

MEETING: CABINET
DATE: Thursday 13th December, 2012
TIME: 10.00 am
VENUE: Town Hall, Bootle

Member

Councillor

Councillor P. Dowd (Chair)
Councillor Cummins
Councillor Fairclough
Councillor Hardy
Councillor Maher
Councillor Moncur
Councillor Tweed

COMMITTEE OFFICER: Steve Pearce
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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AGENDA

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.		
3.	Minutes of Previous Meeting Minutes of the meeting held on 8 November 2012		(Pages 5 - 14)
4.	Transformation Programme - 2012/13 Budget Update Report of the Head of Corporate Finance and ICT to follow	All Wards	
* 5.	Transformation Programme and Revenue Budget 2012 - 2015 Report of the Head of Transformation Services and Head of Corporate Finance and ICT to follow	All Wards	
* 6.	Local Council Tax Reduction Scheme 2013/14 and Changes to Council Tax Discounts and Exemptions for Unoccupied Properties Report of the Head of Corporate Finance and ICT	All Wards	(Pages 15 - 96)
7.	Council Motion - Sefton Sustainable Energy Action Plan Report of the Director of Built Environment	All Wards	(Pages 97 - 100)

* 8.	Local Plan for Sefton - Outcome of Studies Report of the Director of Built Environment	All Wards	(Pages 101 - 124)
* 9.	Tenancy Strategy Report of the Director of Built Environment	All Wards	(Pages 125 - 142)
* 10.	Draft Sefton Economic Strategy - Consultation Response Report of the Director of Built Environment	All Wards	(Pages 143 - 150)
* 11.	Commissioning Options for Healthwatch and the Independent Complaints Advocacy Service Report of the Director of Older People	All Wards	(Pages 151 - 164)
12.	Capital Maintenance Grant 2012/13 - Additional Schemes Report of the Director of Young People and Families	Blundellsands; Litherland; Manor; Park; Ravenmeols; St. Oswald	(Pages 165 - 170)
13.	Sefton New Directions - Request to Seek Various Permissions Report of the Director of Corporate Support Services	All Wards	(Pages 171 - 184)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 20 NOVEMBER, 2012. MINUTE NO's 72 (3) AND 73 (4) ARE NOT SUBJECT TO "CALL-IN".

CABINET

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 8TH NOVEMBER, 2012

PRESENT: Councillor P. Dowd (in the Chair)
Councillors Cummins, Maher and Moncur

ALSO PRESENT: Councillors Ashton and M. Fearn

68. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Fairclough, Hardy and Tweed.

69. DECLARATIONS OF INTEREST

No declarations of pecuniary interest were made.

70. MINUTES OF PREVIOUS MEETING

Decision Made:

That the Minutes of the Cabinet meeting held on 11 October 2012 be confirmed as a correct record.

71. PUBLIC HEALTH ANNUAL REPORT 2012 - 'PROTECTING THE HEALTH OF SEFTON'

The Cabinet considered the report of the Director of Public Health on the 2012 Public Health Annual Report, which provided an overview of the health of the population of Sefton, described work currently being completed and made recommendations about future priorities to improve health and wellbeing and to reduce health inequalities in Sefton.

The 2012 Public Health Annual Report, "Protecting the Health of Sefton", focused on an area of public health that is often not very well understood, that of health protection. This area of public health was concerned with protecting the local population from disease and disability. The report included chapters relating to key areas of health protection including screening, vaccinations and immunisations, sexual health, the control of communicable diseases and the environment. A number of key priorities for future work were also identified in the report.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

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Decision Made:

That the Public Health Annual Report 2012 be noted.

Reasons for Decision:

The report highlighted proposals for improving health and wellbeing and to reduce health inequalities in Sefton.

Alternative Options Considered and Rejected:

None.

72. TRANSFORMATION PROGRAMME AND REVENUE BUDGET 2012 - 2015

Further to Minute No. 64 of the meeting held on 11 October 2012, the Cabinet considered the joint report of the Head of Corporate Finance and ICT and the Head of Transformation which provided details of the progress towards the establishment of the 2013/14 – 2014/15 budget plan and the consultations processes which were being undertaken. The report also set out a further package of budget savings proposals relating to the 'inform consultation options' set out in Annex B of the report.

The report contained the following annexes:

Annex A	Work Programme Timetable
Annex B	Options previously approved for Consultation, Engagement or Information
Annex C	Integration Options
Annex D	Further information on options previously recommended to Council by the Cabinet

The Chief Executive reported that a consultation response had been submitted prior to the meeting from the National Allotment Society relating to Option F1.5 (Allotment Users Fees and Charges) in Annex B of the report and that the details of the response and any officer comments would be included in the report to be submitted to the Council meeting on 22 November 2012.

The Chair referred to the current budget savings of £43.7m which had to be achieved for the period 2013/14 to 2014/15 and indicated that the Government was due to announce the Local Government Settlement for 2013/14 in December 2012 and the confirmation of the external revenue support from the Government would provide greater clarity of the Council's saving requirement for 2013/14.

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This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

Decision Made:

- (1) it be noted that the figures and phasing set out in the annexes to the report were working assumptions of options to be considered and the figures should not be seen as predetermining any decisions. Many of the options would be subject to consultation and engagement, and any figures indicated were being used to facilitate outline budgetary forecasting only;
- (2) the work programme timetable contained in Annex A of the report be noted;

Annex B – Proposals – Community being informed of changes

- (3) it be noted that the relevant legislative framework, the risks and mitigating issues identified, the equality impact assessment information and the mitigating factors for each individual proposal in Annex B of the report had been taken into account;
- (4) subject to the deferral of Option F1.1 (Cars Parks), the Council at its meeting on 22 November 2012 be recommended to approve the remaining proposals set out in Annex B of the report;

Annex C – Integration Proposals

- (5) the Council at its meeting on 22 November 2012 be recommended to approve the integration options set out in Annex C of the report and mandate Officers to continue with consultation, engagement and implementation processes with partners, key stakeholders, employees and Trade Unions as appropriate with a view to achieving the agreed changes at the earliest opportunity. (This would involve engagement in consultation as necessary, and the issuing of statutory notices to Trade Unions under Section 188 of the Trade Union Labour Relations (Consolidation) Act 1992 and to the Department of Business Innovation and Skills, as necessary. Ultimately the implementation would lead to the termination of employee contracts due to the changes for which officers are as necessary attributed to implement at different stages).

Annex D – Further information on options previously recommended to Council

- (6) it be noted that due regard of the information contained in Annex D of the report had been taken and Officers be mandated to commence consultation and engagement processes with the community, partners, key stakeholders, employees and Trade Unions; and

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- (7) the risks and mitigating actions outlined in Annex B, C and D of the report be noted.

Reasons for Decision:

The recommendations in the report, are another step in agreeing a two year budget plan. Additional budget savings and options still need to be identified to ensure that future years' budgets can be balanced. It is a legal requirement to set a balanced budget and to ensure the medium term financial position is robust.

Early consideration of budget options continues to be essential as this supports informed decision making, including the consideration of the outcome of any consultations undertaken, the impact of any decisions to be made and any steps that can be taken to mitigate the impact of a decision.

Alternative Options Considered and Rejected:

Further budget savings and options would be presented to the next Cabinet meeting to be held on 6 December 2012.

73. REVIEW OF NURSING AND RESIDENTIAL CARE COMMISSIONING

Further to Minute No. 104(13) of the meeting held on 16 February 2012, the Cabinet considered the report of the Director of Older People which provided an update on the progress of the Review of Nursing and Residential Care Commissioning.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

Decisions Made:

1. the progress on the Review of Nursing and Residential Care Commissioning be noted;
2. Officers, through dialogue and consultation with care providers, partners and other stakeholders be authorised to pursue the actions identified within Section 3 of the report, including the development of a revised Market Facilitation Strategy; and
3. the Cabinet Member – Health and Social Care be given delegated authority to approve the Market Facilitation Strategy, once developed.

Reasons for Decision:

On 16 February 2012, the Cabinet considered the report of the Chief Executive on the *Transformation Programme 2011-2014*, detailing the progress made towards the establishment of the budget for 2012/13 and the reviews of services/consultation processes completed or in progress as part of the Transformation Programme. Within that report, the Cabinet considered a proposal for a Review of Nursing and Residential Care Commissioning and agreed that “*approval be given to a Review of Nursing and Residential Care Commissioning and to explore alternative commissioning approaches*”. The Review is ongoing and the report provided an update to the Cabinet on the progress made and the current situation.

Alternative Options Considered and Rejected:

None.

74. SUPPORTING PEOPLE REVIEW UPDATE

Further to Minute No. 28 of the meeting held on 19 July 2012, the Cabinet considered the report of the Director of Older People which provided an update on the progress of the Supporting People Review and proposals for the commissioning of housing related support services.

The Chair and Cabinet Member – Older People referred to the consultations held by Officers with Social Care Providers in order to minimise the impact of the proposals upon service users and expressed thanks to the Officers and Providers for the work they had undertaken.

This was a Key Decision and was included in the Council’s Forward Plan of Key Decisions.

Decisions Made:

1. the progress on the Supporting People Review be noted;
2. the changes to commissioned housing-related support services identified within Section 5 and Annex 1 of the report be approved and Officers be authorised to proceed with the implementation of those changes;
3. it be noted that a further report would be made to Cabinet to update Members on the progress of the as yet unresolved consultations with service providers, the Care and Support Reviews and Integrated Re-Commissioning of Supported/Assisted Living being undertaken as part of the Supporting People Review.

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Reasons for Decision:

On 21 June 2012, the Cabinet considered a report which provided an update on the progress of the Supporting People Review and set out the proposed commissioning priorities for the Supporting People Service with regard to the achievement of budget savings required for 2012/13 and 2013/14. Approval was given to the adoption of the principles set out in 5.1 of the report and Officers were authorised to work with providers, utilising the principles, to formulate reduction proposals to meet the required budget savings in 2012/13 and 2013/14.

A further report was submitted to the Cabinet on 19 July 2012 setting out the general budget reduction proposals that were subject to detailed consultation with service providers and further details of the proposed approach to commissioned Care and Support Services. The Cabinet approved the managed review and re-commissioning processes outlined in Section 5 of the report, including the integrated re-commissioning of all supported/assisted living services be approved; and requested that a further update be submitted to the Cabinet.

Alternative Options Considered and Rejected:

None.

75. REFURBISHMENT OF KING'S GARDENS, SOUTHPORT - TENDER AWARD

Further to Minute No. 30 of the meeting held on 19 July 2012, the Cabinet considered the report of the Strategic Director – Place on the procurement and tender process undertaken for the selection of the main contractor to undertake the refurbishment works at King's Gardens, Southport.

The Strategic Director – Place circulated a supplementary report which provided an update on the tender evaluation process.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

Decisions Made:

1. the information contained within section 2 of the report and supplementary report relating to the management of risk be noted;
2. that based on the price and quality assessment of the tenders submitted for the project, Casey Pro Environment of Rochdale be appointed as the preferred contractor for the refurbishment project;
3. authority be given for the project to proceed on the basis of the scheme cost totalling £4,834,651.32; and

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4. subject to the satisfactory resolution of outstanding matters with the Heritage Lottery Fund to the extent that the Council's financial contribution to the project is not increased, the Head of Corporate Legal Services be authorised to enter into a formal contract with the preferred contractor.

