



Council 18 December 2012

Schedule of Referrals from Cabinet and Democratic Renewal Working Party

(A) Referrals from Cabinet: 21 November 2012

**1. Safeguarding Children and Young People Policy and Guidance –
Joint 'West Suffolk' Policy**

*Decisions Plan Reference: Nov12/05
Cabinet Member: Cllr Robert Everitt*

*Report D191
(Overview and
Scrutiny Committee
Report D169)*

RECOMMENDED:-

- (1) *The West Suffolk Joint Safeguarding Children and Young People Policy and Guidelines for Working with Children and Young People, as contained within the Appendix to Report D169, be approved and adopted subject to the following amendments:*
- (a) *Page 6, Paragraph 5.3 – the sentence at the end 'If a Child or Young Person is at immediate risk of significant harm dial 999 as in any emergency' be emboldened and moved so as to be the first paragraph of Section 5;*
 - (b) *Page 6, Paragraph 6.1 – the last sentence be emboldened; and*
 - (c) *Page 11, Paragraph 4, sub paragraph (d) – the words 'child or' be inserted before the words 'Young Person'.*

Officers further **RECOMMEND** that:

- (2) *the Head of Housing be authorised, in consultation with the Portfolio Holder for Housing, Licensing and Environmental Health, to make any further minor typographical, factual, spelling, grammatical and other minor changes to the West Suffolk Joint Safeguarding Children and Young People Policy and Guidelines for Working with Children and Young People, as contained within the Appendix to Report D169, provided they do not materially affect the substance or meaning of the Policy.*

As the shared services programme with Forest Heath District Council progresses, and the joint staff structure is implemented, a joint Safeguarding Children and Young People Policy will be important to avoid any confusion on the process for referring concerns, along with contact details of where to go for advice and support.

The joint Policy enables Forest Heath and St Edmundsbury to fulfil their statutory obligations under the Children Act 2004 by establishing effective arrangements to safeguard and promote the welfare of children and young people. The new Head of Housing for West Suffolk will take on responsibility as 'designated officer', alongside two deputy officers, whose contact details will be added to the Policy, which will then be widely circulated. It is also important that future legislation changes are incorporated into the Policy, and it will therefore be reviewed on an annual basis.

It is considered that should amendments to the Policy of a minor nature be identified, provision should be made to enable the Head of Housing in consultation with the relevant Portfolio Holder, to make such minor amendments without needing to seek approval of full Council. The second recommendation addresses this matter.

2. Mid Year Treasury Management Performance Report and Investment Activity 1 April to 30 September 2012

***Forward Plan Reference: N/A
Cabinet Member: Cllr David Ray***

***Report D192
(Treasury
Management Sub-
Committee Report
D170)***

RECOMMENDED:-

That Council NOTES the content of Report D170, being the Mid Year Treasury Management Performance Report and Investment Activity 1 April to 30 September 2012, including the extended counterparty lending limits approved by the Chief Finance Officer, in consultation with the Portfolio Holder for Performance and Resources and the Members of the Treasury Management Sub-Committee in October 2012, as set out in Section 4.3.3 of Report D170, namely:

- (a) increased lending limits with 'blue' Government-backed counterparties (namely, Lloyds and Royal Bank of Scotland Groups) from £12 million to £15 million; and***
- (b) increased lending limits with 'green' counterparties (including banks such as Barclays and Santander) from £4 million to £6 million.***

3. Joint Anti-Money Laundering Policy

*Decisions Plan Reference: Nov12/09
Cabinet Member: Cllr David Ray*

*Report D193
(amended)
(Performance and
Audit Scrutiny
Committee Report
D180)*

RECOMMENDED:- That

- (1) *the Joint Anti-Money Laundering Policy between St Edmundsbury Borough Council and Forest Heath District Council, as set out at Appendix A to Report D180, be recommended for approval through full Council, subject to the addition of the words 'although it is accepted that Members are far less exposed to the risks of money laundering' at the end of paragraph 2.3; and***
- (2) *the Head of Resources and Performance be authorised, in consultation with the Portfolio Holder for Performance and Resources, to make any minor typographical, factual, spelling, grammatical and other minor changes to the Joint Anti-Money Laundering Policy as set out at Appendix A to Report D180, provided they do not materially affect the substance or meaning of the Policy.***

The Council's current Anti-Money Laundering Policy was last revised in December 2010. It is good practice to review arrangements periodically and as such a review of the Policy has been undertaken to ensure it continues to reflect best practice, legislation and shared services arrangements.

