assessment YES If YES: Pre-screening/ Full Assessment | Risk Management Implications NO |

Date of meeting: 6 December 2016

COUNCIL TAX DISCOUNTS FOR EMPTY/UNFURNISHED AND UNINHABITABLE PROPERTIES FOR 2017/2018

Summary

The Council has the discretion to reduce or remove discounts for certain properties including empty / unfurnished and uninhabitable properties. This report considers changing the discounts for these properties.

Recommendations

Cabinet recommend to full Council that one of the listed options regarding the discounts for empty / unfurnished and uninhabitable properties be implemented from 1 April 2017.

Reason for Decision

Amending the discounts will encourage owners of empty properties to bring them back into use and reduce the cost of awarding council tax discounts, bringing in extra income.

1 Background

1.1. Since April 2004 the Council has had the power to increase the council tax charge for second homes. Since April 2013 we have had the power to further increase the council tax charge for second homes, and to increase the charge for properties which are unfurnished, uninhabitable or long term empty, and to charge a premium of a maximum additional 50% for properties left empty for more than two years.

1.2. The aim of these powers is to encourage properties back into use and raise additional revenue for areas affected by high numbers of second homes.

1.3. The Council has already made changes and a summary is below:

| Class | Start | End | Discount | Council Tax Charge | Time Limit |
|----------------------------------|------------|------------|----------|--------------------|---------------|
| Second Homes | 01/04/1993 | 31/03/2004 | 50% | 50% | None |
| | 01/04/2004 | 31/03/2013 | 10% | 90% | None |
| | 01/04/2013 | 31/03/2016 | 5% | 95% | None |
| | 01/04/2016 | | 0% | 100% | None |
| Empty and Unfurnished properties | 01/04/1993 | 31/03/2013 | 100% | 0% | 6 months |
| | 01/04/2013 | | 100% | 0% | 3 months |
| Uninhabitable Properties | 01/04/1993 | 31/03/2013 | 100% | 0% | 12 months |
| | 01/04/2013 | | 50% | 50% | 12 months |
| Long Term Empty Properties | 01/04/1993 | 31/03/2013 | 50% | 50% | None |
| | 01/04/2013 | | 0% | 100% | None |
| Properties Empty over 2 years | 01/04/2013 | | (50%) | 150% | After 2 years |

1.4 The Council can consider increasing the charge for empty and unfurnished and uninhabitable properties by reducing or removing the discount. The options for changing the discounts are detailed below. These figures are based on data as at 15 September 2016. This is in addition to the extra revenue already generated by the removal of the second home discount from 1 April 2016.

1.5 These changes do not affect any of the existing council tax exemptions for unoccupied properties, including properties where a grant of probate is awaited, and those where the resident has permanently moved into residential care. A full list of the council tax exemptions for unoccupied properties is included at Appendix A.

Option 1

Completely remove both the discounts and charge 100% council tax.

| | Empty and Unfurnished | Uninhabitable | Total |
|--|-----------------------|---------------|-------|
| | | | |

| | | | |
|--|----------------|---------------|----------------|
| Properties Affected | 433 | 83 | 516 |
| Taxbase Increase @ Band D | 352 | 36 | 388 |
| Additional Revenue Raised | £551,880 | £56,837 | £608,716 |
| <i>Norfolk County Council</i> | £418,563 | £43,107 | £461,669 |
| <i>Police and Crime Commissioner</i> | £74,848 | £7,708 | £82,557 |
| BCKLWN | £58,469 | £6,022 | £64,656 |

Option 2

Reduce the discount on empty and unfurnished properties to a period of one month but do not amend the discount for uninhabitable properties.

| | Empty and Unfurnished | Uninhabitable | Total |
|--|----------------------------------|----------------------|----------------|
| Properties Affected | 433 | 83 | 516 |
| Taxbase Increase @ Band D | 352 | 0 | 388 |
| Additional Revenue Raised | £367,920 | £0 | £367,920 |
| <i>Norfolk County Council</i> | £279,042 | £0 | £279,042 |
| <i>Police and Crime Commissioner</i> | £49,899 | £0 | £49,899 |
| BCKLWN | £38,979 | £0 | £38,979 |

Option 3

Reduce the discount on empty and unfurnished properties to a period of one month and the discount on uninhabitable properties to 25% for 12 months.

| | Empty and Unfurnished | Uninhabitable | Total |
|--|----------------------------------|----------------------|----------------|
| Properties Affected | 433 | 83 | 516 |
| Taxbase Increase @ Band D | 352 | 36 | 388 |
| Additional Revenue Raised | £367,920 | £28,419 | £396,339 |
| <i>Norfolk County Council</i> | £279,042 | £21,554 | £300,596 |
| <i>Police and Crime Commissioner</i> | £49,899 | £3,854 | £53,753 |
| BCKLWN | £38,979 | £3,011 | £41,990 |

1.5 Depending on the chosen option, these changes may affect 516 properties in the Borough where the taxpayer will no longer see a reduction in their bill if their property is empty. The current reduction only applies for a limited time before it is removed and the 100% charge applies, and the changes will remove this initial reduction completely.

1.6 The changes could encourage taxpayers to bring their properties back into use or complete structural works sooner than would be the case if there was a discount available. It would also reduce the cost of council tax discounts, raising extra income to the Borough Council, County Council and the Police and Crime Commissioner.

2. Other Norfolk Authorities – Council Tax Charges and Proposals

2.1 The council tax charges for **2016/2017** for the different classes of property in other Norfolk authorities are shown below.

| 2016/2017 | 2nd Homes | Empty and Unfurnished | Uninhabitable | LT Empty | Empty Over 2 years |
|---------------------------|---------------------------------|----------------------------------|------------------------|---------------------|-----------------------------------|
| BCKLWN | 100% | 0%¹ | 50%² | 100% | 150% |
| Broadland | 100% | 100% | 100% | 100% | 150% |
| Breckland | 100% | 0% ¹ | 50% ² | 100% | 150% |
| North Norfolk | 95% | 0% ¹ | 50% ² | 100% | 150% |
| Norwich | 95% | 100% | 50% ² | 100% | 150% |
| Great Yarmouth | 95% | 0% ¹ | 50% ² | 100% | 150% |
| South Norfolk | 95% | 0% ¹ | 50% ² | 100% | 150% |

2.2 Broadland District Council and Norwich City Council have already removed their discounts for empty / unfurnished and uninhabitable properties.

2.3 South Norfolk District Council are proposing to reduce their discount for empty / unfurnished properties to 100% for one month from 1 April 2017. They are retaining the 12 month 50% discount for uninhabitable properties.

2.4 North Norfolk District Council are completely removing the discounts for empty / unfurnished and uninhabitable properties from 1 April 2017.

2.5 Great Yarmouth Borough Council are proposing to reduce the discount for empty / unfurnished properties to 100% for 1 month, and to abolish the discount for uninhabitable properties from 1 April 2017.

2.6 Breckland District Council are proposing to reduce the discount for empty / unfurnished properties to 100% for one month from 1 April 2017. They are retaining the 12 month 50% discount for uninhabitable properties.

2.7 Neither Norwich City Council or Broadland District are proposing any changes to their current discounts and both have already completely removed the discount for empty / unfurnished properties. Norwich are retaining the 12 month 50% discount for uninhabitable properties and Broadland have already abolished their uninhabitable property discount.

2.8 The proposed council tax charges for **2017/2018** are shown in the table below:

| 2017/2018 | 2nd Homes | Empty and Unfurnished | Uninhabitable | LT Empty | Empty Over 2 years |
|---------------------------|---------------------------------|----------------------------------|----------------------|---------------------|-----------------------------------|
| BCKLWN | 100% | TBC | TBC | 100% | 150% |
| Broadland | 100% | 100% | 100% | 100% | 150% |
| Breckland | 100% | 100% after 1 month | 50% | 100% | 150% |
| North Norfolk | 95% | 100% | 100% | 100% | 150% |
| Norwich | 95% | 100% | 50% | 100% | 150% |
| Great Yarmouth | 100% | 100% after 1 month | 100% | 100% | 150% |

¹ 100% discount for 3 months then the full charge applies

² 50% discount for 12 months then the full charge applies

| | | | | | |
|----------------------|-----|-----------------------|-----|------|------|
| South Norfolk | 95% | 100% after 1 month | 50% | 100% | 150% |
|----------------------|-----|-----------------------|-----|------|------|

3. Policy Implications

3.1 This would be a change of policy and would require annual approval from full Council. The proposed policy has been debated and recommended by the Corporate Performance Panel.

4. Financial Impact

4.1 As shown in paragraph 1.4, changes to the discounts could raise additional income for the Borough Council the County Council and the Police and Crime Commissioner (depending on chosen option).

4.2 Norfolk County Council has provided £50,000 funding towards the administrative costs of the changes.

5. Discretionary Fund

5.1 A £10,000 fund is available for those who are adversely affected and suffering hardship as a result of the changes. This fund is extended to include any category of taxpayer as the council sees fit, for example, those bringing a long empty property back into use to live in as their own home. Individual applications will be considered by the Portfolio Holder and Ward Member under delegated powers.

6. Equality Impact Assessment (EIA)

6.1 A Pre-Screening Equality Impact assessment is included. A full assessment is not required.

Pre-Screening Equality Impact Assessment

| | | | | | |
|---|--|---|----------|---------|--------|
| Name of policy/service/function | Council Tax Discounts for Empty / Unfurnished and Uninhabitable Properties | | | | |
| Is this a new or existing policy/service/function? | Update of an existing policy | | | | |
| Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations | | | | | |
| Question | Answer | | | | |
| <p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> | | Positive | Negative | Neutral | Unsure |
| | Age | | | √ | |
| | Disability | | | √ | |
| | Gender | | | √ | |
| | Gender Re-assignment | | | √ | |
| | Marriage/civil partnership | | | √ | |
| | Pregnancy & maternity | | | √ | |
| | Race | | | √ | |
| | Religion or belief | | | √ | |
| | Sexual orientation | | | √ | |
| Other (eg low income) | | | √ | | |
| Question | Answer | Comments | | | |
| 2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another? | No | | | | |
| 3. Could this policy/service be perceived as impacting on communities differently? | No | | | | |
| 4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination? | No | | | | |
| <p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p> | N/A | Actions: None required | | | |
| | | Actions agreed by EWG member: | | | |
| Assessment completed by: | | | | | |

| | |
|---|--------------------------|
| Name: Jo Stanton | |
| Job title: Revenues and Benefits Manager | 12 September 2016 |

Appendix A – Council Tax Unoccupied Property Exemptions

| Class | Description |
|--------------|--|
| B | Unoccupied property owned by a charity |
| D | Person in detention |
| E | Person permanently in residential care |
| F1 | Person deceased and property awaiting probate |
| F2 | Period after probate granted (max 6 months) |
| G | Occupation prohibited by law |
| H | Held empty for a Minister of Religion |
| I | Person living elsewhere to receive personal care |
| J | Person living elsewhere to provide personal care |
| K | Property left empty by a student |
| L | Property repossessed |
| Q | Property left empty by a bankrupt person |
| R | Unoccupied caravan pitch or boat mooring |
| T | Unoccupied annexes unable to be let separately |

REPORT TO CABINET

| | | | | |
|---|-------------------------------------|---|---|-------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards NONE | Mandatory | Be entirely within Cabinet's powers to decide | NO | |
| | | Need to be recommendations to Council | YES | |
| | | Is it a Key Decision | YES | |
| Lead Member: Cllr Adrian Lawrence E-mail: cllr.adrian.lawrence@west-norfolk.gov.uk | | Other Cabinet Members consulted: | | |
| | | Other Members consulted: | | |
| Lead Officer: Joanne Stanton, Revenues and Benefits Manager E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616349 | | Other Officers consulted: Lorraine Gore Management Team | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications YES | Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment YES | Risk Management Implications YES |

Date of meeting: 6 December 2016

COUNCIL TAX SUPPORT SCHEME 2017/2018: FINAL SCHEME**Summary**

The Council must review and agree its Council Tax Support scheme each financial year. This process includes consulting with major preceptors, publishing a draft Council Tax Support scheme and then consulting with interested parties before the final Council Tax Support scheme is approved.

The draft Council Tax Support scheme for consultation was agreed by Cabinet on 7 September 2016. The consultation period ended on 23 October 2016. This report details the results of the consultation and recommends the final Council Tax Support scheme for 2017/2018.

It is recommended that Members:

- 1. Note the responses from the Council Tax Support consultation at Section 2**
- 2. Agree that the draft Council Tax support scheme detailed in the Cabinet report of 7 September 2016 be recommended to Council as the final Council Tax Support scheme for 2017/2018**

Reason for Decision

To ensure a Council Tax Support scheme for 2017/2018 is agreed by full Council by 31 January 2017

1. Introduction

- 1.1. Council Tax Support (CTS) is a discount awarded to those on a low income to help towards the cost of their council tax bill. It is based on a person's household and income. There are currently 11,214 households claiming CTS in the Borough.
- 1.2. The Council must review and agree a CTS scheme each year. The CTS Scheme for 2017/2018 must be agreed by full Council by 31 January 2017.
- 1.3. The draft CTS scheme was agreed earlier in the year and has been open to public consultation. This report details the results of the consultation and the comments made, and the recommended final CTS Scheme for 2017/2018.
- 1.4. This report should be read in conjunction with the Cabinet Report of 7 September 2016 detailing the draft CTS Scheme for 2017/2018.

2. Consultation

- 2.1 The CTS Consultation was available primarily via the Council's website and as a paper copy if requested. Online responses were encouraged as data can be electronically logged and collated. A CTS entitlement calculator was also included so people could calculate the impact of the proposals on their own CTS award if appropriate.
- 2.2 The consultation opened on 12 September 2016 and the link to the CTS Consultation webpage was sent to all of the Borough's Councillors and Parish Clerks so they could encourage their residents to respond. It went to 51 third party organisations including Shelter, CAN and the CAB, as well as 34 Housing Benefit landlords. The link was tweeted, added to Streetlife and included in the Council's Stayconnected email. A press release was issued and an article appeared in the Lynn News. Internally all the Revenues and Benefits staff received the link and an article was included in Internal Affairs. The consultation closed on 23 October 2016.
- 2.3 33 responses were received, although two had to be discounted as they had not answered the entry question. A full analysis of the remaining 31 responses is included at Appendix B.
- 2.4 65% of respondents agreed we should keep the current CTS scheme. A number of individual comments were made, sometimes linked to the respondent's own circumstances, but there were no common themes or major concerns raised.
- 2.5 There was broad support for each of the proposed changes to the CTS scheme for 2017/2018 as shown in Section 3 of the Cabinet Report of 7 September 2016 and summarised at section 3 below. Therefore the draft CTS Scheme for 2017/2018 is recommended to be taken forward as the final CTS Scheme for 2017/2018.

3. Changes to be included in the final Council Tax Support Scheme for 2017/2018

- 3.1 The principle of the existing CTS scheme is an equal cut is made to everyone apart from those in a protected group. This principle continues with the 2017/2018 CTS Scheme
- 3.2 The changes to the scheme for 2017/2018 have already been detailed in previous reports but are included again here for information. These changes only apply to working age people who are not in a Protected Group:
- A) The Applicable Amounts and Premiums are frozen at the same levels as 2015/2016 and 2016/2017,
 - B) The 25% deduction is applied at the start of the calculation rather than the end,
 - C) Child Benefit and Child Maintenance are no longer included as income,
 - D) Allowances for families used to calculate CTS are restricted to two children for new claims and new births,
 - E) CTS will not be paid for temporary absences outside Great Britain lasting four weeks or longer, and
 - F) 70% of Graduate Loans will be disregarded
- 3.3 The 2017/2018 CTS scheme is estimated to cost £9,227,608, equivalent to a reduction in the taxbase of 6,123 Band D properties. This compares to £9,277,229 for 2016/2017, a reduction of just under £50,000. This is within the projections in the Financial Plan. The cost is split between the preceptors in proportion to their share of the council tax.
- 3.4 The scheme will not contain any transitional provisions however a Discretionary Hardship fund of £10,000 will continue to assist any person in receipt of CTS who is experiencing hardship and having difficulty paying their Council Tax bill. The hardship provisions form part of the Council Tax Discretionary Reliefs policy agreed by Members in 2014.

4. Other Options Considered

- 4.1 The Council is able to adopt any scheme of CTS for its working age claimants. As CTS is now a discount rather than a benefit it reduces the Council Taxbase which impacts on the Council's income. The Council receives a CTS grant as part of its Formula Funding, although the actual amount for CTS is no longer identified separately by Central Government.
- 4.2 The Council could decide to adopt a CTS Scheme that is based on the national, more generous, scheme of CTS for pension age customers. The national scheme is based on the old scheme of Council Tax Benefit with no cuts to support for any group. However this scheme would not fit within the projections in the Financial Plan and alternative resources would need to be identified to fund the additional cost.

- 4.3 The cost of a local CTS scheme based on the national, more generous CTS scheme is estimated at £10,234,230 equivalent to a reduction on the taxbase of 6,518 band D properties. The deficit between this and the proposed CTS scheme is an estimated £1,006,622. This would mean a £765,033 deficit for Norfolk County Council, a £140,927 deficit for the Police and Crime Commissioner and a £100,662 deficit for the Borough and Parish Councils.
- 4.4 The impact on individual parish and town councils is through a reduction in council tax base and will vary throughout the Borough according to the distribution of CTS applicants. The Council will continue to distribute a CTS grant to the parishes although this is reducing each year in line with reductions in RSG.
- 4.5 The Council can choose to implement the national scheme, or a different more expensive CTS scheme, and meet the shortfall from elsewhere within service budgets, increasing fees and charges or by raising council tax. Should the Council choose to do so, the consultation responses identified that people would rather see council tax increased than cutting services or using savings. However for the past three years the Council has chosen to implement a local CTS scheme which is based on the reduced level of funding and fits within the Financial Plan.
- 4.6 Pension age claimants are excluded from the local CTS scheme and are paid based on the more generous national CTS scheme, with the Council meeting this cost. As the majority of the Council's claims are pension age, to continue to meet the projections in the Financial Plan a significant reduction in the level of support needs to be continued for working age claimants. There are limited options available to achieve this and there is not scope for any alternative scheme to be significantly different to the CTS scheme agreed for 2016/2017.
- 4.7 The CTS scheme for 2017/2018 is designed to protect vulnerable groups and incentivise work whilst meeting the projections in the Financial Plan. It also includes wider welfare reform changes to other benefits and makes some technical changes, including no longer counting child benefit and child maintenance as income.

5. Policy Implications

- 5.1 The CTS Scheme for 2017/2018 is a continuation of an existing policy, updated to include welfare reform changes, remove income for children from the CTS calculation and make technical changes to the calculation of CTS.

6. Financial Implications

- 6.1 The funding for the CTS scheme is now rolled into the Council's RSG funding and is no longer identified separately by Central Government. There have been significant reductions in RSG since CTS was originally implemented.

- 6.2 The taxbase figures in the Financial Plan 2015/2020 assume the CTS scheme, and the corresponding reduction in the taxbase, remains at the same level as 2016/2017 and that the taxbase will grow by 350 band D properties each year. The 2017/2018 proposed CTS scheme is in line with the assumptions included in the Financial Plan.
- 6.3 Any changes in the CTS scheme which increase costs will require funding or savings to be identified from other service areas.
- 6.4 The modelled figures for the 2017/2018 CTS scheme show the projected cost to be £9,227,608, equivalent to reduction in the taxbase of 6,123 band D properties. This is within the projections in the Financial Plan 2015/2020.
- 6.5 The Council will continue to pay a CTS grant to the affected parishes as detailed in the Financial Plan. The grant is paid in proportion to the cost of the CTS scheme for each Parish. The grant is reduced annually in line with the reduction in RSG.

7. Personnel Implications

- 7.1 None

8. Statutory Considerations

- 8.1 The Council is required to agree a CTS Scheme for the 2017/2018 financial year by 31 January 2017.

9. Equality Impact Assessment (EIA)

- 9.1 A full Equalities Impact Assessment has been completed and is included at Appendix A.

10. Risk Management Implications

- 10.1 The CTS scheme for 2017/2018 is designed to meet the taxbase projections as detailed in the Financial Plan and to include the Government's wider programme of welfare reform. However any increases in demand, changes in the composition of the caseload, for example an increase in the number of pension age claimants, or unforeseen changes to other welfare benefits during the year could represent a financial risk by increasing the cost of the CTS scheme and reducing the taxbase further. The impact of the CTS scheme is, and will continue to be, reviewed monthly.


11. Declarations of Interest / Dispensations Granted

- 11.1 None

12. Background Papers

- 12.1 None

**Appendix A: Pre Screening Equality Impact Assessment
(also see 4 December 2012 Cabinet Report)**

| | |
|--|---|
| <p>Pre-Screening Equality Impact Assessment</p> | <p>Borough Council of King's Lynn & West Norfolk</p>  |
| <p>Name of policy/service/function</p> | <p>Local Council Tax Support Scheme 2017/2018</p> |
| <p>Is this a new or existing policy/service/function?</p> | <p>Continuation and updates to an Existing Policy</p> |
| <p>Brief summary/description of the main aims of Policy being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p> | <p>Local Council Tax Support (CTS) schemes were introduced from 1 April 2013, replacing the existing national scheme of Council Tax Benefit (CTB) to help those on low incomes with their Council Tax bills.</p> <p>Each council is free to design their own CTS scheme although certain parameters have been set by Government:</p> <ul style="list-style-type: none"> • Pensioners must be protected from any reduction in support • Vulnerable groups must be considered for protection from any reduction in support • Work incentives should be promoted <p>Government reduced the funding available for CTS schemes by 10% in 2013/2014. From 2014/2015 the funding is rolled into the council's formula funding and not identified separately. As pensioners are protected from any reduction this becomes nearly a 25% reduction in support for working age people if the Council chooses to continue with the 2016/2017 CTS scheme.</p> <p>The 2016/2017 CTS scheme for the Borough was agreed on 28 January 2016 and includes protection for the following groups:</p> <ul style="list-style-type: none"> • Pensioners • Households with a child under 5 • People entitled to the Disability Premium • People in receipt of Carer's Allowance • People in the ESA Support group <p>The 2017/2018 CTS scheme is a continuation of the 2016/2017 CTS scheme but contains updates to match wider welfare reform changes to other state benefits. It also contains technical changes to update the calculation of CTS awards.</p> |
| <p>Question</p> | <p>Answer</p> |

| | | | | | |
|--|----------------------------|--|----------|---------|--------|
| <p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> | | Positive | Negative | Neutral | Unsure |
| | Age | | √ | | |
| | Disability | √ | | | |
| | Gender | | | | √ |
| | Gender Re-assignment | | | | √ |
| | Marriage/civil partnership | | | | √ |
| | Pregnancy & maternity | | | | √ |
| | Race | | | | √ |
| | Religion or belief | | | | √ |
| | Sexual orientation | | | | √ |
| Other (eg low income) | | √ | | | |
| Question | Answer | Comments | | | |
| <p>2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</p> | Yes | <p>The legislation for local CTS schemes states pensioners must be protected from any reduction in the level of support they receive. As the funding has been reduced this means a bigger cut falls on working age people and they have to pay 25% of their council tax bill.</p> <p>The legislation also compels councils to have regard to the impact on vulnerable groups and the promotion of work incentives</p> | | | |
| <p>3. Could this policy/service be perceived as impacting on communities differently?</p> | Yes | See 2 | | | |
| <p>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p> | Yes | <p>The CTS scheme contains a number of groups who are protected from the changes in the local CTS scheme and who receive CTS based on the national, more generous, scheme.</p> <p>Pensioners are protected as they are not expected to return to work to increase their income to pay for any reduction in council tax support.</p> <p>Children under 5 are protected in accordance with Child Poverty and the regulations for Universal Credit.</p> <p>Those entitled to the Disability Premium are a Protected Group protected to reflect their higher living costs.</p> <p>People receiving Carer's Allowance are a Protected Group as it is harder for them to take on work or work extra hours to</p> | | | |

| | | |
|--|-------------------------------|---|
| | | <p>increase their income</p> <p>People in the ESA Support group are protected as they are deemed unable to work</p> <p>Work Incentives are promoted to encourage people back into work to increase their income and the amount people can keep before it affects their CTS is increased by £10 a week. This is in line with the Government's welfare reform principles.</p> |
| <p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p> | No | <p>Actions:</p> <p>A full EIA has been completed as part of this Cabinet Report</p> |
| | | <p>Actions agreed by EWG member:</p> <p>.....</p> |
| <p>Assessment completed by: Name</p> | Joanne Stanton | |
| <p>Job title</p> | Revenues and Benefits Manager | |
| <p>Date</p> | 11 August 2016 | |



Equality Impact Assessment

Full Impact Assessment Form: Local Council Tax Support Scheme

1. What is the service area(s) and who is the lead officer?

Service Area:

- Chief Executive

Lead Officers:

- Lorraine Gore – Assistant Director, Chief Executive's
- Joanne Stanton – Revenues and Benefits Manager

Current Service Provision:

- Local Council Tax Support (CTS) replaced the national Council Tax Benefit scheme from April 2013. Funding was reduced and moved from the Department of Work and Pensions to local Councils. Local Councils are now responsible for designing a CTS scheme each year to help people in their area on low incomes with the cost of their council tax bill. The amount of CTS awarded is dependent on the income and circumstances of the applicant and the CTS scheme the local council has in place.
- In the Borough, CTS is paid to over 11,200 claimants at an annual cost of £9.23m. The CTS scheme has been established since 2013 and has been subject to minor amendments to include wider welfare reforms each year since then.
- The proposed changes to the CTS scheme for 2017/2018 include Central Government reforms to the rules for claiming Housing Benefit and Universal Credit. These changes impact on a number of groups and make a significant difference to the CTS some people receive.

2. What change are you proposing?

The local CTS scheme is now well established, having first been agreed in 2013. A full EIA was also carried out at this time. Minor changes have been made to the scheme each year since then but none requiring a further full EIA.

The Government's Welfare Reform Bill 2015 announced wide ranging welfare reforms to be introduced in 2016 and 2017. Some of these are already in place and matched in the Council's CTS scheme – such as the freeze in working age benefits and reductions in social rents – and some have yet to be introduced.

The CTS scheme aims to match wider welfare reforms and is updated annually to include changes to the criteria for claiming Housing Benefit and Universal Credit. The intention is to keep these benefits closely aligned to ensure the CTS scheme is easier for customers to understand and administratively simple.

Changes being introduced over the coming months as a result of welfare reforms, and proposed as part of the draft CTS scheme for 2017/2018 are:

- A continuing freeze on Applicable Amounts and Premiums (allowances) so they remain at 2015/2016 and 2016/2017 levels,
- A limit on the allowances for children so families only receive an allowance for a maximum of two children, even if they have more (only applies to new claims or new births from 1 April 2017), and
- The limit on temporary absence from the home outside Great Britain being reduced from 13 weeks to 4 weeks (introduced from 28 July 2016 for Housing Benefit and Pension Credit).

Changes are also proposed to the CTS scheme to amend the calculation of CTS and to make provision for claims which may be affected by welfare reforms from 2018 onwards. These are:

- The CTS calculation will be based on 75% of the weekly council tax bill, rather than 75% of the weekly entitlement. This ensures customers pay 25% of their weekly council tax. The current CTS scheme uses 75% of the entitlement meaning people have been paying less council tax than was intended, and
- No longer including Child Benefit and Child Maintenance as income when calculating how much CTS someone is entitled to. This means people could receive more CTS as their income is lower. It also makes the scheme fairer if a child's age for the Protected Group reduces to under three rather than under five (due to be introduced in Universal Credit in the future).

3. How will this change help the council achieve its corporate business plan objectives (and therefore your Directorate/service objectives)?

The council must agree a CTS scheme for the forthcoming year by 31 January 2017. CTS is a discount so it affects the taxbase in the same way as any other council tax discount. The taxbase forms part of the Financial Plan so the CTS scheme must meet the required budgetary constraints.

4. What is your evidence of need for change?

The changes to the criteria for the CTS scheme are needed to ensure wider welfare reforms to other benefits, including Housing Benefit and Universal Credit, are included in the scheme. The CTS scheme also needs to meet the projections within the Financial Plan.

5. How will this change deliver improved value for money and/or release efficiency savings?

Not applicable

6. What geographical area does this proposal cover?

The change will affect all areas of the Borough.

There are no cross boundary implications but as each Council has variations in its schemes which produces a 'postcode lottery' where someone with the same circumstances would receive a different level of CTS in one Council area compared to another.

7. What is the impact of your proposal?

The principle of the 2016/2017 CTS scheme is an equal cut is made to everyone apart from those in a protected group. This means that working age people only receive 75% of their CTS entitlement.

This principle continues with the draft 2017/2018 CTS Scheme but with some amendments. Updates are made to include welfare reform changes, and some technical changes are included to tidy up the criteria and the calculation of CTS. These amendments were taken to the Corporate Performance Panel on 18 July 2016 who supported the draft scheme. (NB: the CPP Report did not include the Temporary Absence changes as the start date of 28 July 2016 was not announced until 19 July 2016 which was after the Panel meeting).

There are five changes to the current CTS scheme proposed for the 2017/2018 CTS scheme. These changes only apply to working age people who are not in a Protected Group. These are detailed below.