Reasons for Decision:

To comply with the Constitution and Heritage Lottery Fund Grant Award Contract conditions to enable the project to proceed.

Alternative Options Considered and Rejected:

None.

76. EMPLOYMENT AND HOUSING - ANFIELD AND BEDFORD/QUEENS PROGRAMME

The Cabinet considered the report of the Director of Built Environment on the award of Regional Growth Funding for the Employment and Housing: Anfield and Bedford/Queens programme; and proposals for the disposal of the Bedford/Queens Phase 3, the former St. Winefrides school, and the Kings Centre sites to Keepmoat Ltd. for development and refurbishment.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

Decisions Made:

1. the grant offer of £1,468,715 made under the Regional Growth Fund Round 2 be accepted;
2. approval be given to the disposal of the Bedford/Queens Phase 3, the former St. Winefrides school and the Kings Centre to Keepmoat Homes Ltd. for development and refurbishment as new housing for sale and rent;
3. the Director of Built Environment, Head of Corporate Finance and ICT, and the Head of Corporate Legal Services be authorised to agree the final terms under which the grant is accepted, and the terms under which the sites will be disposed to Keepmoat Ltd;
4. approval be given to the Council entering into a tripartite agreement with both Keepmoat Ltd. and Liverpool City Council to indemnify the Council if either/or both Keepmoat Ltd. and Liverpool City Council fail to honour their obligations contained within the Regional Grant Fund (RGF) Agreement and to vary the existing Overarching Development Agreement with Keepmoat Ltd. to include the obligations contained within the RGF Agreement.

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Reasons for Decision:

The Regional Growth Fund grant would provide the resources necessary to complete the Housing Market Renewal scheme in the Bedford/Queens area of Bootle, and to create, or preserve 122 jobs in North Liverpool and South Sefton.

Alternative Options Considered and Rejected:

With exception of the former St. Winefrides school, the sites in question were Compulsorily Purchased by the Council in order to redevelop with new housing and to use this land for any other purpose could result in legal challenge.

Keepmoat Limited. is the Council's appointed 'lead developer' for the Housing Market Renewal (HMR) programme in the Bedford/Queens area of Bootle. As such, the Council had previously entered into an Overarching Development Agreement with Keepmoat Limited which gave them 'first call' on HMR development opportunities in the Bedford/Queens area, subject to performance and viability.

However, it would be possible as matters stand to sell the former St. Winefrides School site on the open market. Keepmoat had carried out an initial development appraisal of this site and currently the cost of development with housing for sale considerably exceeded its value, which suggested that the site was not viable without grant. On the basis it was likely that if the Council were to sell the site on the open market it would remain undeveloped for some considerable time. Keepmoat are one of the joint applicants of the Regional Growth Fund bid and therefore access to it is dependent upon them being the developer.

77. LIVERPOOL JOHN LENNON AIRPORT CONSULTATIVE COMMITTEE - CHANGE IN COUNCIL'S APPOINTED REPRESENTATIVE

Further to Minute No. 9(2) of the meeting held on 24 May 2012, the Cabinet considered the report of the Director of Corporate Commissioning seeking approval to a proposed change in the Council's representation on the Liverpool John Lennon Airport Consultative Committee for the remainder of the 2012/13 Municipal Year.

Decisions Made:

1. that Councillor Roche be appointed as the Council's representative on the Liverpool John Lennon Airport Consultative Committee for the remainder of the 2012/13 Municipal Year in place of Councillor Hardy; and
- (2) Councillor L. Cluskey be appointed as a Substitute Member for Councillor Roche on the Consultative Committee.

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Reasons for Decision:

The Cabinet had delegated powers to approve the Council's representatives to serve on Outside Bodies.

Alternative Options Considered and Rejected:

None.

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Report to: Cabinet **Date of Meeting:** 13th December 2012

Subject: Local Council Tax Reduction Scheme 2013-2014 and Changes to Council Tax Discounts and Exemptions for Unoccupied Properties.

Report of: Head of Corporate Finance and ICT **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

This report seeks to –

- A. Outline the results of the consultation relating to the Council Tax Reduction Scheme including the Equality Analysis Report.
- B. Report on the results of consultation relating to the removal of Council Tax discounts and exemptions for unoccupied properties, together with an update on Government changes to proposed legislation, including the Equality Analysis Report
- C. Recommend a Council Tax Reduction Scheme summarised in paragraph 14 and set out in Annex F of this report, and also a range of Council Tax discounts and exemption changes as set out in Annex B for Council approval on the 24th January 2013.
- D. Update Members on the latest Government announcement regarding transitional funding being made available to Local Authorities for the Council Tax Reduction scheme, together with the impact of the proposed grant on Sefton MBC.
- E. Identify ways in which the Council proposes to help those most financially affected by the change through a hardship fund in order to meet its objective of protecting the most vulnerable residents of Sefton.

The report contains a number of Annexes listed below for ease of reference:

Annex A: Council Tax Reduction Scheme options – with financial implications
Annex B: Council Tax Technical changes with financial implications
Annex C: Consultation and Engagement relating to Council Tax Reduction Scheme and Council Tax Technical Changes
Annex D: Equality Analysis Report – Council Tax Reduction Scheme
Annex E: Equality Analysis Report – Council tax Technical changes relating to discount and exemptions for vacant unoccupied properties.
Annex F: Local Council Tax Reduction Scheme

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Recommendation(s)

1. The Cabinet recommends that Council approves and adopts the proposed Council Tax Reduction Scheme for 2013/14 summarised in paragraph 14 and set out in Annex F, to take effect from 1st April 2013.
2. The Cabinet recommends that Council approves the changes to discounts and exemptions for empty and unoccupied properties to take effect from 1st April 2013 in order to minimise the impact for non pensioner claimants, as summarised in paragraph 14, and set out in Annex B.
3. The Cabinet recommends that Council approves the introduction of an empty homes premium to take effect from 1st April 2013, as summarised in paragraph 14, and set out in Annex B.
4. That Cabinet delegates consideration of any minor changes in legislation/guidance in relation to the Council Tax Reduction Scheme and council tax technical changes to the Head of Corporate Finance & ICT in consultation with the Leader of the Council, and that any significant changes in such legislation/guidance and any further recommendations be reported to the Cabinet meeting on 17th January 2013.
5. That Cabinet delegates to Head of Corporate Finance & ICT consideration and implementation of any minor textual changes to the Council Tax Reduction Scheme.
6. That Cabinet recommends that the Council does not accept the Government transitional grant.

How does the decision contribute to the Council's Corporate Objectives?

	Corporate Objective	Positive Impact	Neutral Impact	Negative Impact
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being			✓
5	Children and Young People			✓
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

Reasons for the Recommendation:

The Government is abolishing the current national Council Tax Benefit scheme and requires the Council to formally have in place a Local Council Tax Reduction Scheme by the 31st January 2013, to take effect from 1st April 2013. The Government is giving Councils greater flexibility over discounts and exemptions to be applied locally from 1st April 2013, to help towards mitigating the impact on working age claimants.

What will it cost and how will it be financed?

(A) Revenue Costs

If the Council fails to approve a local council tax support scheme before 31 January 2013, the Government's default scheme will automatically apply. In this case there will be a shortfall of £3.8m on the Collection Fund in 2013/14, increasing to £4.4m in 2014/15.

A provision of £0.5m has been included in the Medium Term Financial Plan for doubtful debt.

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The changes to the collection systems and the necessary changes to the arvato contract are currently being negotiated. A DCLG grant of £84k in 2012/13 will be used to fund the setting up costs and the necessary software changes. All other costs are expected to be met by reprioritising the arvato development plan.

(B) Capital Costs

No capital costs are planned for this change in system.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal comments Schedule 1A to The Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) sets out the matters that are to be included in Council Tax Reduction Scheme and also requires that "Before making a scheme, the authority must (in the following order) (a) Consult any major precepting authority which has power to issue a precept to it, (b) Publish a draft scheme in such manner as it thinks fit, and (c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme".	
Human Resources None	
Equality – see paragraph 8 within the main body of the report and the attached Equality Analysis report at Annex E	
1. No Equality Implication at this time	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

What consultations have taken place on the proposals and when?

There has been a twelve week public consultation on the draft proposals. Ongoing consultations have taken place with the Strategic Leadership Team, to include the wider issues and impact from the Welfare Reform. The Head of Corporate Finance and ICT (FD 1959) and Head of Corporate Legal Services (LD 1276) have been consulted and any comments have been incorporated into the report.

All Councils are legally required to consult on their proposals for the council tax reduction scheme. See paragraph 8 and Annex C for further details.

Are there any other options available for consideration?

The Default Scheme and the Government Transitional Grant are detailed within the report. See paragraph 2 and Annex A.

See Annex A for details and cost implication for Options.

Contact Officers:

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Background Papers:

The following are background papers available for inspection:

1. Consultation – Changes to Council tax Benefit in Sefton
2. Consultation – Changes to Council tax Discounts and Exemptions in Sefton
3. Telephone Survey Full Report and Summary Report, Opinion Research Services, November 2012
4. Report on the Consultation and Engagement Process for Localising Council Tax Support, Sefton MBC, November 2012
5. Report on the Consultation and Engagement Process for Council Tax Technical Reforms – Discounts and Exemptions for Empty Properties and Second Homes, Sefton MBC, November 2012.

These documents can be accessed on the Councils website via this link:

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13409&path=13158,13197>

Below are the Government documents relating to this report:

1. DCLG Localising Support for Council Tax - A Statement of Intent
2. DCLG Localising Support for Council Tax Vulnerable People – key local authority duties
3. DCLG Localising Support for Council Tax -Funding Arrangements consultation
4. DCLG Localising Support for Council Tax – Taking work incentives into account
5. DCLG Draft Default Scheme Regulations
6. DCLG Explanatory note on re-stated default scheme universal credit provisions
7. DCLG Technical Reforms to Council Tax - summary of responses
8. DCLG Technical Reforms to Council Tax – empty homes premium
9. Welfare Reform Act 2012
10. Local Government Finance Act 2012
11. The Council Tax Reduction Schemes [Prescribed Requirements][England] Regulations 2012 [SI 2012 No.2885] .

These Government documents can be accessed on the following websites:

<http://www.dwp.gov.uk/>

<https://www.gov.uk>

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government>

Technical Reforms to Council Tax

Definitions

Second Homes – currently, the rules mean that the majority of second homes receive a 10% discount. A second home is a furnished property in which no one is considered resident for Council tax purposes. These properties include those left furnished in between a change of tenants/owners.

Class A – Vacant dwellings requiring/undergoing repair - the current exemption for up to 12 months for unoccupied properties where major repair works are required, undergoing or recently completed, is a Class A Exemption. After 12 months the exemption class ceases and a full charge is applicable.