The Joint Anti-Money Laundering Policy aims to maintain and improve upon the high standards of conduct which currently exist within St Edmundsbury Borough Council to ensure that third parties are not able to use the Council for the purposes of money laundering. The Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.

Report D193 (amended) provided a second recommendation as detailed above, which was proposed by officers. This was supported by the Cabinet.

4. Joint National Fraud Initiative Strategy

*Decisions Plan Reference: Nov12/15
Cabinet Member: Cllr David Ray*

*Report D194
(amended)
Performance and Audit
Scrutiny Committee
Report D181)*

RECOMMENDED:-

- (1) *The Joint National Fraud Initiative Strategy between St Edmundsbury Borough Council and Forest Heath District Council, as set out in Appendix A to Report D181, be recommended for approval through full Council, subject to the consideration of any recommendations for amendment proposed by Forest Heath District Council;***
- (2) *the Internal Audit Manager be given delegated authority to update information on NFI Outcomes (paragraph 1.4) and Data Leads (paragraph 7.3) within the Strategy, as appropriate; and***
- (3) *the Head of Resources and Performance be authorised, in consultation with the Portfolio Holder for Performance and Resources, to make any minor typographical, factual, spelling, grammatical and other minor changes to the Joint National Fraud Initiative Strategy as set out at Appendix A to Report D181, provided they do not materially affect the substance or meaning of the Policy.***

The National Fraud Initiative (NFI) is a data matching exercise which involves the comparison of information held by and between around 1,300 organisations, with the objective of detecting and preventing fraud and error. St Edmundsbury Borough Council (SEBC) and Forest Heath District Council (FHDC) collect and use many different types of data from a wide variety of sources.

This joint NFI Strategy replaces the Strategy currently in place at SEBC, produced in 2008, and is the first such Strategy for FHDC. Since the introduction of the data matching service, participation in the NFI has become mandatory and considered a corporate activity, also incorporating data security and data protection. The document aims to define the key roles and responsibilities of all stakeholders involved with the NFI exercise to ensure that fair processing compliance is maintained, mandatory data sets are correctly provided and investigations are undertaken as necessary, based on the associated risks.

The strategy also sets out the key activities and responsibilities of officers in relation to the follow-up of matched reports and reporting progress on the investigation of errors and potential frauds, and aims to provide a means of ensuring staff have the correct knowledge, understanding and support in order to discharge their NFI roles and responsibilities.

Report D194 (amended) provided a third recommendation as detailed above, which was proposed by officers. This was supported by the Cabinet.

5. Review of Licensing Statement of Policy

***Decisions Plan Reference: Nov12/04
Cabinet Member: Cllr Anne Gower***

***Report D202
(Licensing and
Regulatory Committee
Report D160)***

RECOMMENDED:-

- (1) The revised Licensing Statement of Policy, as contained in Appendix A to Report D160, be approved; and***
- (2) the Specialist Lead Officer - Licensing be given delegated authority, after consultation with the Portfolio Holder for Housing, Licensing and Environmental Health, to make any typographical, grammatical or contextual changes to the Policy before adoption.***

The current Licensing Statement of Policy was reviewed and published in January 2011, with further amendments taking effect from April 2011. The Council is obliged under the Licensing Act 2003 to review its Licensing Statement of Policy every third year following its initial adoption. This three year period will expire on 4 January 2014.