G) The Applicable Amounts and Premiums are frozen at the same levels as 2015/2016 and 2016/2017:

- This matches changes made to other benefits by the Government, including Housing Benefit. It means that there is no automatic annual increase in amount of CTS someone receives.
- This change affects 1,594 claims (14%)

H) The 25% deduction is applied at the start of the calculation rather than the end:

- This is a technical change and means that the calculation of CTS is based on a lower figure than the current scheme. It means the maximum amount of CTS someone can receive may be lower.
- This change affects 838 claims (7%)

I) Child Benefit and Child Maintenance are no longer included as income:

- This means that people receiving either of these should see an increase in their CTS as less income is taken into account.
 - This change affects 311 claims (3%)
- J) Allowances for families used to calculate CTS are restricted to two children for new claims and new births:
- Under the 2016/2017 CTS scheme an allowance of £66.90 per child is given for the first and each subsequent child with no limit applied. A couple with four children would receive the Couple's Allowance of £114.85, plus allowances for the children of 4 x £66.90, a total of £382.45. Provided their weekly income is less than this they will receive full CTS.
 - From 1 April 2017, if they made a new claim they would still be entitled to the Couple's Allowance of £114.85, but would only receive allowances for two of the children of 2 x £66.90, a total of £248.65. If their weekly income is higher than this their CTS will start to reduce.
 - This change matches changes being made to Tax Credits and Housing Benefit from April 2017.
 - This change affects 56 claims (0.5%)
- K) CTS will not be paid for temporary absences outside Great Britain lasting four weeks or longer:
- This reduces the current time limit from 13 weeks to four weeks in line with Housing Benefit and Pension Credit and means anyone absent outside Great Britain for four weeks or longer cannot receive CTS for the whole of their absence
 - This change affects a minimal number of claims

8. What data have you used to support your assessment of the impact of your proposal?

The supplier of the Council's Revenues and Benefits system (Civica) supplies software to allow the extensive modelling of any proposed CTS scheme. The output allows a line-by-line analysis of each CTS claim and the impact of any changes.

9. What consultation has been undertaken with stakeholders/groups directly or indirectly impacted by the proposals and how do you intend to use this information to inform the decision?

The draft CTS scheme for 2017/2018 will be subject to a six week public consultation running from 12 September 2016 to 23 October 2016. The results will then form part of a further Cabinet Report recommending the final CTS scheme for 2017/2018.

10. Are there any implications for other service areas?

The CTS scheme is now well established for both customers and staff. However any changes are likely to give rise to more enquiries. The following departments may be affected:

- Council Information Centre
 - Increase in volume of customer enquiries
 - Dealing with more angry / unhappy customers
 - Dealing with more customers with financial difficulties
 - Housing / Homelessness
 - Increase in customers unable to afford their housing costs as they have to pay more Council Tax
 - Combined effect of the new CTS scheme with other welfare reforms affecting people's ability to pay their housing costs
 - Finance
 - Reduction in collection rates and income to the Council affecting cash flow, although this has not proved to be the case to date.
 - Major Precepting Authorities
 - As CTS is a discount it reduces the taxbase for all precepting authorities. Any changes will impact on the County and the Police by altering their taxbase which may result in a reduction in income.
-

11. What impact (either positive or negative) will this change have on different groups of the population?

Including the wider Government welfare reforms in the Council's CTS scheme makes it easier for customers to understand and ensures a consistent approach across the different benefits customers may be receiving.

The freeze to all allowances and premiums, the amendment to the application of the 25% deduction and the changes to the rules on temporary absence will affect any claim not in a Protected Group. They do not specifically have a positive or negative impact on any particular group of the population.

The changes to the treatment of Child Benefit and Child Maintenance will have a positive impact on people with either one or two children who receive child benefit and/or child maintenance. This will no longer be included as income in the CTS calculation and their CTS award will increase.

People with more than two children who make a new claim from 1 April 2017 will have the allowance for a child limited to a maximum of two children. Similarly anyone with two children who has a new birth from 1 April 2017 will not receive any additional allowance for that child. The allowance adds £66.90 per child to the amount a person is calculated to need for the purposes of the CTS calculation. Households where there is a child under five are in a Protected Group so this change will not apply where there is a new birth until the child reaches the age of five. It will only apply to those households where there are more than two children and the youngest is aged five or older.

Overall, claims are likely to be affected by a combination of the changes which affects the overall net impact. For example a family receiving Child Benefit may be entitled to an increase in CTS as this is no longer taken into account as income, but part of this is offset by a small reduction as a result of the change to the 25% deduction.

12. What actions could be taken to mitigate the adverse impacts identified in question 11? Please clearly state if any actions cannot be mitigated.

The Government's drive behind welfare reform is to encourage people to increase their income by finding work. Those who cannot be expected to work, or increase their hours if they are already working, should be protected from reductions to their CTS and having to pay more council tax.

54 per cent of the Council's current CTS caseload is Pension Age. This group are paid based on the national, more generous CTS scheme as they are not expected to find work, but the Council still has to fund the cost. Due to this, and the high number of working age claims in a Protected Group, an equal 25 per cent reduction applies to all working age claimants not in a Protected Group.

The Protected Groups include households with vulnerable residents and those not expected to find work or increase their hours. Their CTS is calculated based on the national, more generous, CTS scheme rules. The groups are:

- Households with a child under 5
- Those entitled to the Disability Premium as part of their needs calculation
- Those in receipt of Carer's allowance
- Those in the Employment and Support Allowance Support Group

Other people may be affected and a Hardship Fund of £10,000 is available to assist any vulnerable person experiencing difficulty paying their Council Tax.

13. How will you monitor the impact of this change?

Customer feedback will be encouraged and monitored to identify any adverse impacts. The reasons for applications to the discretionary Hardship Fund will be analysed to establish if any group is suffering extreme detriment under the new CTS scheme so action can be taken.

The cost and composition of the CTS scheme is monitored monthly to ensure projections are still within the Financial Plan.

Overall the new CTS scheme will be monitored and reports made available to Members six monthly.

14. Other Staff Involved in Assessment (including Corporate Equality Group Representatives), and comments from Equality Work Group Reps

Passed to the Equalities Group for comment.

Assessment Completed By: Jo Stanton
Job Title: Revenues and Benefits Manager
Date: 11 August 2016

Appendix B – Council Tax Support 2017/2018 Consultation Responses

| Question | Responses | Comments/Alternatives | | | | | | | | | |
|---|--|-----------------------|----|-------|----|----|----|-----|-----|--|--|
| <p>Should we keep the current Council Tax Support scheme?</p> | <table border="1"> <thead> <tr> <th data-bbox="450 363 562 395">Yes</th> <th data-bbox="562 363 701 395">No</th> <th data-bbox="701 363 864 395">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="450 395 562 427">20</td> <td data-bbox="562 395 701 427">11</td> <td data-bbox="701 395 864 427">31</td> </tr> <tr> <td data-bbox="450 427 562 467">65%</td> <td data-bbox="562 427 701 467">35%</td> <td data-bbox="701 427 864 467"></td> </tr> </tbody> </table> | Yes | No | Total | 20 | 11 | 31 | 65% | 35% | | <p>With the bedroom tax and cuts to benefits many people in KL are living in poverty including families with children. It is essential to support our most vulnerable residents and continue to keep the current council tax support scheme. I would prefer to see council tax increase slightly for all residents who are in employment and removed for those living on benefits</p> <p>The Council Tax Support Scheme is needed more than ever, nearly every employer pays the minimum, utility costs have soared and many parts of West Norfolk are extremely limited in employment opportunities. The only change should be the savings amount - 6k is far too low these days and using that amount to pay council tax just stores up problems for the future.</p> <p>Society has a responsibility to support vulnerable families. This needs to be done efficiently and with provisions to prevent abuse. It is also essential not to demonise, or brand as 'scroungers' those who rely on council tax support as the vast majority of families who benefit have no other options.</p> <p>Increase the council tax for all properties to cover the cost of the support scheme.</p> <p>Seems all aimed at those living in housing association, but many people struggle with large bills who live in private rented or owner-occupier who probably lived in that house all of their married lives, but are now struggling, uproar when suggestion that council occupiers downsize, but if you own the house, no you should just downsize, unfair. Have I got this wrong?</p> <p>We believe that you should continue the scheme but make the level of discount offered more finely graduated so that it can closer reflect individual household income circumstances.</p> |
| Yes | No | Total | | | | | | | | | |
| 20 | 11 | 31 | | | | | | | | | |
| 65% | 35% | | | | | | | | | | |

| | | |
|--|--|---|
| | | <p>X Parish Council supports the current scheme as it is a valuable supplement to the Precept and, as such, an important income stream to the Parish.</p> <p>The current scheme does not seem to help all that need it. I am on a low income and get full help in terms of Housing Benefit, WTC, CTC etc, and yet did not qualify for Council Tax Support.</p> <p>You should actually increase the support you provide for those in need. This council offers the least amount of support possible and it's increasingly hard for people to manage.</p> <p>I've just moved from East Cambs I am a single mother, run a part time business and take sole care of my child. I have to pay council tax with no discount in west Norfolk because my ex pays me maintenance. Maintenance is not a wage! How dare you count it as such! Are u taking this into account for all single mothers or just the ones who work?</p> <p>It would be much simpler if you just charged half the council tax for people who live alone or are single parents only. A household with 2 working adults should be self supporting. Families with two or more children use the Council services the most but pay the least under your scheme. It just makes them more state dependent. People should not live beyond their means.</p> <p>People who are on any kind of ESA should be in the protected group and not just those in the support group.</p> |
|--|--|---|

| <p>Do you agree with the principle that any Child Maintenance and Child Benefit paid to the applicant or partner should be ignored as income when calculating Council Tax Support?</p> | <table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>Don't Know / Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>19</td> <td>9</td> <td>3</td> <td>31</td> </tr> <tr> <td>61%</td> <td>29%</td> <td>10%</td> <td></td> </tr> </tbody> </table> | Yes | No | Don't Know / Blank | Total | 19 | 9 | 3 | 31 | 61% | 29% | 10% | | <p>We are concerned that this could mean that some households with no working adult could be better off in certain circumstances than similar households where one adult is working in a low waged job. This would not encourage becoming employed and we therefore do not agree with the proposal.</p> <p>Continue to treat both as income as that's how anyone in receipt will surely regard them. Anyone choosing to have a child should be prepared to support it, not rely on other taxpayers to do so.</p> <p>People with dependants bringing them up on their own have more costs and less support. You are contributing to child poverty if you do not allow maintenance payments to be exempt. Single parents don't ask to be in the situation they are in and a lot work very hard to make the best for their kids who are already at a loss being in a single parent family.</p> <p>Child Maintenance should not be ignored as it contains an element of support for parent who is receiving it, Child Benefit should be ignored.</p> |
|--|---|--------------------|-------|--------------------|-------|----|---|---|----|-----|-----|-----|--|--|
| Yes | No | Don't Know / Blank | Total | | | | | | | | | | | |
| 19 | 9 | 3 | 31 | | | | | | | | | | | |
| 61% | 29% | 10% | | | | | | | | | | | | |
| <p>Do you agree with limiting the number of dependant children within the calculation for Council Tax Support to a maximum of two?</p> | <table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>Don't Know / Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>19</td> <td>8</td> <td>4</td> <td>31</td> </tr> <tr> <td>61%</td> <td>26%</td> <td>13%</td> <td></td> </tr> </tbody> </table> | Yes | No | Don't Know / Blank | Total | 19 | 8 | 4 | 31 | 61% | 26% | 13% | | <p>Everyone should be treated the same irrespective of how many children they have</p> <p>This appears to support the view that poorer families who have more than two children are somehow 'feckless' as opposed to wealthier families with more than two children. As such it is regressive and discriminatory as has no place in a civilised society.</p> <p>I believe that two children is too tight a restriction and that three is the better limit as it would mirror average family sizes.</p> |
| Yes | No | Don't Know / Blank | Total | | | | | | | | | | | |
| 19 | 8 | 4 | 31 | | | | | | | | | | | |
| 61% | 26% | 13% | | | | | | | | | | | | |

| | | <p>Those who have more children should be gradually brought in line with payments of others</p> <p>Many families merge via new relationships and the scheme would discourage people from moving in together as the number of children increases. Also, many people find themselves needing help through traumatic events like relationship breakdown, or death of a parent - so a couple that could 'afford' their 4 children could become a single parent being punished for having >2</p> <p>Allow people who have their third child after 1st April 2017 should be included</p> <p>Bringing things in line with the DWP does not always sit comfortable with people. The DWP have not exactly made it easy for vulnerable people and it is dangerous to presume that they are the benchmark for bringing things into line.</p> | | | | | | | | | | | | |
|---|---|--|-------|--------------------|-------|----|---|---|----|-----|-----|-----|--|--|
| <p>Do you agree with changing the way the 25% minimum payment for working age applicants is calculated?</p> | <table border="1"> <thead> <tr> <th data-bbox="450 874 555 975">Yes</th> <th data-bbox="555 874 678 975">No</th> <th data-bbox="678 874 824 975">Don't Know / Blank</th> <th data-bbox="824 874 972 975">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="450 975 555 1011">17</td> <td data-bbox="555 975 678 1011">9</td> <td data-bbox="678 975 824 1011">5</td> <td data-bbox="824 975 972 1011">31</td> </tr> <tr> <td data-bbox="450 1011 555 1048">55%</td> <td data-bbox="555 1011 678 1048">29%</td> <td data-bbox="678 1011 824 1048">16%</td> <td data-bbox="824 1011 972 1048"></td> </tr> </tbody> </table> | Yes | No | Don't Know / Blank | Total | 17 | 9 | 5 | 31 | 55% | 29% | 16% | | <p>Keep it as it is</p> <p>Those that have greater incomes should pay more helping out those on low incomes.</p> <p>A 25% minimum will, in a relative sense, affect the poorest households more. Those that are least able to afford their Council Tax will be expected to pay the same (as a minimum) as those that perhaps can afford to pay a little more.</p> <p>No working age household should have to pay more</p> <p>It would be more fair if everyone paid at least half.</p> |
| Yes | No | Don't Know / Blank | Total | | | | | | | | | | | |
| 17 | 9 | 5 | 31 | | | | | | | | | | | |
| 55% | 29% | 16% | | | | | | | | | | | | |

Do you agree with reducing the period for which a person can be absent from GB and still receive CTS, to four weeks?

| Yes | No | Don't Know / Blank | Total |
|-----|-----|--------------------|-------|
| 18 | 9 | 4 | 31 |
| 58% | 29% | 13% | |

The purpose of the visit abroad should be taken into account. If people are away for a holiday or are in custody for a long period CT Support should stop and be applied for again when they return to their residence. For compassionate absences, sickness etc or service in HM Forces individuals should not be required to re-apply. *Note – there are a number of exceptions to this proposal including absence due the death of a close relative and absences for Armed Forces Personnel posted abroad*

Stay as is and introduce a quick re-application scheme - the current system is far too complex

I personally feel 4 weeks is too low and discriminates against families who legitimately spend the Summer holidays with family abroad. 6 weeks would be fairer.

Yes it seems reasonable but it would be very difficult to administer.

Do you really imagine that anyone's going to report an absence if they know their CTS is going to be stopped? No point in introducing a rule that's incapable of being policed. Therefore leave it as it is.

Any loss or reduction should start from the 4 week and 1 day point and not from the start of the 4 week period.

Some people have perfectly valid reasons for being out of the country for over 4 weeks, for example, if they have an ill relative outside the UK. Extend the period to 12 weeks. *Note – absence due to the death of a close relative is an exception to this rule.*

Depends on the reason, i.e. if a person is working abroad to support a family here this should not apply.

| <p>Do you agree with ignoring 70% of any new postgraduate loan in the CTS calculation?</p> | <table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>Don't Know</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>24</td> <td>3</td> <td>4</td> <td>31</td> </tr> <tr> <td>77%</td> <td>10%</td> <td>13%</td> <td></td> </tr> </tbody> </table> | Yes | No | Don't Know | Total | 24 | 3 | 4 | 31 | 77% | 10% | 13% | | <p>100% of loan should be disregarded</p> <p>West Norfolk is known to be one of the worst areas of the UK for low aspiration and achievement at age 18. There are no locally based universities within daily travel reach whilst living at their parents' home, as is increasingly the case throughout the country. By not taking account of 30% of the loan the Borough Council can use this to attract young talent here.</p> <p>100% of new postgraduate loans should be used in the calculation. This loan is to compensate for increased university education costs and has to be repaid, it is not a grant. just exempting 70% is penalising those who will rely on this loan in order to gain qualifications and skills which will benefit our society.</p> | | | | | | | | | | | | | | | | | | | | | | |
|---|--|------------|------------------|------------|------------------|-------|-----------------------------------|----|----|-----|-----|-----|-----|--|----|--|--|---|----|---|----|--|-----|-----|-----|--|---------------------------|----|----|---|----|--|-----|-----|-----|--|
| Yes | No | Don't Know | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 | 3 | 4 | 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 77% | 10% | 13% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Do you think we should choose any of the following options rather than the proposed changes to the Council Tax Support scheme?</p> | <table border="1"> <thead> <tr> <th></th> <th>Yes</th> <th>No</th> <th>Don't Know/Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Increase the level of Council Tax</td> <td>15</td> <td>14</td> <td>2</td> <td>31</td> </tr> <tr> <td></td> <td>48%</td> <td>45%</td> <td>7%</td> <td></td> </tr> <tr> <td>Find savings from cutting other council services</td> <td>7</td> <td>21</td> <td>3</td> <td>31</td> </tr> <tr> <td></td> <td>23%</td> <td>68%</td> <td>10%</td> <td></td> </tr> <tr> <td>Use the Council's savings</td> <td>10</td> <td>12</td> <td>9</td> <td>31</td> </tr> <tr> <td></td> <td>32%</td> <td>39%</td> <td>29%</td> <td></td> </tr> </tbody> </table> | | Yes | No | Don't Know/Blank | Total | Increase the level of Council Tax | 15 | 14 | 2 | 31 | | 48% | 45% | 7% | | Find savings from cutting other council services | 7 | 21 | 3 | 31 | | 23% | 68% | 10% | | Use the Council's savings | 10 | 12 | 9 | 31 | | 32% | 39% | 29% | |
| | Yes | No | Don't Know/Blank | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Increase the level of Council Tax | 15 | 14 | 2 | 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 48% | 45% | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Find savings from cutting other council services | 7 | 21 | 3 | 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 23% | 68% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Use the Council's savings | 10 | 12 | 9 | 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 32% | 39% | 29% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | |
|---|--|-----------------------|-----------------------|-----------------------|--------------------------|--------------|
| If we were to choose these other options, what would be your order of preference? | | 1st | 2nd | 3rd | Don't Know/ Blank | Total |
| | Increase the level of Council Tax | 15 | 7 | 7 | 2 | 31 |
| | | 48% | 23% | 23% | 6% | |
| | Find savings from cutting other council services | 6 | 7 | 16 | 2 | 31 |
| | | 19% | 23% | 52% | 6% | |
| Use the Council's savings | 8 | 12 | 8 | 3 | 31 | |
| | 26% | 38% | 26% | 10% | | |
| Any other comments on the scheme | <p>It time to put council tax up and not cut services</p> <p>Parish councils find the money useful to offset costs with the community.</p> <p>People are more important than spend on heritage culture etc. So they should be priority</p> <p>It is essential to support people on low incomes - the alternative could / would be a greater cost to the council and other agencies in the future. The personal savings limit should be dropped or significantly increased - parity with other benefits would be 16k (I think)</p> <p>A referendum to decide whether to raise the level of council tax would inevitably bring a decision against a rise. Everything else is going up. Council tax should go up every year.</p> <p>I personally feel that there needs to be a greater range between the council tax bandings, with a reduction for band A and an increase for C and above. <i>Note – the council tax property bands are based on national regulations and the Council does not have the power to change the ranges or proportions.</i></p> <p>I struggle to pay my council tax as it is, so do not want it increased</p> | | | | | |

You should not be tempted to bring your payments calculator into line with national standards because it simplifies the process. West Norfolk is a low wage economy and national standards are calculated by government on national statistics. Life is more difficult in an area like this and this should be reflected in the Borough's payment calculations.

X Parish Council would wish to maximise the amount it receives in support grant as it is an important income stream for the Parish. We would not wish to see any cuts in existing Borough service levels to finance any changes; X Parish Council office already receives complaints about the level of Borough services and further cuts would exacerbate this.

The fact that government funding is cut should not be made up by the public having to pay more, or receive less services.

This council needs to provide more support to vulnerable people, not look towards reducing it.

If someone is self employed and claiming Housing Benefit they have to prove their earnings as part of this scheme, therefore it is only right and fair that this should be used to calculate their Council Tax support, the current system uses a fictitious figure which does not represent their true earnings which has already been agreed for Housing Benefit purposes.

Council Tax seems to be the only form of tax that has not risen in line with other taxes. An increase in Council Tax is long overdue.

I notice that some services e.g. rubbish collection is sub-contracted. Many councils find that it is cheaper to keep this inhouse. Perhaps then we could get a weekly service and not be charged exhorbitant prices for taking a small boot load of wood from a dismantled shed. Charging a householder £35 to recycle this is out of order that is one quarter of my weekly pension

I believe the collection process to be unfair. Working with the vulnerable people group I am well aware of the great work and connections that the committal team have with partner agencies. The process of debts going to Rossendales make no sense when you are passing debts to a process that hound some of the most vulnerable people in the borough.

| | |
|--|---|
| <p>Other Options for the Council to consider</p> | <p>Bring pensioners into the main scheme , especially regarding capital limits <i>Note – pensioners are paid under a national set of rules and there are no plans by central government to change this is the near future</i></p> <p>All other non-essential options should be considered first - non essential being decisions on changes that would not negatively impact peoples poverty level, health or care</p> <p>Higher council tax for properties that are occupied for less than 50% of the year would help plug the funding gap as well as returning housing stock to use. <i>Note: the Council already charges the maximum amount allowed for second homes</i></p> <p>If a claimant is also claiming Housing Benefit then the Council has their true earnings (which the government also use for Tax Credits), therefore it is only right to use the correct figure and not a figure that will ensure that any self employed person will not receive any help.</p> <p>Have you considered employing a couple of staff to home visit in terms of your collection process? This could be a more successful process than what is already used. This could be a more constructive way of getting payment plans in place and letting the people of the Borough know that there is somebody helpful rather than a bull in a china shop approach from a bailiff.</p> |
| <p>Any Further Comments or Questions</p> | <p>Removing the staff from the contact centre has made it more difficult for residents to get help especially those with language difficulties or learning difficulties, no everyone can use computers. The BC should re-introduce front line staff.</p> <p>The council tax system is extremely unfair. People who live in big expensive houses should pay more and the Council Tax reduced for smaller homes. Like most government taxes those who work the hardest and don't waste their money are penalised. This is not how society should work.</p> |

Respondents

| | Yes | No | Prefer Not To Say | Total |
|-----------------------------------|------------|-----------|--------------------------|--------------|
| In receipt of Council Tax Support | 5 | 24 | 2 | 31 |

| | Male | Female | Prefer Not To Say | Total |
|--------|-------------|---------------|--------------------------|--------------|
| Gender | 12 | 15 | 4 | 31 |

| | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75-84 | Prefer Not To Say | Total |
|-----|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|--------------|
| Age | 4 | 2 | 7 | 5 | 5 | 4 | 4 | 31 |

| | Yes | No | Not Sure | Prefer Not To Say | Total |
|---|------------|-----------|-----------------|--------------------------|--------------|
| Disability Limiting Day to Day Activities | 5 | 21 | 1 | 4 | 31 |

REPORT TO CABINET

| | | | | |
|---|-------------------------------------|--|--|-------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards None | Mandatory | (a) Be entirely within Cabinet's powers to decide | YES | |
| | | (b) Need to be recommendations to Council | NO | |
| | | (c) Be partly for recommendations to Council and partly within Cabinets powers – | NO | |
| Lead Member: Councillor Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk | | Other Cabinet Members consulted: | | |
| | | Other Members consulted: | | |
| Lead Officer: Toby Cowper E-mail: toby.cowper@west-norfolk.gov.uk Direct Dial: 01553 616532 | | Other Officers consulted: Management Team | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications (incl S.17) NO | Equal Opportunities Implications NO | Risk Management Implications YES |

Date of meeting: 6 December 2016

BUDGET 2016/2017 – MONITORING

Summary

This report updates the 2016/2017 revenue estimates and the projections for 2016 to 2020. These figures will form the base on which the new Financial Plan 2016/2021 will be formulated for council tax setting purposes in February 2017.

Recommendations

It is recommended that Cabinet approve:

- 1) The changes, transfers to reserves and revised revenue estimates for 2016/2017 as detailed in the report.

Reason for Decision

Formal approval is required by Cabinet for the amendments to the 2016/2017 revenue estimates. The amendments have been reported to members as part of the monthly monitoring reports for April to September 2016 and are summarised below.

1. The Revenue Estimates 2016/2017

- 1.1 The original budget 2016/2017 was approved by Council on the 25 February 2016. Throughout the year the Assistant Director (S151 Officer) has monitored the budget and, where necessary, Executive Directors have sought approval for additional budget provision. The purpose of this report is to formally establish base estimates and projections on which a revised Financial Plan for 2016/2021 can be built. This will leave the report to Cabinet on 31 January 2017 and Council in February 2017 to focus on future years.
- 1.2 The variances between the approved original budget and revised budget have been detailed in the monthly Monitoring Reports for April to September 2016, which have been distributed to members. The adjustments are summarised below:

| | Original Budget 2016/2017 | September Budgetary Control Monitoring 2016/2017 | Transfers between Service Areas 1.4 below refers | Cost Reduction Programme Paragraph 3 3.1 below refers | Variance adverse/ (favourable) Paragraph 1.3 below refers |
|--|---------------------------|--|---|--|---|
| | £ | £ | £ | £ | £ |
| Corporate | 1,288,500 | 1,569,830 | 181,170 | 70,220 | 5,210 |
| Democracy | 1,305,510 | 1,280,110 | (20,750) | (4,650) | 0 |
| Services Areas: | | | | | |
| Central and Community Services | 4,175,720 | 3,995,220 | (146,700) | (9,070) | 0 |
| Chief Executive | 4,497,280 | 4,327,550 | (61,110) | (14,500) | (94,120) |
| Commercial Services | 4,474,740 | 4,401,460 | 69,530 | (42,000) | (100,810) |
| Environment and Planning | 1,939,440 | 1,837,300 | (22,140) | 0 | (80,000) |
| Financing Adjustment | (4,160,150) | (4,160,150) | 0 | 0 | 0 |
| Internal Drainage Boards | 2,641,530 | 2,639,030 | 0 | 0 | (2,500) |
| Special Expenses | 8,060 | 8,060 | 0 | 0 | 0 |
| Council Tax Support to Parishes | 95,870 | 95,870 | 0 | 0 | 0 |
| In year adjustments to retained business rates | 0 | (43,010) | 0 | 0 | (43,010) |
| Borough Spend | 16,266,500 | 15,951,270 | 0 | 0 | (315,230) |
| Reimbursement of lump sum pension payment | 1,266,000 | 1,266,000 | | | |
| Contribution to/(draw from) Balances adjusted for movements detailed in 1.3, 1.4 and 1.5 below | 915,060 | 1,230,290 | | | |
| Borough Requirement | 18,447,560 | 18,447,560 | | | |

- 1.3 Over the period April to September 2016 service managers have continued to take every opportunity to reduce costs and increase income in line with the now embedded culture of active management of service costs. A summary of the budget movements is shown below. The saving, in 2016/2017 is estimated to be £315,230.

| Detail | Monitoring Report | £ |
|--|--------------------------|------------------|
| Open Cemeteries grave digging expenditure | June | (28,310) |
| Transfer to capital reserves to fund office modifications Regis Place | June | 10,000 |
| Regeneration Projects - grounds maintenance recharge | August | (94,120) |
| Devolution – costs of support (legal etc) | August | 20,000 |
| Coastal Defence repairs and maintenance | August | 20,000 |
| Internal Drainage Board Levies | August | (2,500) |
| Additional Turnover Savings | April to September | (14,790) |
| Car Parks income | September | (140,000) |
| Transfer to reserve for Town Centre Promotions – to be used as a contingency for future years events | September | 50,000 |
| Crematorium income | September | (37,500) |
| Transfer to capital reserve to fund additional parking spaces at the Crematorium | September | 20,000 |
| Shops rental income | September | 25,000 |
| Planning fee income | September | (100,000) |
| Retained Business Rates (in year adjustments) | September | (43,010) |
| | | |
| Total Reduction in Borough Spend | | (315,230) |
| | | |
| Impact on Funding Increase in contribution to the General Fund Balance | | (315,230) |

The net changes to the budget as at 30 September 2016 results in a contribution to balances of £1,230,290 in 2016/2017 compared to a contribution of £915,060 originally included in the budget 2016/2017 as approved at Council on 25 February 2016. The general fund balance is detailed in 4.1 below.

- 1.4 Additionally the following in year transfers between service areas were reported. These transfers have nil effect on the bottom line.

| | | |
|--------------------------------|--------------------|---------|
| Turnover Savings | April to September | 175,000 |
| Rural Transport | June | 20,600 |
| Town Centre Promotions - Hanse | June | 10,000 |
| Community Transport | September | 95,290 |

2. Projections 2017/2018, 2018/2019 and 2019/2020

- 2.1 Flowing through to the projections from the budget amendments, list above in 1.3, estimated savings in 2017/2018 are £94,620, £136,530 in 2018/2019 and £137,250 in 2019/2020.

| Detail | Monitoring Report | Projection 2017/2018 | Projection 2018/2019 | Projection 2019/2020 |
|---|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Open Cemeteries - Grave digging | June | (28,310) | (28,310) | (28,310) |
| Regeneration Projects - Grounds maintenance recharge | August | (99,520) | (99,520) | (99,520) |
| Environment and Planning – Coastal Defence | August | 20,000 | 20,000 | 20,000 |
| Retained Business Rates | September | (34,290) | (28,700) | (29,420) |
| Rental Income | September | 47,500 | 0 | 0 |
| Total Reduction in Borough Spend | | (94,620) | (136,530) | (137,250) |
| Impact on Funding Increase in contribution to the General Fund Balance | | (94,620) | (136,530) | (137,250) |

- 2.1 Any further movements which may be identified as part of the ongoing monitoring process will be reported in the monthly monitoring reports and Cabinet updated as part of the Budget Report in February 2017.