Class C – Vacant Dwellings - currently, properties left empty and unfurnished for up to 6 months are exempt from Council tax under a Class C exemption, after which time a full charge is payable. This excludes certain other types of empty property such as where the owner is in a nursing home, or still in the hands of the estate of a deceased person.

Empty Homes Premium – currently the full Council tax charge is payable on a property left empty for over 2 years. However, an empty homes premium of 50% is to be introduced which means that the total payable for a property left empty for more than 2 years will be 150% of the full Council Tax charge.

The technical reforms to discount and exemptions on unoccupied properties will allow us to keep council tax lower for taxpayers whose liability is unaffected by these changes. However, the extra Council tax payable by owners of second homes and empty properties affected by the changes will not be means tested according to the income of the owner.

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1. Introduction/Background and what's changed

1.1 In the Government's Spending Review 2010 it was announced that the council tax benefit scheme would be abolished and a framework for localised support schemes for council tax would be introduced and operative from Financial Year 2013/14. It was also announced that Government support would be reduced by 10% of current year spend.

1.2 The Local Government Finance Bill (enacted in November 2012) and the Welfare Reform Act 2012 imposes a duty on Local Authorities to design their own schemes to administer council tax support, working within a framework set out in legislation. Failure to set its own Scheme would require a Local Authority to adopt the Government Default Scheme which requires the Council to fully fund to previous council tax benefit levels. The current council tax benefit scheme will no longer exist from April 2013.

1.3 A Statement of Intent published on the 18th May 2012 by Department of Communities and Local Government (DCLG) requires the following framework for the Local Council Tax Reduction Scheme:

- Future Council Tax Reduction to be offered in the form of a means tested discount.
- Billing Authorities must have a Council Tax Reduction Scheme formally in place by the 31st January 2013 to begin on 1st April 2013.
- Pensioners will be protected through a national framework of criteria and allowances (with no changes to current levels of award).
- Guidance from the Secretary of State states that scheme should support work incentives and, in particular, avoid disincentives to move into work.
- Scheme must set out the classes of person who are entitled to a reduction and the total amount of reductions that will apply.
- Local Authority must consult before making a scheme and each year must consider whether to revise or replace the scheme.
- Scheme must state the procedure by which a person may apply.
- Scheme must state the procedure by which a person can make an appeal.
- A transitional provision to allow existing Council Tax Benefit claimants to be treated as having made an application for Council Tax Reduction.

1.4 The Local Government Finance Act 2012 was given Royal Assent on 1st November 2012 and incorporated an amendment from the House of Lords that the Council Tax schemes will be reviewed after 3 years.

1.5 For each financial year, the Council must consider whether to revise its scheme or replace it with another scheme. Any revision to the scheme or any replacement scheme must be no later than the 31st January in the financial year.

1.6 It is important to note that secondary legislation has not been published and final funding and regulations are due to be announced December 2012. Cabinet will need to consider this report prior to legislation being released, and approve, as requested, in Recommendation 1 to delegate any minor adjustments to the scheme which may be required. It is anticipated any changes will be minor, however, if significant Cabinet will be presented with a revised proposal at its meeting on the 17th January 2013. This is not ideal as it would give insufficient time for wider consultation and briefing before the Council meeting on the 24th January 2013.

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1.7 On 19th July 2012, Cabinet agreed a public consultation on the draft Council Tax Reduction Scheme and changes to Council Tax exemptions and discounts. See paragraph 8 on consultation and Annex C for summary of findings.

2. Government Transition Grant

2.1 On the 16th October 2012, the Department for Communities and Local Government made an unanticipated announcement regarding an additional £100m “transitional funding” being made available to Local Authorities “to help support them in developing well-designed council tax support schemes and maintain positive incentives to work”. This grant will be available to those Local Authorities “who do the right thing” in the design of their local scheme. Ministers have become concerned with the schemes being proposed by Local Authorities and the additional contribution to Council Tax that this means for many local residents.

2.2 This funding is for one year only and can be claimed where the local authority has agreed a local council tax support scheme which meets the ‘best practice criteria’ set out by the Government. This best practice contains three rules:-

1. Those who would be on 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their council tax liability. The 8.5% maximum contribution relates mainly (but not exclusively) to the level of eligible liability under a local scheme.
2. The taper rate (i.e. the rate at which support declines as people’s income increases) does not increase above 25%; and
3. There is no sharp reduction in support for those entering work—for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award (which to be eligible for the grant, could not be less than 91.5%)

2.3 The DCLG anticipate that councils will make applications after 31 January 2013 but before 15th February 2013, and that funding will be paid in March 2013. They have stated the grant will be a simple one, easy to apply for and swiftly paid out.

2.4 Indicative grant payments are shown in the following table:

<u>Authority</u>	£
Sefton Council	544,164
Police Authority	64,189
Fire Service	29,142
Total	637,495

2.5 The Council has considered the transitional grant together with the set criteria from the Government and below is a table demonstrating a shortfall in funding:

Government funding shortfall	£4,400,000
Additional Council Tax to collect @ 8.5%	- £1,350,000
LESS reduced non-dependant deductions	+ £75,000
Government transitional grant	- £640,000
Council Tax technical changes	- £1,530,000
Shortfall in funding	£955,000

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- 2.6 The consultation proposal at 20% council tax collection levels realises £3.1m income. The conditions of the grant reduces the collection down to £1.3m. The loss of income by meeting the grant conditions is £1.8m. Since the grant covers only one third of the cost of the grant conditions the grant option is not recommended.

3. Council Tax Technical update

- 3.1 Following the government's proposals to give councils greater flexibility over discounts and exemptions to be applied locally, Sefton has consulted on 4 proposals:

- Reduce the discount from 10% to 0% for second homes and any other furnished properties not occupied as a main home.
- Introduce a 50% discount to replace the existing Class C exemption for the first 6 months a property is unoccupied and unfurnished.
- Introduce a 50% discount to replace the existing Class A exemption for up to 12 months when a property is in need of or undergoing major repair or structural alteration.
- Charge a premium of 50% on properties unoccupied longer than 2 years making a total charge of 150%.

4. Changes to July 2012 Cabinet proposals

- 4.1 Since the July 2012 estimates were drawn up, a number of issues have arisen that may impact on those proposals: -

- Class C (Unoccupied empty homes)-The Government has changed its intention with regard to Class C and Councils may now allow variable periods of discount within the 6 month period. There is no such change to Class A properties (empty homes with major repairs).
- Through the stakeholder meetings, landlords have raised the issue of whether a short period of 100% discount should be allowed between changes in tenancies.
- Recent response by Government following further consultation on circumstances in which properties should not be liable to the empty homes premium (unoccupied & unfurnished properties for two years or more). Whilst the Government has decided not to prescribe any change to exclude properties which are genuinely on the market for sale or letting they will now prescribe secondary legislation for the following 2 circumstances where the property is substantially unfurnished:-
 - a) a dwelling which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service.
 - b) an annex deemed unoccupied because it is being treated by the occupier of the main dwelling, as part of that main dwelling.

Annex B – provides an update on financial implications and proposed change following consultation.

5. Context for Sefton

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5.1 The Council currently administers Council Tax and Housing Benefit on behalf of the Government and reclaims a cost of delivering this service (the Administration Grant) and the amount that has been paid out (the Subsidy).

5.2 Table below shows the caseload trend for Council Tax Benefit Claims

YEAR	CLAIMANTS THAT ARE PENSIONERS	CLAIMANTS THAT ARE OF WORKING AGE	TOTAL COUNCIL TAX BENEFIT CLAIMANTS
2009/10	15,814 (51.85%)	14,685 (48.15%)	30,499
2010/11	15,951 (49.98%)	15,964(50.02%)	31,915
2011/12	15,823 (47.74%)	17,321 (52.26%)	33,144
2012/13 Estimate (November 2012)	15,566 (46.71%)	17,757 (53.29%)	33,323

5.3 Table below shows number of Benefit claims in Council Tax bands prior to 2012 benefit caseload increase

BAND	Council Tax Bill before discounts and benefits	Number of Properties	Number of Benefit Claimants
-A	£ 742.33 - £ 786.76	84	35
A	£ 989.77 - £1,049.01	39,059	18632
B	£1,154.74 - £1,223.84	26,632	7713
C	£1,319.70 - £1,398.68	29,921	4714
D	£1,484.66 - £1,573.51	14,752	1340
E	£1,814.58 - £1,923.18	8,052	458
F	£2,144.51 - £2,272.85	3,831	121
G	£2,474.43 - £2,622.52	2,691	54
H	£2,969.32 - £3,147.02	220	1

Observations:

- There is a range of liability charges for each band as it takes into account the areas which attract the Parish precepts. Properties in Band –A are those that are Band A properties that have been adapted for use by a disabled person.
- The current number of claimants who receive Housing Benefit and Council Tax Benefit is over 33,000. Most claimants will receive both Council Tax and Housing Benefit.
- Pensioner claimant numbers appear to be reasonably stable across the last years.
- There is an increasing volume of working age claimants, due likely to the economic downturn.
- Most Sefton benefit claimants live in Band A and Band B properties (63% of benefit caseload).
- Council tax benefit is shown as a credit on the council tax account, with a bill being sent out for the balance if claimants are not entitled to maximum Council Tax benefit.

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6. Budget Implications

- 6.1 In May 2012, the Government published indicative council tax support grant allocations of approximately £23.557m to fund the new local council tax reduction scheme from 2013/14. This includes amounts that will be paid directly to the Police Authority (£2.374m) and Fire Service (£1.061m). These funding allocations are expected to change as more up to date data is made available. The final allocations will be based on revised forecasts of subsidised council tax benefit expenditure, which will determine the total amount available to distribute, and 2011/12 outturn data on subsidised expenditure. The final allocation will be known late December 2012.
- 6.2 In October 2012, the Government announced that further funding in the form of a Transitional Grant will be made available (for 2013/14 only) to those authorities that limit the impact of their council tax reduction schemes. Transitional grant of £0.544m could be claimed by Sefton, with a further £0.064m paid to the Police Authority and £0.029m to the Fire Service, if the Council's scheme meets prescribed criteria.
- 6.3 Council tax benefit expenditure totalled £27.3m in 2011/12. The latest forecast of council tax benefit expenditure for 2012/13 is £27.6m. The value of claims is expected to increase in 2013/14 and whilst the level of increase is not known an additional £0.4m has been assumed for planning purposes based on the increase experienced in the current financial year. Previous years have seen much larger increases as a result of the economic downturn, however, growth in the value of claims has slowed in the current financial year. In addition annual uprating of the Government personal allowances used for calculating the reduction in council tax will increase expenditure. It is estimated that 2013/14 will occur an increase of £30k expenditure when all claims have been uprated, this mainly relates to claimants on low earnings.
- 6.4 If the Council fails to approve a local council tax support scheme before 31 January 2013, the Government's default scheme will automatically apply. In this case there will be a shortfall of £3.8m on the Collection Fund in 2013/14 (net of transition grant), increasing to £4.4m in 2014/15.
- 6.5 The shortfall would affect the council tax base so it will be split between the Council and the Police and Fire Authorities pro-rata to their band D council tax. The following table illustrates the potential impact on each authority's budget:

	Sefton Council	Police Authority	Fire Service	Total
Band D Tax 2012/13 (£)	£1,266.68	£150.62	£67.36	£1,484.66
Reduction in Tax Base	-18,830.6	-18,830.6	-18,830.6	-18,830.6
Reduction in Council Tax Income	£23.852m	£2.836m	£1.269m	£27.957m
Council Tax Support Grant	-£20.122m	-£2.374m	-£1.061m	-£23.557m
Budget Shortfall 2013/14 (before Transition Grant)	£3.730m	£0.462m	£0.208m	£4.400m

- 6.6 Following approval on the 19th July 2012 a number of potential scheme options were consulted on using 80% liability as their starting point. This means that the

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first 20% of the bills will not be eligible for reduction and that all residents will pay at least 20% of the council tax for their home.