The Police Reform and Social Responsibility Act 2011 made a number of changes to the Licensing Act 2003, justifying an early review of the current Licensing Statement of Policy. A full public consultation on the amended Policy was carried out between 9 July and 28 September 2012, and the Policy has been amended as a result of this.

Following some new regulations regarding the late night levy there may need to be further changes to the Policy, however this is mentioned in the Policy, and provision has been made for inclusion as appendices, enabling consultation to take place on any future new appendices rather than consulting again on the entire policy.

6. Revised West Suffolk Lettings Policy Document

Decisions Plan Reference: Nov12/19
Cabinet Member: Cllr Anne Gower

Report D203
(amended)

RECOMMENDED:-

- (1) The changes to the current Lettings Policy detailed in Section 4.2 of Report D203 be noted, as amended to reflect the tabled changes to Section 4.2(b) of the Report;**
- (2) the new West Suffolk Lettings Policy, contained in Appendix A to Report D203, be approved, as amended to add 'except in the cases detailed in Section 2.4 below', to the end of the sentence in Section 2.3.1(a) of the Policy; and**
- (3) the Head of Housing, in consultation with the Portfolio Holder for Housing, Licensing and Environmental Health, be authorised to make any minor typographical, factual, spelling and grammatical changes to the document provided they do not materially affect the substance or meaning of the Strategy.**

The Lettings Policy document was first approved by St Edmundsbury Borough Council's (SEBC) Cabinet and Forest Heath District Council's (FHDC) Council in August 2007 with the introduction of Home-Link, the Sub-Regional Choice Based Lettings Scheme. The document sets out how SEBC and FHDC working in partnership with Registered Providers who have properties in the area will allocate them through the Home-Link Choice Based Lettings Scheme. The Government, as part of its social housing and welfare reforms, has changed policy and regulations about who is given priority to go on the Housing Register and what size property they can claim housing benefit for. Due to these changes, the seven partner Councils who make up Home-Link were compelled to review their Lettings Policy to ensure compliance with the new changes.

Following adoption, the new joint Lettings Policy will come into force on 1 April 2013.

At the Cabinet meeting, the following amendment to Section 4.2(b) of Report D203 was tabled:

'Former Armed Forces personnel will be allowed onto the Housing Register even if they do not have a local connection. They will be awarded additional priority by backdating their date in band by the amount of time they spent in the Armed Forces instead of the normal use of the date they were placed in that band. (See S.2.4 and S.3.3.1(e))'

An amendment has also been proposed by the Cabinet to add 'except in the cases detailed in Section 2.4 below', to the end of the sentence in Section 2.3.1(a) of the Policy for clarification purposes.

(B) Referrals from Cabinet (Special Meeting): 12 December 2012

(This section (B) has been compiled before the special meeting of the Cabinet on 12 December 2012 and is based on the recommendations contained within the relevant reports. Any amendments made by the Cabinet to the recommendations will be notified following the meeting of the Cabinet and prior to the meeting of the Council.)

1. Local Council Tax Support Scheme 2013/2014

Decisions Plan Reference: Dec12/01

Report D224

Cabinet Member: Cllr David Ray

RECOMMENDED:- That

- (1) the Local Council Tax Support Scheme, as set out in Section 4 of Report D224 and detailed in the Policy document contained in Appendix A to Report D224 be adopted;**
- (2) the transitional grant for one year support, as detailed in Sections 4.14 to 4.18 of Report D224 be applied for;**
- (3) the change to the Council's Scheme of Delegation to Officers as set out under Legal and Policy implications at Section 10.2 of Report D224 be approved; and**
- (4) if the final funding decisions are not known by the date of the Council meeting on 18 December 2012, delegated authority be given to the Head of Resources and Performance, in consultation with the Leader of the Council and the Portfolio Holder for Performance and Resources, to make final decisions on any additional changes to the Local Council Tax Support Scheme arising as a result of the final funding decisions, as detailed in Section 10.3 of Report D224.**

The Welfare Reform Act abolishes Council Tax Benefit (CTB), and replaces it with a Local Council Tax Support (LCTS) scheme. The new Local Government Finance Act 2012 and regulations set out how the Council must create a LCTS scheme. This means the majority of LCTS awards will be based on criteria set and administered by each local billing authority (such as St Edmundsbury), having consulted with the major precepting authorities (including Suffolk County Council, Fire and

Police authorities) and the public. The Act and regulations direct how authorities must support pensioners, with little change to the way their entitlement is presently decided.