3. Cost Reduction Programme 2016/2020

- 3.1 A balanced budget is presented in The Financial Plan 2015/2020, supported by transfers from the general fund balance. The continuing reductions in central government funding will require the Council to further reduce costs/increase income. The next phase of the cost reduction programme includes proposals for delivering the target savings and as these are achieved the savings will be reported as part of the monthly monitoring report.
- 3.2 Where savings are achieved in advance of 2020/2021 these are being transferred to reserves to fund investment in major capital projects which will provide future revenue income.

| Service Area | 2016/2017 Saving £ | 2017/2018 Saving £ | 2018/2019 Saving £ | 2019/2020 Saving £ |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Car Parking Operations | 20,000 | 20,000 | 20,000 | 20,000 |
| CCTV | 22,000 | 28,000 | 28,700 | 29,420 |
| Civic Hospitality | 4,650 | 4,650 | 4,650 | 4,650 |
| Financial Services | 14,500 | 16,060 | 16,180 | 16,310 |
| Perform & Efficiency Team | 9,070 | 9,320 | 9,580 | 9,850 |
| Print Room | 24,730 | 70,860 | 70,860 | 70,860 |
| Total to Date | 94,950 | 148,890 | 149,970 | 151,090 |

4. General fund Balance

4.1 The table below shows the impact on the general fund balance from the changes detailed in this report.

| | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 |
|--|--------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| Balance brought forward (as per the Statement of Accounts 2015/2016) | (5,735,034) | (8,231,324) | (5,074,114) | (5,061,834) |
| Reimbursement of the lump sum pension payment | (1,266,000) | 3,175,000 | (1,501,000) | (1,674,000) |
| Estimated (Contribution to)/Draw from Balances approved at Council 25 February 2016 | (915,060) | 76,830 | 1,649,810 | 2,521,370 |
| (Contribution to)/Draw from Balances - updated for monitoring to September 2016 and detailed at tables 1.3 and 2.6 | (315,230) | (94,620) | (136,530) | (137,250) |
| Balance carried forward | (8,231,324) | (5,074,114) | (5,061,834) | (4,351,714) |
| Minimum requirement set at Council 25 February 2016 | | | | |
| 5% of Budget Requirement | (922,378) | (891,278) | (841,026) | (831,792) |
| Bellwin | (37,340) | (37,340) | (37,340) | (37,340) |
| Balance Required | (959,718) | (928,618) | (878,366) | (869,132) |

4.2 This table will be revised as part of the refreshed Financial Plan 2017/2021 which will be presented to Cabinet and Council in February 2017.

5. Policy Implications

None

6. Statutory Considerations

None

7. Consultations

Management Team

8. Access to Information

Cabinet Reports

The Financial Plan 2015/2020

Monthly Monitoring Reports 2016/2017

REPORT TO CABINET

| | | | | |
|--|-------------------------------------|---|-------------------------------|-------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards | Mandatory | Be entirely within Cabinet's powers to decide | NO | |
| | | Need to be recommendations to Council | YES | |
| | | Is it a Key Decision | NO | |
| Lead Member: Cllr Brian Long E-mail: cldr.Brian.Long@West-Norfolk.gov.uk | | Other Cabinet Members consulted: | | |
| Lead Officer: Lorraine Gore E-mail: Lorraine.gore@west-norfolk.gov.uk Direct Dial: 01553 616432 | | Other Members consulted: | | |
| | | Other Officers consulted: Senior Management Team, Financial Services Personnel Services Manager Payroll and Systems Administrator | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications YES | Equal Impact Assessment NO | Risk Management Implications YES |

Date of meeting: 6th December 2016

FINANCIAL REGULATIONS

Summary

Financial Regulations were last reviewed in 2011/12 and are overdue for review. In that time there have been a number of changes in the structure of the Council and new issues have arisen that need to be included in the regulations.

Recommendation

Recommend the adoption of the revised Financial Regulations to Council.

Reason for Decision

Financial Regulations are key to the way in which the Council conducts its financial affairs and it is essential that they are a robust platform to instruct officers and provide assurance of good governance.

1.0 Background

- 1.1 In order to achieve reasonable timing, the Cabinet report has been submitted before the Audit Committee have met to comment on the revisions. Cabinet will receive a verbal update of any comments from the Audit Committee.
- 1.2 Section 3 of the Accounts and Audit Regulations 2015 states that '*A relevant authority must ensure that it has a sound system of internal control which ensures that the financial and operational management of the authority is effective*'.
- 1.3 Financial Regulations are intended to ensure the Council meets its statutory obligations regarding financial management, especially in respect of the

financial aspects of corporate governance. It is essential that the regulations properly reflect the structure of the Council in terms of roles and responsibilities and they provide proper direction for Members and Officers in the conduct of the Council's business.

1.4 Financial Regulations were last reviewed in 2011/12 and are overdue for review. In that time there have been a number of changes in the structure of the Council and new issues have arisen that need to be included in the regulations.

1.5 The draft Financial Regulations are attached (**Appendix 1**) without the tracked changes. A version containing tracked changes is available if required, but with changes to the sequencing of the sections and formatting, etc, the inclusion of tracked changes does not make it an easy document to read. This paper summarises the main changes.

1.6 Amendments to job titles have been made as required and the sequencing of the sections has been changed to produce a better flow to the document. Other minor amendments have been made to improve clarity or strengthen existing arrangements, especially in relation to the requirement to use POP for raising purchase orders and the need to notify the Insurance Officer of anything that may affect the level of insurance provision.

1.7 The main changes to the regulations are:

New sections added include:

- 8 - Employment Status Indicator (ESI)
- 9 - Construction Industry Scheme (CIS)
- Appendix 2 – Inventory Procedures.
- Appendix 3 – ESI Procedures
- Appendix 4 – Cash Limit Rules

1.8 Other sections have been expanded to reflect increasing, or changes in, use:

- 2 - Reference to External Audit has been included to reflect the new appointment arrangements.
- 14 – Use of Credit Cards. Use of corporate credit cards is increasing, especially in relation to internet orders. This section has been significantly expanded to incorporate instructions that were recently issued by Financial Services.
- 15 – Grants To and From External Organisations. This section did not previously refer to 'Grants From'. This is an increasing source of funds for the Council and needs to be properly regulated.

- 18 – Travelling and Subsistence. This includes the use of Expenses on Demand and the new procedures for submitting VAT receipts that has recently been approved by Management Team.
- 19 – Insurance. It has become increasingly important to ensure that any changes that may affect the level of insurance cover are identified and communicated to the Insurance Officer. This also applies to changes in service provision.

1.9 The scope of the Financial Regulations has been extended to include the Council's wholly owned companies, where the regulations are adopted by the Company Board.

1.10 No sections have been removed, although the section on Treasury Management has been largely replaced by a reference to the Treasury Management Strategy to avoid the necessity for more frequent updates of Financial Regulations.

2.0 Policy Implications

None

3.0 Financial Implications

Inadequate Financial Regulations could have a financial impact if the business of the Council is not conducted in an appropriate manner.

4.0 Personnel Implications

None

5.0 Statutory Considerations

Compliance with the Accounts and Audit Regulations 2015.

6.0 Equality Impact Assessment (EIA)

None

7.0 Risk Management Implications

Increased risk of business of the Council not being conducted in an appropriate manner or regulatory obligations being breached if the regulations are not updated.

8.0 Declarations of Interest / Dispensations Granted

None

9.0 Background Papers

Financial Regulations approved at Council 26th January 2012

Pre-Screening Equality Impact Assessment

Borough Council of
**King's Lynn &
West Norfolk**



| | | | | | |
|---|----------------------------|---|----------|---------|--------|
| Name of policy/service/function | Financial Regulations | | | | |
| Is this a new or existing policy/ service/function? | Existing | | | | |
| Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations | | | | | |
| Question | Answer | | | | |
| <p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> | | Positive | Negative | Neutral | Unsure |
| | Age | | | ✓ | |
| | Disability | | | ✓ | |
| | Gender | | | ✓ | |
| | Gender Re-assignment | | | ✓ | |
| | Marriage/civil partnership | | | ✓ | |
| | Pregnancy & maternity | | | ✓ | |
| | Race | | | ✓ | |
| | Religion or belief | | | ✓ | |
| | Sexual orientation | | | ✓ | |
| | Other (eg low income) | | | ✓ | |
| Question | Answer | Comments | | | |
| 2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another? | No | | | | |
| 3. Could this policy/service be perceived as impacting on communities differently? | No | | | | |
| 4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination? | No | | | | |
| <p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p> | No | Actions: | | | |
| | | Actions agreed by EWG member: | | | |
| Assessment completed by: Name | | | | | |
| Job title | Date | | | | |

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required

Borough Council of
King's Lynn &
West Norfolk



FINANCIAL REGULATIONS

CONTENTS

| Sec | Subject | Page |
|-----|--|------|
| 1 | Introduction | 2 |
| 2 | Audit | 4 |
| 3 | Budgets | 5 |
| 4 | Accounting | 8 |
| 5 | Banking Arrangements and Cheques | 10 |
| 6 | Treasury Management. | 10 |
| 7 | Income | 11 |
| 8 | Employment Status Indicator (ESI) | 12 |
| 9 | Construction Industry Scheme (CIS) | 13 |
| 10 | Orders For Work, Goods And Services | 13 |
| 11 | Contracts for ICT | 15 |
| 12 | Contracts For Building, Construction Or Engineering Work | 15 |
| 13 | Payment Of Accounts | 16 |
| 14 | Use of Credit Cards | 17 |
| 15 | Grants To and From External Organisations | 20 |
| 16 | Petty Cash Accounts And Floats | 21 |
| 17 | Salaries, Wages And Pensions | 22 |
| 18 | Travelling And Subsistence | 23 |
| 19 | Insurance | 24 |
| 20 | Stocks And Stores | 25 |
| 21 | Inventories | 26 |
| 22 | Disposals (except Land and Property) | 26 |
| 23 | Land & Property Assets | 27 |
| 24 | Computer Security | 27 |
| 25 | Security – General | 28 |
| | Appendix 1 - Ground Rules For Budget Transfers | 29 |
| | Appendix 2 – Inventory Procedures | 31 |
| | Appendix 3 – Employment Status Indicator Procedures | 36 |
| | Appendix 4 – Cash Limit Rules | 40 |

Next Review due – June 2019

1. INTRODUCTION

- 1.1 These Regulations are intended to ensure that the Council meets its statutory obligations regarding financial management, especially in respect of the financial aspects of Corporate Governance. The Accounts and Audit Regulations require that there are arrangements in place to ensure that the Council has a sound system of internal control, which includes:
- Arrangements for the management of risk, in accordance with the Council's Risk Management Policy; and
 - Arrangements to conduct a review at least once a year of the effectiveness of its system of internal control, including an Annual Governance Statement with the annual statement of accounts, produced in accordance with the Accounts and Audit Regulations.
- 1.2 Throughout these regulations, references to:
- Chief Finance Officer refers to the Assistant Director (s151 Officer) or her delegated representative;
 - Council includes all wholly owned Local Authority Companies, where the regulations are adopted by the Company Board;
 - Cabinet, Council Body, Leader, Portfolio Holder, Head of Paid Service and Monitoring Officer are as defined in the Council's Constitution;
 - Members of staff or employees includes individuals who are acting on the Council's behalf, as consultants or contractors;
 - Management Team is the Chief Executive, Executive Directors and Assistant Directors;
 - Executive Directors includes Assistant Directors;
 - Audit Manager refers to the person recognised as undertaking the role of Chief Audit Executive to comply with the Public Sector Internal Audit Standards (PSIAS).
- 1.3 These regulations apply to all employees and Members of the Council as well as any consultant or contractor acting as if they were Council employees. All Members and employees have a general responsibility to provide for the security of Council assets under their control and for ensuring that the use of resources is legal, properly authorised and achieves best value.
- 1.4 Financial Regulations are to be used in conjunction with Contract Standing Orders and the Scheme of Delegation. The Chief Finance Officer, in consultation with the Monitoring Officer, shall determine any matter on which conflict may arise.
- 1.5 Every Executive Director must consult the Chief Finance Officer on any matter which would result in a variation to the overall budget agreed by Members at the annual budget meeting before any provisional or actual commitment is incurred.

- 1.6 The Chief Finance Officer, for the purposes of Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988 is responsible, under the general direction of the Cabinet, for the proper administration of the Council's financial affairs.
- 1.7 As the Council's financial and economic adviser, the Chief Finance Officer will report on the level of resources proposed to be utilised in each financial year and keep the Council informed regarding the Council's finances and financial performance.
- 1.8 The Council is responsible for periodically making and amending Financial Regulations as it considers necessary and desirable for supervising the finances, accounts, income, expenditure and assets of the Council. In accordance with the Council's Scheme of Delegation, minor amendments to these Regulations can be made by the Chief Executive, in consultation with the Leader.
- 1.9 Nothing in these Financial Regulations will prevent the Chief Executive, in consultation with the Leader, the Chief Finance Officer and the Monitoring Officer from incurring expenditure required to meet any immediate needs created by a sudden emergency under Section 138 of the Local Government Act 1972, subject to such action being reported to the Council as soon as practicable thereafter.
- 1.10 The Chief Finance Officer will, after consultation with the Head of Paid Service (the Chief Executive) and the Monitoring Officer, report to the Council's Standards Committee any identified unauthorised case of non-compliance with these Financial Regulations by a Council Member. The Chief Finance Officer and the Monitoring Officer will review with the Council's Standards Committee the application of Financial Regulations as part of the ethical health of the Council.
- 1.11 It is the responsibility of each Executive Director to ensure that all staff within their service area are aware of and comply with the requirements of these Financial Regulations. Failure to observe these Regulations may be classified as misconduct justifying disciplinary action.
- 1.12 All transactions must be carried out with regard to the Council's Anti-Fraud and Anti-Corruption Strategy. The Council's Whistleblowing Policy and Fraud Response plan provide a means to report and investigate cases of suspected fraud and corruption.

2. **AUDIT**

INTERNAL AUDIT

2.1 Under S151 of the Local Government Act 1972, the Chief Finance Officer must ensure that there are arrangements for the proper administration of the financial affairs.

The Accounts and Audit Regulations 2015 s5(1) more specifically require authorities to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector auditing standards or guidance.

2.2 Internal Audit is an independent and objective appraisal function, established to review the systems of internal control. All internal audit work will be carried out in accordance with the Public Sector Internal Audit Standards (PSIAS) to examine, evaluate and report upon the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources

2.3 Internal Auditors have the authority to:

- Access any Council premises, assets, records, documents and correspondence and control systems
- Receive any information and explanation related to any matter under consideration.
- Require any employee of the Council to account for any cash, stores or any other asset under his/her control.
- Access records belonging to third parties (e.g. contractors) when required.
- Directly access the Chief Executive, Leader and Audit Committee Chair.

2.4 Any officer or Member of the Council must, if required:

- Make available such documents or assets of the Council which appear to the auditor to be necessary for the purposes of the audit or investigation;
- Supply any auditor (whether internal or external) with such information and explanations as the auditor considers necessary for their purpose;
- Allow entry to auditors (whether internal or external) at all reasonable times to any Council premises or land.

2.5 Whenever any matter arises which involves or is thought to involve financial or other irregularity, the relevant Executive Director concerned must immediately notify the Chief Finance Officer, Monitoring Officer or the Audit Manager. These members of staff will take such steps as they consider necessary to investigate the matter, including notifying the police.

2.6 Where a member of staff identifies a potential fraud or irregularity, they should follow the guidance in the Council's Whistleblowing Policy and Anti-Fraud and Anti-Corruption Strategy.

- 2.7 Any such matter which involves, or is thought to involve, a Member of the Council, will be discussed by the Chief Finance Officer or Audit Manager with the Monitoring Officer and the Chief Executive, who together will decide what course of action then needs to be followed.

EXTERNAL AUDIT

- 2.8 The basic duties of the external auditor are to review and report on the Council's financial statements and the financial aspects of the Council's corporate governance arrangements. The external auditor must be satisfied that the Statement of Accounts give a 'true and fair view' of the financial position of the Council and its income and expenditure for the year in question, and complies with legal requirements.
- 2.9 External auditors will be appointed in accordance with the Local Audit and Accountability Act 2014 and subsequent related regulations, using an option agreed by Full Council.
- 2.10 The Council may, from time to time, also be subject to audit, inspection or investigation by other external bodies, such as HM Revenue and Customs, who have statutory rights of access.
- 2.11 The appointed external auditors and other statutory inspectors must be given reasonable access to premises, personnel, documents and assets considered necessary for the purposes of their work.

3. BUDGETS

- 3.1 The Council shall approve the Council's policy framework and budget in accordance with Article 4 of the Constitution.

PRUDENTIAL MANAGEMENT

- 3.2 Under s151 of the Local Government Act 1972, the Chief Finance Officer is responsible for the soundness of the Council's financial systems, the form of accounts and the supporting financial records. Changes made by any level of management to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer.
- 3.3 The Chief Finance Officer, in consultation with Management Team, must each year produce and make public:
- A medium-term plan showing a five year forward assessment of all revenue commitments and
 - A medium term plan showing a five year projection of capital resources in line with the CIPFA Prudential Code.

- 3.4 The plans must reflect any known changes in service level resulting from changes in Council priorities arising from changes in legislation or policy, demographic trends or resources. Budgets must aim to ensure that resources are matched to agreed Council priorities and prudent level of reserves are maintained.
- 3.5 Executive Directors must, having consulted the Chief Finance Officer, ensure that Cabinet reports proposing new or increased spending contain the following information:
- the annual revenue consequences of any decision ;
 - the implications of the proposal on the medium-term plan
 - identification and evaluation of any financial risk implications.
- 3.6 Council approval is required for key decisions.
- 3.7 Where an Executive Director or portfolio holder proposes:
- (a) a new policy, or
 - (b) a variation of existing policy, or
 - (c) a variation in the means or timescale of implementing existing policy
- that affect or may affect the Council's finances, they must submit a report to the Cabinet, including any financial risk implications, which will then report the matter to the Council.
- 3.8 All budgets are subject to cash limits as set out in the Cash Limit Rules (Appendix 4). In the event of any budget likely to be overspent or income not achieved, the Management Team will be responsible for providing for a transfer of funding from elsewhere to compensate for any deficit. A holistic approach will be taken to ensure an overall balance is achieved and funds are not underutilised when operational activities require funding. The transfer of funding will be subject to the guidelines set out in Appendix 1 to these Regulations.
- 3.9 The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to any alternative delivery models are satisfactory. In conjunction with the Monitoring Officer, he must also consider whether the appropriate Executive Director has adequately considered the overall corporate governance and legal issues and that risks have been fully appraised when arranging contracts or formal agreements with external bodies.

- 3.10 Executive Directors shall control income and expenditure within their service area and monitor performance, taking account of the financial information provided by the Chief Finance Officer and advice received from the Financial Services Team. They shall report on variances within their own areas and take action to avoid exceeding their budget allocation, and alert the Chief Finance Officer to any problems.
- 3.11 Executive Directors shall ensure that:
- Their staff receive relevant training on the use of the financial systems as approved by the Chief Finance Officer.
 - Staff have been identified and authorised to act on that person's behalf in respect of payments, income collection and placing orders, together with limits of their authority.

REVENUE BUDGETS

- 3.12 The Chief Finance Officer will approve the detailed corporate form and content of revenue service estimates, in line with the general directions of the Cabinet and after consultation with Management Team.
- 3.13 The Chief Finance Officer must prepare revenue estimates of income and expenditure in conjunction with the Executive Directors. The estimates will be collated and submitted by the Chief Finance Officer to Management Team and then to the Cabinet with Management Team's comments. The report(s) will show how the estimates comply with the Council's approved financial plan. Approval of the budget is the function of the Council.
- 3.14 Copies of all proposed Cabinet reports must be passed to the Chief Finance Officer in sufficient time for her to adequately consider the budget implications of any proposals.
- 3.15 The Chief Finance Officer will provide each Executive Director and portfolio holder with details of receipts and payments under their control by means of a corporate financial management system. This is for the purpose of monitoring the budget heads under their control.
- 3.16 Portfolio holders may transfer monies in accordance with the Ground Rules for Budget Transfer (Appendix 1).
- 3.17 If an urgent or unanticipated revenue need arises, the proposal will be reported to Members as part of the monthly Budget Monitoring Report.

CAPITAL BUDGETS

- 3.18 Prior to the annual consideration of revenue estimates, the appropriate Executive Director and the Chief Finance Officer, in consultation with the relevant portfolio holder, must prepare and submit to the Cabinet a programme of estimated capital expenditure for consideration (the Capital Programme).

3.19 Expenditure is classified as capital expenditure when it results in the acquisition or construction of an asset that:

- (i) Will be held for use in the delivery of services.
- (ii) Is expected to be used during more than one financial year.

Subsequent expenditure on existing assets is also classed as capital expenditure if these two criteria are met.

There may be instances where expenditure does not meet this definition but would nevertheless be treated as capital expenditure, including:

- Where the Council has no direct future control or benefit from the resulting asset, but would have treated the expenditure as capital if it did control or benefit from the resulting assets.
- Where the Government has given explicit permission to capitalise expenditure that would not otherwise be classified as such.

3.20 The Cabinet will make recommendations as appropriate to the Council for final approval. Where new capital projects are proposed that have revenue implications, these must be assessed and included in the revenue budgets.

3.21 Once Council has approved the Capital Programme, the Executive Director concerned will be authorised:

- (a) to instruct the Property Services Manager to acquire, in due time, any land necessary for the purposes of the programme.
- (b) to prepare a detailed scheme and estimate including associated revenue expenditure. Any unanticipated Revenue implications, arising after approval of the scheme, must be dealt with in line with the Ground Rules for Budget Transfer (Appendix 1 of these Regulations).

3.22 If an urgent or unanticipated capital need arises, the proposal will be reported to Members as part of the monthly Budget Monitoring Report and included in the next Capital Programme update.

3.23 The Chief Finance Officer will provide Executive Directors with monthly financial monitoring statements in respect of each approved capital project including details of any known commitments.

4. ACCOUNTING

4.1 The Chief Finance Officer must approve all accounting procedures and records, including the implementation of any new ICT or automated accountancy system. Where these are maintained in a service area other than that of Financial Services, these will be agreed in consultation with the appropriate Executive Director.

- 4.2 Any member of staff intending to revise or replace any accounting procedure or record (including local procedures or records) must obtain the approval of the Chief Finance Officer beforehand.
- 4.3 At all times, the central accounting system will take precedence. Where local accounting records are maintained, these should be reconciled to the general ledger at regular intervals, in order to ensure that the two records accurately show the financial and associated information recorded in them are correct.
- 4.4 All accounts and accounting records of the Council (including local accounts or accounting records) will be compiled by or be under the direction of the Chief Finance Officer, with the annual accounts being produced within the time limit required by the relevant Accounts and Audit Regulations.

Officers are responsible for ensuring:

- all known items of expenditure are reported in the correct financial year;
 - items are coded to the appropriate codes to accurately record expenditure and income.
 - Any payments in kind are recorded fully, with no netting off.
- 4.5 An Executive Director or other responsible member of staff must ensure that expenditure and income under his/her control is properly accounted for and allocated to the correct budget. Budget holders must monitor their cost centre's performance throughout the year and discuss any major unanticipated discrepancies (either favourable or adverse) with the Chief Finance Officer at the earliest opportunity.
- 4.6 In order to provide an adequate separation of duties, the following principles must be observed in the allocation of accounting duties:
- (a) Individuals who identify, calculate, or record sums due to or from the Council should not, as far as is practically possible, collect or disburse them;
- (b) Staff examining or checking the accounts of the above transactions must not themselves undertake any of the duties shown in 4.6 (a) above.
- 4.7 All invoices or documents relating to financial transactions must be retained for the minimum period set out in the Corporate Retention Policy in order to ensure that the necessary records are available for audit or examination by external agencies, as required.
- 4.8 Executive Directors must supply required information in the form and within the time-scale required by the Chief Finance Officer for accounting purposes, in order to ensure that the financial transactions of the Council are recorded as soon and as accurately as possible.

5. BANKING ARRANGEMENTS AND CHEQUES

- 5.1 The Chief Finance Officer is responsible for all banking arrangements. No other employee or Member is authorised to open or operate a bank account on the Council's behalf.
- 5.2 The Chief Finance Officer is responsible for ordering and maintaining the safe custody of all cheque stationery and credit cards until allocated to authorised individuals.
- 5.3 Cheques on the Council's main bank accounts, including Girobank accounts, will bear the facsimile signature of the Chief Finance Officer or be signed by him or her or such other officer who has been authorised by her to do so.
- 5.4 Cheques for all payments exceeding £50,000 must be counter-signed by one of the employees authorised to do so by the Chief Finance Officer.
- 5.5 No alterations to cheques may be made.
- 5.6 The bank accounts will be reconciled to the accounting records every month.
- 5.7 Monies retained prior to banking must be accounted for using daily income returns (where appropriate) and held in a safe on the premises until collected or banked.
- 5.8 Where the amount of money held in a safe exceeds the level of cover currently available, the Insurance Officer must be informed.
- 5.9 Income returns (where appropriate) must be completed by and verified by a senior member of staff on a daily basis.
- 5.10 As each cash and cheque bag is handed to the courier service for banking, a receipt should be obtained indicating the value and bag reference number. All copies of cash collection paperwork must be retained.

6. TREASURY MANAGEMENT

- 6.1 Treasury Management will operate in accordance with the procedures and reporting requirements set down in CIPFA's "Code for Treasury Management in Local Authorities" and other appropriate codes. The Chief Finance Officer is responsible for all banking arrangements. No other employee or Member is authorised to open or operate a bank account on the Council's behalf.
- 6.2 All executive decisions on borrowing, investment or financing are delegated to the Chief Finance Officer. All money accruing to the Council must be aggregated for the purposes of treasury management and must be controlled by the Chief Finance Officer.

- 6.3 In accordance with the Code, the Chief Finance Officer must inform Cabinet of the activities of the treasury management operation at least half-yearly and on the exercise of treasury management powers delegated to her by 30th September of the succeeding financial year.
- 6.4 An Annual Treasury Management Strategy will be proposed by the Chief Financial Officer and presented to Council for approval after being considered through the Council's scrutiny process by March of the preceding financial year.
- 6.5 This Strategy is required to comply with CIPFA's Codes of Practice on Treasury Management and the Prudential Framework for Capital Finance, relevant Regulations and will set the parameters within which investment and borrowing activity will be managed during the forthcoming financial year.

7. INCOME

- 7.1 The Chief Finance Officer has overall responsibility for processing or collecting all income due to the Council. All income received will be recorded in a form approved by her and in accordance with the requirements of the Accounts and Audit Regulations. The preferred means of receiving payment is by electronic methods, in particular direct debit, and cheques must only be accepted as a last resort.
- 7.2 Each Executive Director must, for their service area, maintain comprehensive records as to work done, goods supplied, services rendered and amounts due to the Council as required by the Chief Finance Officer.
- 7.3 All invoices must be raised via the corporate system. Sufficient information to allow all amounts due to be correctly recorded and collected must be provided to the debtors function within 10 working days of the work being done or services rendered to enable an invoice to be raised.
- 7.4 Prompt, appropriate action will be taken to ensure all monies due to the Council are recovered in full, in a timely fashion. Where payment of outstanding monies is not forthcoming, action, including legal action, may be taken to recover and secure these sums.
- 7.5 In exceptional circumstances where electronic methods of payment are not used, all money received by a member of staff on behalf of the Council must be banked in its entirety (i.e. without any deductions) at the earliest opportunity (i.e. no more than one week from the date of receipt). All paying-in slips must show a reference to the related debt (such as the receipt number or the name of the debtor) or the origin of the cheque. The name of the relevant service area or a reference to the related debt must be written or printed on the reverse of each cheque.
- 7.6 Personal cheques must **not** be cashed out of money held on behalf of the Council.

- 7.8 Every transfer of official money from one member of staff to another must be recorded by the recipient and signed by both members of staff involved in the transaction.
- 7.9 The writing off of irrecoverable debts can only be authorised by the Chief Finance Officer in accordance with the Council's Scheme of Delegation, including authority as delegated by her.
- 7.10 Scales of fees and charges within the Council's control must be reviewed at least annually. The Council has delegated authority to the Executive Director of the appropriate services (in consultation with the Chief Finance Officer, the relevant portfolio holder and the Leader) to vary the charges having regard to market conditions and the Council's policy framework.

8. EMPLOYMENT STATUS INDICATOR (ESI)

- 8.1 Before placing an order with an individual it is compulsory to determine their employment status. The term 'employment status' refers to whether a worker (who we are more likely to term a supplier or contractor) is employed or self-employed. This affects the tax and National Insurance Contributions (NICs) that are due on their income. If this is not correctly determined it could lead to the Council having to pay extra tax, NICs, interest and possible penalties at a later stage.
- 8.2 Whether a person is employed by the Council or self-employed will depend on the terms and conditions of our working relationship with them and it is our responsibility for determining their employment status. Employment status is not a matter of choice for either the Council or the individual (the worker). It is a matter of fact, based on key terms and conditions of our working relationship with them. Even if a contractor/supplier says s/he is self-employed, if the facts indicate otherwise then the worker may be our employee.
- 8.3 The procedure is attached as **Appendix 3** and only applies to individuals for services, not for goods or limited companies.
- 8.4 Note that it is necessary to check the status **before** engaging the supplier and agreeing the contract/ terms of work being undertaken. The Council could be subject to penalties from HMRC for non-compliance.
- 8.5 **It is the responsibility of Service Managers to ensure compliance with this procedure for services within their areas of responsibility.**

9. CONSTRUCTION INDUSTRY SCHEME (CIS)

- 9.1 The Council is deemed to be a Contractor by HMRC. Therefore any supplier engaged to carry out works covered by the CIS Scheme is sub-contracting to the Council and must be registered for the Scheme. The Scheme covers a large spectrum of works, ranging from general building works to laying turf on sports fields.
- 9.2 As a contractor the Council is responsible for sending monthly returns to HMRC showing which suppliers have been engaged and also for sending any tax deductions made from the supplier to HMRC.
- 9.3 There are three types of sub-contractor:
- Gross – no deductions made
 - Net – 20% deductions made on labour
 - Net – 30% deductions made on labour.
- 9.4 Before engaging any suppliers, the Council needs to ensure they have registered for the Scheme. For this it is necessary to obtain their Unique Tax reference number, National Insurance number or Company Registration number. Financial Services will verify the supplier with HMRC to determine which type of sub-contractor they are.
- 9.5 Financial Services can provide a list of previously verified suppliers and the type of works they carry out. If you are unsure whether the works are covered by the scheme please ask before engaging the supplier as a deduction of 30% from the labour element of the supplier's invoices, if they are not registered.