- 6.7 After consideration of the consultation responses, a preferred scheme has been developed with the aim of meeting the budget short-fall. The detailed elements of the preferred scheme are set out in Annex A and Annex B of this report. A further alternative option based on meeting the requirements of the transition grant has also been presented in Annex A along with the Government's default scheme.
- 6.8 A summary of the financial implications of the preferred scheme is set out in the table below, along with a comparison with the original consultation proposals, the Government's default scheme and the transition option:

Financial Implications	Consultation (Option B)	Preferred Option	Default Scheme	Transition Option
	£m	£m	£m	£m
Initial Budget Shortfall	4.100	4.400	4.400	4.400
Transition Grant	n/a	n/a	-0.640	-0.640
Council Tax Reduction Scheme	-3.100	-3.125	n/a	-1.275
Council Tax Technical Reforms	-1.200	-1.530	n/a	-1.530
Net Surplus (-) / Shortfall (+)	-0.200	-0.255	3.760	0.955

Option B agreed for consultation in July provided a surplus of approximately £0.2m that could be used to fund non-payment or growth in claims. The preferred option developed following consultation takes account of growth in 2012/13 and provides a similar level of headroom in 2013/14. The Government's default scheme would leave the Council with a shortfall on the scheme of approximately £3.8m in 2013/14, rising to £4.4m in 2014/15. Taking up the Government's transition grant would leave the Council with shortfall on the scheme of £0.95m in 2013/14, increasing to £1.6m in 2014/15.

- 6.9 Each of the options presented requires a charge to be made to low income households, many of whom are not required to pay any council tax under the current council tax benefit arrangements. There is a risk that the incidence of non-payment will be much higher than for other groups of tax payer because this group is likely to find it most difficult to pay. This risk needs to be mitigated by increasing the bad debt provision assumed in the tax base calculation. This issue was considered by Cabinet in June 2012 as part of a report on the Medium Term Financial Plan (MTFP). An estimate of £0.5m has been built into the savings requirement forecast in the MTFP. This assumes a non-payment rate of 16.7%. This may prove to be inadequate and non-payment represents a significant risk to the Council's finances.

7. Impact on Households - Welfare Reform changes

- 7.1 In addition to the changes in the localisation of council tax benefit, the Welfare Reform Act 2012, which will be implemented on a phased basis from April 2013, is also introducing the most significant changes to the welfare system since the Beveridge Report of 1942. The reforms include the following changes, which will be introduced from April 2013:

- Working-age tenants in receipt of housing benefit will experience a reduction in their benefit entitlement if they live in housing that is deemed to be too large for their needs. Affected tenants will face a reduction in their Housing Benefit entitlement of 14% for one additional (spare) bedroom and 25% where there are two or more additional (spare) bedrooms.

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- A 'benefit cap' on the total amount of benefit that working-age people and households can receive. Benefit levels will be capped at the level of the average working family income after tax, which it is currently forecasted to be £500 a week for families and £350 a week for single people.
- From October 2013, the Government will introduce the 'Universal Credit' which will replace income based working age benefits such as Income Support, Housing Benefit and Tax Credits. The full impact of these changes on the health and wellbeing of the population of Sefton cannot yet be fully assessed.
- Claimants on Incapacity Benefit (IB) will be required to undergo a Work Capability Assessment to encourage more people to move into work related activity or seek employment on Job Seekers Allowance. In Sefton, some 58% of IB claimants are being found immediately fit for work.

7.2 Members should note that the Council does not have resources to financially address the impact of the Welfare Reforms. The transfer of the Social Fund to Local Authorities will help to support the most vulnerable and could be used to mitigate some of the impact these changes will have on the most vulnerable resident of Sefton.

8. Consultation and Engagement

8.1 Members will note that the Council undertook a wide ranging consultation and engagement process on both the 'Local Council Tax Reduction Scheme' and the 'Council Tax Technical Reforms – Discounts and Exemptions for Empty Properties and Second Homes'. A consultation and engagement plan for both changes was agreed by the Council's Public Engagement and Consultation Panel with the consultation commencing on the 6th August 2012 and closing on the 29th October 2012. The responses and comments have contributed to the proposed local Council Tax Reduction scheme and the changes to discounts and exemptions for unoccupied properties.

8.2 The consultation and engagement process was undertaken in accordance with the *Localising Support for Council Tax - A Statement of Intent* published by the Department for Communities and Local Government in May 2012. This statement of intent outlined the processes for producing a local scheme and the requirements for consulting with all interested parties, including precepting authorities, on the scheme. The consultation and engagement processes included a range of methods including a letter to all current benefit claimants, a questionnaire (both on-line and hard copy in Town Halls, One Stop Shops and Libraries), a telephone help line for benefit claimants, (the council received over 1,000 calls), an impartial telephone survey of non-claimants, meetings and events with groups, stakeholders, landlords, the precepting authorities (Merseyside Fire Service and Merseyside Police) and the voluntary, community and faith sector. The process was also supported by media releases and posters in One Stop Shops, Libraries and Town Halls.

- Annex C is a summary of the consultation findings relating to Council Tax Reduction Scheme and findings relating to council tax technical changes.
- Background papers are available on the full feedback reports on the consultation and engagement process.

9. Equality Act 2010 and Equality Analysis Report

- 9.1 As the Council agrees actions to set a sustainable budget plan for financial years 2013/14 and 2014/15 there is a requirement to open and transparent processes being adopted, and impact assessments in identifying potential change options/savings and major risks, as well as mitigating these as far as possible.
- 9.2 Work on the Equality Analysis Report for the proposed Council Tax Reduction Scheme commenced in April 2012 and finished November 2012, and is attached at Appendix D. Analysis of the scheme indicates that the scheme retains strong features around 'disregards' and 'premiums' and as such offers to mitigate any impact on working families, working age people and those in work who are in receipt of Disability benefits.
- 9.3 The report however, identifies some risks in relation to the implementation of the local council tax support scheme. The analysis identified a small number of people who are likely to be disproportionately impacted either because they are legally exempt from 'work tests' or extremely unlikely to be able to work due to having severe disabilities. To mitigate this impact a hardship fund will be made available – paragraph 13 provides details of the exceptional hardship fund. Members are asked to note the Equality Analysis Report and the mitigation to be put in place prior to April 2013. It must be noted that the Council will not have a level of resources that could mitigate the financial impact on the residents of Sefton of the Governments Welfare Reform.
- Equality Analysis Report relating to local Council Tax Reduction Scheme – see Annex D
 - Equality Analysis Report relating to Council Tax Technical changes – see Annex E

10. Proposed local Council Tax Reduction Scheme

- 10.1 The draft scheme which went out to consultation on the 6th August 2012, delivers a Local Council Tax Reduction scheme, for non-pensioners. The scheme supports the requirement to protect vulnerable people and minimise the impact on incentives to work. The scheme addresses the reduction in funding available and has been formulated to minimise the detrimental effect on the most vulnerable.
- 10.2 For all non pensioner claimants, the Council could consider the option of continuing the existing national council tax benefit scheme rules and the impact of funding this by finding at least £3.8m additional savings elsewhere within its budget, principally by making cuts to other services, after taking the additional proposed savings from the council tax technical changes. However, with the budget pressures that the Council are already facing for the next financial year, the proposal is to meet the deficit in Government funding through reductions within the local Council Tax Reduction scheme.
- 10.3 The proposed scheme is based on the current council tax benefit scheme (to be replaced by the Government prescribed Default scheme from April 2013) for non pensioner claimants with a number of variations – see table below 10.6. Also summarised in paragraph 14. Local Council Tax Reduction Scheme is set out in Annex F.
- 10.4 It is important to note that the scheme will be reviewed and amended if required on an annual basis. Any review of the scheme for year two and later years will need to

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take into account under or over achievement of the associated financial impact, changes to the claimant caseload, the management and numbers of council tax accounts. The Council will need to consider the impact of the scheme on its total income and expenditure annually in setting the budget for the coming year.

- 10.5 Following consultation, amendments to the draft council tax reduction scheme have been made. The table below sets out the amendments to the published draft scheme:

Table 10.6

Ref	Draft Council Tax Reduction Scheme – consulted on 06.08.2012- 29.10.2012	Amended proposal	Difference	Notes
1	<u>Pensioners</u> There will be no change to the amount of help pensioners currently receive (national scheme). Therefore none of the proposals below will affect them.	<u>Pensioners</u> There will be no change – The Government will make any changes to the scheme.	There is no change	This is required in order to comply with the law.
2	Reduce maximum eligible council tax reduction to 80% of the Council Tax chargeable for non pensioner claimants	Hardship fund will be made available to most vulnerable.	No change to scheme for eligible starting point when calculating the reduction.	All non pensioner claimants would have to pay 20% of their Council Tax bill.
3	Do not grant a Council Tax Reduction to a non pensioner claimant who has capital/ savings above £6,000.	No change to proposed draft scheme	There is no change	Capital can be used to pay council tax liability.
4	Remove entitlement to non pensioner claimants to council tax second adult rebate	No change to proposed draft scheme	There is no change	This simplifies the scheme and aligns to rules for Universal Credit. Claimants can apply for the Council Tax Reduction scheme
5	Withdraw facility to backdate award for non pensioner claimants.	This will not happen for the 1 st year of the scheme. This will be reviewed before the 31 st January 2014	Allows non pensioner claimants to request backdating where they can prove 'good cause'	Minimises the impact on vulnerable claimants.
6	Remove or reduce deduction for non-dependants – for working age claimants. Draft scheme went out with 2 options:			
6a	Remove deduction for non-dependants for non pensioner claimants	This feature has been removed and changed to 6b	There will be a reduced non dependant deduction compared to the current council tax benefit	Non dependant deductions will be simplified and the household contribution will be at a reduced rate.