Under the new regulations, the Council is required to adopt a new policy detailing a local scheme by 31 January 2013.

For ease of reference, Report D224 is attached as Appendix A to this report; however as the policy document (Appendix A to Report D224) is of considerable length this can be accessed on the Council's website via the following link:

http://www.stedmundsbury.gov.uk/council_and_democracy/your_council/documents/reports/D224%20Local%20Council%20Tax%20Support.pdf

2. Supplementary Planning Document for Open Space Contributions: Consultation

Decisions Plan Reference: N/A
Cabinet Member: Cllr Terry Clements

Report D225

RECOMMENDED:- That

- (1) the draft Supplementary Planning Document for Open Space and Recreation Facilities, as contained in Appendix 2 to Report D225, be adopted as a Supplementary Planning Guidance; and**
- (2) the Head of Planning and Regulatory Services be authorised, in consultation with the Portfolio Holder for Planning and Transport, to make any further minor typographical, factual, spelling, grammatical and other minor changes to the Supplementary Planning Document for Open Space and Recreational Facilities prior to its implementation.**

A Supplementary Planning Document relating to the provision of open space, sport and recreation facilities in conjunction with the provision of new housing development has been developed to assist all parties in the provision and subsequent maintenance of such facilities.

Prior to being adopted as Supplementary Planning Guidance, the document needed to be the subject of public consultation. Consultation was carried out between 25 September and 6 November 2012 and Report D225 will detail the responses received during consultation and consequential amendments to the document.

(C) Referrals from Democratic Renewal Working Party: 6 December 2012

Chairman of the Working Party: Cllr Mrs P A Warby

1. The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (Report D213)

RECOMMENDED:- That

the Head of Legal and Democratic Services be given delegated authority to make any necessary changes to the Council's Constitution identified as a result of the coming into force of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 came into force on 10 September 2012, and make changes to the Regulations which govern meetings of the Executive (Cabinet) and how executive decisions are recorded.

The Democratic Renewal Working Party looked at each of the key elements of the Regulations in turn, including changes which need to be made to the executive decision making process as a result, and recommends that delegated authority to make the necessary changes to the Constitution be given to the Head of Legal and Democratic Services.



Cabinet 12 December 2012

Local Council Tax Support 2013/2014 (Dec12/01)

1. Summary and reasons for recommendations

- 1.1 This report requests Cabinet to recommend to Council a new policy to create a Local Council Tax Support (LCTS) scheme.
- 1.2 The Welfare Reform Act abolishes Council Tax Benefit (CTB), and replaces it with a Local Council Tax Support scheme. The new Local Government Finance Act 2012 and regulations set out how the Council must create a LCTS scheme. This means the majority of LCTS awards will be based on criteria set and administered by each local billing authority (such as St Edmundsbury), having consulted with the major precepting authorities (including Suffolk County Council, Fire and Police authorities) and the public. The Act and regulations direct how authorities must support pensioners, with little change to the way their entitlement is presently decided.
- 1.3 Under the regulations the Council must finalise its local scheme by 31 January 2013.

2. Recommendations

- 2.1 To agree and recommend to Council the Local Council Tax Support Scheme, as set out in Section 4 of Report D224 and detailed in the Policy document contained in Appendix A to Report D224;
- 2.2 to apply for the transitional grant for one year support, as detailed in Sections 4.14 to 4.18 of Report D224;
- 2.3 to agree and recommend to Council the change to the Council's Scheme of Delegation to Officers as set out under Legal and Policy implications at Section 10.2 of Report D224; and
- 2.4 to recommend to Council that if the final funding decisions are not known by the date of the Council meeting on 18 December 2012, that delegated authority be given to the Head of Resources and Performance, in consultation with the Leader of the Council and the Portfolio Holder for Performance and Resources, to make final decisions on any additional changes to the Local Council Tax Support Scheme arising as a result of the final funding decisions, as detailed in Section 10.3 of Report D224.