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1 All purchases must be made, or contracts let, in full compliance with the Council's Contract Standing Orders.
- 10.2 The requirements of European and domestic legislation must be followed where appropriate. For interpretation of the legislation, guidance should be sought from the Procurement Team.
- 10.3 Each order must conform to the directions of the Council with respect to central purchasing and the standardisation of supplies and materials where rules on these exist.
- 10.4 Orders must be raised using the Purchase Order Processing (POP) system. Manual orders can only be used in exceptional circumstances. Verbal orders may only be given as a matter of true urgency and must be confirmed by a POP order without delay, irrespective of the value of the order.

- 10.5 Orders must be placed in such a way as to ensure that the best interests of the Council are met. Under no circumstances must they be split or disaggregated to avoid the Council's requirements, EU competition requirements, Contract Standing Orders or these Financial Regulations.
- 10.6 Any requirement to comply with ESI (Financial Regulation 8) and CIS (Financial Regulation 9) must be considered before an order is raised.
- 10.7 The POP order must be raised prior to the goods or services being requested from the supplier to ensure the order number can be provided to the supplier to be included on the invoice.
- 10.8 Official orders must not be used for any personal or private purchases, nor must personal or private use be made of Council contracts.
- 10.9 Executive Directors can authorise staff to raise orders but this does not delegate their responsibility for official orders issued from their service.
- 10.10 The names of staff permitted to raise or authorise orders must be submitted to the Chief Finance Officer, together with agreed authorisation limits, and specimen signatures. Authorisation details must be amended as a result of any change of staff and/ or structure.
- 10.11 Each Executive Director is responsible for ensuring that the cost of orders are within the overall approved estimates and that Contract Standing Orders have been complied with, where appropriate. Where expenditure is incurred in an emergency, the relevant Executive Director is responsible for obtaining any subsequent authorisation that may be required.
- 10.12 Electronic ordering of goods and services via the internet may be undertaken by those officers who are either authorised signatories or authorised Council credit card holders. Invoices relating to goods or services ordered by these means must be processed through the Council's normal creditor payment method or by Council credit card. Refer to Section 13 on 'Use of Credit Cards'.
- 10.13 Orders must indicate clearly the quantity, quality and nature of the goods, works and services and the contract or agreed prices or rates. Any delivery charges, carriage or post and packing charges must be shown separately in the order.

If items are added subsequently to the order, the electronic order must also be amended to accurately reflect the revised quantities.
- 10.14 Where a Goods Received Note (GRN) or similar is received with delivered goods, this should be checked against delivery and either signed as correct or any discrepancies noted. If the goods cannot be readily checked, the GRN should be signed as unchecked.

- 10.15 Only the goods actually received should be booked in to the POP system and must be matched to the order. Goods Received Notes must be processed onto POP within 5 working days of receipt.
- 10.16 Any mismatches between the invoice and the order or goods received on POP will be returned to the officer who raised the order to resolve.
- 10.17 If, in exceptional circumstances, a paper order has been used, a copy must, if so required, be supplied to the Chief Finance Officer.

11. CONTRACTS FOR ICT

- 11.1 Any software/ hardware procurement over the value of £10,000 must be submitted to the ICT Development Group. Purchases under the value of £10,000 should be agreed with the ICT Manager before procurement. It will be the responsibility of the ICT Manager and/or the ICT Development Group to ensure that the process of ICT Governance is followed for each authorised project.

12. CONTRACTS FOR BUILDING, CONSTRUCTION OR ENGINEERING WORK

- 12.1 All contracts must be let in full compliance with the Council's Contract Standing Orders.
- 12.2 The requirements of European and domestic legislation must be followed where appropriate. For interpretation of the legislation, guidance should be sought from the Procurement Team.
- 12.3 Interim payments to contractors must only be made on a certificate issued by the appropriate Executive Director or authorised representative and must comply with all tax requirements. Payments may be made against interim valuations of the works undertaken to date or materials obtained and on site.
- 12.4 Where the contract payments are made by stage/ interim payments, a record must be kept by the Contract Manager to monitor payments made and amounts outstanding.
- 12.5 Subject to the provisions of the contract, every extra or variation must be authorised in writing by the appropriate Executive Director (or authorised representative) as appropriate and give an estimate of the additional cost or saving of the variation.
- 12.6 At the practical completion of the contract and before the issue of the final payment certificate, the appropriate member of staff, private architect, engineer or consultant must give the Chief Finance Officer a detailed financial statement of the contract, and all relevant supporting documents.

- 12.7 Where completion of a contract is delayed beyond the period of the contract, it is the duty of the Executive Director concerned to take appropriate remedial action. After consultation with the Chief Finance Officer and the Monitoring Officer, the agreed action taken must be reported to the Cabinet.

13. PAYMENT OF ACCOUNTS

- 13.1 Payments must **not** be made in advance of receipt of the goods, services or works, and must only be for the value of the goods received, services rendered or works completed.
- 13.2 Apart from petty cash accounts (see Financial Regulation 16) the normal method of payment of money due from the Council must be by electronic transfer (including Council credit cards). Payments must be undertaken by the Chief Finance Officer or, in the case of credit card payments, by the authorised Council credit card holder. In exceptional circumstances, where a supplier is unable to accept payment via BACS, a cheque will be issued by the Chief Finance Officer.
- 13.3 If in exceptional circumstances, a cheque is required, all payments exceeding £50,000 must be counter-signed by one of the employees authorised to do so by the Chief Finance Officer.
- 13.4 When recording on POP that the ordered goods or services have been received or before authorising payment, the authorising member of staff must be satisfied that:
- (a) The work, goods or services to which the invoice relates have been received, carried out, examined and approved;
 - (b) The prices, calculations, trade discounts, other allowances, credits and tax are correct;
 - (c) The relevant expenditure has been properly incurred and is within the relevant estimate provision;
 - (d) Appropriate entries have been made in inventories, stores records or stock books as required; and
 - (e) The invoice has not been previously passed for payment and is a proper liability of the Council.
- 13.5 If an invoice certification slip is required (in exceptional circumstances where a POP order has not been used), at least two members of staff must be involved – one person must not complete all sections of the certification slip. If one person completes all sections, the Chief Finance Officer may return the invoice to the relevant Executive Director for approval.

- 13.6 All discounts available from a supplier are to be taken as a deduction against the cost of goods purchased and must appear on the invoice. Where a supplier provides a free item, or where a discount is only available as goods, the free item or goods may be accepted and will become Council property. Arrangements for their use for Council purposes or disposal will be made by the Executive Director, who must maintain a record of items so acquired, and arrange as appropriate for their entry into stock, stores or inventory records or their disposal in accordance with these Financial Regulations.
- 13.7 Staff must not, under any circumstances, process anything which would result in a payment to themselves or their immediate family. Where it is intended that the Council pay a member of staff, the invoice(s) concerned must be checked and authorised by another approved member of staff.
- 13.8 Invoices may be examined and enquiries made and explanations sought to the extent that the Chief Finance Officer may require.
- 13.9 Invoices must be paid within Council-agreed or Government-dictated time limits, unless they are formally disputed. If an invoice is being disputed, Financial Services must be informed immediately.
- 13.10 Any amendment to an invoice must be made in a manner approved by the Chief Finance Officer, stating briefly the reasons where they are not self-evident.
- 13.11 Each budget holder must, as soon as possible after 31st March and not later than such date as agreed in the closure of accounts timetable each year, notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year for goods and services received in that year.

14. USE OF CREDIT CARDS

- 14.1 Council credit cards must only be used on an exception basis, unless authorised by an Executive Director and where it can be demonstrated that the transaction represents value for money or is financially advantageous.
- 14.2 Where arrangements exist, or can easily be set up with suppliers using the Purchase Order Processing (POP) system, Council credit cards must not be used. Where items are purchased on a regular basis, the Procurement Team must be contacted to add the suppliers to POP. Orders for work, goods and services must be made in accordance with Section 8 of Financial Regulations.
- 14.3 Use of Council credit cards for Internet purchases will only be authorised if the Procurement team agree that it is the most cost effective option.
- 14.4 VAT receipts must be obtained where relevant, including internet transactions, and attached to the Expenditure record Sheet.

- 14.5 Council credit cards must **not** be used for:
- minor items where petty cash would be more appropriate
 - for personal use. This includes subsistence expenses and petrol purchases when on Council business. These must be claimed through the payroll system
- 14.6 Use of **personal** credit cards during Council business is not permitted, except for legitimate subsistence expenses and petrol purchases, where such expenses are submitted to Personnel Services for reimbursement through the payroll system (refer to Section 16).
- 14.7 Personal gain from loyalty cards/ schemes must not arise from official purchasing using a Council credit card.

FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY RESULT IN THE SUMS BEING RECOVERED FROM THE SALARY OF THE PERSON AUTHORISING THE EXPENDITURE.

Issue of the Card

- 14.8 Applications for a Council credit card must be made using the approved form available from Financial Services. The form must be signed by the Line Manager and submitted to the Chief Finance Officer, stating the need for the card. The Chief Finance Officer will only approve applications where the need can be verified and use of an existing Council credit card is not practical.
- 14.9 Upon receipt of the card, the named Cardholder should sign the lower part of the Business Credit Card Application Form. Their signature acknowledges receipt of the card/replacement card. On receipt of the card, this confirms agreement to abide by the 'Barclaycard Terms and Conditions' and the 'Business Credit Card Procedures'.

Responsibilities of the Cardholder

- 14.10 As stated in the Barclaycard Terms and Conditions, the cardholder must take all reasonable precautions to prevent fraudulent use of the card including the following:
- Sign the card immediately on receipt;
 - *DO NOT* let any other person use the card
 - *DO NOT* save card details on-line i.e. Paypal and Amazon
 - Treat the card like cash, never leave it unattended
- 14.11 If the card is lost, stolen or fraudulent use is suspected contact Financial Services immediately, who will arrange for the card to be cancelled. Should the Cardholder not report the loss immediately, any expenditure incurred between the time of loss and reporting will become the responsibility of the Cardholder, who will be expected to reimburse the Council in full.

- 14.12 When receiving a new card after expiry of the current one the Cardholder must sign to acknowledge its receipt, and return the out of date card to Financial Services.
- 14.13 Should the Cardholder leave the council's employment or transfer to a different section, it is their responsibility to notify Financial Services that the card is no longer required and return it before they leave. The card *MUST NOT* be left with someone else in the section to use.

Purchasing

- 14.14 Credit Card transactions should only be made by the named Cardholder. Use by anyone other than the Cardholder is prohibited.
- 14.15 The Cardholder must:
- Be aware of their credit limit and ensure it is not exceeded.
 - Only use the card within the validity period shown on the card.
 - Ensure the card is only used to make official purchases of services/goods for Council use.
 - Obtain receipts for all purchases; VAT receipts *must* be obtained where applicable.
- 14.16 Where the credit card is used to pay for working lunches or entertainment, it will be necessary to complete an attendance sheet. In the event that an attendance sheet is not submitted with the card payment details, the sum will be recovered through deduction from salary, from the individual authorising the spend.

Expenditure Record Sheet Completion

- 14.17 The expenditure record sheet must be completed with the following details and forwarded to Financial Services as soon as possible when requested each month.
- Date
 - Order Number/Delivery Note Number (where applicable)
 - Supplier
 - Brief Purchase Details
 - Net Purchase Price
 - VAT amount
 - Total Purchase Price
 - Confirmation or otherwise that VAT Receipt is attached
 - Expenditure codes (including VAT code)
- 14.18 Original receipts, order confirmation (if purchasing from the internet) must be attached as evidence of all expenditure.
- 14.19 Where applicable ensure that upon receipt delivery notes used for checking of goods are kept and matched to the subsequent invoices provided by the supplier.

- 14.20 Delivery notes must also be forwarded to Financial Services.
- 14.21 Valid VAT receipts are required to enable the Council to claim back VAT where applicable. This also applies to Internet purchases.
- 14.22 The Cardholder must sign the expenditure record sheet when completed. It must then be signed as approved by a senior officer. These two signatories *must* be different; the same person cannot sign and then authorise.
- 14.23 It is the duty of the authorising signatory to ensure that:
- the form has been completed correctly with all expenditure incurred being bona fide and that,
 - all appropriate records are submitted with the payment details, including VAT receipts and attendance records for hospitality events
 - any reimbursements due to the Council have been made, eg. where meal costs have exceeded allowances.
- 14.24 Where an Internet order has been placed using a Council credit card, the confirmation of the order must be attached to the expenditure form to ensure that there is a record within the Council of the purchase.

FAILURE TO ADHERE TO THESE PROCEDURES WILL RESULT IN THE CARD FACILITY BEING WITHDRAWN AND DISCIPLINARY ACTION MAY BE TAKEN.

15. GRANTS

TO EXTERNAL ORGANISATIONS

- 15.1 All grants made to external organisations or individuals must be subject to express approval by the relevant decision-maker(s) (normally an Executive Director or portfolio holder).
- 15.2 Where annual grants are made, a Service Level Agreement will be established with the organisation concerned to detail how the grant is to be used, together with such information about the organisation's finances and other matters (e.g. audited final accounts, business plans, etc.) as may be considered appropriate.
- 15.3 Organisations receiving grant aid must be required to permit access by the Chief Finance Officer or his representative(s), on reasonable notice, to their financial records and premises in order to enable him/ her to verify that the grant has been used in accordance with Council approval.

FROM EXTERNAL ORGANISATIONS

- 15.4 External funding is an important source of income to the Council, but funding conditions need to be carefully considered prior to entering into agreements, to ensure that:
- (a) They are compatible with the aims and objectives of the Council;
 - (b) The necessary procedures are in place to meet funding conditions and reporting requirements; and
 - (c) Appropriate budget provision is available if 'match funding' is required.
 - (d) Any revenue implications have been assessed and included in the revenue budgets.

Therefore all bids for external funding bids must notified to the Chief Finance Officer.

- 15.5 The Chief Finance Officer, in conjunction with Executive Directors must, as appropriate, ensure that all funding awarded or committed by external bodies is received and properly recorded in the Council's accounts. This will include ensuring that claims for funding are made by the due date, and in accordance with the funding conditions.
- 15.6 The Chief Finance Officer and Executive Directors must, as appropriate, satisfy audit requirements in respect of external funding claims. This includes maintaining appropriate records that accord with the funding conditions, and making these available to the auditors as required. Successful applications must be referred to the Audit Manager to consider any associated audit requirements.

Third party expenditure

- 15.7 Sometimes, grant funding awarded to the Council may be passed to an organisation falling outside of the direct responsibility of the Council. The Council will however remain accountable for the grant funding and, as such, will be responsible for ensuring that all of the terms of the grant are met.
- 15.8 The Executive Director in receipt of the grant must ensure that effective monitoring and reporting procedures are in place to provide assurances over the eligibility of expenditure incurred by the third party and the delivery of outcomes. Upon audit, if the eligibility of third party expenditure cannot be proven by the Council, the Council will itself usually be required to return the grant funding to the awarding body.

16. PETTY CASH ACCOUNTS and FLOATS

- 16.1 The Chief Finance Officer will provide petty cash accounts as appropriate to cover incidental office expenses.

- 16.3 Income received on behalf of the Council must not be paid into a petty cash account but must be banked or paid to the Council as required in Financial Regulation 5.
- 16.4 Petty cash expenditure on a single item is limited to £25, except where prior approval has been obtained from the Chief Finance Officer.
- 16.5 An appropriate VAT receipt must be obtained for all items of expenditure. Receipted vouchers, signed by the recipient of the reimbursement must support all expenditure.
- 16.6 Staff responsible for a petty cash account must keep adequate records to support expenditure, in a form approved by the Chief Finance Officer.
- 16.7 Staff responsible for a petty cash account must complete a year-end return.
- 16.8 Each Executive Director must arrange for a periodic (but not less than every six months) check of petty cash accounts under his/her control by a member of staff other than those directly responsible for the operation of the account.
- 16.9 Where the immediate need for a petty cash account or float ends, the petty cash or float holder must account to the Chief Finance Officer for the total amount advanced and pay the balance of the petty cash account or float back to the Council's main bank account.
- 16.10 Where the petty cash or float holder ceases to be the person responsible for it, the accuracy of the records and cash held must be agreed with their line manager.

17. SALARIES, WAGES AND PENSIONS

- 17.1 The Executive Director, Central and Community Services must be notified of all staff appointments, including those made on a casual, and all engagements of workers including those made on a consultancy basis or via an agency, to ensure correct tax records are maintained.
- 17.2 The Executive Director, Central and Community Services must make or arrange for the payment of all salaries, pensions, allowances, compensation and other such payments that are legitimately due to Members, employees, former Members and former employees of the Council. Under no circumstances can payments to staff and Members be made without the prior approval of the Executive Director, Central and Community Services, in order to ensure that the requirements of the HM Revenue and Customs (HMRC) are met.
- 17.3 The Executive Director, Central and Community Services must maintain complete records of all matters affecting the payments of such expenses and in particular:

- (a) Appointments, resignations, dismissals, suspensions, secondments and transfers;
 - (b) Absences from duty for sickness or other reasons, apart from approved leave;
 - (c) Changes in remuneration, including, but not restricted to changes in hours, acting up allowances, leased car, essential and casual user status, pay awards and other negotiated agreements which apply to staff generally;
 - (d) Information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- 17.4 Appointments of all employees must be made in accordance with Corporate Guidelines and the approved establishment, grades and rates of pay.
- 17.5 All time records or other pay documents must be in a form prescribed or approved by the Executive Director, Central and Community Services and must be certified by an appropriately authorised member of staff (NB Electronic signatures are accepted in the case of electronically submitted timesheets). The names of members of staff authorised to sign such records must be sent to the Executive Director, Central Services together with specimen signatures and must be amended to reflect any changes. A list of such authorised staff will be maintained by Personnel Services and re-drafted annually.
- 17.6 Executive Directors must ensure that overtime claims made by employees are made as a result of a true and complete record of work carried out by the employees concerned.
- 17.7 Members of staff must not certify their own claim forms. Any claim must be authorised by a more senior officer to the claimant.

18. TRAVELLING and SUBSISTENCE

- 18.1 Officers and Members (including co-opted Members of the Council and Council Bodies), who are entitled to claim travelling or other allowances, must submit their claims using the online 'Expenses on Demand' system.

VAT Receipts

- 18.2 The Council is required to hold VAT receipts in relation to business mileage undertaken by employees in order to be able to claim back VAT from HMRC. When HMRC inspect the Council's processes they will audit the receipts held against payments made and will impose penalties if the process specified below is not being followed. Therefore it is important that the requirement to submit receipts is complied with.

- 18.3 Officers and Members are required to submit sufficient VAT fuel receipts to cover the business journeys undertaken. These should be submitted via the drop-boxes provided, or via internal mail where a drop-box is not available. Random checks will be undertaken to ensure employees making mileage claims are submitting receipts.
- 18.4 Claims for reimbursement of expenditure such as parking, meal allowances, public transport etc. must be supported by attaching an electronic copy of the receipt to the online expense claim.
- 18.5 Receipts can be added to the drop box at any time during the month but must be submitted on or before the 8th (which is the deadline for mileage claims to be made). Each month, on the claim deadline, the receipts will be removed from the box and forwarded to Financial Services. There will be random checks to ensure that employees making mileage claims are submitting receipts.
- 18.6 The certification by an approved certifier will be taken to mean that the certifying member of staff is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, appropriate receipts have been provided (where relevant) and the allowances properly payable by the Council.
- 18.7 Claims submitted more than three months after the expenses were incurred will be paid only in exceptional circumstances and with the express approval of the Executive Director, Central and Community Services.
- 18.8 All claims relating to a financial year must be submitted by the published payroll deadline date for April (i.e. claims for January, February and March each year must be submitted by the April payroll deadline) to ensure that claims are paid in the correct tax year.

19. INSURANCE

- 19.1 The Chief Finance Officer is responsible for arranging all insurance cover for the Council, and where appropriate negotiating all claims, in consultation with other members of staff as necessary.
- 19.2 Executive Directors must give prompt notification to the Chief Finance Officer of all new risks, contracts and projects and properties or vehicles that need to be insured and of any alterations affecting existing insurance arrangements. If in doubt, contact the Insurance Officer in Financial Services. This could include examples such as joint working arrangements, shared services, staff seconded to other organisations, work carried out on behalf of other organisations, services outsourced or brought back in-house. Any activities outside the remit of normal business activities and statutory duties of a local authority (e.g commercial purpose).

- 19.3 Executive Directors must immediately notify the Chief Finance Officer in writing or by completing an appropriate claim form of:
- any loss, liability or damage or any event likely to lead to a claim. The Chief Finance Officer and the Audit Manager must be informed of any case which appears may lead to criminal proceedings.
 - Any changes to existing services that may increase or decrease risk, any incidents or potential claims that arise, must be notified to the Chief Finance Officer within 5 working days of the change becoming apparent
- 19.4 All relevant employees of the Council are included in suitable fidelity guarantee insurance. For cover under this policy to be applicable, two suitable references must be obtained for all new employees.
- 19.5 On an ongoing basis, service managers must assess if the current insurance levels are fit for purpose and inform Financial Services of any changes.
- 19.6 Executive Directors must consult the Chief Finance Officer and the Monitoring Officer concerning the terms of any indemnity which the Council is requested to give.
- 19.7 Any employee who is providing professional services to another body on behalf of the Council, must contact the Insurance Officer to assess if professional indemnity cover is required.

20. STOCKS AND STORES

- 20.1 Each Executive Director must ensure the safe custody and physical control of the stocks and stores under his/her supervision.
- 20.2 Stocks must be maintained at an appropriate level for day-to-day delivery of the service, except in special circumstances with the approval of the relevant Executive Director.
- 20.3 Executive Directors must arrange for periodical test checks of stocks by persons other than storekeepers and must ensure that all stocks are checked at least once in every year.
- 20.4 All records and accounts relating to stocks and stores must be in a form approved by the Chief Finance Officer. Each responsible member of staff must supply the Chief Finance Officer with sufficient information relating to stocks and stores to allow for the proper accounting, costing and financial records of the Council to be prepared and maintained.
- 20.5 Any write-off of stock must be authorized by the budget holder and notified to the service accountant. The stock records must be amended accordingly with an appropriate explanation and the method of disposal noted.

21. INVENTORIES

- 21.1 The Chief Finance Officer will maintain an inventory, as described in the Inventory Procedures (**Appendix 2**), of a variety of items for the purpose of ensuring they are adequately and appropriately insured against loss, damage or theft. The ICT service will maintain a continuous inventory of all computer-related items.
- 21.2 Each Executive Director must advise the Chief Finance Officer, upon request, of any changes to the inventory list held by him/ her. Where valuable or highly attractive new equipment or other insurable item is either acquired or disposed of (by whatever means), the Chief Finance Officer must be advised accordingly in order to ensure they are insured appropriately.
- 21.3 Except in accordance with specific directions issued by the Executive Director concerned, Council property may only be removed from Council premises in accordance with the ordinary course of the Council's business for the Council's purposes.
- 21.4 Year-end notifications must be returned to Financial Services by 30th April.

22. DISPOSALS (except Land and Property Assets)

- 22.1 Before an item is disposed of, consideration should be given as to whether there is a use for the item elsewhere within the Council.
- 22.2 Any asset or item of stock deemed obsolete or surplus to requirements must, where the expected loss on disposal is no more than £2,500, be sold or disposed of on the authorisation of the responsible Executive Director.

Where the expected loss on disposal exceeds £2,500, the approval of the Chief Finance Officer must also be obtained.

All items with a significant market value should be disposed of via public auction (other than land, which is to be disposed of in accordance with Contract Standing Orders).

- 22.3 It is the responsibility of each Executive Director to establish that legal title rests with the Council prior to the disposal of any item.
- 22.4 Leased items should be returned to the lessor at the end of the lease term.
- 22.5 Wherever an item is disposed of, the appropriate stock or inventory record must be updated to reflect the disposal.
- 22.6 When disposing of ICT assets, the processes in the ICT Asset Disposal document must be applied. The (non-exclusive) list of assets to be included under this policy includes hardware such as Servers, PCs, Laptops, Tablets,

Monitors, Printers, Scanners, Handheld Devices, Cabling and Software and data held on removable media such as CDs and DVDs. If in any doubt as to whether an item falls within the parameters of the document, consult with the ICT Manager.

23. LAND AND PROPERTY ASSETS

- 23.1 The Property Services Manager will maintain an estates management record of all the Council's land and property interests, stating the purposes for which the land is held, the location, the extent and plan reference, purchase details, particulars or nature of interest, rents payable and particulars of tenancies granted. This will include land and property under lease or rent.
- 23.2 The Monitoring Officer will keep all title deeds in a secure location.
- 23.3 All acquisitions and disposals of land must be undertaken in compliance with the Council's Contract Standing Orders.
- 23.4 Where land or property is disposed of at or below the current market value or in any exchange, this must comply with the requirements of the relevant legislation, as updated by the latest Statutory Instrument or Consent.
- 23.5 All disposals of Council land and property must be promptly notified to the Property Services Manager to ensure the record of interests is maintained accurately, and to Financial Services.

24. COMPUTER SECURITY

- 24.1 The ICT Manager is responsible for maintaining the proper security and privacy of electronic information held on the Council's network and any associated storage media or for its use. Executive Directors are responsible for maintaining the proper security and privacy of information held in user applications for which they are responsible, in conjunction with the ICT Manager.
- 24.2 The ICT Manager is responsible for ensuring that procedures are adhered to for maintaining the privacy and security of all computerised data held by the Council in electronic form, as set out in the ICT Policy Documents.
- 24.3 Each Executive Director is responsible for notifying the Data Protection Officer and the Chief Finance Officer of all new computer applications and administrative records and procedures so they can be assessed for notification under the Data Protection Act and compliance with ICT Governance.
- 24.4 The ICT Manager will be responsible for co-ordinating the necessary audit required to maintain PCI-DSS compliance.

25. SECURITY - GENERAL

- 25.1 Each Executive Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under his/her control. He/she must consult the Chief Finance Officer in any case where security is thought to be inadequate or where it is considered that special security arrangements are necessary.
- 25.2 Maximum limits for cash holdings must be agreed with the Chief Finance Officer and must not be exceeded without her express permission.
- 25.3 Keys to safes and similar receptacles are to be with the designated keyholder at all times. Such keys must not be left on site when the premises are not occupied by Council staff, unless expressly approved by the Chief Finance Officer. The loss of any such keys must be reported to the Chief Finance Officer as soon as their loss has been noticed.
- 25.4 Each Executive Director must ensure that personal data that no longer needs to be retained is securely and confidentially disposed of.
- 25.5 Where staff keep money on Council premises for activities such as sweepstakes, lottery syndicates and collections, they do so at their own risk and the Council cannot take responsibility for its security.

GROUND RULES FOR BUDGET TRANSFERS

1. These Ground Rules apply where:
 - (a) an expenditure budget is going to be exceeded or there will be a shortfall in income
 - (b) there will be a saving on expenditure or additional income has been generated and an Executive Director wishes to utilise it.

2. Expenditure on capital financing costs, and support services (including computers) and interest on capital receipts fall outside these ground rules.

3. For the purpose of these Ground Rules, the following definitions apply:
 - (a) Transfer means the movement of budgetary provision between budget heads. A budget head is defined as a line appearing in a service budget.
 - (b) Portfolio Holder will be taken to mean the Councillor who is responsible for an area of the Council's activities as agreed by Council.
 - (c) Executive Director means a member of the Council's Management Team and who is responsible for managing any of the Council's functions, as defined in the Council's Constitution.
 - (d) "Key decisions" are as defined in the Council's constitution as an executive decision which is likely to:
 - (i) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council 's budget for the service or function to which the decision relates; or
 - (ii) be significant in terms of their effect on communities living or working in the area comprising two or more wards and electoral divisions in the Council's area.

N.B. Significant under (i) above is defined as being greater than £250,000
 Significant under (ii) above is one third of the resident population in a ward.

4. The procedures for dealing with transfers are as follows:

| | |
|----------------|---|
| Up to £250,000 | The portfolio holder(s) has (have) delegated authority subject to the action not being considered a key decision. |
| Over £250,000 | Cabinet to approve |

5. When completing a transfer of budget provision using delegated authority, the Exercise of Delegated Authority form must be completed.
6. In addition, all cases of transfer of budget provision will be recorded by the Chief Finance Officer.
7. Budget transfers shall only be undertaken if:
 - (a) the proposed savings or additional income to fund any overspend are achievable.
 - (b) the additional expenditure will, in fact, arise and the particular budget will not then be overspent or the expected income will be achieved to finance the budget transfer.
 - (c) The total of the budget based upon a portfolio holder's area of responsibility will not be overspent.
8. Savings in non-recurring expenditure or additional income should not be used to finance additional recurring expenditure.
9. Transfers must not be made into permanent staffing budgets.
10. Savings on staffing budgets can be used for non-recurring costs where they arise from a positive decision to produce savings.
11. Transfers made across portfolio areas will be subject to agreement of all relevant portfolio holders.