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			scheme.	
6b	<p>Introduce flat rate deductions for non-dependants for working age claimants:-</p> <ul style="list-style-type: none"> £2.00 per week for non-working non dependants £5.00 per week to apply to all working age working no dependants. <p>(there are no deductions if the non dependant is in receipt of Income Support, Income - based Job Seekers Allowance, Income Related Employment and Support Allowance, or Pension Credit</p>	No change to draft proposal	There is no change	<p>Current deductions range from £0.00 to £9.90 per week depending on the income of the non-dependant.</p> <p>Note: There are no non-dependant deductions for Council Tax Benefit if the claimant or partner -</p> <p><i>Is blind or has recently regained their sight or, Receives the care component of disability living allowance payable at any rate or receives attendance allowance payable at any rate.</i></p>

11. Comparison of optional schemes including financial implications

11.1 A comparison of the optional schemes for non pensioner claimants and financial implications for the Council are shown in Annex A. It is important to note in order to provide options for consideration the data currently held on the council's revenues and benefits system (Northgate) has been analysed using specially designed software. Analysis has provided only a partial 'snap-shot' offering some understanding of the impact planned changes and the cost or savings any proposal will generate. The proposals will continue to be evaluated and monitored to assess financial implications, together with pending Government announcements on funding the scheme.

12. Risk Management

12.1 The Council continues to regularly review strategic and operational risks and put in place measures to manage those risks. Some risks, e.g. increasing claimant number cannot be stopped, these risks will be closely monitored and managed.

12.2 The scheme proposals have been risk assessed with mitigating actions identified where possible.

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12.3 Cabinet is asked to note the risks and mitigating actions outlined in Annex A for Council Tax Reduction Scheme and Annex B for council technical changes in making its recommendation to Council (recommendation summary- paragraph 14).

12.4 Officers will continue to monitor risks and issues, escalating significant risks and issues to Cabinet as appropriate.

12.5 Mitigating actions include:

- Provision of an Exceptional Hardship Fund – see paragraph 13.
- Maintenance of core aspects of the current means tested scheme that provides additional assistance where there are dependants, disability and caring responsibilities.
- Close monitoring of the scheme to ensure unanticipated implications and effects are reviewed and addressed.
- Council tax collection – 12 monthly instalment payments will be offered to council tax payers.
- Enforcement action - process is currently being reviewed to mitigate impact on the claimants. For example, encouraging early contact for vulnerable claimants. Also sign posting for debt advice, and review notifications for recovery stage. In addition discussions are taking place with Bailiff companies.

12.6 **Key timescales are detailed below**

- 24th January 2013 - Report for approval to Council – Local Council Tax Reduction Scheme 2013-14 to be agreed and changes to discounts and exemptions from 1st April 2013 agreed.
- 31st January 2013 – Local Council Tax Reduction Scheme 2013-14 adopted and published.
- 1st April 2013 – Implementation of the Local Council Tax Reduction Scheme 2013-14 and changes to Council Tax discounts and exemptions

13. Exceptional Hardship Fund

13.1 **Criteria**

Part of the proposals to mitigate against potential issues at the introduction of Council Tax Scheme is the development of an Exceptional Hardship Fund. Any person claiming against the fund will be required to go through a process that will not only establish their eligibility for any payment but would allow them to more adequately manage their finances in the future.

13.2 It is proposed that before making any payments, the Authority will require the claimant to undertake the following;

- a. Make a separate application for assistance;
- b. Provide full details of their income and expenditure;
- c. Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non essential expenditure;

- d. Identify potential changes in payment methods and arrangements to assist the taxpayer;
- e. Assist the council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted.

13.3 Targeted assistance

Given that pension age claimants are protected under the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012, which broadly replicate the existing council tax benefit scheme, it is proposed that the exceptional hardship fund only be available to non pensioner claimants. By limiting applications to the non pensioner age group, the Council will be able to target additional assistance to those most in need.

13.4 Long term / short term

The approach to be taken with the fund is not just to pay additional levels of support to taxpayers (thereby enhancing the proposed local Council Tax Reduction Scheme) but to aid and assist the most impoverished families/claimant(s). A key element of the fund will therefore be that support will only be given to taxpayers who qualify, for a short period of time. It is not intended that the fund will be long-term solution to the overall reduction in council tax support. Where taxpayers are unable to meet their liabilities in the longer term, they will be encouraged to take actions; this may include taking debt advice or reducing their council tax liabilities such as by moving to smaller or less expensive premises.

13.5 Priority will be given to those cases, which are identified as particularly vulnerable.

13.6 Funding

The Council has set aside £143,000 for the exceptional hardship fund, which will be monitored to ensure there is no over spend.

14. Summary of proposed recommendations

14.1 Cabinet is asked to recommend that Council approves and adopts the proposed Local Council Tax Reduction Scheme for 2013/14 (Set out in full @ Annex F) and the council tax technical changes, which are summarised in the table below:

	Recommended Scheme Proposals	Forecast Financial Implications £

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	Initial Budget Shortfall (Paragraph 6.6)	4,400,000
	Council Tax Reduction Scheme	
A1	Restrict Council Tax eligible liability: All non pensioner claimants will have to pay 20% of their council tax bill.	-3,100,000
A2	Do not grant a council tax reduction to non pensioner claimants who have capital savings above £6K	-50,000
A3	Remove entitlement to non pensioner claimants to council tax second adult rebate	-50,000
A5	Introduce flat rate non- dependant deductions for non- pensioner claimants as follows: 1. Nil deduction for non dependant in receipt of a qualifying benefit (e.g. Income Support, Pension Credit) 2. £2.00 per week for non- dependants not in remunerative work. 3. £2.00 per week to apply to all non- dependants in remunerative work with gross income of less than £183 per week 4. £5.00 per week to apply to all non- dependants in remunerative work with gross income of £183 or over per week	75,000
	Forecast Increase in Council Tax Income	-3,125,000
	Council Tax Technical Reforms	
B1	Reducing the discount from 10% to 0% for second homes and any other furnished properties not occupied as a main home.	-70,000
B2	Removing the existing six month Class C exemption for vacant properties (unoccupied and substantially unfurnished). Introducing a 100% discount for one month and reducing the discount to 50% for the following five months.	-780,000
B3	Introducing an Empty Homes Premium. Charging a premium of 50% on properties unoccupied longer than 2 years making a total charge of 150%.	-450,000
B4	Removing the existing twelve month Class A exemption for properties undergoing major structural repair or structural alteration. Introducing a 50% discount for up to 12 months when a property is in need of or undergoing major repair or structural alteration.	-230,000
	Forecast Increase in Council Tax Income	-1,530,000
	Forecast Surplus available to mitigate the risk of non-collection	-255,000

Annex A
Additional Council Tax Income to collect to meet the shortfall in funding

	Facts to consider for Sefton Council's Local Council Tax Reduction Scheme	<u>Option A</u> Draft Council Tax Reduction Scheme (Which went out to Consultation)	<u>Option B</u> Government Default Scheme	<u>Option C</u> Government Transition Grant
		Scheme based on national rules except for the following proposals:	Scheme based on current council tax benefit rules	Scheme based on national rules except for the following proposals:
1.	Restrict Council Tax eligible liability	<p>All non pensioner claimants will have to pay 20% of their council tax bill.</p> <ul style="list-style-type: none"> Band A property – claimant will pay on average £198 per year Band B property – claimant will pay on average £231 per year 	<p>Claimants will retain current benefit entitlement as assessed under the current rules with no restriction to council tax eligible liability.</p> <ul style="list-style-type: none"> 12,000 claimants will continue to receive maximum council tax reduction against bill. 	<p>All non pensioner claimants will have to pay 8.5% of their council tax bill.</p> <ul style="list-style-type: none"> Band A property – claimant will pay on average on average £85.00 per year Band B property – claimant will pay on average £98.00 per year
	Additional Council Tax to collect	£3,100,000	NIL	£1,300,000
2.	Do not grant a council tax reduction to non pensioner claimants who have capital savings above £6K	<p>All non pensioner claimants who exceed the capital / savings limit will no longer be entitled to council tax reduction. Currently xxx number of claimants</p>	<p>Claimants will continue to qualify within the current council tax benefit rules.</p>	<p>Claimants will continue to qualify within the current council tax benefit rules.</p>
	Additional Council Tax to collect	£50,000	NIL	NIL

3.	Remove entitlement to non pensioner claimants to council tax second adult rebate	Second adult rebate will no longer be a feature of the local scheme. Claimant can claim council tax reduction. (removing the current better by option) Current number of claimants xx	Claimants will continue to qualify within the current council tax benefit rules.	Second adult rebate will no longer be a feature of the local scheme. Claimant can claim council tax reduction. (removing the current better by option)
	Additional Council Tax to collect	£50,000	NIL	£50,000
4.	Withdraw facility to backdate award for non pensioner claimants- this feature will not happen for the first year 2013/14.	This is not available.	Claimants will continue to qualify within the current council tax benefit rules.	Claimants will continue to qualify within the current council tax benefit rules.
	No additional council tax to collect.	NIL	NIL	NIL
5	Remove or reduce deduction for non-dependants – for non pensioner age claimants. Draft scheme 2 options:	<u>This is a cost to the Council to help mitigate against the financial impact on Claimants and wider issues such as homelessness.</u>		
	Option (a) Remove deduction for non-dependants for non pensioner claimants	6a option £178,000 to fund -	6b option £75,000 to fund	n/a
	Option (b) Introduce flat rate deductions for non-dependants for non-pensioner claimants 1. Nil deduction for non dependant in receipt of a qualifying benefit (e.g. Income Support, Pension Credit) 2. £2.00 per week for non-dependants			n/a

		<p>not in remunerative work.</p> <p>3. £2.00 per week to apply to all non-dependants in remunerative work with gross income of less than £183 per week</p> <p>4. £5.00 per week to apply to all non-dependants in remunerative work with gross income of £183 or over per week</p>				
Total	Option 6b is the proposal for scheme		£75,000 cost		Nil	£75,000 cost

Risks	Option A	Option B	Option C
	Caseload increase – economic activity worsens, more people claiming benefit and expenditure will increase. Also increase in Pensioner caseload due to awareness of scheme and not seen as a benefit therefore, removal of stigma to claim.	Caseload Increase – as in option A	Caseload Increase – as in Option A
	Increased administration – cost of collection and for small amounts of council tax. Over 12,000 claimants never asked to pay council tax previously as on maximum benefit.	Shortfall will have to be met in full from Council Budget.	Increased administration – as in Option A

		No transition funding from Government	No guarantee that Local CTR Scheme will meet requirements for Government transitional Grant
	Difficulty in identifying vulnerable claimants – claimants transferred from DWP to Council and claim maximum council tax benefit. Over 12,000 claimants they we cannot accurately find out their status.		Difficulty in identifying vulnerable claimants – as in Option A
	Collection rates likely to be low for 12,000 households who previously did not have to pay anything		Collection rates likely to be low for 12,000 households who previously did not have to pay anything
	Increased demand for front line services – fluctuations in income will result in more queries about eligibility / award levels, together with other Welfare Reform changes.		Increased demand for front line services – as in Option A
	Financial Assessments – reduction in benefit award may lead to reduction in charge for care. Reassessments will be required.		As in Option A
			Small Council Tax balances to collect in region of £85 - £98 per year for average Band A and Band B properties.
	Welfare Reform changes from April 2013 onwards – reduction in other benefits may affect claimant's ability to pay council tax.		As option A

Annex B
Council Tax Technical changes – exemptions and discounts for unoccupied vacant properties