Contact details	Portfolio holder	Lead officers
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3. Corporate priorities

- 3.1 The adoption of a Local Council Tax Support scheme will support the following corporate priorities:
- (a) *'Working together for an efficient council'*; and
 - (b) *'Working together for strong, healthy and diverse communities'*.

4. Key issues

- 4.1 The Welfare Reform Act 2012 abolishes Council Tax Benefit (CTB), and replaces it with a Local Council Tax Support scheme (LCTS). The Local Government Finance Act 2012 and regulations set out how the Council must create a LCTS scheme.
- 4.2 The regulations require the Council to finalise its LCTS scheme by 31 January 2013.
- 4.3 Regulations will require that pension age people will not be affected financially when their existing claims move to the LCTS. They also direct that councils should consider steps to encourage people to find work, protect vulnerable people, and prevent child poverty.
- 4.4 The Cabinet on 3 July 2012, considered the proposals for the LCTS scheme. The Cabinet resolved that a draft LCTS scheme be published for consultation, in order to meet the statutory timetable to approve the final scheme before the end of January, and to model affordability as part of the Council's medium term financial planning.
- 4.5 There are a number of different criteria which could be used to deliver a cost neutral scheme. All Suffolk billing authorities have been working together to agree similar arrangements where possible but reflecting their own local circumstances.
- 4.6 It is estimated the Council will pay CTB of £6,324,000 this year (2012/2013). The trend of annual growth in CTB because of the increasing cost of claims is 3% and the inflationary increase is expected to be 2.2%.
- 4.7 Council Tax Benefit is currently funded by the Department for Work and Pensions as a reimbursement of CTB expenditure according to nationally set criteria.
- 4.8 From 1 April 2013 the Local Council Tax Scheme will be distributed by the Department for Communities and Local Government (DCLG) to local authorities through a cash limited grant. The exact amount is yet to be confirmed. The amounts available will be at least 10% and possibly up to 14% less than currently received. The distribution will be formula based.
- 4.9 Based on a reduction of 10% and taking into account the assumptions outlined in paragraph 4.6 above; the grant reduction for St Edmundsbury is expected to be £961,000 of which it is expected that £111,000 (11.59%) will be borne by this Council with the balance borne by Suffolk County Council and the Police authority. The exact/precise figures will not be known until the late autumn, as part of the December budget announcement, which may be after this report is circulated to Council.

- 4.10 The Government has stated that pensioners must not be affected by the changes. Therefore, a cost saving can only impact working age claimants. To provide some context, 35.79% of our working age claimants presently pay no Council Tax because of the type or the low level of their income. On average each claimants' Council Tax Benefit is £844.55.
- 4.11 To deliver the required saving from changes to the Council Tax scheme alone would mean a reduced level of support across all working age claims by approximately 30%.
- 4.12 The main effect of spreading the saving across all working age claims is that those who presently pay nothing would have to pay something. It is acknowledged that this creates a challenge to maintain high collection rates. It is likely that we will receive increased requests to defer or protract payments; or those affected might decide to delay or not pay, increasing the administrative time and cost of collection and potentially leading to more people going through the legal process of recovery.
- 4.13 Given the scale of the funding shortfall, the Cabinet agreed on 25 July 2012 that it is necessary to pass on only a proportion of the burden to claimants in order to incentivise work. Cabinet also noted that the funding gap could be closed by taking advantage of new powers within the Local Government Finance Act 2012 to reduce the level of discounts currently granted in respect of second homes and some classes of empty properties. Changing the discounts to some classes of empty properties would provide an incentive to re-let void properties more quickly. The Council therefore consulted on this basis (see section 7 below for further detail on the consultation process).
- 4.14 To assist the transition process the DCLG announced on 16 October 2012 that it would be making available an additional £100,000,000 for one year to support local authorities in developing well-designed Council Tax Support schemes to maintain positive incentives to work.
- 4.15 The grant will be available to councils who choose to design their scheme so that:
- (a) those who are on 100% support under the current Council Tax Benefit arrangements pay between zero and no more than 8.5% of their Council Tax liability;
 - (b) the Taper Rate does not increase above 25%; and
 - (c) there is no sharp reduction in support for those entering work.
- 4.16 If the Council adopts a scheme which meets the grant criteria the grant funding allocation will be as follows:

Local Authority	Grant from Government
St Edmundsbury	£22,349
Suffolk County	£115,037
Suffolk Police	£17,030

Recommended scheme criteria

- 4.17 The following table sets out recommendations to partly meet the £961,000 shortfall, with explanatory comments about each action. Modelling, using current caseload data, illustrates the potential financial effect of proposed changes to the current council tax benefit scheme. The total projected saving is the sum of each of the actions separately.

Note	Action	Number affected	Value £'000
	Total shortfall		961
1	Maximum liability 8.5%	3,678	267
2	Abolish Second Adult Rebate	77	11
	Shortfall balance to be met from other options, for example changes to Council Tax exemptions. Including the use of the one year transitional support grant.		683

Note 1 - Currently Council Tax Benefit is awarded or calculated based on the claimant's full liability (100%). Instead, it is recommended to use 8.5%, meaning each working age claimant would have to pay at least £99.97 per year more than they do now. This is based on:

- (a) a band B property, as the majority of our claimants fall within this banding; and
- (b) at the current 2012/13 Council Tax levels.

Note 2 - Second Adult Rebate is paid when the claimant's income is more than other people in their home. In practice, it is complicated to explain and difficult to administer.

- 4.18 The current safeguards for vulnerable claimants will continue, these include providing higher benefits (up to the Maximum allowed) for those receiving Personal Independence Payments. Customers who are blind or have carers will not have deductions, in respect of others living in their home, taken from their support.

Policy Document

- 4.19 It is a requirement to set out the LCTS scheme in a Policy document which details the 'rules' of the scheme. This needs to be approved by Full Council. The final draft version of the document is shown at Appendix A.
- 4.20 Changes as a result of the new powers within the Local Government Finance Act 2012 to reduce the level of discounts currently granted in respect of second homes and some classes of empty properties will require a policy change by Members as part of the 2013/2014 setting the Council Tax Base and budget setting process.

Helping people to understand the new system of Council Tax Support

- 4.21 The replacement of the national Council Tax Benefit system with a localised

scheme will have a major impact on claimants as well as others who will be expected to help make up the 10% shortfall in Government funding.

4.22 While the premise behind the idea – encouraging benefits claimants into work – is relatively simple to explain, the process of putting local schemes into practice, and explaining how people will be affected, is more complicated. A communications plan will be put together to support the work of Anglia Revenues Partnership (ARP) members.

4.23 The communications plan will identify:

- (a) stakeholders – these are the people who need to know what’s going on, including claimants and advice organisations as well as staff, councillors and the public;
- (b) key messages which need to go to each group of stakeholders – the public will not need to know as much detail, for example, as claimants;
- (c) communications routes – such as individual letters, print, broadcast and social media;
- (d) timescales – any campaign is unlikely to start before mid January 2013, with the focus being around the time Council Tax bills are sent out.

4.24 The West Suffolk Communications Team will work with the other ARP partners to ensure consistency of messages and timescales. Delivering the actions in the communications plan will be the responsibility of each individual council in the partnership.

5. Other options considered

5.1 The Council must agree a LCTS scheme. If the Council does not set a scheme based on agreed local criteria then the Government’s ‘default scheme’ in its entirety will need to be used, the cost of which would almost certainly be higher than the level of grant funding, resulting in a budget pressure.