Transfers from reserves

12. Where a reserve exists for a specific purpose (e.g. a renewal or repair reserve), the Chief Finance Officer may withdraw funds from that reserve, PROVIDED THAT the withdrawals to finance an item or items of expenditure related to the reasons for the existence of the reserve, up to a value of £100,000 per annum. Any necessary withdrawal that exceeds this amount additionally required the approval of the relevant portfolio holder.
13. Decisions involving additional resources from ear-marked reserves may be made by any portfolio holder up to a maximum of £50,000 per Portfolio Holder in any financial year, subject to compliance with Financial Regulations.
14. Any use of reserves as described above must be reported in the next monthly budget monitoring report.
15. Where any decision has been made without regard to Financial Regulations and it is noted prior to the commitment or spending, the Chief Finance Officer and the Monitoring Officer will have the authority to defer the payment until further discussions have been undertaken with the relevant portfolio holder.

INVENTORY PROCEDURES

Purpose

Inventories are necessary to enable the Council to keep accurate records of equipment for accounting purposes and also to assist with planning future replacements. In order to compile and maintain a complete and accurate corporate register, it is necessary to have a minimum amount of information supplied on a consistent basis by all relevant areas of the Council. This document is intended to provide guidance on what information is required and how it should be recorded.

Operation

Each Executive Director will decide how their service area should be divided up for the purposes of maintaining relevant inventories. A person will be nominated in each section to own and maintain the inventory.

On an annual basis that person will be asked by Financial Services to check the accuracy of the inventory and either confirm the current status or provide details of changes by 30th April.

Records

The attached document gives guidance on items that should or should not be included on the inventory. An initial check should be made to ensure all relevant existing equipment is recorded. New equipment should be added as soon as it is purchased.

A spreadsheet is attached that collects the minimum amount of information required. If necessary sections can be added to the right hand side of the spreadsheet to record further information to suit their own purpose, but do not make it over complicated.

If you have any questions, please contact Financial Services

INVENTORY REQUIREMENTS

1. Items NOT to be included in Inventories

1.1 Personal computers/ related hardware/ software

All personal computers and related hardware and software will be entered in an inventory maintained by ICT. There is no need to enter such items in other inventories. This will include laptops, mobile phones and PDA's.

NB All such equipment based on Council property and covered by Council insurance must only be purchased via ICT.

1.2 Office Furniture

Standard office furniture should not be included in inventories.

1.3 **Property related Equipment**

Fixed plant items that are maintained by Property Services, such as boilers and air conditioning units, should not be included in the inventory. For further information on what is covered by Property Services, please contact Allison Bingham, ext 6743.

1.4 **Vehicles**

These are purchased through the Capital Scheme and therefore already entered on to the Asset Register by Accountancy.

2. **Items to be included in Inventories**

2.1 **Capital Equipment**

Where equipment has been purchased as part of a capital scheme, the initial details will be recorded on the corporate inventory by Accountancy. However, when such equipment is replaced, the method of the disposal and details of replacement equipment must be entered on to the relevant section inventory as described in this document.

2.2 **Historical artifacts**

Paintings and historical artifacts should be recorded on a specific inventory and re-valued every 3 years by a reputable valuer experienced in such items.

2.3 **Other equipment**

- Equipment which falls outside the definitions given above must be included in inventories if the replacement value is estimated to be more than £1,000.
- Equipment which is owned by the Council, but not located on Council premises (e.g. tools kept in vans), must be included in the inventory arrangements.
- Equipment whose replacement value is estimated to be less than £1,000 but which is considered to be 'portable and attractive' may be included at the discretion of the Director. This may be items such as, but not limited to, cameras, monitoring equipment and tools.

2.4 **Leased equipment.**

Under new accounting rules, it is important that leases are classified correctly and therefore you will need to contact Accountancy if an agreement is referred to as a 'lease'. Accountancy will want to establish if it is a Finance lease or an Operating lease and some notes are included in Section 4 to help you understand the difference.

3.0 Format of the Inventory

3.1 The inventory should be kept in the format attached which records:

- a) The item
- b) Any serial number or any other such unique identifier
- c) A description
- d) Responsible officer
- e) The date of acquisition where known. (See note 3.2 below)
- f) The initial cost (See note 3.2 below)
- g) The estimated replacement date
- h) The date of disposal (where items have been disposed of).
- i) Free text area to make any further comments or to note the method of disposal (note 3.3 below)

3.2 Where an item has been owned prior to the introduction of the inventory and the initial date of purchase and cost is not known, it is acceptable to enter 'pre-December 2010'. For all future purchases, a date and value must be entered.

3.3 When an item is disposed of, the means and details of disposal must be recorded in the free text column.

3.4 Once completed a copy of the inventory should be sent to Financial Services. On an annual basis you will be asked to confirm the accuracy of the inventory, or provide an amended version, which should be signed and dated.

4.0 Leases

4.1 From April 2011, the Council has to present its Statement of Accounts in a revised format to comply with the International Financial Reporting Standards (IFRS). Part of this requires us to classify Leases as either:

- Finance, or
- Operating

4.2 A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification is made at the inception (beginning) of the lease.' *Summaries of International reporting Standards, Deloitte.*

4.3 Finance Leases

Situations that would normally lead to a lease being classified as a finance lease include the following:

- The lease transfers ownership of the asset to the lessee by the end of the lease term. At the end of the lease, the council will become the owner of the asset.

- The lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the beginning of the lease, it is reasonably certain that the option will be exercised. At the end of the lease, the council can buy the asset at a low price, and this was known from the start of the lease.
- The lease term is for the major part of the economic life of the asset, even if title is not transferred. By the end of the lease, the asset is worn out.
- At the beginning of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. It is known from the start of the lease that the payments would amount to the cost of the asset.
- The lease assets are of a specialised nature such that only the lessee can use them without major modifications being made. It is something only this council could realistically use.
- If the lessee is entitled to cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee. If the council exercises the right to cancel the lease, we have to pay any losses that the other party incurs as a result.
- The lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent. The council can extend the period of the lease at a much lower rent than normal.

In each case, we are effectively buying the benefits of the whole asset over time by paying for it gradually.

If the terms of the lease do not match any of the above, then the lease is an Operating lease.

As stated before, please contact Financial Services if you think an agreement you are entering in to is a lease.

New suppliers being used by a Service Area for the first time

The Service Manager of an area where a payment will be made to a supplier for the first time will be responsible for undertaking the necessary check to confirm the employment status of the individual concerned **before** engaging the supplier and agreeing the contract/terms of the work being undertaken.

To confirm the employment status of the individual concerned the Service Manager must:

1. Go to the HMRC's employment status indicator tool on their web-site <http://www.hmrc.gov.uk/calcs/esi.htm>.
2. Complete the tool by carefully answering the questions posed.
The initial questions are detailed below:

Initial details

Please answer the questions marked with a *

What is the customer role? ENGAGER

Is the enquiry in relation to a future contract? YES

What is the worker's current employment status? NOT KNOWN

Work details

Please answer the questions marked with a *

Engager's business: PUBLIC SECTOR-OTHER

OTHER (Alive Leisure should select this option)

If other, please enter description here: Alive Leisure to complete as LEISURE TRUST

Trade details

Please answer the questions marked with a *

Trade of worker: SELECT FROM DROP DOWN BOX, IF UNKNOWN

SELECT OTHER, THEN COMPLETE DETAILS IN DESCRIPTION BOX

Continue to complete each of the following questions as per details of contract until you receive the Employment Status Indicator Result screen.

3. Print the Employment Status Indicator Result when this page is reached, an example of the screen is detailed below:

ESI Reference: ***** **Close Enquiry Details Summary**

Employment Status Indicator Result

Based on the information you have provided, **the worker is self-employed.**

The result is based on the following grounds:

Version: 1.3.0.2

The worker is self-employed. [Why ?]

There is a high indication of substitution. [Why ?]

Printer-friendly version

4. Print the relevant enquiry details page (found by clicking the words 'Enquiry Details' in the top right hand corner of the page) to provide evidence of the information used to determine the employment status result.
5. Complete, sign and date the Council's 'ESI Declaration form', available on Insite. Attach the form to the pages printed from the HMRC web-site.
6. If the employment status result confirms that the individual is self employed, and the supplier is being used for the first time, the Service Manager must:
 - a. Complete the Council's "New Supplier Form" (copy attached) in full including signing and dating the form.
 - b. E-mail the completed form to Procurement procurementtenders@west-norfolk.gov.uk for approval.
 - c. Attach the ESI declaration and pages printed from the HMRC web-site to the completed New Supplier Form.
 - d. Retain a copy (preferably scanned) of all paperwork, you will need to refer to these in the future.
 - e. Send the original versions of all paperwork to Financial Services, for the attention of Kerry Lovick.
 - f. Financial Services will issue a new supplier number once the correctly and fully completed paperwork has been received.

If the employment status result states that the individual is an employee the Service Manager must contact the Personnel Services Manager/Payroll and Systems Administrator immediately and forward the original versions of the ESI declaration and pages printed from HMRC web-site to Personnel.

Processing Payments To A New Supplier For The First Time

- When the first invoice is received for your new supplier (or for the new purpose/task/service provided by an existing supplier) you must write the appropriate HMRC 'ESI Reference' (found on the Employment Status indicator result page, see section 3 above) on the top of the invoice prior to forwarding to Financial Services for payment.
- **UNDER NO CIRCUMSTANCES WILL INVOICES TO INDIVIDUALS BE PAID WITHOUT THE RELEVANT ESI REFERENCE NUMBER BEING PROVIDED.**
- If a Service Manager is in any doubt as to whether an ESI Reference has been provided to Financial Services for a particular supplier, or has any doubt whether the employment status check undertaken for a supplier relates to the same services/tasks being performed **THE EMPLOYMENT STATUS INDICATOR TOOL MUST BE COMPLETED AND THE NEW ESI REFERENCE SUPPLIED.**

Processing POP Orders

Those placing POP orders must follow the procedure outlined above in full, including:

- completing the Employment Status Indicator tool and printing the results sheets
- attaching to a completed ESI declaration form
- completing the New Supplier Form if this is a new supplier,
- sending all paperwork to Financial Services

– this must be undertaken before an invoice for the order can be paid.

Existing Suppliers

To assist with the transition to this new arrangement for paying suppliers, Financial Services are completing the Employment Status Indicator tool for a number of existing individual suppliers who regularly undertake work for the Council. A list of the suppliers that have been checked, and the details of purpose/tasks/services they have been checked for, will be made available on Insite.

If you receive an invoice from an existing supplier please check against this list to ensure the answers given on the ESI tool apply to the purpose/task/service you have engaged them for. If so you may use the ESI Reference number stated rather than

complete the ESI tool yourself. Please write the relevant ESI number on the top of the invoice you wish to be paid prior to sending to Financial Services.

If you have any doubt as to whether the purpose/tasks/services being undertaken are the same – you must complete the ESI tool and ESI declaration, and notify Financial Services of the resulting reference number.

If you have an invoice to pay for an existing supplier who is not on the list you must:

1. Complete the ESI tool on the HMRC website,
2. Print the Employment Status Indicator Result page and the relevant enquiry details page (found by clicking the words 'Enquiry Details' in the top right hand corner of the page)
3. Complete, date and sign the ESI declaration including supplier number and (where appropriate) POP order number.
4. Retain copies of above paperwork for your records
5. Forward original versions of above paperwork to Financial Services for the attention of Kerry Lovick.

Cash Limits

In all cases the Budget Cash Limit will be seen to be the 'bottom line' of a service cost centre as presented in the Financial Plan 2015/2020 and the financial ledger.

It will be the responsibility of the Assistant Director to make sure that any anticipated overspending in a cost centre, as a first option, is compensated by a reduction in the same service area. In the event that this is not possible the Assistant Director must as a second option look for compensating reductions within another service area under their responsibility. (It is accepted that this may mean changes across Portfolios).

If this is not possible then the Assistant Director must report the circumstances to the Management Team requesting the forecast overspend to be met from corporate resources.

The decision on how to meet the shortfall will be made by Management Team in consultation with the portfolio holder for Resources, before the overspending is authorised.

These cash limits rules will not apply to elements of the budget that are 'outside' of the control of the service manager. These will include;

- rent and rates
- insurances
- benefit payments
- support service charges
- capital financing
- asset rentals
- interest on capital receipts

Where there are increase/reductions in the above, it will be necessary for the Assistant Director to report to Management Team and complete the appropriate Exercise of Delegated Authority (EDA) form or Cabinet report.

In all other cases the cash limits rules will apply although Management Team, in consultation with the portfolio holder for Resources, will consider exceptions in particular cases. (As an example, this may be the case where the pressure comes from reduced levels of income from 'demand led' services).

In all cases Financial Regulations require the Assistant Director to gain Portfolio Holder(s) approval for them to complete the EDA form. A copy of the form must be sent to the Assistant Director for adjustments to be made to the budget records in the financial ledger.

Any budget transfer with a value of £250,000 or above is a 'key decision' and must be subject of a report to Cabinet.

In dealing with the overspending it will be the responsibility of the Assistant Director to identify compensating reductions within one month of the issue being identified. This will form part of the Monthly Monitoring Report.

As a reminder, the Financial Regulations state;

- transfers must not be made into permanent staffing budgets;
- savings in non-recurring expenditure or income should not be used to finance additional recurring expenditure

Lorraine Gore
Assistant Director (S151 Officer)

REPORT TO CABINET

| | | | | |
|---|---|--|--|--|
| Open/Exempt | | Would Any Decisions Proposed : | | |
| Any especially affected Wards None | Mandatory | (A) Be Entirely Within Cabinet's Powers To Decide Yes /No | | |
| | | (B) Need To Be Recommendations To Council Yes/ Ne | | |
| | | (c) Be partly for recommendations to Council YES /NO and partly within Cabinets powers – | | |
| Lead Member: Cllr Adrian Lawrence E-mail: cllr.adrian.lawrence@west-norfolk.gov.uk | | Other Cabinet Members consulted: | | |
| | | Other Members consulted: Licensing & Appeals Board | | |
| Lead Officer: John Gilbraith E-mail: john.gilbraith@west-norfolk.gov.uk Direct Dial: 01553 616786 | | Other Officers consulted: | | |
| Financial Implications YES/ NO | Policy/Personnel Implications YES /NO | Statutory Implications (incl S.17) YES/ NO | Equal Opportunities Implications YES /NO | Risk Management Implications YES /NO |

Date of meeting: 6th December 2016

Hackney Carriage and Private Hire Licensing Procedures & Conditions

Summary

Following high profile cases of child sexual exploitation (CSE) involving taxi drivers in places such as Rotherham, the Borough Council wishes to introduce safeguarding awareness training for members of the taxi trade. To ensure that members of the trade complete this training will require an amendment to licensing conditions. The amendment to conditions would empower the Licensing & Appeal Board to take action against those who do not complete the training voluntarily.

It is therefore proposed that the Borough Council's Hackney Carriage and Private Hire Licensing Procedures & Conditions are amended to include a requirement that all existing licensed combined drivers and new applicants for combined drivers either attend safeguarding training or pass the 'safeguarding' element of the Borough Council's Knowledge Test.

Whilst introducing this new requirement an opportunity has been taken to make minor amendments to three existing licensing conditions; Driver Standard Agency (DSA), window tints and 'MOT tests for hackney carriages and private hire vehicles.

Recommendation

That Council adopt the revised licensing procedures and conditions.

Reason for Decision

To introduce safeguarding awareness for combined drivers and keep the current procedures and conditions up to date and fit for purpose.

1.0 Introduction

- 1.1 Consideration has been given to the findings of the Independent Enquiry into Child Sexual Exploitation in Rotherham 1997 - 2013 undertaken by Alexi Jay. In particular, in the context of hackney carriage and private hire licensing, members should note that the report states: *'One of the common threads running through child sexual exploitation across England has been the prominent role of taxi drivers in being directly linked to children who were abused.'*
- 1.2 The Borough Council has a duty to protect the travelling public. This is achieved by setting standards (by way of conditions) for those people who wish to apply for or retain a licence to be a combined hackney carriage and private hire vehicle driver. Conditions and pre-licence requirements ensures that the Borough Council provides a fair evaluation of applications/existing licences when making decisions on whether to grant, renew, suspend or revoke a licence.
- 1.3 The Borough Council of Kings Lynn and West Norfolk has adopted the provisions of the Local Government (Miscellaneous Provisions) Act 1976 that relate to the licensing of hackney carriages and private hire vehicles, hackney carriage and private hire drivers and private hire operators. The Act permits Local Authorities to attach conditions to the licences where they are considered reasonable necessary.
- 1.4 The last full review of licensing procedures and conditions was approved by Full Council on the 28th January 2016.

2.0 Consultation

- 2.1 With the exception to the change in Driver Standard Agency (DSA) requirements, the trade were consulted on the proposed changes to procedures and conditions between the 8th August 2016 and the 16th September 2016.
- 2.2 The response to the consultation was disappointing with only 5 responses (1.9%) received. However, this could be taken as a general consensus that the trade have no concerns with the proposed amendments. A copy of the consultation document is attached to this report at Appendix 1 which includes a summary of the responses received.
- 2.3 With the agreement of Cllr Don Tyler, Chairman of the Licensing & Appeals Board, Members of the Licensing & Appeals Board were consulted by email on the 22nd September 2016 of the proposals and comments received from the consultation.

3.0 Safeguarding Awareness Workshops

- 3.1 The training has been delivered in a 1-hour workshop by Breckland Training Services. The aim of the workshop was to give drivers an overview of how safeguarding can involve the taxi and private hire trades; what child sexual exploitation is; and to give drivers the knowledge and confidence to report concerns.
- 3.2 These workshops were provided over three days and all licensed drivers were invited to attend one of the sessions on offer. The take-up has been encouraging with 88% of the trade attending on a voluntary basis. The adoption of the new proposals will enable action to be taken against the remaining 12% thus ensuring that all combined drivers have completed the training.
- 3.3 Breckland Training Services delivered the same workshop to members of the Licensing & Appeals Board on the 8th March 2016. Also, the workshop has or will be delivered in our neighbouring licensing authorities in Norfolk.

Proposals

- 3.1 Safeguarding. It is proposed that the Borough Council's Hackney Carriage and Private Hire Licensing Procedures & Conditions are amended to include a requirement that all existing licensed combined drivers complete safeguarding training. In addition, the Borough Council's taxi knowledge test will be updated to include a section on safeguarding. This will be primarily aimed at new applicants for combined drivers although it can equally be used for existing members of the trade who either did not or could not attend one of the safeguarding workshops.
- 3.2 Driver Standard Agency (DSA). Condition 2.1 currently requires applicants for a combined driver licence to complete the DSA Hackney Carriage/Private Hire Test Assessment. The DVLA have advised that from the end of 2016 they will no longer be offering a taxi driving test. Private companies are available to offer similar training so it is proposed therefore that the current condition be amended to include "or a driving test approved by the Borough Council".
- 3.3 Window Tints. Licensing conditions currently state that:-

"No glass, with the exception of a tinted sun-strip along the top of the windscreen, shall be tinted to such an extent as to obscure the view of the inside of the vehicle from a distance of 4 metres".

Notwithstanding that the condition is ambiguous it is proposed to remove this condition as a lot of new vehicles have 'tints' fitted on the rear windows as standard. Both the Norfolk Constabulary and Norfolk Fire Service have been consulted and neither authority has raised any safety concerns.

- 3.4 MOT Tests. It was proposed at the last review to remove the requirement for licensed vehicles to have both the standard MOT and the Council's compliance test from new. The Council therefore changed the condition to require an MOT from 3 years in line with private vehicles. Unbeknown at the time, the Driver and Vehicle Standards Agency (DVSA) testing standards require a hackney carriage vehicle to be MOT tested from 1 year old. There is no similar requirement for private hire vehicles so would be required from 3 years old in line with all other vehicles. Amending the condition would align our condition with the primary legislation. It is considered reasonable that licensed private hire vehicles should be tested to the same standard as hackney carriages (after 1 year) as in many cases private hire vehicles complete the same, if not more miles per annum.

4.0 Financial Implications

- 4.1 None

5.0 Statutory Implications

- 5.1 None

6.0 Background papers

- 6.1 Hackney Carriage & Private Hire Licensing Procedures & Conditions (Revised January 2016).
- 6.2 Independent Inquiry into Child Sexual Exploitation in Rotherham 1997 - 2013
Alexis Jay OBE

7.0 Appendixes

- 7.1 Review of Hackney Carriage & Private Hire Licensing Procedures & Conditions – Summary of Changes (August 2016)

| Current Condition | Proposed New Condition | Reason for Proposal | Comments Received from Trade |
|---|---|---|---|
| <p><u>Tinted Windows</u></p> <p>3.60 No glass, with the exception of a tinted sun-strip along the top of the windscreen, shall be tinted to such an extent as to obscure the view of the inside of the vehicle from a distance of 4 metres.</p> | <p><u>Tinted Windows</u></p> <p>3.60 Tinted windows must comply with the Road Vehicles (Construction & Use) Regulations which specify the minimum levels of light that must pass through the windscreen and front side windows. The limits are:</p> <p>The light transmitted through the windscreen must be at least 75%. The front side windows must allow at least 70% of light to be transmitted through them.</p> | <p>The existing condition is ambiguous.</p> <p>An increasing number of new vehicles come with tinted rear windows as standard.</p> <p>Norfolk Constabulary and Norfolk Fire Authorities have been consulted and do not require visibility in the back of licensed vehicles in order to promote public safety.</p> | <p>Two members of the trade are asking that in addition to factory fitted tinted windows that we allow film 'tints' to be fitted.</p> |
| <p><u>MOT Testing (Annex D)</u></p> <p><i>Compliance Testing Standards</i></p> <p>8. Whilst vehicles which are less than 3 years old do not require a standard MOT test they are required to have a compliance test.</p> | <p><u>MOT Testing (Annex D)</u></p> <p><i>Compliance Testing Standards</i></p> <p>8. All vehicles (hackney carriages and private hire) require a compliance test before first licensed, however they do not require a standard MOT test also unless they are 1 year (from date of first registration) or older.</p> | <p>It was proposed at the last review to remove the requirement for licensed vehicles to have both the standard MOT and the Council's compliance test from new. The Council therefore changed the condition to require an MOT from 3 years in line with private vehicles. We need to change this as DVSA standards require a hackney carriage vehicle to be MOT tested from 1 year old (regardless of what our conditions state). It is considered reasonable that private hire vehicles should be tested to the same standard.</p> | <p>No comments received objecting to this proposal</p> |
| <p><u>Safeguarding Training</u></p> <p>No current requirement</p> | <p><u>Safeguarding Training</u></p> <p>All existing licensed drivers and new combined driver applicants will be required to undertake Safeguarding Training as prescribed by The Borough Council.</p> | <p>Central Government are currently looking to introduce the requirement for all licensed drivers to undertake Safeguarding Training. The training should raise awareness in light of issues involving licensed drivers and child sexual exploitation (CSE) across the country. The Borough Council, in line with other Councils wish to introduce this requirement ahead of any changes to the law.</p> | <p>No comments have been received opposing the introduction of this condition.</p> |

REPORT TO CABINET

| | | | | |
|---|---|---|---|--|
| Open/Exempt | | Would any decisions proposed : | | |
| Any especially affected Wards All | Mandatory/ | Be entirely within Cabinet's powers to decide | YES/NO | |
| | Discretionary / | Need to be recommendations to Council | YES/NO | |
| | Operational | Is it a Key Decision | YES/NO | |
| Lead Member: Cllr R Blunt E-mail: cllr.richard.blunt@west-norfolk.gov.uk | | Other Cabinet Members consulted: All | | |
| | | Other Members consulted: None specifically | | |
| Lead Officer: Alan Gomm E-mail: alan.gomm@west-norfolk.gov.uk Direct Dial:01553 616237 | | Other Officers consulted: Management Team | | |
| Financial Implications YES/NO | Policy/Personnel Implications YES/NO | Statutory Implications YES/NO | Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment | Risk Management Implications YES/NO |

Date of meeting: **6 December 2016**

Community Infrastructure Levy (CIL) – Examiner’s Report, Charging Schedule, operational arrangements and governance

Summary

- The report covers three subjects:
 - The CIL Examination in September and the outcomes
 - The implementation of CIL
 - Possible mechanisms for deciding how to allocate funds raised from CIL
- The CIL Examiner has reported and concludes that with specified modifications the Borough Council can implement a CIL Charging Schedule.
- His modifications includes the requirement that the proposed CIL of £10m2 in King’s Lynn be reduced to £0m2 having regard to the values found in the town.
- Progress on the operation of a CIL is outlined showing the process of integrating CIL into our current systems to ensure liability to pay and the mechanisms to collect CIL are adequate. A start date for liability to pay CIL is proposed as 15 February 2017.
- Discussion is given about how the Borough Council might wish to consider projects to be supported out of CIL.
- A preferred mechanism of a new Task Group recommending to Cabinet is proposed. Discussions and consideration of the requirements and requests of other bodies are built in to the process.
- Monitoring and accounting for CIL (income and expenditure) is a very important part of the process, and this includes the shares appropriate for parish and town councils.

Recommendation

1. That the Borough Council adopts a CIL Charging Schedule as amended by the Examiner.
2. A formal start date for CIL is set as 15 February 2017
3. The Borough Council agrees to have a policy which allows for payment in kind to be accepted.
4. The provisions for the collection and operation of CIL are noted.
5. The Borough Council works towards a method of CIL governance as outlined in Appendix 4 to this report.
6. Delegated authority is given to the Executive Director - Planning and Environment in consultation with the Portfolio Holder for Development to set up arrangements for CIL governance having regard to the Preferred Option.

Reason for Decision

In order to implement CIL in the Borough

1. Background

1.1 The Examiner who conducted the Borough Council's CIL Examination has now reported and has found that a CIL could be introduced in the Borough. In view of this there is a need to formally adopt the CIL and outline for Members the practical steps to implement it. Additionally consideration is given about how the Borough Council could bring forward a process for spending CIL receipts. A preferred option is suggested.

1.2 This report therefore addresses a number of matters in the following sections:

1. Receipt of the Examiner's Report and recommendation to adopt CIL
2. An overview of the operation of CIL – how liabilities are established and collection of money is effected
3. CIL Governance – How will CIL be utilised and accounted for?

2. Receipt of the Examiner's Report and adoption of CIL

2.1 The Examiner's Report was received on 21 November. (A copy of his report is attached as Appendix1). In summary his report concludes that, subject to some recommended modifications, the King's Lynn and West Norfolk Borough Council's draft Community Infrastructure Levy (CIL) Charging Schedule provides an appropriate basis for the collection of the levy in the area. It meets the requirements of Section 212 of the Planning Act 2008 and will meet the criteria for viability in the 2010 Regulations (as amended).

2.2 Three modifications to the Draft Charging Schedule are required.

- The reduction of the residential development CIL to £0 per square metres in the 'King Lynn unparished area', as development viability on brownfield sites is not sufficient in this area to support a CIL.
- The inclusion of a more detailed map to define the charging zone boundaries of the 'King's Lynn unparished area'.
- The inclusion of descriptions of commercial development types for clarity.

2.3 The full technical description of these modifications and the Charging Schedule is outlined at p18 of the Examiner's Report (attached here as Appendix 1).

2.4 In the opinion of the Examiner, subject to these modifications, the Council is able to demonstrate that it has sufficient evidence to support the Schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in the Development Plan for the area, at risk. The proposals will secure an important funding stream for infrastructure necessary to support planned growth in the Borough.

2.5 It is clearly disappointing that we are not able to make a charge in the King's Lynn un-parished area to support infrastructure provision in the Borough, albeit a modest charge in relation to other parts of the Borough. However the Examiner has heard the evidence and has made a recommendation in the light of that evidence. The other issues are clarifications and cause no particular difficulty.

2.6 Amongst his other discussion points in his Report the Examiner reminds the Council that it needs to be satisfied it complies with the requirements about 'State Aid'. 'State Aid', in whatever form, which could distort competition and affect trade by favouring certain parties or the production of certain goods, is not allowed. We have followed the processes and methodologies for calculating the levels of CIL, and taken into account costs of development and potential values in setting the rates. The work has been undertaken by a well-respected specialist consultant in the field. There has been no attempt to bring in special terms for sites or bodies involved. The basis of any calculations, and assumptions made have been tested publically at Examination.

2.7 The Council's Solicitor has reviewed the position in relation to 'State Aid' issues as the Examiner notes and is satisfied that the Borough Council has acted appropriately. In the light of the above we consider we have carried out the CIL Viability Study correctly (the Examiner notes that we have). It is a consistent methodology across the whole Borough. We have applied it in a consistent way, allowing for a cushion against the absolute maximum CIL we could charge across the Borough. The infrastructure costs do vary, but again we gave further evidence about this and the Examiner considered it before allowing us to have a CIL. We believe the viability / infrastructure evidence is sound; the modelling is robust and has been applied consistently; and our cushion is not unreasonable (it has been tested as part of the viability). We do not consider that state aid rules are compromised. Additionally we are often at the lower end of the viability spectrum therefore zero rating is a possibility, and is played out on sites in the Borough.

2.8 The Examiner notes that:

- Subject to recommended modifications, the Charging Schedule complies with national policy / guidance.
- Subject to recommended modifications, the Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, and consistency with the Development Plan and is supported by an adequate financial appraisal.

2.9 The charging schedule must now be formally approved by a resolution of the full Council of the charging authority. The recommendation needs to include an appropriate commencement date, following or on approval.

2.10 In terms of commencement dates it is appropriate to give some notice of the imposition of the CIL charges. The proposed timetable consists of:

- 28 Nov – Dispatch of papers for Cabinet
- 6 Dec – Cabinet
- Following Cabinet – initial publicity
- 19 January – Council meeting
- 15 February – Formal commencement of CIL charging regime. (From this date all permissions issued will be liable for a CIL).