	COUNCIL TAX TECHNICAL REFORMS	<u>Consulted on</u>	<u>Proposed change</u>	<u>Financial implications</u>
1.	Removing Council Tax discount for furnished properties not occupied as a main home	Reducing the discount from 10% to 0% for second homes and any other furnished properties not occupied as a main home. £72,000	No change to proposal	Estimated additional £70,000 council tax revenue to collect
2.	Removing the Council Tax six month exemption for vacant properties (unoccupied and substantially unfurnished)	Introducing a 50% discount to replace the existing Class C exemption for the first 6 months a property is unoccupied and unfurnished. £456,000	Introducing a 100% discount for one month then reduce discount to 50% for months two to six	Estimated additional £780,000 council tax revenue to collect
3.	Charging an empty homes premium of 50% on properties left empty for more than 2 years.	Charging a premium of 50% on properties unoccupied longer than 2 years making a total charge of 150%. £523,000	No change to proposal	Estimated additional £450,000 council tax revenue to collect
4.	Removing the Council Tax exemption on properties undergoing major structural repair or structural alteration.	Introducing a 50% discount to replace the existing Class A exemption for up to 12 months when a property is in need of or undergoing major repair or structural alteration. £237,000	No change to proposal	Estimated additional £230,000 council tax revenue to collect
Total				£1,530,000

Council Tax Technical Changes	
Risks	Mitigation
Property base decrease	Property base monitoring in place
Increased administration and transition costs	Maximising use of internet for enquiries, on- line delivery, electronic notifications, text messaging,
Avoidance tactics increase	Robust property inspections and use of analysis tools. Use of financial Penalties for incorrect information being supplied.
Forecasting savings difficult	Robust monitoring of database in place.
Collection of higher level of charges may be difficult.	All enforcement options will be pursued.
Some people may consider it unfair e.g. second home owners who will pay more council tax than a property occupied by single adult; those who get a 50% job related dwelling discount and owners of properties that are unfit to live in.	
Local economy, adverse effect on housing market and job mobility. Property developers and renovators find themselves liable for Council Tax.	Landlords encouraged to complete refurbishment in shorter timescale to bring properties back into use more quickly.
Increased bad debt provision/write offs	Active monitoring of bad debt provision

Annex C

Consultation Summary

Local Council Tax Reduction Scheme – Summary of Findings

The summary of findings from the consultation and engagement on the Local Council Tax Reduction Scheme are as follows:

Summary of Findings from the Consultation with the precepting Authorities – Merseyside Police and Merseyside Fire and Rescue Services

The precepting authorities were consulted both in writing and through the meetings of the Merseyside Practitioners Group, Finance Officers & precepting Authorities. The Council has received written feedback from Merseyside Fire and Rescue Service who recognise the difficulty the Council faces in terms of the savings to be made, they support the proposed scheme as one that minimises the likelihood of additional savings for Merseyside Fire & Rescue Authority and wish to engage in a process of joint monitoring with the Council.

Merseyside Police Officer representatives have supported the development of Sefton proposal throughout the process. Formal consideration by the Merseyside Police Commissioner has yet to occur.

Summary of Findings on the Principles of the Scheme from the Questionnaire

Respondents to the questionnaire ranked the Principles in the following order :

1. Principle 2 - The Council will continue to recognise the additional needs of our most vulnerable residents
2. Principle 3 - The Council will continue to recognise the additional needs of families with children
3. Principle 1 - The Council will continue to support work incentives
4. Principle 4 - The Council supports households staying together to make better use of housing in Sefton and reduce homelessness
5. Principle 5 - The Council will have due regard to the Armed Forces Covenant

Members will note from the above feedback that the majority of people ranked Principle Two 'The Council will continue to recognise the additional needs of our most vulnerable residents' as the most important to them followed by Principle 3 - The Council will continue to recognise the additional needs of families with children.

Summary of Findings on the Features of the Scheme from the Questionnaire

A total number of 305 questionnaires were completed. Of these respondents 204 responded that they paid Council Tax in Sefton, 209 were currently in receipt of Council Tax Benefit and a further 49 responded that they currently were not in receipt of Council Tax Benefit but had received it in the past.]

- 40% of people preferred Option A – that no non dependant deduction should be made and 47% of people preferred Option B – that existing non dependant deductions should be replaced by two flat rate amounts of either £2 or £5 and 13 % did not reply
- 31% of people agreed / strongly agreed that all persons claiming under the new Scheme and who are not pensioners should pay at least 20% of their Council Tax bill, 58% disagreed / strongly disagreed, 9% neither agreed nor disagreed and 2 % did not reply

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- 37% of people agreed / strongly agreed that the proposed savings or capital limit per claim under the new scheme should be £6,000, 29% disagreed / strongly disagreed and 29% neither agreed nor disagreed and 5% did not reply
- 29% of people agreed / strongly agreed that for non pensioner claims, the second adult rebate scheme should be removed, 42% disagreed / strongly disagreed, 25% neither agreed nor disagree and 4% did not reply
- 28% or people agreed / strongly agreed that For Non Pensioner Claims, the facility to backdate an award should be withdrawn, 52% disagreed / strongly disagreed, 16% neither agreed nor disagreed and 4% did not reply

Members will note from the above feedback that people preferred Option B – that existing non dependant deductions should be replaced by two flat rate amounts of either £2 or £5 and agreed that the proposed savings or capital limit per claim under the new scheme should be £6,000. People did not agree with the new scheme removing the back dating facility, the second adult rebate and that everyone should pay at least 20%. Members will note that two thirds of the respondents to this survey were currently in receipt of Council Tax Benefit and therefore it may be unlikely that they would agree with measures that may reduce the amount of benefit they would receive in the future.

Summary of Findings from the Telephone Survey

In order to ensure impartiality in the consultation and engagement process the Council commissioned an independent research company, Opinion Research Services (ORS), to undertake a consultation on the localisation of council tax support using a telephone methodology. The Council had already consulted with affected claimants of council tax benefit, by writing to them inviting them to take part in the survey. This consultation therefore comprised of a telephone survey of households in Sefton that would be unaffected by the proposed changes to council tax benefit. Unaffected households include those households that are either:

- Not in receipt of council tax benefit, or
- In receipt of council tax benefit, but where the council tax bill payer or their partner/spouse is of state pension age.

301 telephone interviews were conducted with random digit dialled residents.

Summary of Findings on the Principles of the Scheme from the Telephone Survey

Respondents to the telephone survey ranked the Principles in the following order :

1. Principle 2 - The Council will continue to recognise the additional needs of our most vulnerable residents
2. Principle 3 - The Council will continue to recognise the additional needs of families with children
3. Principle 5 - The Council will have due regard to the Armed Forces Covenant
4. Principle 1 - The Council will continue to support work incentives
5. Principle 4 - The Council supports households staying together to make better use of housing in Sefton and reduce homelessness

Members will note from the above feedback that the majority of people interviewed ranked Principle Two 'The Council will continue to recognise the additional needs of our most vulnerable residents' as the most important to them followed by Principle 3 - The Council will continue to recognise the additional needs of families with children . This is consistent with the feedback outlined above from the responses to the questionnaire which indicates that these are important principles to both benefit and non benefit recipients. There are differences in

the rankings of the three remaining Principles between the two surveys. Respondents to the Questionnaire ranked Principle 5 : The Council will have due regard to the Armed Forces Covenant as the least important whilst respondents to the Telephone Survey ranked Principle 4 - The Council supports households staying together to make better use of housing in Sefton and reduce homelessness as the least important.

Summary of Findings on the Features of the Scheme from the Telephone Survey

- 32% of people preferred Option A – that no non dependant deduction should be made and 68% of people preferred Option B – that existing non dependant deductions should be replaced by two flat rate amounts of either £2 or £5
- 61% of people agreed / strongly agreed that all persons claiming under the new Scheme and who are not pensioners should pay at least 20% of their Council Tax bill, 28% disagreed / strongly disagreed and 12% neither agreed nor disagreed.
- 46% of people agreed / strongly agreed that the proposed savings or capital limit per claim under the new scheme should be £6,000, 51% disagreed / strongly disagreed and 3% neither agreed nor disagreed
- 40% of people agreed / strongly agreed that for non pensioner claims, the second adult rebate scheme should be removed, 49% disagreed / strongly disagreed and 11% neither agreed nor disagreed.
- 32% of people agreed / strongly agreed that For Non Pensioner Claims, the facility to backdate an award should be withdrawn, 65% disagreed / strongly disagreed and 3% neither agreed nor disagreed.

Members will note from the above feedback that people preferred Option B – that existing non dependant deductions should be replaced by two flat rate amounts of either £2 or £5 and agreed that all persons claiming under the new Scheme and who are not pensioners should pay at least 20% of their Council Tax bill. With regard to the proposed savings or capital limit per claim under the new scheme should be £6,000 whilst the majority agreed there was only a 5% response difference. People did not agree with the new scheme removing the back dating facility and the second adult rebate.

Members will note that respondents to both consultations preferred Option B that existing non dependant deductions should be replaced by two flat rate amounts of either £2 or £5. Respondents to both surveys disagreed with the proposals to remove the backdating facility and the second adult rebate. With regard to the proposal that all persons claiming under the new Scheme and who are not pensioners should pay at least 20% of their Council Tax bill there was a strong positive response to this, with 61% agreeing or strongly agreeing. This is a marked difference between the two consultation processes with 58% of Council Tax Benefit recipients disagreeing with the proposal and 61% of non recipients of Council Tax Benefit agreeing.

Summary Feedback from Events and meetings with the Voluntary Sector

In addition to these surveys a range of events with community groups, landlord forums and the voluntary sector took place which is detailed within the report. The key themes from these events were as follows:

- Concerns about impact on people with disabilities, carers and those they care for, families with children and lone parents
- Concerns about the impact on young people and the potential for homelessness to increase

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- Concerns about the cumulative impact these changes would have in the context of welfare reform
- Concerns about collection of payments if people have not had to pay previously

Council Tax Technical Reforms – Discounts and Exemptions for Empty Properties and Second Homes

Consultation on the Council Tax Technical Reforms included events, letter to and meetings with landlords, an on-line questionnaire and press releases to encourage participation. The consultation was based around new powers to charge an additional amount of Council Tax on properties that have been continuously empty for more than two years, which it is likely will be enforced by legislation to start from April 1, 2013.