5.2 It is understood that the majority of the Suffolk councils are aiming to adopt the maximum 8.5% reduction to working age support and thus qualify for the one-off Government grant. An update on this will be available at the Cabinet meeting.

6. Community impact

6.1 **Crime and disorder impact** *(including Section 17 of the Crime and Disorder Act 1998).*

6.1.1 The proposals contain provisions for dealing with welfare concerns of residents; particularly vulnerable people and to avoid child poverty.

6.2 **Diversity and equality impact** *(including the findings of the Equality Impact Assessment).*

6.2.1 An equality impact assessment has been carried out on the draft scheme and is currently being finalised alongside the final scheme design.

6.3 **Sustainability impact** *(including completing a Sustainability Impact Assessment).*

6.3.1 No impact.

6.4 **Other impact** *(any other impacts affecting this report).*

6.4.1 None.

7. **Consultation** *(what consultation has been undertaken, and what were the outcomes?)*

7.1 The Local Government Finance Bill requires Billing Authorities to hold a public consultation on their LCTS proposals. To comply with this a 12 week consultation started on 3 August 2012 and finished on 26 October co-ordinated with Forest Heath, other Suffolk districts and Suffolk County Council.

7.2 A range of initiatives were undertaken to promote the consultation across St Edmundsbury. This included writing to 7,848 residents, inviting stakeholders to participate, and advising Council Tax payers throughout the Borough of the consultation.

7.3 As a legal requirement, the major precepting authorities have been consulted and agreed the framework.

7.4 A total of 1,708 returns were received; 75 online (4.4%) and 1,633 postal (95.6%). The following options were consultant on:

Option 1: working age people who receive Council Tax (CT) support pay more;

Option 2: owners of second homes pay more;

Option 3: owners of empty homes pay more; and

Option 4: people who benefit from the 2nd adult rebate pay more.

7.5 There are a lot of details to the consultation results, which Officers are able to go through with Members at their request. Broadly speaking the responses we received showed that individuals scored the option that would directly affect them, as their least favourite option.

7.6 Other issues respondents felt that the Council should consider included:

(a) improve Council tax recovery, reduce fraud, increase benefit checks;

(b) reduce waste, costs and spending;

(c) reduce services, staff, pay and sell assets;

(d) higher Council tax bands to pay more;

(e) income based tax i.e. Poll tax;

(f) protect groups, including reduce Council Tax, such as:

(i) pensioners;

(ii) low income families/households;

(iii) disabled people;

(iv) benefit recipients; and

(g) households with more than 2 working adults pay more.

7.7 In addition to the questionnaire, workshops were undertaken with stakeholders in order to complement the quantitative research and explore the potential impact upon different groups in more depth. Three workshops were delivered across Suffolk with private landlords; social landlords and the voluntary and community sector. This enabled us to minimise the resources required to deliver the consultation and maximise attendance as many organisations work

across the whole of Suffolk. In addition, this was supplemented with local workshops, targeting West Suffolk organisations, in Mildenhall and Bury St Edmunds.

7.8 Key concerns included:

- (a) some residents being affected by more than one benefit reform;
- (b) the need for residents to be supported through budgeting advice;
- (c) some residents being required to pay Council Tax for the first time;
- (d) literacy issues of some residents – organisations to work together to provide support;
- (e) need for reasonable time for landlords to undertake maintenance of properties between lets;
- (f) concern over how changes will affect disabled residents;
- (g) reliance on voluntary groups to support those affected; and
- (h) concern over organisations chasing different debts at the same time.

8. Financial and resource implications *(including asset management implications).*

8.1 The effect of the local funding gap of around £961,000 will be borne by the major precepting authorities in proportion to their current precept size. Currently this equates to 11.59% for St Edmundsbury. This is significant as the extra amount payable by working age claimants will be a risk for payments to the Collection Fund.

8.2 The recommended policy covered by this report is intended to deliver a 'cost neutral scheme' or a scheme which partially covers the funding gap.