3. An overview of the operation of CIL – how liabilities are established and collection of money takes place

3.1 Attached at Appendix 2 is a process chart giving the various stages in establishing liability for CIL and eventual payment when development commences. It is a complex process but is carefully prescribed by Regulations and a series of letters and forms are set down to be used. Given this complexity it has been necessary to commence work on the process of implementing CIL in advance of adoption.

3.2 We have appointed a CIL Officer to oversee the operation of this side of the project and this is paid for by a charge against the CIL collected. Preparations are well advanced to start the process on 15 February as stated above, assuming that Council agrees the adoption and start date.

3.3 In undertaking this preparation we have identified that a Charging Authority can have the ability to accept 'payment in kind' by way of land or infrastructure. It could be applied to projects including additional burial land, allotments, village hall improvements and footpath changes in towns across the county.

3.4 In order to do so the Borough Council must give notice that it wishes to do this should the potential arise. It is recommended that we follow this course.

3.5 A formal notice stating the wish to do this is attached at Appendix 3.

4. CIL Governance – How will CIL be utilised and accounted for?

4.1 The rates and applicability are clearly laid out and the mechanisms for establishing liability and how payment is made are carefully explained and controlled

by Regulations. The CIL Regulations do not cover governance arrangements how for the Borough Council as Charging Authority approaches spending – there is complete discretion to the Borough Council to put in place whatever structures and procedures as are seen to be appropriate. Recent changes to the regulations do outline how the proportions due to Town and Parish Councils are calculated and their reporting arrangements. There is no specific involvement by the County Council although it is important to remember that the Borough Council has a duty to co-operate with the County Council.

4.2 In terms of Parishes and Towns 15% of CIL revenues go direct to the Parish/Town Council in whose area the development occurs, subject to a cap of £100 per existing dwelling in the Parish. This increases up to 25% with no cap where there is a neighbourhood plan in place.

4.3 In the Borough we have the area of King's Lynn where there are no parish or town councils, so the automatic delegation of spending to those bodies cannot take place. We have had approaches about setting up Neighbourhood Forums for the purposes of preparing a Neighbourhood Plan, but these have not yet been formally put forward. In this case

4.4 Communities without a Parish, Town or Community Council will still benefit from the 15% neighbourhood portion (or 25% portion, if a neighbourhood plan or neighbourhood development order has been made). If there is no Parish, Town or Community Council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in neighbourhood plans.

4.5 The Government does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans), and using networks that ward councillors use. Crucially this consultation should be at the neighbourhood level. It should be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates.

4.6 It would be relevant in reporting the spending of CIL (or monitoring potential CIL liabilities) to have regard to the mechanisms that the Borough might use for these un-parished areas.

5. Principles to guide CIL spending

5.1 Given that there are no specific requirements for governance it would be helpful to outline a list of principles that would help to underpin governance arrangements. These are set out below;

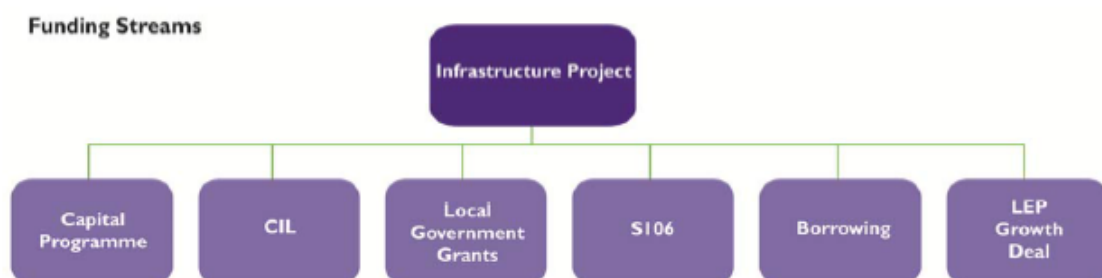
- Plan-led - utilising the Infrastructure Delivery Plan and other programmes aimed at making the Borough's infrastructure fit for increased growth, as a framework for investment
- Priority driven - ensuring an appropriate balance between more strategic (e.g. area wide improvements to roads) and more localised items to cover community aspirations.
- Time focused – ensuring that the right infrastructure can be provided at the right time and that the necessary design work is undertaken and other barriers to delivery are addressed.
- Forward looking - providing a clear mechanism for saving up or contributing a share to more significant infrastructure items.
- Cost effective – challenging procurement processes to ensure that the most cost effective solutions are found.
- Leverage – influencing the deployment of other capital programmes so as to maximise overall investment.
- Additionality – ensuring that funding from CIL does not simply become a substitute for a different source of funding.

6. How governance has been approached elsewhere

6.1 Officers have considered CIL governance structures that have been introduced in other Local Authority areas. This included Plymouth, Taunton Deane, Bristol, Huntingdonshire, Colchester and East Cambridgeshire. These had varying degrees of engagement with Members and other key stakeholders.

6.2 One choice that falls to be made is whether to have a formalised arrangement with the County Council as has been introduced in some places including Huntingdonshire. Another area to be clarified is whether certain types of infrastructure should be encouraged to be delivered through the proportion received by Parish and Town Councils. Items such as open space may appropriately be delivered with Parish support and may help ensure delivery.

6.3 The introduction of the CIL represents an opportunity for the Borough Council to direct funding towards the delivery of critical infrastructure in the area. However we have clearly taken that key role in provision in the recent past. As Charging Authority we will be directly collecting and controlling funds to spend. We have our own capital budgets and successfully work with others to deliver projects. CIL is potentially one more stream of funding.



6.4 A key issue is how investment decisions will be taken. This will necessarily involve a process of prioritisation set out against the framework provided by the Local Plan and any accompanying Infrastructure Delivery documents, and current Borough Council priorities.

6.5 Different potential structures exist with varying degree of engagement with Members and stakeholders outside of the Council. The precise structure will need to fit the Borough and be sufficiently robust to manage significant competing priorities.

Potential options are discussed below.

1. A stand-alone Group or a joint board with the County Council and other infrastructure partners which has responsibility to define and propose CIL spending, but which has to be agreed by the Borough Council.
2. A more informal group consisting of representatives from Borough, County and Parish Councils which assesses projects and advises the full Borough Council.
3. A mixture, whereby a set of principles or priorities is worked up with a set of organisations but the assessments are done by a Borough Council Task Group and agreed by the Borough Council Cabinet

7. Administration and monitoring

7.1 Under the Regulations, the Council is permitted to allocate up to 5% of all CIL receipts to assist in the costs of administering CIL. The Council will deduct these and the costs of monitoring CIL from the 5%. The appointment of a CIL Office is noted above.

7.2 The Borough Council must account for receipts and any spending occurring. The Borough Council must publish, on an annual basis, the amount of CIL money it has received, spent, brought forward from previous years, intends to carry forward to the following year and where money has been spent. 15% / 25% of all CIL receipts (as explained above), under the Regulations, must be transferred to the Parish or Town Council (where development has occurred in their area). In a Regulation 62A report, the Parish/Town needs to cover the position as well.

8. Process for requesting CIL contributions to be allocated to a project

8.1 A broad list of suitable / necessary infrastructure projects (the 'Regulation 123' list) is included with the CIL documents on our website. However this is neither detailed or project specific. Potential projects are outlined in various documents such as the Borough Infrastructure Study, the Local Plan and our capital programme. These are clearly candidate projects, as would be proposals from the County Council to invest in new schools for example. However there should be a transparent process where bids are made and projects analysed and prioritised. A stakeholder should be able to apply for a project that is included on the R123 List, to be funded, in whole or in part, by CIL contributions. The stakeholder should write to the Council requesting allocation of CIL funds to their project.

8.2 A project being included on the R123 List does not signify a guarantee of CIL funding. Whether a project successfully receives CIL funding will depend on the

Borough Council's priorities at the time of the application for funding being made, and the amount of CIL funding available.

8.3 Any request should include the following information:

- Details of the scheme
- Timetable for delivery (indicative will suffice)
- Why the scheme should benefit from CIL funding
- Where CIL is only intended to fund part of the project, provide details/evidence of other sources of secured funding

8.4 Once the request has been received, a group will discuss and assess the application and a recommendation will be made an appropriate body.

9. How to spend the money

9.1 The Planning Advisory Service carried out research and found that many of the case study authorities said that their spending priorities were shaped by their own corporate (or capital) programmes. This provides a ready-made system for justifying spending on potentially 'oven-ready' infrastructure projects. However there a likely to be schemes necessary to accommodate growth that requires investment from other organisations e.g. schools, health, transport etc. The Borough Council may feel that it has an overall co-ordinating role to fulfil for the Borough area and promote directly a set of localised priority projects.

9.2 Good practice suggests that an annual funding programme should be prepared, offering transparency as to project choices etc. As noted above bids can be invited to inform priorities. Some authorities offer a consultation on spending priorities for the coming year.

9.3 A series of options could be put forward, ranging from strategic to local, as below.

- Prioritise a strategic project
- Prioritise several smaller projects
- A combination of both
- Save CIL receipts for future years

9.4 There are clearly potential projects which overlap with spending from the County Council. Traditionally spending via S106 has been applied to education improvements and new buildings. This could still be an option. However as part of any spending programme it may be helpful to have some form of memorandum of understanding with the County Council and other strategic organisations. Although not legally binding, it could represent "a set of shared principles".

9.5 In terms of priorities there will be aspirations to cover a number of types of schemes: (perhaps from)

- Capital programme
- Joint schemes
- **Local** schemes to support parish and towns
- **Strategic** long term schemes

9.6 Without absolute understanding of receipts and projects at the moment some form of dedicated group to assess matters would be helpful, and some form of Task Group could be instigated.

10. A draft Governance Structure – Preferred Option

10.1 The attached diagram (Appendix 4) gives an option for handling CIL receipts and assessing potential spending. It makes use of existing structures in the Borough Council. It also tries to be straightforward without unnecessary processes. The rationale is that whilst CIL is a new and welcome source of funding, it is only one stream which we work with. Existing processes handle those sources of investment and there seems no reason to invent a vastly different structure for CIL.

11. Overall conclusion

- We now have the Examiners' Report which allows for the Borough Council to adopt the CIL Charging Schedule.
- Members need to consider whether in the light of the Examiner's Report and recommended modifications, they still wish to proceed and if so agree the recommendation to ask Council to adopt CIL.
- In order to give time for the Borough Council to announce the adoption of CIL and for landowners and developers to make adequate preparations it is proposed that the formal introduction of CIL will be 15 February 2017.
- Members are asked to note the arrangements made for collecting and advising on CIL.
- A specific policy relating to 'payment in kind' is recommended.
- A preferred option for assessing, deciding and monitoring CIL spending is proposed.
- If Members agree this is appropriate we can design the process in more detail and start operating it.

12. Options Considered

12.1 Individual options are described above. In general terms the Borough Council does have the opportunity to decline to have a CIL. However the in principal decision was discussed before the submission of the CIL Draft Charging Schedule for Examination, and the decision was taken to proceed.

13. Policy Implications

13.1 The CIL is the Government's preferred method for gathering funds to spend locally on infrastructure. Our ability to use Section 106 legal agreements has been restricted. Therefore our requirements have to reflect this funding channel change.

14. Financial Implications

14.1 Overall there is a clear positive effect. In previous reports we have discussed the potential amounts of funding that might be available from CIL. This could amount

to £13-£16M over 10 years. In addition a more direct funding stream will be available to parish and town councils where development occurs and a CIL is charged (see paras 4.2 – 4.4 above).

15. Personnel Implications

15.1 A CIL Officer has been appointed and the costs of the post will be covered from a % charge against CIL receipts.

16. Statutory Considerations

16.1 The process of preparing a Draft CIL and having this examined is governed by CIL Regulations (these have been amended a number of times since the original set in 2010). To a degree the Examiner checks whether we comply with these and that we have taken into account the correct information. As noted above he concludes we have.

16.2 The issue of 'state aid' is dealt with at paragraph 2.6/7 above.

17. Risk Management Implications

17.1 CIL Receipts will depend on the pace of permitted applications being commenced. It will be some time before the Borough Council is collecting meaningful amounts of CIL.

Equality Impact Assessment (EIA)

Attached

Declarations of Interest / Dispensations Granted

Background Papers

(Definition : Unpublished work relied on to a material extent in preparing the report that disclose facts or matters on which the report or an important part of the report is based. A copy of all background papers must be supplied to Democratic Services with the report for publishing with the agenda)

(The CIL section of the Borough Council website contains links to all the relevant material, particularly the Examination and further additional material referred to above).



**Pre-Screening Equality Impact
Assessment**

| | | | | | |
|---|--|--|----------|---------|--------|
| Name of policy/service/function | Community Infrastructure Levy – Charging Schedule | | | | |
| Is this a new or existing policy/ service/function? | New /Existing (delete as appropriate) | | | | |
| Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations | Charge per square meter levied on new development in the Borough to contribute to additional supporting infrastructure across the Borough. | | | | |
| Question | Answer | | | | |
| <p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> | | Positive | Negative | Neutral | Unsure |
| | Age | | | x | |
| | Disability | | | x | |
| | Gender | | | x | |
| | Gender Re-assignment | | | x | |
| | Marriage/civil partnership | | | x | |
| | Pregnancy & maternity | | | x | |
| | Race | | | x | |
| | Religion or belief | | | x | |
| | Sexual orientation | | | x | |
| | Other (eg low income) | | | x | |
| Question | Answer | Comments | | | |
| 2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another? | Yes/ No | Principally this is a levy on the cost of development, and does not directly impact on specific groups | | | |
| 3. Could this policy/service be perceived as impacting on communities differently? | Yes/ No | | | | |
| 4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination? | Yes/ No | | | | |
| <p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p> | Yes/ No | Actions: None for reason as above | | | |
| | | Actions agreed by EWG member: Claire Dorgan | | | |
| Assessment completed by: Name Alan Gomm | | | | | |
| Job title Planning Policy Manager | Date 23 November 2016 | | | | |

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

Report of CIL Examiner



The Planning Inspectorate

Report to King's Lynn and West Norfolk Borough Council

by Mr Philip Staddon BSc, Dip, MBA, MRTPI

an Examiner appointed by the Council

Date: 21 November 2016

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT KING'S LYNN AND WEST NORFOLK BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 10 June 2016

Examination hearings held on 6 September 2016

File Ref: PINS/V2635/429/5

Non-Technical Summary

This report concludes that, subject to some recommended modifications, the King's Lynn and West Norfolk Borough Council's draft Community Infrastructure Levy (CIL) Charging Schedule provides an appropriate basis for the collection of the levy in the area.

Three modifications to the Draft Charging Schedule are required. First, the reduction of the residential development CIL to £0 per square metres in the 'King Lynn unparished area', as development viability on brownfield sites is not sufficient in this area to support a CIL. Second, the inclusion of a more detailed map to define the charging zone boundaries of the 'King's Lynn unparished area'. Third, the inclusion of descriptions of commercial development types for clarity.

Subject to these modifications, the Council is able to demonstrate that it has sufficient evidence to support the Schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in the Development Plan for the area, at risk. The proposals will secure an important funding stream for infrastructure necessary to support planned growth in the borough.

Introduction

1. This report contains my assessment of King's Lynn and West Norfolk Borough Council's draft Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008 (as amended). It considers whether the schedule is compliant in legal terms and whether it is economically viable, as well as reasonable, realistic and consistent with national guidance set out in the National Planning Practice Guidance (PPG).
2. To comply with the relevant legislation and guidance, the local charging authority has to submit a charging schedule that should set an appropriate balance between helping to fund necessary new infrastructure and the potential effect of the proposed CIL rates on the economic viability of development across its area.
3. The basis for the examination, on which Hearing sessions were held on 6 September 2016, is the Draft Charging Schedule, hereafter referred to as the 'DCS'. The DCS was published for public consultation between 14 March 2016 and 25 May 2016. The DCS proposes CIL charges for residential development and for certain types of retail development.
4. The DCS proposes different levels of CIL charge for new residential development based on geographic location and further differentiates

specified 'strategic sites' (effectively exempting them from the CIL charges).

5. There are two geographically large proposed CIL charging zones that cover most of the borough and a third, much smaller, zone defined around the town of King's Lynn.
6. In the *North East and East areas of the Borough (East of the Great Ouse and North of A1122/A134)*, the proposed CIL would be £60 per square metre (psm). In the *South and West of the Borough (West of the Great Ouse and south of A1122/A134, including Downham Market)*, the CIL would be £40 psm. In the smaller *King's Lynn unparished area* the CIL would be £10 psm.
7. The DCS identifies six 'strategic sites' where it is proposed that CIL would be zero rated (£0 psm). Four of these are in or adjacent to King's Lynn and the other two are at Downham Market and Walsoken (Wisbech fringe). Each of these sites is supported by a more detailed inset plan in the DCS that defines its geographical boundaries. Any other strategic sites, not specifically identified with an inset plan, would incur the proposed CIL charge based on their location i.e. they would not be subject to any reduced rate.
8. The DCS also proposes that developments of 'Sheltered / Retirement Housing (C3)' would be zero rated (£0 psm) in all areas of the borough.
9. The proposed retail CIL charges are not zoned and would apply across all parts of the borough. The DCS proposes £100 psm CIL charges for 'supermarket' and 'retail warehouse' developments. 'All other retail development' would be zero rated (£0 psm).
10. For completeness, the DCS sets out that CIL would be zero rated for 'all other development.'

Preamble and procedural matters

11. This has been a complicated and rather protracted examination. The Council's DCS attracted a large number of representations and a significant number of Representors attended and contributed to the Hearing sessions. Although the scope of representations was wide ranging, two particular themes dominated the Hearing sessions. The first was a concern by parish bodies that CIL should be higher in certain locations and that certain large sites should not be exempted. The second was about the treatment of strategic sites in terms of consistency and the robustness of the Council's evidence base.
12. The complexity and duration of the examination was also a product of a number of procedural matters and difficulties that arose. These are summarised below.

Publication of documents

13. In the period leading up to the Hearing, it became apparent that the Council's detailed development appraisals had been detached from its main viability report. They did not reach me in the initial document bundle nor were they posted on the CIL examination website.
14. However, the Council clarified that the full details had been available throughout its formal consultation period and thereafter, through its consultation portal. For completeness and transparency, the Council added the appraisal material to the CIL examination webpages.

Requests to submit additional representations in advance of the Hearing

15. One Representor claimed that the publication issue had disadvantaged his representations, as he wished to compute and submit 'detailed alternative calculations' to the examination. However, Regulation 17 (2)(a) establishes a certain discipline by prescribing that written representations 'must' be made within the set consultation time limits.
16. The period leading up to the Hearing session is not an opportunity to add new evidence, which should have been submitted during the prescribed consultation period. Accordingly, I declined the Representor's request that I allow him to submit late evidence and to issue 'position statements' with appendices prior to the Hearing.

Late requests to participate in the Hearing sessions

17. Shortly before the scheduled Hearing sessions, an amenity society made a request to participate in the Hearing sessions. However, as it had not made any representations through the consultation stages, I declined this request, in the interests of procedural fairness.

Errors and omissions

18. It became apparent through the scrutiny of the Hearing sessions that there were a number of errors and discrepancies in the Council's viability evidence. There were also instances where the evidence would benefit from some clarification. The Council addressed these matters by further updates following the Hearing. In the interests of transparency and fairness, I allowed other parties to consider and make comments on the additional material, setting a deadline of 4 October 2016.

Further comments and representations

19. The post Hearing consultation exercise on the Council's additional material resulted in further submissions from seven Representors. Two of those submissions were extremely detailed and included new appended evidence. Whilst I have read and considered this material, I have done so in the

context that other parties, including the Council, have not had the opportunity to comment on it. I have weighted it accordingly in my assessment.

Scope of this examination

20. Given the breadth and complexity of the representations received, it is important to appreciate the relatively narrow remit of examining the Council's DCS under the law and the guidance. The examination is essentially focused on the economic viability effects of the CIL proposals.
21. Many of the representations I have considered in this examination relate to matters of perceived 'fairness' to existing local communities and to views that the Council could, or indeed should, adopt different CIL proposals. These views are relevant and important and I have commented on them where appropriate. However, my examination must focus on the DCS as published and its likely impact on the economic viability of the planned development in the borough. Put more simply, it means that whilst I can recommend removal or reduction of CIL charges where I consider they threaten development viability, I cannot impose higher CIL rates or design a different Charging Schedule for the Council (as some would wish).

Background evidence – King's Lynn and West Norfolk Borough and the Development Plan

King's Lynn and West Norfolk Borough

22. King's Lynn and West Norfolk Borough Council covers a large and predominately rural area in East Anglia (circa 550 square miles). It extends from the north Norfolk coast, along the eastern side of The Wash and through the Marshland, Fens and Brecks.
23. The 2011 Census recorded a borough population of 147,451. The main population centre is the town of King's Lynn itself, which is home to about a third of the borough's residents (46,093 in the 2011 Census). Other notable settlements are Downham Market and the seaside resort of Hunstanton, with much of the remaining population living in a network of over 100 villages spread across the borough. It has an ageing demographic profile and this is particularly marked in some areas such as Hunstanton. The borough also has links with the town of Wisbech that sits just outside Council's administrative area abutting its western boundary.
24. The borough's economy is mixed and diverse and includes agriculture and fishing, hotels and restaurants, manufacturing, banking, finance and insurance. More than half of the borough's jobs are based in King's Lynn.

Local Development Framework – Core Strategy (adopted 2011)

25. The Core Strategy (CS) sets out the broad development requirements and strategy for the borough in the period up to 2026. The CS seeks to direct growth to the most sustainable and accessible locations in line with the borough's defined hierarchy of settlements. This means that most of the planned growth is directed to the 'main towns' of King's Lynn, Downham Market, Hunstanton and the 'Wisbech Fringe'¹.
26. In terms of housing growth, the CS plans a minimum of 16,500 new homes in the period between 2001 and 2026. The biggest proportion will be in the main town of King's Lynn, which will account for about 7,510 new homes (45.5% of the overall total), including an urban extension of at least 1,600 units south-east of the town (at West Winch).
27. The CS housing growth target figures for the other main towns are each expressed as 'at least' and are: Downham Market – 2,710 new homes; Hunstanton – 580 new homes and Wisbech Fringe – 550 new homes. The balance of housing growth would be within 21 'Key Rural Service Villages' (2,880 dwellings) and 34 'Rural Villages' (1,280 new dwellings). The CS proposes that, to meet these requirements, new allocations of 7,105 will be made and that this will be achieved through the production of a Sites Allocations Development Plan Document.
28. The CS sets out an affordable housing target of 15% on sites in King's Lynn and 20% elsewhere. The threshold for affordable housing is set at sites of 0.33 hectares or 10 or more dwellings in the King's Lynn, Downham Market and Hunstanton. In the rural areas, the threshold site size is 0.165 hectares or five or more dwellings. Most of the Council's parishes (91 out of 96) are 'designated rural areas' where a lower threshold (than that set out in the PPG) is justified.
29. The CS seeks to support employment growth, with a target of creating 5,000 new jobs in the period to 2021². It proposes the allocation of 66 hectares of employment land, split between King's Lynn (50 hectares), Downham Market (15 hectares) and Hunstanton (1 hectare).
30. The CS approach to retail and town centre uses follows the settlement hierarchy. It includes a proposed 20,000 square metre floorspace extension to the King's Lynn town centre (west of Railway Road) and support for the maintenance and enhancement of lower order centres.

Sites Allocations and Development Management Policies Local Plan (SADMPLP)

¹ Wisbech lies in Fenland District Council but some of its planned growth is within the administrative area of King's Lynn and West Norfolk Borough Council.

² A target and date carried forward from the former Regional Spatial Strategy.

31. The SADMPLP seeks 'to complement and facilitate the implementation of the CS by providing detailed policies and guidance'³ and this includes setting out site specific allocations. The Plan was submitted for examination in April 2015 and examination Hearings were held in July, September, October and November of 2015. The Inspector's report and his recommended modifications were published on 22 August 2016 i.e. just a few weeks before the CIL examination Hearing.
32. The Inspector assessed that the SADMPLP satisfactorily reflected the CS and that it provided an appropriate basis for the planning of the Borough, providing a number of modifications were made. The modifications included a commitment to an early review of the Local Plan and changes to various site specific allocations. The Council formally adopted the modified SADMPLP on 29 September 2016.
33. A Local Plan 'task group' has been established which will oversee the immediate' Local Plan review process that the Council has committed to. This process will, in effect, update and revise the CS and marry it with the SADMPLP.

Development Plan Conclusions and CIL regime implications

34. The adopted CS and SADMPLP provide a strategic Planning framework to guide growth in the borough. This establishes a firm foundation for any CIL regime. The SADMPLP is an important and up to date document in this CIL examination, as it sets out the portfolio of 'real world' sites that will be critical to the delivery of the CS (and may be affected by the CIL). However, it is also important to recognise that the review of the Local Plan may result in new sites and new growth directions that may, in turn, have future CIL implications.

Infrastructure needs and evidence

35. The Council has produced an Infrastructure Study (May 2015) which, in effect, updates a similar study produced in 2010 to support the CS. This latest study seeks to provide an up to date assessment of the infrastructure requirements needed to support the growth planned through the adopted CS and the (then emerging) SADMPLP.
36. It is a comprehensive study that draws on consultation with key infrastructure service providers to assess requirements associated with transport, utilities, flood defences and a wide range of community and social infrastructure, including schools, healthcare, fire and police stations, community centres and green infrastructure.
37. There are still some gaps in the infrastructure costings, but the Council has

³ Paragraph A.0.8 of the SADMPLP.

produced two lists based on known scheme costs. The first list is a set of projects that are likely to be 'priorities' for CIL funding and the cost of these totals £76.7 million, the largest elements being for schools (circa £31 million), road schemes (£30 million) and lesser amounts for leisure, sport and flood defences. The second list sets out 'additional' projects, which total £108.8 million, the greatest part of which (£75 million) would be for the A47 Middleton / East Winch Bypass project.

38. The Council estimates that its residential CIL proposals may generate a total revenue of £16 million in the remaining (10 year) plan period. It has discounted this figure to allow for the assumed parish / neighbourhood portion to arrive at a net estimate of £13.5 million. This would amount to about 17.6% of the total costs of the 'priority' project list and about 7.3% of the two lists combined ('priority' and 'additional').
39. The Council has produced a Draft Regulation 123 list that sets out the infrastructure that it intends to fund, partly or wholly, through CIL receipts. The list does not define specific projects but includes the following infrastructure types: transport related infrastructure (roads and public transport); library facilities; additional pre-school places at existing establishments; primary school places at existing schools; provision of secondary, sixth form and further education places; health facilities; leisure and community facilities; 'off-site' open space and public realm; strategic green infrastructure; open space; strategic flooding and waste infrastructure.
40. The Draft Regulation 123 list also identifies six strategic sites (those identified in the DCS) and states that it is expected that these '*....will provide the needed infrastructure for each site through planning obligations (and not Community Infrastructure Levy) relating specifically to those developments.*'
41. In my view, the Draft Regulation 123 list is reasonably clear and comprehensive and provides the certainty and transparency on the destiny of CIL revenues. However, the Council may wish to consider adding a little more detail on the demarcation between CIL and S.106 funded infrastructure. For example, it has been suggested that certain site specific local transport infrastructure (such as a site access / junction improvement) required as a direct result of a development should be differentiated. This is a matter for the Council to consider as it develops its Regulation 123 list.
42. Overall, the infrastructure evidence indicates that the funding gap is substantial and that the imposition of a CIL regime is justified. CIL revenue would make a modest, but nonetheless important, contribution to reducing that gap and supporting the delivery of new infrastructure required to support growth. However, a substantial funding gap would remain.

Economic viability evidence – methodology and modelling assumptions

Methodology

43. The Council commissioned consultants to undertake a Viability Assessment to support its CIL proposals. There are three separate volumes of work.

First, the '*Site Specific Allocations and Policies and Community Infrastructure Viability Study – November 2013*', which provided part of the evidence base for the SADMPLP and informed the preparation and publication of the Preliminary DCS (PDCS). Second, the '*CIL – Post PDCS Viability Update – March 2016*'. Third, the '*Additional Material Requested by Examiner*' document produced in September 2016. The second and third documents are of most relevance to this examination and are hereafter referred to as the 'VA'.

44. The VA uses a residual valuation approach. The modelling seeks to establish a Residual Land Value (RLV) by subtracting all development costs (including an allowance for developer profit) from the total value of the completed scheme - the Gross Development Value (GDV). The RLV is then compared to Threshold Land Values (TLV), which are set at levels at which it is assumed a typical willing landowner would be prepared to sell the land. If the RLV exceeds the TLV then any 'additional profit' (or 'overage') could be used to make CIL contributions. Where this additional profit occurs, the modelling expresses it as a financial value per square metre and this value can be seen as the maximum theoretical 'ceiling' for setting CIL.
45. Clearly, such modelling involves making a wide range of assumptions about the component inputs of development costs and revenues, and these have been adjusted and updated through the modelling iterations. Some of the inputs, such as sales values, land costs, building costs and developer profit levels, can have a profound influence on the modelling outputs and, accordingly, assumptions need to be reasonable and robust. The assumptions used by the Council were subject to a degree of challenge from some Representors. The main assumptions and issues arising are explored below.

Residential development modelling assumptions

Modelled site types

46. The residential modelling was undertaken for nine 'large sites' and ten development typologies.
47. The large sites are actual known developments anticipated to come forward in the plan period as follows:

| <u>Site name / location</u> | <u>Modelled number of units</u> |
|-------------------------------|---------------------------------|
| Boal Quay, King's Lynn | 350 |
| South of Parkway, King's Lynn | 260 |
| Lynnsport, King's Lynn | 297 |
| Bankside, King's Lynn | 200 |
| West Winch, King's Lynn | 3,820 |
| Hall Lane, South Wootton | 500 |
| Knight's Hill, South Wootton | 700 |

| | |
|-----------------------------------|--------------|
| East of Lynn Road, Downham Market | 400 |
| Wisbech Fringe | 550 |
| TOTAL | 7,077 |

48. The ten typologies ranged from a single unit 'infill' development up to 100 units. This portfolio of sites included brownfield and greenfield site scenarios and a housing mix, size and density informed by the Council's knowledge of sites likely to come forward, based on its most recent Strategic Housing Land Availability Assessment (SHLAA).
49. Taken together, the large sites and the typologies represent a very comprehensive range of the housing developments that are likely to make up the bulk of planned delivery in the Plan period.