The changes would allow the Council greater flexibility over certain details of the discounts and exemptions that they may apply for unoccupied properties in their local area. Respondents to the questionnaire ranked the Proposals in the following order:

1. Proposal 1 - The Council to abolish the second home discount
2. Proposal 3 - The Council should introduce a premium of 50% for properties empty longer than 2 years
3. Proposal 2 - the Council should introduce a discount of 50% for unoccupied properties for a period of 6 months
4. Proposal 4 - The Council should introduce a discount of 50% for unoccupied properties undergoing structural repair for a period of 12 months

The feedback from the questionnaire is as follows:

- A total number of 29 questionnaires were completed
- 21% agreed / strongly agreed with Proposal 1 : the Council to abolish the second home discount, 62% disagreed / strongly disagreed, 10% neither agreed nor disagreed and 7% did not reply
- 35% strongly agreed or agreed with Proposal 2 - the Council should introduce a discount of 50% for unoccupied properties for a period of 6 months – 21% disagreed/ strongly disagreed, 24% neither agreed nor disagreed and 17% did not reply
- 31% agreed / strongly agreed with Proposal 3 - The Council should introduce a premium of 50% for properties empty longer than 2 years –31% disagreed/ strongly disagreed, 17% neither agreed nor disagreed, and 17% did not reply
- 31% agreed / strongly agreed with Proposal 4 - The Council should introduce a discount of 50% for unoccupied properties undergoing structural repair for a period of 12 months, 19% disagreed / strongly disagreed, 27% neither agreed nor disagreed, and 17% did reply.

Members will note that the feedback indicates agreement for Proposal 2 to introduce a discount of 50% for unoccupied properties for a period of 6 months and Proposal 4 to introduce a discount of 50% for unoccupied properties undergoing structural repair for a period of 12 months With regard to Proposal 3 to introduce a premium of 50% for properties empty longer than 2 years 31% agreed and disagreed. 62% disagreed with Proposal 1: for the Council to abolish the second home discount.

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Additional comments were also received which are summarised as follows, full details can be found in background papers:

- The proposed changes are a good idea, if it encourages property owners to renovate houses so that they are fit for people to rent at a reasonable price
- Concerns about potential impact on small businesses
- Concerns about first time buyers and developers holding onto empty houses without improving them
- Concerns about empty houses on the market awaiting sale
- Agreement that all people should contribute so the Council can maximise its income

Correspondence

During the consultation period, Sefton MBC received 8 letters from individuals in response to receiving a letter as in receipt of Benefit, 1 email response, an email report of a telephone conversation, 1 report by Citizen's Advice Bureau outlining its thinking on the proposed changes and a letter from Royal British Legion (London).

The main points from the individual letters are corrections to details held on Benefit payments and requests of simpler explanation of the changes. The email response was from a staff member, who answered the questionnaire (and whose answers have been included in the final consultation report). The telephone conversation was noted and its response used to inform the consultation process. The Citizen's Advice Bureau report was formally noted, as was the letter from the Royal British Legion (London), and both received formal letters of reply.

Copies of this correspondence are available as background papers.

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Annex D

Equality Analysis Report

Sefton's Local Council Tax Reduction Scheme

Background

The Spending Review 2010 announced that support for Council Tax would be localised from April 2013 and funding reduced by 10 per cent from the same date. The Government subsequently consulted on proposals for the localisation of Council Tax support in England and the outcome of that consultation process was published in December 2011. The provisions that require local authorities to put in place their own localised Council Tax Reduction Scheme from 1 April 2013 are contained in the Local Government Finance Act 2012.

Localisation of Council Tax support is part of a wider set of government reforms to the welfare system that are aimed at improving the incentives to work and ensuring resources are used more effectively, with a view to reducing worklessness and ending a culture of benefit dependency.

The Government legislated that Councils should ensure that pensioners are not worse off under any local scheme. The Government also stated¹ that, in developing local Council Tax Reduction Schemes, Councils should consider protecting other vulnerable groups. The Government confirmed that it did not intend to prescribe the protection that local authorities should provide for such groups, but legislation that Councils have to be cognisant of includes:

- the public sector Equality Duty (*The Equality Act 2010*);
- the duty to mitigate effects of child poverty (*The Child Poverty Act 2010*); and
- the duty to prevent homelessness (*The Housing Act 1996*)

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1

¹ 'Localising Support for Council Tax, Vulnerable people – key local authority duties' paragraph 1.3 May 2012 Communities and Local Government

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What's changing?

The current system:

People who are out of work and in financial need may be on one of three working age benefits – income-based Job Seeker's Allowance, income-related Employment and Support Allowance and Income Support. These benefits are described as being 'passported'.

Under current Council Tax Benefit arrangements, if a claimant is receiving a passported benefit all their income and capital up to £16,000 is completely disregarded. This results in them receiving up to 100 per cent Council Tax Benefit and avoids the need for further means-testing.

For those who are means-tested for Council Tax Benefit, i.e. those with low levels of income but in financial need, there are thresholds and disregards for earned and unearned income which determine how much Council Tax Benefit is awarded.

The proposed Council Tax Reduction Scheme:

Sefton Council, in accordance with government guidelines, has designed a draft 'Local Council Tax Reduction Scheme' which was consulted upon between 6th August 2012 and 29th October 2012

The main features of the Draft Scheme for non pensioners are:

- 1. All persons claiming under the new Scheme should pay at least 20% of their Council Tax bill*
- 2. £6,000 is the proposed savings or capital limit per claim and above this limit there will be no entitlement under the new scheme*
- 3. the second Adult Rebate Scheme will be removed*
- 4. the facility to backdate an award will be removed*
- 5. Non dependant deductions will either be removed or replaced by two flat rate deductions*

Means Test

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Currently, Council Tax Benefit recognises the additional financial burden of disability through a system of allowances and premiums within the means test. The Council's proposed scheme continues to include these features and disregards certain benefits such as Disability Living Allowance/ Personal Independence Payments. This in effect is a positive move as such benefits are paid to a person to cover additional expenses as a consequence of having a disability in a world designed for able bodied people and the consequent accompanying barriers. As such it is correct not to treat it as a 'disposable income'.

In addition , some people with disabilities who are in receipt of Employment and Support Allowance are eligible for earnings disregards of £20 per week or £97.50 per week if the work they do would help to improve their health or stop their health deteriorating.

People with disabilities are also eligible for a higher earnings disregard (so a higher proportion of their earned income will be disregarded from the calculation of the amount of Council Tax Reduction payable than for people without a disability). This, again, is a positive move for people with a disability who are in paid work. However people with a disability who do not have an earned income cannot benefit from this.

The Council Tax Benefit means test also recognises the additional financial burden faced by families, through a system of allowances and premiums for children, couples and lone parents. Child Benefit and some childcare costs are also disregarded.

The Council's proposed Council Tax Reduction Scheme continues to include these features and as such the scheme positively recognises the need to support those with children.

The current national scheme takes account of the income of a family unit (household) and the Council's proposed scheme will continue to operate on the same basis because of the relationship between Council Tax and the property the household occupies.

Section 2

Impact Assessment

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The above features only apply to means tested claimants. However, people receiving a passported benefit will be expected, under the Council's draft Council Tax Reduction Scheme, to contribute 20% to their Council Tax bill. The assumption being that all on benefits will be incentivised to work, even though some people are either exempt from looking for work or it is simply beyond expectation.

- Adults in receipt of **severe disability premium** or **enhanced disability premium** may simply be beyond employment and this would be an unrealistic expectation.

Severe Disability Premium

One qualifies for severe disability premium if the applicant is in receipt of a "qualifying benefit" of:-

- Attendance Allowance
- Middle or Higher Rate of the Care Component of Disability Living Allowance
- Constant Attendance Allowance
- Exceptional Severe Disablement Allowance.

And

The person lives alone or only with other people who also receive one of the benefits listed above

And

No one receives Carers Allowance for looking after them

Enhanced Disability Premium

- Enhanced Disability Premium is paid to people who receive the highest rate of the care component of Disability Living Allowance.
- Enhanced Disability premium is also paid to adults assessed as needing 'Employment and Support Allowance - Support Component'. The Support Component is awarded if you are assessed as having "limited capability for work related activity" - basically recipients would find it very difficult to work. Claimants who are terminally ill, have a specific disease or severe disablement or are pregnant are examples.

There are also people who are not required to be actively seeking work:

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- Lone parents with children under 5 are exempt from looking for work as they have particular difficulties in both finding and maintaining employment because of their caring responsibilities

It is evident that not everyone claiming welfare benefits and Council Tax Benefit is capable of work and many are exempt from work tests.

Other working age benefit claimants may need consideration due to social sensitivities such as war pensioners, in recognition of the sacrifice they or their partners have made. However, Sefton Council will continue to have due regard to the Armed Forces Covenant and, for all claimants, will continue to ignore War Disablement and War Widow's pensions in calculating council tax reductions, including any Armed Forces Compensation payments, in accordance with the Covenant.

Appendix A lists impact assessments through a range of case studies and calculation.

Section 3

Data Analysis

Current data:

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At the time of writing there are 33,372 households in Sefton in receipt of Council Tax Benefit. Of these there are 3,390 claims from people already in work. Of which 2,546 are female and 844 are male, showing that female workers are more likely to claim Council Tax Benefit.

There are 29,671 claimants not in work and on benefits (12,362 Male, 17,309 female). There are 311 Second Adult rebate claimants.

Of the 29,671 claimants there are 15,507 claims from Pension Age claimants who will not be affected by the Council Tax Reduction Scheme. This leaves a total of 17,863 claimants categorised as 'working age'

In this cohort of 17,863 there are 5,555 claimants classed as 'lone parents'. Lone parents can be subdivided in to two groups: those with children under 5 years of age (and as such exempt from the Department for Work and Pensions looking for working tests) and parents with children over 5 years of age

Lone parents with a child or children under 5 years old total 2,075 in number, of which 2,027 are female and 48 are male.

Lone parents with a child or children over 5 years of age total 3,480 in number, of which 3,186 are female and 294 are male.

This clearly demonstrates that lone parents are overwhelmingly female.

Limitations of the Data

Information on claimants comes to the Council via two routes:

- (1) Individual applications to the Council for Council Tax Benefit; and,
- (2) Confirmation of passported benefit from the Department for Work and Pensions.

Passported benefits:

The Department for Work and Pensions when accepting a claim simply informs the Council that the claimant is now eligible for a passported benefit. However the Department for Work and Pensions does not pass on any information as to which other benefits the claimant is now in receipt of – it could range from Child Tax Credits to Attendance Allowance. **Sefton Council has repeatedly asked for a detailed breakdown of the types of benefits claimants are on under the Passport scheme from the Department for Work and Pensions who have consistently refused to share such information.**²

This means that we cannot calculate the numbers of people who receive a passported benefit and a disability related benefit. Therefore we cannot make any accurate prediction of how many will be affected by the Council Tax Reduction Scheme, only that there is a high probability that there will be such claimants.

We know this because when data is examined on standard claims to the Council (not passported by the Department for Work and Pensions) we can see the following:

- **Carer Premium**

At present Sefton is awarding a Carer Premium to 188 cases.

(If the Council was to exempt this group from paying any contribution toward their Council Tax then the additional cost would be £32,654.26. This would ensure these claimants do not suffer any loss of benefit next year.)

- **Employment and Support Allowance**

At present Employment and Support Allowance is recorded in 95 cases (if the Council was to exempt this group the additional cost would be £15,400.91 in additional Council Tax Reduction Scheme payments).

- **Severe Disability Premium**

At present Severe Disability Premium is awarded in 166 cases (If the Council was to exempt this group then the additional cost would be £25,607.72 in additional Council Tax Reduction Scheme payments)

Claimants in receipt of more than one of the above

At face value, the total cost of ensuring that the above claimants do not have to make a payment toward their Council Tax would be £73,662.89. However, some claimants are in receipt of more than one of the above.