There are a number of potential financial risks involved. These include:

- (a) Recovery of Council Tax.** There is a risk of a lower level of collection of Council Tax, given that more people will have to pay Council Tax and many will be paying for the first time.
- (b) Recovery of administration costs.** The number of people paying Council Tax will increase and we will need to consider the impact on resources needed to collect this money.
- (c) Demand.** Under the existing benefit scheme there is no direct financial impact on the council of changes in the amount of benefit paid. Under the LCTS scheme the Government grant will be a fixed sum and therefore any increase in claimant numbers will be borne by all of the major preceptors including St Edmundsbury. The modelling has also been based on 2011/2012 data, which in itself may not entirely reflect the claimant profile when the scheme goes live in April 2013.
- (d) Grant reduction.** As previously stated the total funding is being reduced by 10%, but depending on the December budget announcement the reduction may be as high as 14%.

8.3 The major precepting authorities will share the financial risks associated with LCTS. Representatives from St Edmundsbury and other Suffolk billing authorities and Suffolk County Council have been working together to jointly develop a county-wide framework, reflected in the proposals in this report.

- 8.4 A range of measures will be offered to affected people to help them pay, such as Direct Debit.
- 8.5 The LCTS scheme is based on a Council Tax discount, in other words a reduction in the amount of Council Tax due. The proposed methodology for reflecting the cost of this is therefore to show it as a reduction in the Council Tax base (the number of equivalent Band D properties). In simple terms this will mean that the amount of Council Tax due will be less by the amount of Council Tax Support provided. On the basis of a cost neutral scheme this reduction in Council Tax should equal the level of Government grant provided.
- 8.6 The Government is currently consulting on the methodology for dealing with Parish Councils in respect of the LCTS. The most recent proposal is that the tax base agreed by parish councils should not include any adjustment in respect of the LCTS and that therefore the grant from Government should be retained by the billing authority. This protects parish councils from the impact of changes to LCTS costs in year and leaves the burden of cuts to be borne by the billing and major precepting authorities. It is expected that we will know the outcome of the consultation before the scheme is approved by full Council.

9. Risk /opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives).*

- 9.1 As highlighted earlier in the report there are a number of financial risks associated with the proposed introduction of the LCTS scheme. Once the Council has set its policy, it cannot be changed until the following financial year (2014 /2015). This therefore makes it essential to monitor the new scheme and the impact on collection rates very closely.

10. Legal and policy implications

- 10.1 The National Council Tax Support scheme for Pensioners will be determined by Central Government whilst the Local Council Tax Support scheme for people of working age is determined by each local authority. The scheme may be altered each year, giving the Council the opportunity to take into consideration any local factors or budget constraints. Subsequent amendments may require further consultation and agreement.
- 10.2 The Council's Constitution gives the Head of Resources and Performance delegated power 'to manage the Revenues and Benefits function' including appointing officers of Anglia Revenues and Benefits Partnership (ARP) to carry out debt recovery and criminal prosecutions. It is recommended that the list of functions which the ARP may authorise ARP staff to undertake be augmented by the inclusion of a specific reference to the administration of the Localised Council Tax Support Scheme.
- 10.3 As the autumn budget announcement is not until 5 December 2012, the actual figures for the reduction in grant will not be known until a couple of weeks later. This means that, assuming the funding announcements are received in time for the Council meeting on 18 December 2012; further consideration needs to be given to any other changes that may be required to adequately cover the funding gap at that meeting. In the event of final funding decisions not being known at that time, Cabinet is asked to delegate final decisions on any additional changes to the Localised Council Tax Support Scheme to the

Head of Resources and Performance, in consultation with the Leader and Portfolio Holder for Performance and Resources.

11. Wards affected

11.1 All wards

12. Background papers

12.1 Localising Support for Council Tax in England 2012: Cabinet Report D73 – 25 July 2012

13. Documents attached

Appendix A – Local Council Tax Support Scheme draft policy

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