Sales Values

50. The Council's consultants undertook an analysis of new build house prices. An initial survey was undertaken in late 2012 and refreshed in June 2015. Values were triangulated from a number of sources including published asking prices (with some discounting applied), actual prices paid sourced from Land Registry records, other secondary sources and stakeholder feedback.
51. The Council used this data to define bespoke assumed sales values for each of the nine 'larger sites' and for the ten typologies for each of the three charging zones. That process of defining a very wide range of assumed values is not altogether transparent from the Council's written evidence. At the Hearing sessions the Council's consultant did advise that the process does involve the 'art' of judgement based on the available evidence, which he recognised was limited.
52. There was Representor criticism that the values employed were generally too high and that suggested lower values should be used. Particular attention was drawn to the Wisbech Fringe, where it was suggested that £1,700 - £1,800 psm values should be used rather than the £2,100 employed by the Council. In the post Hearing submissions I was sent a copy of a 'viability and commercial report' covering the East Wisbech urban extension⁴ which employed a lower sales value of about £1,875 psm. However, the report itself recognises that the local market is not stable and that there has been little new development. It also notes that local estate agents have long waiting lists for properties and assesses that there would be 'good demand' for new homes on the urban extension.
53. In my view, there is something of a question mark over the Wisbech fringe values which current available evidence cannot answer with certainty. Whilst it may have been preferable for the Council to adopt values closer to that used in the other report, the proposed £0 CIL zone for this allocation renders it of limited relevance.

⁴ East Wisbech Urban Extension – Viability and Commercial Reports – Prepared by Colliers for ATLAS on behalf of Fenland District Council and King's Lynn and West Norfolk Borough Council - July 2016.

54. I do not consider that the particular issues concerning the Wisbech fringe values have wider implications across the borough. Indeed, I am satisfied that the assumed values do have a reasonably strong resonance with the actual empirical evidence and are suitable for high level CIL testing. That said, it must also be recognised that the dataset is limited in scale and there are some gaps, such as in locations where there have been no new build activity. Furthermore, notwithstanding the fact that there is a definite variation in value tone across the borough (with higher values in the north and west), there are also some quite significant variations within those value tones. For example, some of the 'prices paid' sales values in King's Lynn are comparable with those achieved in Hunstanton (where higher values are assumed).
55. None of these factors is altogether unusual in viability testing for CIL purposes, but they do underline the need for a degree of caution in interpreting modelled results. Indeed, that real world variability is a matter that needs to be considered 'in the round' when interpreting the results and ensuring that CIL rates are set with appropriate viability headroom (or 'buffers').

Land values

56. The Council gathered quantitative and qualitative evidence from a number of sources. These included its earlier Affordable Housing Viability Study (2008 and 2011 update); Valuation Office Agency (VOA) reports; known transactional evidence and feedback from its CIL consultation exercises and stakeholder engagement.
57. This process led to the establishment of assumed 'alternative land prices' of £25,000 per hectare for 'agricultural'; £50,000 per hectare for 'paddock'; £100,000 per hectare for 'garden' land and £380,000 per hectare for industrial land. From these base values 'viability thresholds' were devised to represent the assumed price that would trigger a landowner to sell a site for development. For certain already developed sites this involved adding a 20% premium to the existing use value. However, where the land was undeveloped, much greater value uplifts were employed. For example, the threshold for development of agricultural land was assumed to be £330,000 per hectare (13.2 times the existing use value).
58. I consider the establishment of land values and threshold land values to be sensible and robust for CIL testing purposes. Indeed, the Council's greenfield land value assumptions were supported by a number of Representors, although there were concerns about how the values should be applied in modelling on large sites which require land for open purposes (which cannot be developed).

Build costs and related costs and fees

59. 'Base' building costs for residential schemes were drawn from Building Cost Information Service (BCIS) rates using the 'median' rates for the area, with some enhancement for locally required environmental performance. Allowances were also made for enabling, external works costs and costs

associated with developing brownfield sites.

60. Although the BCIS base used was, by the time of the examination, a little dated (July 2015 figures were used), this does coincide with the most recent refresh of sales values. I am satisfied that any intervening build cost inflation can be factored in to the ultimate assessment of the 'headroom' above the proposed CIL rates.
61. Cost assumptions in respect of fees, contingencies and finance conformed to accepted industry norms.

Profit

62. Developer profit was assumed at levels of 20% of the scheme GDV. In my view, this is a relatively high profit level when applied across the entire scheme. It has become commonplace for charging authorities to model a reduced profit level on the affordable housing element of a scheme (typically to 6%). This reflects its de-risked nature. Nonetheless, the assumed profit level does build a degree of caution into the modelling.

Affordable housing

63. Affordable housing cost assumptions were modelled at the policy target level for the respective location (15% King's Lynn and 20% elsewhere) with a 70/30 tenure split between social rented and 'intermediate' (shared ownership) housing. The costs applied for these affordable housing products appeared reasonable and the Council advised that they had been informed by experience of what Registered Providers were able and willing to pay. The Council further advised that as its affordable housing targets are set at modest and realistic levels, they are generally achieved in practice.

S.106 Costs

64. For the larger sites, known S.106 costs were factored into the appraisals. These varied quite significantly, with some sites requiring major on-site school investment and transport schemes and others subject to very limited requirements. The range spanned from £266 per dwelling up to £9,207 per dwelling.
65. On other sites (the typologies), the modelling assumed a notional £2,000 per unit to cover site specific S.106 infrastructure requirements.

Commercial development modelling assumptions

66. The commercial development modelling used similar assumptions and methodology to assess the viability of different types of office, industrial and retail uses. The assumptions employed for assumed rents, yields, build costs, developer's margin and finance all appeared reasonable for high level CIL testing purposes.

Residential Development CIL – appraisal findings, zones and charges

67. The nine tested large sites generated a wide spectrum of viability results. It ranged from substantial negative viability, with a modelled 'maximum' CIL of -£491 psm to relatively healthy viability of £177 psm on a greenfield site. This reflects the diverse nature of the portfolio of large sites and, given the challenges made by Representors on some sites, it is necessary to explore each in turn. I begin with the six sites that the Council proposes to zero rate for CIL purposes and then explore the others (where CIL would be applied).

The six £0 CIL 'large sites' – viability modelling results

68. Boal Quay, King's Lynn – This brownfield waterfront site is allocated for a high density scheme of 350 homes (mainly flats). Anticipated S.106 contributions are £105,684. The viability modelling indicates that this would be the most challenged of all of the tested large sites. This is clearly a product of the brownfield nature of the site and the envisaged mix (primarily flats). The modelled deficit of -£491 psm provides a clear justification for a £0 CIL rate on this site.
69. South of Parkway, King's Lynn – This former college grounds site is allocated for 260 units, comprising a mix of family housing and flats. S.106 contributions of £104,222 are anticipated. The modelling shows a current viability deficit (-£59 psm CIL) which justifies the £0 CIL rate on this site.
70. Bankside, West Lynn - This brownfield site was originally allocated for 200 dwellings but this was reduced through the SADMPLP to 'at least 120' to reduce visual implications of the proposal. S.106 contributions of £1.6 million are anticipated. The modelling of 200 units returned a negative result of -£290 psm. The reduction in unit numbers (and associated GDV) is likely to worsen this situation. The £0 CIL rate is justified.
71. West Winch King's Lynn - This Strategic Growth Area is the most significant and substantial allocation in the borough. The CS established an allocation of 'at least 1,600 new homes' and identified this as a strategic growth direction (beyond the CS plan period) to accommodate 3,000 – 3,500 dwellings in the fullness of time. The VA tested the full scheme based on the latest understanding of numbers (3,820 units) which covers the main site and some outlying sites (all are included in the DCS site inset map). The result was a negative theoretical CIL of -£129 psm. This appears to be largely a product of the heavy S.106 costs on this site, which are anticipated to be over £18 million (notably for schools and transport infrastructure). The CIL modelling does not indicate that the scheme will not come forward and I understand significant progress has been made towards delivery. However, it does suggest that landowners may have to accept lower returns (than the CIL modelling assumed threshold values). The £0 CIL rate is justified.
72. East of Lynn Road, Downham Market – The modelling for this 400 unit site, with S.106 contributions of £104,060, did generate a value just above the set threshold. The modelled potential maximum CIL was £19 psm. The Council considered this marginal and insufficient to justify the imposition of a CIL. However, this attracted some forceful objection from the Downham Market Town Council, which considers that the site is viable, particularly given its strategic location, rail links and attraction to developers. They

consider that the £0 CIL approach is inconsistent with the treatment of other areas, including King's Lynn where a £10 psm CIL is proposed despite many tested schemes being unviable. They further allege that the approach could amount to 'state aid'. Whilst I acknowledge these views, on the central test of viability I can only conclude that the £0 CIL will not threaten the delivery of this planned development.

73. Wisbech Fringe, Walsoken – This 550 unit site allocation is part of the larger Wisbech greenfield urban extension. The scheme has a heavy anticipated S.106 burden of circa £4.6 million, which is a contributory factor in the negative modelled viability result of -£144 psm. As with West Winch, the modelled result does not dictate that the scheme is undeliverable, but it does suggest that lower landowner returns may need to be accepted (there would still be a significant uplift on the greenfield agricultural value). However, the evidence supports the £0 CIL for this site.

Other large sites

74. Three other large sites that were tested would be subject to the prevailing CIL rates in their respective areas.
75. Lynnsport, King's Lynn – The modelled 297 unit scheme on this surplus amenity land included an assumed S.106 contribution of £2.7 million. The modelled scheme returned a positive viability with a potential maximum CIL of £74 psm. The evidence indicates that the scheme can comfortably accommodate the £10 psm CIL proposed for King's Lynn (although my later conclusions on that charge are relevant).
76. Hall Lane, South Wootton – The modelled 500 unit scheme on this 40 hectare (gross) site generated a healthy viability result, with a residual land value of £630,588 per hectare (against a test threshold of £330,000). This equates to a maximum CIL of £177 psm. However, the agent promoting much of this allocation challenged the modelling in terms of sales values, costs and the calculation of land value (which he considered should be based on the whole site).
77. I am not persuaded by these arguments. I consider the sales values to be reasonably based on available evidence. I do not consider that undevelopable areas of the wider site, much of which is Flood Zone 3, should attract development value uplift to the assumed threshold. Overall, I consider the Council's modelling to be reasonable for high level CIL testing purposes and modelled surpluses are quite substantial. I am also mindful that the assumed S.106 and other costs on this site are quite limited for a strategic scale development. Even allowing some leeway for matters argued by the promoter, the proposed CIL of £60 psm can be readily absorbed. Indeed, based on the Council's modelling, the CIL would be set at about 34% of the theoretical maximum (beyond which the threshold residual land value would be placed under pressure).
78. Knight's Hill – Similar issues arise to the Hall Lane allocation. The Council's modelling of this greenfield site development of 700 units generated a strong residual land value and a potential CIL £170 psm. There was some

criticism of the use of 700 as the development quantum (as the SADMPLP allocations is for 'at least 600') but, based on what I have heard, the 700 figure appears appropriate for CIL testing.

79. Rather curiously, the Knight's Hill allocation straddles the charging zones for King's Lynn (£10 psm) and the North-East and East (£60 psm). There are no threats to viability under either CIL charge, although the reasons for not including all of the allocation within the £60 zone (as the evidence indicates that the site can readily sustain that CIL) are not altogether clear.

The 'large sites' – conclusions and issues arising

80. Large sites are critical in delivering the planned growth in the borough. Indeed, the most recent Housing and Economic Land Availability Assessment (HELAA) 2014 recorded 8,093 completions between 2001-2014, leaving a minimum residual housing target for 2014 - 2026 of 8,407 dwellings. It is clear that much of that supply will come through the strategic sites. Those sites that are proposed to be £0 rated would total 5580. These clearly are not put at risk by the DCS.
81. The viability evidence does, without any doubt, support the zero rating of CIL on 5 out of the 6 sites listed in the DCS. Whilst the East of Lynn Road site could, in theory at least, sustain a modest CIL, the Council's decision to propose a £0 rate clearly avoids any threat to viability. The evidence also confirms that other large sites, which are typically greenfield and do not have heavy S.106 cost burdens, are able to absorb the proposed CIL without any threat to viability or deliverability.
82. Whilst my viability conclusions are clear, there are some issues that arise that I suggest may need some careful reflection by the Council.
83. First, the consequence of implementing CIL on some sites needs to be fully understood. Two of the zero rated sites (West Winch and Wisbech Fringe) are quite self-contained in terms of funding and delivering their infrastructure needs, including new schools. However, the other four zero rated sites each have associated SADMPLP policy requirements for contributions to primary and secondary education and other infrastructure. Implementing the CIL (and the R.123 list) would effectively exempt these sites from these policy requirements. This could mean that over 1,000 homes might be delivered without any contribution to the education infrastructure demands they will create.
84. Second, the Council does need to satisfy itself on State Aid rules. Whilst I am satisfied that the DCS is informed by the evidence base, there is undoubtedly some difference in approach between different sites in terms of the infrastructure burden / bill they will face. It is not my task to undertake a legal appraisal of these matters but, in line with the Guidance⁵ and in the light of the representations made, the Council should assess whether its DCS is fully State Aid compliant.
85. Third, my findings below on the King's Lynn charge will have consequences

⁵ PPG - Paragraph: 021 Reference ID: 25-021-20140612

for two of the tested 'other' large sites (and possibly others that may come forward).

The King's Lynn unparished area charging zone - £10 psm

86. The typology modelling indicates a wide range of viability results in King's Lynn. The five greenfield and 'settlement edge' site typologies (sites 1 -5) fared well, returning potential maximum CIL rates ranging from £72 – £213 psm. Single plots (site 10) fared even better, returning a theoretical maximum CIL of £524 psm. However, none of the brownfield sites (types 6 – 9) were viable and the results ranged from -£141 to -£407.
87. The evidence indicates that in this zone the supply of housing will be drawn from a range of sites that will include greenfield and brownfield land. It is also clear that the brownfield land contributions will be significant, with over half of the town's known sites (16 in number) falling within site types 7 and 8 (there are no surveyed figures for the much smaller site types 6 and 9).
88. In my view, many Charging Authorities faced with such stark differences in viability within a town would be inclined to explore possible charging zones which geographically differentiate the 'greenfield' (typically beyond and abutting the built up area) from the 'brownfield' sites (typically within the built-up area). However, the Council's approach seeks to impose a £10 psm CIL across all of the town's sites. It is a straightforward matter to conclude that the greenfield sites can readily absorb the CIL (and indeed could arguably absorb a much higher CIL). However, the impact of imposing a CIL on the brownfield sites is concerning.
89. The Council explained that, in its view setting the CIL at just £10 CIL would represent such a small element of development costs that it would not be a determining factor in any development decision. Whilst there may be some merit in that argument, the Development Plan strategy directs and promotes development within the town. Furthermore, the Guidance makes specific reference to the need to consider brownfield sites 'where the impact of the levy is likely to be most significant'⁶.
90. Whether or not a £10 CIL is a critically determining factor in a scheme coming forward, CIL should serve a positive economic purpose. I do not see how loading additional costs on to already challenged brownfield development sites can serve that positive purpose. Accordingly, I recommend that the charge be reduced to £0 in the King's Lynn zone. In doing so, I am mindful that this modification, if implemented, will also remove the CIL from King's Lynn sites that can readily sustain it. However, it is the only modification I am able to make to address the issue of concern.

The 'North East and East areas of the Borough (East of the Great Ouse and North of A1122/A134' charging zone - £60 psm

⁶ Excerpt from PPG - Paragraph: 019 Reference ID: 25-019-20140612

91. The Council's evidence confirms that most of the sites in this zone will be represented by the greenfield and edge of settlement typologies (site types 1 – 5). The testing revealed very healthy residual land values, ranging from £290 psm - £443 psm. The evidence indicates that the £60 psm CIL can be readily absorbed and the remaining headroom would be considerable.

The 'South and West of the Borough (West of the Great Ouse and south of A1122/A134, including Downham Market)' charging zone - £40 psm

92. The sites in this zone will also be dominated by greenfield and edge of settlement typologies (site types 1 – 5). The modelled results for these sites ranged between £136 - £217 psm maximum CIL values. These results are healthy in viability terms but notably lower than the North East and East. The evidence indicates that the £40 psm CIL can be readily absorbed and the remaining headroom would be considerable in most cases.

Older people's housing developments

93. The testing of older people's housing schemes found that they were not generally viable in the borough. These findings support the zero rating for these development types.

Non-residential development – viability appraisal evidence and proposed CIL charges

94. The non-residential assessments tested a range of different types of commercial development. Industrial and office developments were tested in large and small formats but found to be unviable and unable to support CIL.
95. However, supermarkets and retail warehouse developments were shown to be viable and able to support a £100 psm CIL in the most likely locations (King's Lynn) under both brownfield and greenfield scenarios. The Council does not anticipate any substantial development of these types in the plan period. However, the evidence does support the proposed £100 CIL. I have included in my recommendation the addition of more precise definitions of these development types.

Overall Conclusions

96. The CS and SADMPLP provide a clear framework for planned growth and necessary infrastructure in the borough. The planned housing growth will include development of a portfolio of large sites and developments within and adjacent to the main urban areas, along with lower levels of growth in the network of larger villages spread across the borough.
97. The Council's CIL approach to large sites will not threaten their viability. It has differentiated six strategic sites, that are either challenged in viability terms or have heavy S.106 requirements, and proposes a zero CIL rate. The other large sites can readily accommodate the proposed CIL. The anticipated housing developments in and around villages across the rural parts of the borough can also accommodate the CIL (£60 psm and £40 psm) without risk to viability. However, the £10 psm CIL proposed in King's Lynn is not justified; whilst tested greenfield sites can readily accommodate the CIL, brownfield sites cannot and these form an important part of

planned growth. Accordingly, I recommend that the King’s Lynn zone CIL be reduced to £0.

98. The evidence indicates that the proposed CIL charges for specified types of retail developments will not threaten the viability, albeit that little if any such development is anticipated.
99. It will be clear from this report that the Council’s CIL proposals have proved to be controversial and unpopular with a number of Representors. Whilst I am able to recommend modifications that will enable the Council to adopt the DCS, there will be revenue consequences arising from the King’s Lynn modification. It will also be clear from this report that, in my view, the Council may be missing opportunities to capture CIL where the evidence indicates that it can be sustained (such as King’s Lynn greenfield sites and the strategic site that crosses the charging zone boundaries). It was also clear from the Hearing sessions that continued dialogue with parish and town council bodies on infrastructure matters would be desirable. The issue of State Aid compliance also needs to be assessed by the Council. None of these comments are made as criticisms of the Council – developing CIL proposals against a very complex development backcloth is not an easy task. However, it would be remiss of me not to highlight these issues for further consideration by the Council.
100. Overall, I conclude that, subject to my recommended modifications, the King’s Lynn and West Norfolk Borough Council’s DCS will be able to satisfy the requirements of Section 212 of the 2008 Act and will meet the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that, subject to the modifications set out in Appendix A to this report, the Charging Schedule can be approved.

| LEGAL REQUIREMENTS | |
|---|--|
| National Policy / Guidance | Subject to recommended modifications, the Charging Schedule complies with national policy / guidance. |
| 2008 Planning Act and 2010 Regulations (as amended) | Subject to recommended modifications, the Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, and consistency with the Development Plan and is supported by an adequate financial appraisal. |

P.J. Staddon Examiner

Attached: APPENDIX A – recommended modifications

APPENDIX A

Modifications that the Examiner specifies so that the King's Lynn and West Norfolk Borough Council's may be approved.

| Reference | Clarification / Modification |
|-----------|--|
| EM1 | <p><u>King's Lynn charging zone</u></p> <p>Table – page one of Draft Charging Schedule</p> <p>King's Lynn unparished area - delete '£10/m²' and insert '£0/m²'</p> |
| EM2 | <p><u>King's Lynn Charging Zone map</u></p> <p>For clarity, add the map from page 29 of document '<i>Additional Material requested by Examiner</i>' - Dated 20 September 2016 - to the Charging Schedule.</p> |
| EM3 | <p><u>Clarification – retail definitions</u></p> <p>Page 1 Draft Charging Schedule</p> <p>For clarity, add the Council's definitions of 'superstores / supermarkets' and 'retail warehouses' as set out on page 36 of document '<i>Additional Material requested by Examiner</i>' - Dated 20 September 2016.</p> |

(Based on calculations using the current policy for affordable housing requirements of 15% in King's Lynn (in the un-parished area) and 20% elsewhere and that it will be delivered as 70% Affordable Rent and 30% intermediate housing – on sites of 10 and over in King's Lynn, Downham Market and Hunstanton and sites of 5 or more elsewhere).

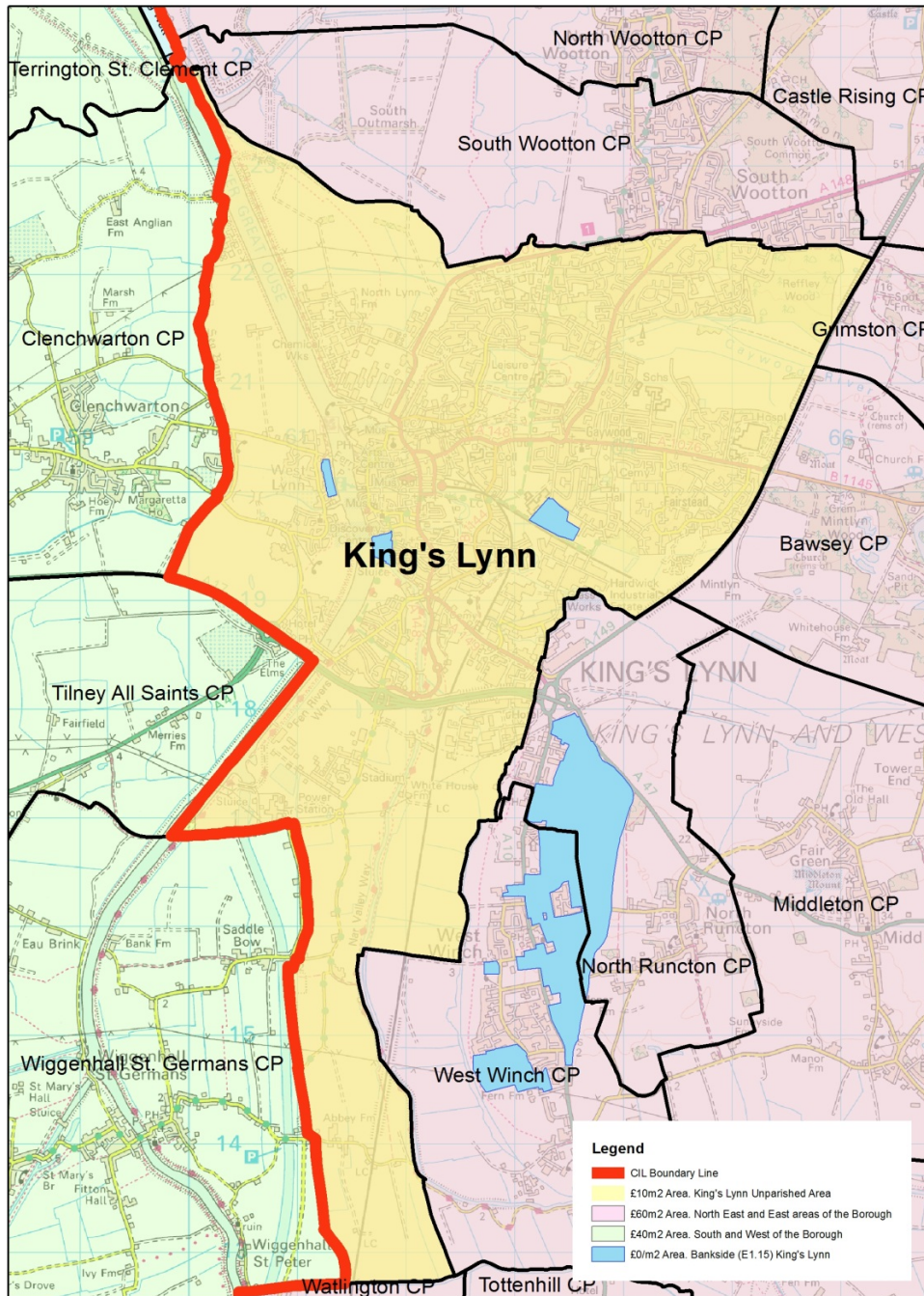
| Residential Development | CIL rate |
|---|---------------------|
| North East and East areas of the Borough (East of the Great Ouse and north of A1122/A134) | £60/m ² |
| South and West of the Borough (West of the Great Ouse and south of A1122/A134, including Downham Market) | £40/m ² |
| King's Lynn unparished area | £0/m ² |
| Sheltered / Retirement Housing (C3) - All areas | £0/m ² |
| Strategic sites ⁽¹⁾ at: <ul style="list-style-type: none"> ○ Boal Quay, King's Lynn ○ South of Parkway, King's Lynn ○ Bankside – West Lynn, ○ West Winch, strategic growth area ○ East of Lynn Rd, Downham Market ○ Wisbech Fringe, Walsoken <p>(all others should have the rate that applies to the area in which they lie)</p> | £0/m ² |
| Retail Development | CIL rate |
| Supermarkets (including discount supermarkets) | £100/m ² |
| Retail warehouses | £100/m ² |
| All other retail development | £0/m ² |
| All other Development | CIL rate |
| All other Development | £0/m ² |

(1) Strategic sites are considered to be those of 150+ units

Note reference the commercial development types required by Examiner: (EM3)

Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.

Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods) DIY items and other ranges of goods catering for mainly car-borne customers.



£10m2 Area. King's Lynn Unparished Area

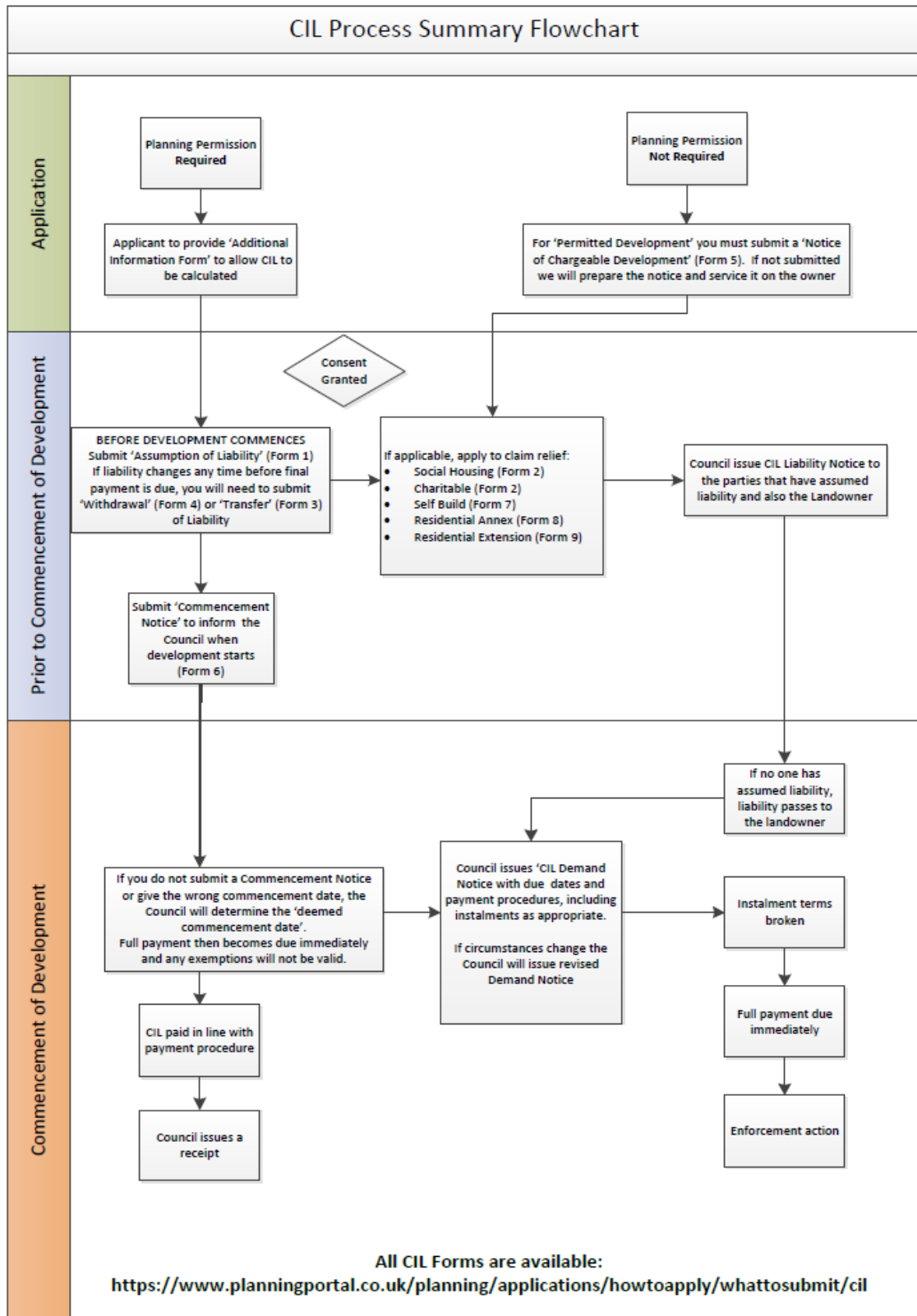
© Crown copyright and database rights 2015
Ordnance Survey 100024314

0 0.25 0.5 1 1.5 2 Kilometers

As from the 'Additional material' bundle presented to Examiner. NB reference to £10m2 is now £0m2. (Reference Examiner EM2).

Appendix 2

CIL liability / collection process



Appendix 3

Community Infrastructure Levy (CIL)

Payment in Kind and Infrastructure Payments Policy

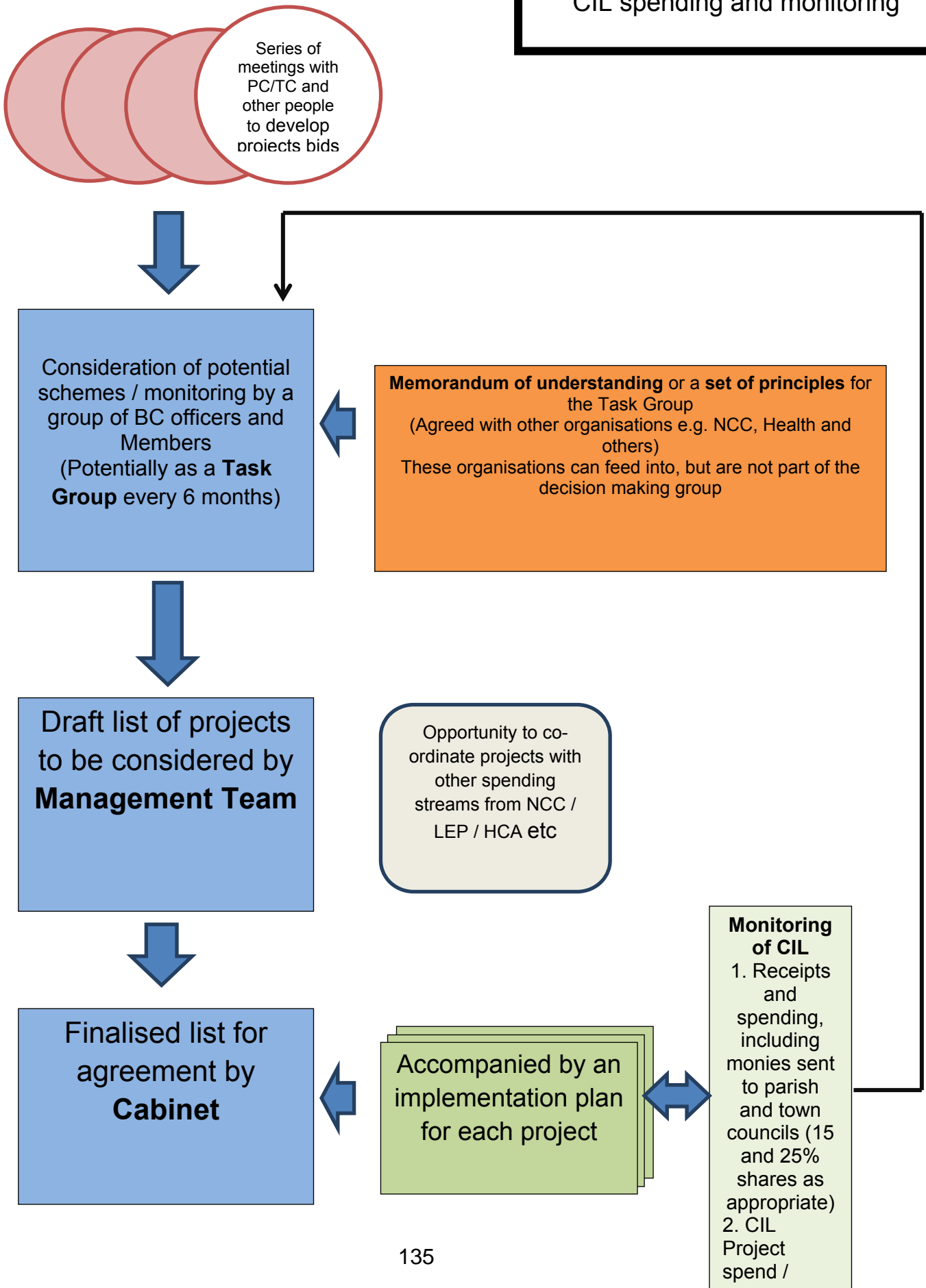
February 2017

1. In accordance with Regulation 73, 73A, 73B and 74 of the Community Infrastructure Levy Regulations (2010) as amended, the Borough Council of King's Lynn and West Norfolk as the Charging Authority for the area hereby gives notice that the Council is offering the payment of CIL by way of the transfer of land to the Council, or by infrastructure payments.
2. This policy is effective from the day the Borough Council of Kings Lynn and West Norfolk CIL Charging Schedule comes into effect on **xxxxxxxx**
3. The CIL Regulations 2010 (as amended) allow the Council to accept full or part payment of CIL liability by way of transfer of land to the Council. The Council may also enter into agreements in writing (subject to the criteria in Regulation 73A) to receive infrastructure payments, before the chargeable development is commenced¹. The infrastructure to be provided must be related to the provision of the types of projects listed in the Council's Regulation 123 list.
4. The Council is not obliged to accept any offer of payment in kind by land or infrastructure.
5. Please see the Community Infrastructure Levy Regulations 2010 (as amended), for the full details relating to payment in kind.

See Regulation 7 of the CIL Regulations (2010) as amended for "Commencement of Development

Appendix 4

Potential option for Governance of CIL spending and monitoring



REPORT TO CABINET

| | | | | |
|---|-------------------------------------|---|-------------------------------|------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards | Mandatory/ | Be entirely within Cabinet's powers to decide | YES | |
| | Discretionary / | Need to be recommendations to Council | NO | |
| | Operational | Is it a Key Decision | NO | |
| Lead Member: Councillor Kathy Mellish E-mail: cllr.kathy.mellish@west-norfolk.gov.uk | | Other Cabinet Members consulted: Councillor Long | | |
| Lead Officer: Martin Chisholm E-mail: martin.chisholm@west-norfolk.gov.uk | | Other Members consulted: | | |
| Lead Officer: Martin Chisholm E-mail: martin.chisholm@west-norfolk.gov.uk | | Other Officers consulted: Chris Bamfield, Alistair Cox, Management Team | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications YES/NO | Equal Impact Assessment NO | Risk Management Implications NO |

Date of meeting: 6th December 2016

BUSINESS IMPROVEMENT DISTRICT (BID)

Summary

The report details the successful vote to establish a Business Improvement District (BID) for King's Lynn and arrangements to progress to implementation in April 2017.

Recommendation

- (a) Cabinet is recommended to delegate authority to the Executive Director, Commercial Services and Assistant Director, Section 151 Officer in consultation with the Leader and the Portfolio Holder for Human Resources and Shared Services authority to assist the BID Steering Group and to jointly establish the BID.
- (b) Nominate a Member of the Council to the Board of the BID.

Reason for Decision

To enable the BID to be completed.

1. Background

- 1.1 At its meeting on 28th June Cabinet agreed to support the arrangements to implement a BID for King's Lynn.
- 1.2 The introduction of a BID would be dependent on a vote of businesses within the BID area.
- 1.3 The vote has now taken place. The voting arrangements were managed by the Council's Electoral Registration staff.

2. BID Results

2.1 The BID vote ran from 11th October to 8th November 2016.

2.2 BID Results

| | |
|---|----------------------|
| Number of ballots sent | 635 |
| Number of valid votes cast | 251 |
| Ballot papers rejected | 5 |
| Total Turnout | 256 |
| Percentage of turnout ballot | 40.31% |
| Total number of valid votes cast in favour of the BID proposal | 53.39% 134 |
| Aggregate rateable value of hereditaments of valid votes cast | £8,196,410 |
| Aggregate rateable value of hereditaments of valid votes cast in favour of the BID proposal | £4,498,395 54.88% |

2.3 As the number of votes cast and the rateable value are both above 50% the BID is agreed.

2.4 Legislation allows for appeals to be made against the establishment of a BID to the Council by 7th December. Appeals can only be on the basis that a significant breach of the rules has occurred during the ballot process. In this event the Council would submit a report to the Secretary of State for Committees and Local Government within 28 days of the result of the ballot being published.

2.5 A verbal update on any appeal will be provided at the Cabinet Meeting.

2.6 The Council will manage the billing and collection of the BID levy. The levy will be charged on Business Rates from 1st April 2017 for five years.

3. Next Steps

3.1 To fully implement proposals requires the BID Steering Group to establish a Not for Profit Limited Company prior to April 2017.

3.2 The areas to be covered by the BID as contained in its Business Plan are;

| | 5yr Budget £ |
|---|-----------------|
| Marketing, Promotion and Events | 560,000 |
| Improve town centre access and movement | 126,000 |
| Improve quality of the BID area | 120,000 |
| Increasing profitability | 200,000 |
| Speaking up for business | 24,000 |
| Administration and Personnel | 260,000 |
| Contingency | 70,000 |
| TOTAL | 1,360,000 |

- 3.3 The Council is required to have a member of the board of the BID. Cabinet requested to approve nominations to the BID Board.
- 3.4 To ensure the BID is established successfully, Cabinet delegates authority to the Executive Director, Commercial Services in consultation with the Portfolio Holder for Human Resources and Shared Services to assist in the process within existing policy and budget.

4. Financial Implications

- 4.1 The BID Steering Committee have indicated that they will ask the Council for a short term loan during the current financial year to establish the Not for Profit Company to be repaid in the 2017/18 year from the Levy.
- 4.2 The loan is likely to be for three or four months for a modest sum and it is proposed that the Council's Assistant Director, Section 151 Officer agree terms in consultation with the Leader.

5. Equalities Implications

Pre-screening assessment attached.



**Pre-Screening Equality Impact
Assessment**

| | | | | | |
|---|--|---|----------|---------|--------|
| Name of policy/service/function | Business Improvement District | | | | |
| Is this a new or existing policy/ service/function? | New | | | | |
| Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations | The establishment of an Independent BID for King's Lynn. | | | | |
| Question | Answer | | | | |
| <p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> | | Positive | Negative | Neutral | Unsure |
| | Age | | | x | |
| | Disability | | | x | |
| | Gender | | | x | |
| | Gender Re-assignment | | | x | |
| | Marriage/civil partnership | | | x | |
| | Pregnancy & maternity | | | x | |
| | Race | | | x | |
| | Religion or belief | | | x | |
| | Sexual orientation | | | x | |
| | Other (eg low income) | | | x | |
| Question | Answer | Comments | | | |
| 2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another? | No | | | | |
| 3. Could this policy/service be perceived as impacting on communities differently? | No | | | | |
| 4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination? | No | | | | |
| <p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p> | No | Actions: | | | |
| | | Actions agreed by EWG member: Allison Bingham | | | |
| Assessment completed by: Name | | | | | |
| Job title | Date – November 2016 | | | | |

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

REPORT TO CABINET

| | | | | |
|--|-------------------------------------|--|--|------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards | Operational | (a) Be entirely within cabinet's powers to decide YES | | |
| | | (b) Need to be recommendations to Council NO | | |
| | | (c) Is it a Key Decision NO | | |
| Lead Member: Councillor Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk | | Other Cabinet Members consulted: All | | |
| Lead Officer: Samantha Winter E-mail: sam.winter@west-norfolk.gov.uk Direct Dial: 01553 616327 | | Other Members consulted: Chairs of Panels, KLACC and Planning Committee, | | |
| Other Officers consulted: Management Team, Legal | | | | |
| Financial Implications NO | Policy/Personnel Implications NO | Statutory Implications (incl S.17) NO | Equality Impact Assessment reqd? NO | Risk Management Implications NO |

Date of meeting: 6 December 2016

TIMETABLE OF MEETINGS FOR 2017/18

Summary

The report sets out a draft timetable of meetings for the 2017/18 Municipal Year.

Recommendation

That the Timetable for the 2017/18 Municipal Year be approved.

Reason for Decision

To enable the decision making process to take place.

Background

Attached for members' consideration is the draft timetable of meetings for the 2016/17 Municipal Year.

As agreed at Council on 28 April 2016, Council, Cabinet and the Panels have moved to a six weekly cycle of meetings and this has been reflected in the draft timetable of meetings. It is accepted that if there is insufficient business meetings may be cancelled/dates changed or if there is the requirement of special meetings, they will be called.

It was also agreed by Council that the Scrutiny Structures Task Group would carry out a review of the Council's constitution and the effectiveness of the changes made, 12 months following the implementation of the changes.

The Chairs of the Panels, Planning Committee and King's Lynn Area Consultative Committee have also been consulted.

Background Papers

Previous timetable, Cabinet Report and Minutes – 5 April 2016

Calendar of Meetings 2017/2018

| | 2017 | | | | | | | 2018 | | | | |
|-----------|------------------|--------------|--------------|-----------------|----------------------|--------------|---------------|-----------------|----------------|-------------------|----------------|-------------------|
| | May | June | July | August | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| Monday | 1 BANK HOLIDAY | | 3 PC | | | 2 PC | | | 1 BANK HOLIDAY | | | 2 EASTER MONDAY |
| Tuesday | 2 | | 4 E&C | 1 CAB | | 3 R&D | | | 2 | | | 3 R&D |
| Wednesday | 3 | | 5 | 2 | | 4 | 1 | | 3 | | | 4 |
| Thursday | 4 ELECTION | 1 | 6 PCSV | 3 PCSV | | 5 PCSV | 2 | | 4 E&C | 1 | 1 | 5 CPP |
| Friday | 5 | 2 | 7 | 4 | 1 | 6 | 3 | 1 | 5 | 2 | 2 | 6 |
| Monday | 8 PC | 5 PC | 10 | 7 | 4 PC / AC (ACCOUNTS) | 9 CPP | 6 PC | 4 | 8 PC | 5 PC | 5 PC | 9 PC |
| Tuesday | 9 | 6 R&D | 11 R&D | 8 | 5 E&C | 10 E&C | 7 | 5 PC | 9 CAB | 6 CAB (BUDGET) | 6 | 10 |
| Wednesday | 10 | 7 CPP | 12 | 9 | 6 CAB | 11 | 8 | 6 | 10 R&D | 7 | 7 | 11 |
| Thursday | 11 PCSV / ANNUAL | 8 PCSV | 13 | 10 | 7 PCSV | 12 | 9 PCSV | 7 | 11 PCSV | 8 PCSV | 8 PCSV | 12 PCSV / COUNCIL |
| Friday | 12 | 9 | 14 | 11 | 8 | 13 | 10 | 8 PCSV | 12 | 9 | 9 | 13 |
| Monday | 15 | 12 | 17 CPP | 14 | 11 | 16 | 13 CPP | 11 | 15 KLACC | 12 AC | 12 | 16 |
| Tuesday | 16 LICENSING | 13 KLACC | 18 LICENSING | 15 | 12 KLACC | 17 CAB | 14 E&C | 12 LICENSING | 16 | 13 E&C | 13 CAB | 17 CAB |
| Wednesday | 17 | 14 | 19 | 16 | 13 | 18 | 15 | 13 | 17 | 14 | 14 | 18 |
| Thursday | 18 | 15 COUNCIL | 20 | 17 | 14 | 19 | 16 COUNCIL | 14 | 18 | 15 | 15 | 19 |
| Friday | 19 | 16 | 21 | 18 | 15 | 20 | 17 | 15 | 19 | 16 | 16 | 20 |
| Monday | 22 | 19 AC | 24 | 21 | 18 | 23 | 20 | 18 CPP | 22 | 19 CPP | 19 | 23 |
| Tuesday | 23 CAB | 20 LICENSING | 25 LICENSING | 22 LICENSING | 19 LICENSING | 24 LICENSING | 21 LICENSING/ | 19 | 23 LICENSING | 20 R&D | 20 LICENSING | 24 LICENSING |
| Wednesday | 24 E&C | 21 | 26 | 23 | 20 | 25 | 22 | 20 | 24 | 21 | 21 | 25 |
| Thursday | 25 | 22 | 27 COUNCIL | 24 | 21 COUNCIL | 26 | 23 | 21 | 25 COUNCIL | 22 COUNCIL BUDGET | 22 | 26 |
| Friday | 26 | 23 | 28 | 25 | 22 | 27 | 24 | 22 | 26 | 23 | 23 | 27 |
| Monday | 29 BANK HOLIDAY | 26 | 31 PC / AC | 28 BANK HOLIDAY | 25 | 30 | 27 AC | 25 OFFICE CLOSE | 29 | 26 | 26 KLACC | 30 |
| Tuesday | 30 AC | 27 CAB | | 29 R&D | 26 | 31 | 28 CAB | 26 OFFICE CLOSE | 30 | 27 LICENSING | 27 E&C | |
| Wednesday | 31 | 28 | | 30 CPP | 27 | | 29 | 27 OFFICE CLOSE | 31 | 28 | 28 | |
| Thursday | | 29 | | 31 | 28 | | 30 | 28 OFFICE CLOSE | | | 29 | |
| Friday | | 30 | | | 29 | | | 29 OFFICE CLOSE | | | 30 GOOD FRIDAY | |

KEY:

| |
|--|
| Cabinet |
| CPP = Corporate Performance Panel |
| AC = Audit Committee |
| R&D = Regeneration & Development |
| Licensing = Licensing Panel or Sub-Committee (if required) |

| | |
|---|--|
| PC = Planning Committee & Site Visits | Half Term, Christmas and Easter |
| KLACC = King's Lynn Area Consultative Committee | |
| E & C = Environment & Community Panel | |
| Council Annual Council | 04 May 2016 - Norfolk County Council Elections |

REPORT TO CABINET

| | | | | |
|---|-------------------------------------|---|-------------------------------|------------------------------------|
| Open | | Would any decisions proposed : | | |
| Any especially affected Wards | Operational | (a) Be entirely within cabinet's powers to decide NO | | |
| Gaywood Chase/ St Margaret's with St Nicholas | | (b) Need to be recommendations to Council YES | | |
| | | (c) Be partly for recommendations to Council and partly within Cabinets powers – NO | | |
| Lead Member: Councillor Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk | | Other Cabinet Members consulted: | | |
| | | Other Members consulted: | | |
| Lead Officer: Mary Colangelo E-mail: mary.colangelo@west-norfolk.gov.uk Direct Dial: 01553 616281 | | Other Officers consulted: Chief Executive | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications NO | Equal Impact Assessment NO | Risk Management Implications NO |

Cabinet date: 6 December 2016

POLLING DISTRICT AND POLLING PLACE REVIEW

| |
|---|
| <p>Summary</p> <p>This report presents to Cabinet a revised Polling District and Polling Place Review Schedule.</p> <p>Recommendation</p> <p>The attached Polling District and Polling Place Review Schedule is adopted.</p> <p>Reason for Decision</p> <p>To ensure that the Council meets its statutory obligations.</p> |
|---|

1. Introduction

Members will be aware of the Council's duty to undertake a review of the polling districts and polling places in respect of Parliamentary electoral areas that fall within the boundaries of the Borough. This review was last conducted in 2013, but it is the Returning Officer's responsibility to keep polling stations under review.

2. Proposals

To this end the Returning Officer has inspected available premises and makes the following proposals:

| Ward/Polling Districts | Polling Station | Comment | Proposed Solution |
|--|----------------------------------|-----------------|---------------------------------|
| Gaywood Chase PL1 St. Margarets with St. Nicholas PM2 | Highgate Community Centre | Premises closed | King's Centre, Wellesley Street |
| St. Margarets with St. Nicholas PM1 | Red Cross Society, Austin Fields | Premises closed | King's Centre, Wellesley Street |

The relevant new pages of the Polling District Review Schedule and maps can be found at Appendix 'A'.

3. Policy Implications

None.

4. Financial Implications

None.

5. Statutory Considerations

Publishing the Polling District and Polling Place Review Schedule is a statutory requirement.

6. Risk Management

The Council's risk management system is integrated with the Polling District and Polling Place Review, so the risks associated are identified and linked.

7. Access to Information

Background information as referenced in the Polling District and Polling Place Review Schedule.

| <u>Ward</u> | <u>Map Reference/Polling District</u> | <u>Area of Polling Place</u> | <u>Polling Station</u> | <u>01.10.2016</u> <u>Ward Electorate</u> |
|---------------------------------------|---|---|---------------------------------|---|
| Gaywood Chase | *(36) PL1 - Gaywood Chase | An area bounded on the eastern side by the former Hunstanton railway line from where it branched off the present London line and on the west by the former harbour line. The extent of each line is where it meets the watercourse which runs from the bottom of Swan Lane westwards to Kettlewell Lane. | King's Centre, Wellesley Street | 3,724 (PL1 – 883) |
| 145 St Margaret's with St Nicholas | (78) PM1 – St Margaret's with St Nicholas | Starting in the middle of the river the area is bounded by a line drawn from the south western corner of Alexandra Dock and continuing along the dockside in an east north easterly direction. Turn north to join the access road to the docks and then east north east to John Kennedy Road. Follow as far as the former docks railway line and then as far as the Tennyson Avenue level crossing. Turn west and follow St. John's Walk and continue to the south of St. John's Church before crossing | King's Centre, Wellesley Street | 3,612 (PM1 – 1,195) |

St. James Road at the swimming pool and run west along the northern side of Clough Lane. Turn north west and then west, continuing to the waterfront on the southern side of the Customs House and to the centre of the river. Turn north and proceed as far as the entrance to Alexandra Dock and return to the starting point.

(78) PM2 - St Margarets with St Nicholas

Dodmans Close, 2A – 14
Gaywood Road and Highgate

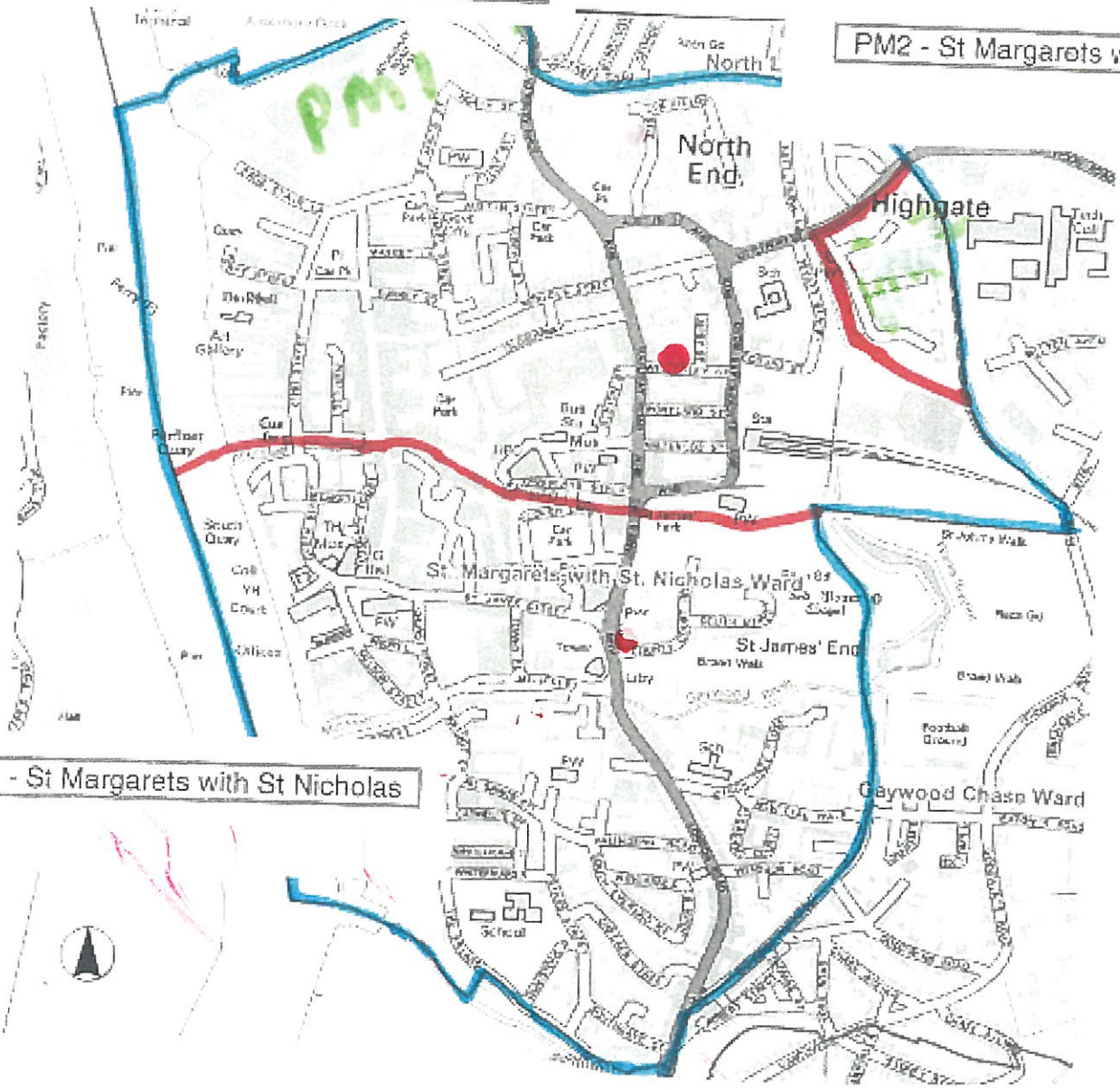
King's Centre, Wellesley Street

(PM2 – 224)

146 * Polling Places designated for these Polling Districts are outside the electoral area (Ward)

PM1 - St Margarets with St Nicholas

PM2 - St Margarets with St Nicholas



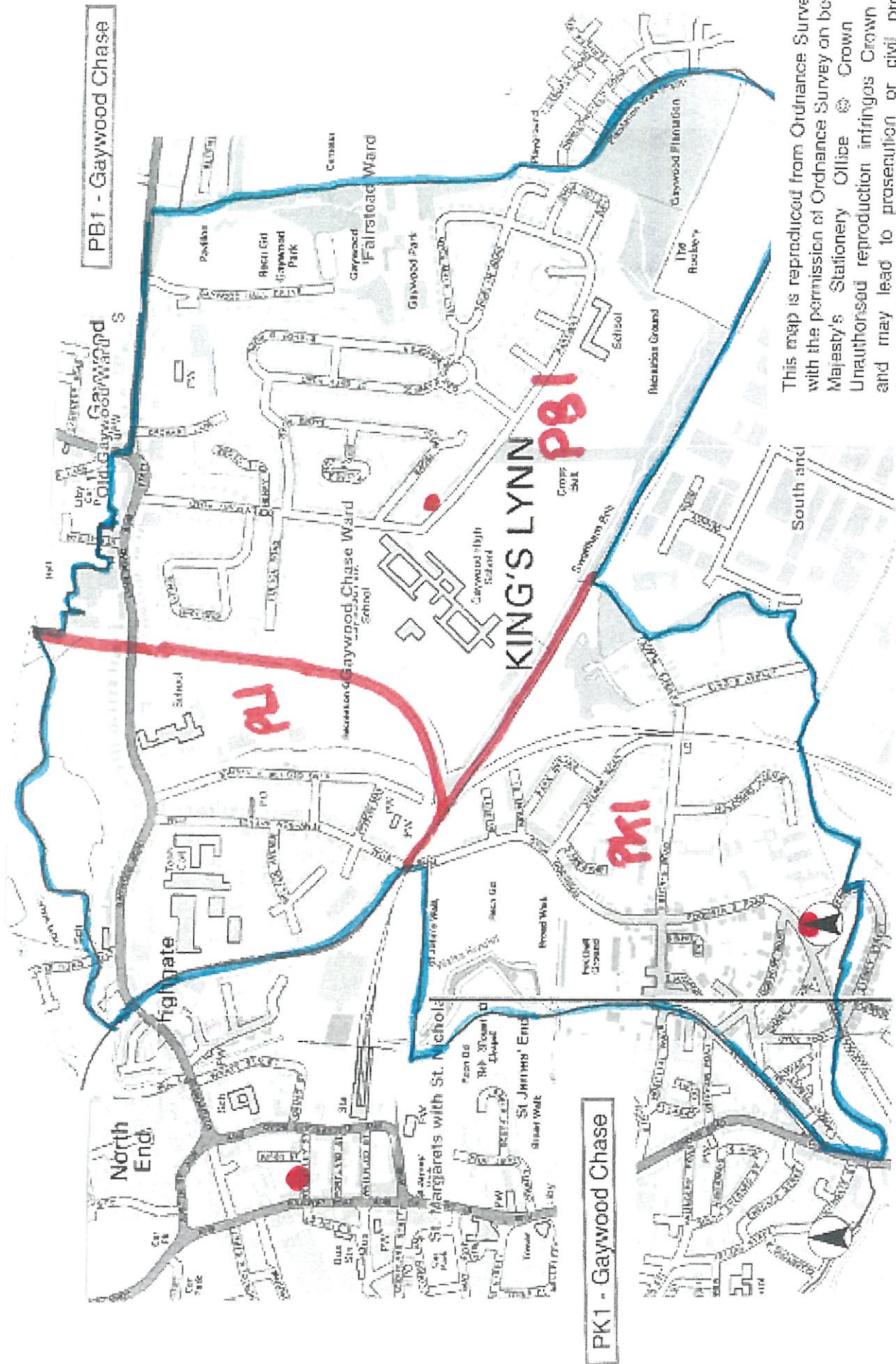
PJ1 - St Margarets with St Nicholas

This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of Her Majesty's Stationery Office © Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings.

147orough Council of King's Lynn and West Norfolk
LA086045.2000

PL1 - Gaywood Chase

PB1 - Gaywood Chase



This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of Her Majesty's Stationery Office © Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. Borough Council of King's Lynn and West Norfolk LA086045.2000

Document is Restricted

Document is Restricted

Document is Restricted

Document is Restricted