- 2 claimants are entitled to all 3 premiums
- 2 claimants get Care Premium and Severe Disability Premium
- 5 claimants get Care Premium and ESA

²The Government is working towards a data sharing solution where local authorities are informed of Universal Credit claimants' circumstances, provided the information was relevant to the Universal Credit award. This means that local authorities will be able to see which individual elements of Universal Credit make up the maximum amount for each claimant, and this can inform their choices around scheme design (.para 4.15) 'Localising support for Council tax – taking work incentives into account' May 2012 Communities and Local Government

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- 20 claimants get ESA and Severe Disability Premium
(This means the cost of awarding additional Council Tax Reduction to all 3 categories would reduce to around **£65,000**)

Section 4

Equality Act 2010

In order to meet equality legislation the Council has to consider (section 149):

A public authority must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

Whilst there is a general acceptance of ‘austerity measures’ and ‘we are all in it together’ the Government in proposing the scheme says the following³

‘The Government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform.’

And that:

‘...in developing local council tax reduction schemes, vulnerable groups should be protected. Government did not intend to prescribe the protection that local authorities should provide for other vulnerable groups.’

The Government has exempted people of pensionable age from local schemes (i.e. those who have reached the age when they can qualify for pension credit). It has also introduced a rule to help local authorities work out whom else can be identified as vulnerable for the purposes of their Council Tax Reduction Scheme; namely those, in a strong sense, that cannot be expected to seek paid employment

In analysing the data available, the following has been determined:

- Lone parents of children under 5 (predominantly female) who are benefit dependent will be disproportionately affected by the draft Council Tax Reduction scheme, which will impact on child poverty.
- People claiming disability benefits, in particular those in receipt of Severe Disablement Allowance, Carer’s Allowance, and Employment Support Allowance will be disproportionately affected by the draft Council Tax Reduction Scheme

³ Communities and Local Government, ‘Localising Council Tax Equality Impact Assessment January 2012’ section 1 ISBN: 978-1-4098-3304-8

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The scheme will have no disproportionate impacts on issues related to:

- Religion
- Sexuality
- Transgender
- Race
- Marital status

The Equality and Human Rights Commission's, 'Using the equality duties to make fair financial decisions. A guide for decision-makers' recommends that there are four possible outcomes of an equality impact assessment. More than one may apply to a single proposal:

- **Outcome 1: No major change required** when the Equality Impact Assessment has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.
- **Outcome 2: Adjustments to remove barriers identified by the Equality Impact Assessment or to better promote equality.** Are you satisfied that the proposed adjustments will remove the barriers identified?
- **Outcome 3: Continue despite having identified some potential for adverse impact or missed opportunities to promote equality.** In this case, the justification should be included in the Equality Impact Assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.
- **Outcome 4: Stop and rethink** when an Equality Impact Assessment shows actual or potential unlawful discrimination

In relation to this Equality Impact Assessment, the outcomes of which link to 2 & 3 above, the Council needs to mitigate with regard to gender and disability. The Council also needs to monitor the implementation of the Scheme, should it be adopted, with a view to developing a better understanding of the impact on people to inform the preparation of future schemes.

Mitigation:

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It's clear that the current draft Council Tax Reduction Scheme will have an impact on all claimants (as their income reduces whilst seeking work in a slow economy) and a disproportionate impact on some (income being reduced but with little or no option of employment).

As such the Council, should the Scheme be adopted, will have to put in place mitigating actions. This could be achieved by working in partnership with the voluntary, community and faith sector on the provision of Food banks & Clothing Banks for example.

In order to ensure compliance with the Equality Duty and to mitigate any potential disproportionate impacts, should the Scheme be adopted, the Council will put the following in place:

- A Discretionary Hardship fund for Council Tax Reduction Scheme claimants with fair and transparent criteria for awards
- A review of the procedures for the collection of non payment of Council Tax to ensure no disproportionate impact on the most vulnerable households.
- A monitoring and review process to assess impact
- Work with voluntary sector in developing food banks

The Government has belatedly recognised the difficulty the scheme places on communities and has proposed a 'transitional fund'. Council should examine whether or not it would be beneficial to apply to this fund

Section 5

Consultation

A series of consultation events and methods took place and a full report is available. However a number of concerns have arisen from the data around equality issues such as 'disability benefits' and 'lone parents'

Summary of issues related to Postcode:

The following is a summary of main headings for comments, broken down by postcode area. (The quotes are a summary of a number of

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comments provided, however suggestions, where listed, are given verbatim).

Postcode	Comment
L10	Concerns for carers and older people. Not able to afford Council Tax
L20	Lone parents will lose income, and low income families and unemployed expected to pay more. Suggestion – address shortfall by taking monies out of households earning £50k+
L21	Unemployed and young parents will be driven towards debt. Vulnerable adults will be overly affected
L22	Risk of increasing homeless figures as 18 year olds may need to leave home due to changes. Suggestion – Council should better pursue non payment of arrears
L23	Concern about changes of Welfare Reform, in conjunction with Council Tax Scheme, on all household budgets, including people with disabilities.
L29	Very important that each individual case is assessed fairly and consistently
L30	Rising utility bills and changes to Welfare Reform mean disabled and vulnerable people will be disproportionately affected
L31	Disabled and low income families will suffer most
L37	Concerns for single parents, families with children and carers. Suggestion – ensure all people on housing lists are found accommodation so they too can contribute.
L38	Those with disabilities and low income families will be affected most
PR4	Concerns on effects on disabled, low income families and single unemployed people. Suggestion – Need for improvement of collection of Council Tax arrears
PR8	Single parents, people with disabilities and unemployed will be hit most. Self employed are being asked to pay too much, and need to be left to create jobs, pay business rates, etc
PR9	Carers and families with children will be affected most. Suggestion – need to means test all recipients of benefit, including pensioners
Unassigned	Single parents and families will lose money with this scheme. Formal disagreement that pensioners should be exempt.

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Respondents were asked to indicate answers against Equality data questions, the breakdown of which is:

Disability

199 respondents answered affirmatively when considering Learning Difficulties – 39.19% (**78** in total) indicating a Long Term Illness Affecting Daily Activity, followed by 23.11% indicating Mental Health/Distress and a further 20.1% indicating a Physical impairment. **97** respondents answered affirmatively when considering themselves to be disabled, which may include cancer, diabetes or HIV.

Disability (Do you have any of the following?)	Yes	Age Range			
		Oldest		Youngest	
Learning Difficulty	9	Oldest	51	Youngest	30
Mental Health/Distress	46	Oldest	58	Youngest	23
Physical Impairment	40	Oldest	84	Youngest	25
Visual Impairment	10	Oldest	91	Youngest	45
Hearing Impairment/Deaf	16	Oldest	91	Youngest	36
Long term illness affecting daily activity	78	Oldest	82	Youngest	30

Ethnicity/ Religion or Belief

264 of our of 280 respondents who answered indicated they were “White British” or “White English” in terms of ethnicity, with fewer numbers for the other classifications.

Ethnicity - do you identify as...	Total
White British	145
White English	119
White Irish	5
White Scottish	4
White Welsh	3
Black African	1
Black Caribbean	1
Mixed Ethnic Background Black Caribbean & White	1
Other White background	1

Religion / Belief

159 (92.4%) out of 172 who answered indicated they were Christian, 2.91% Buddhist, and 0.58% each for Jewish and Muslim.

Christian	159
Buddhist	5
Pagan	2

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Roman Catholic	2
Muslim	1
Jewish	1
Church of England	1
Wiccan	1

Sexual Orientation

On Sexual Orientation, **251** (94.36%) out of 266 respondents who answered indicated they were Heterosexual, 3.0% were Gay, 2.25% Bisexual, and 0.37% Lesbian

Heterosexual	251
Gay	8
Lesbian	1
Bisexual	6

Gender at birth

100% of the **271** respondents who answered the question indicated that they currently live in the gender given to them at birth.

Telephone survey:

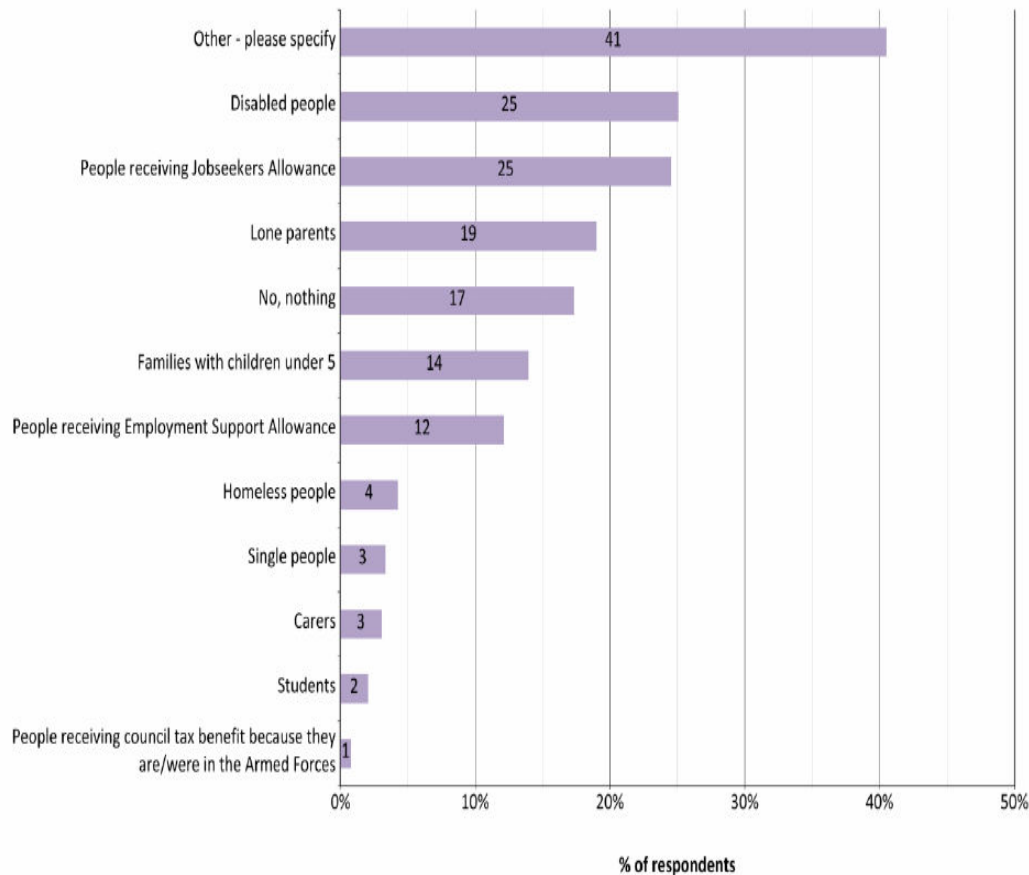
As part of a 'control group' to ensure non benefit claimants were included in the consultation a telephone survey was conducted, as well as the questions in relation to the detail of the scheme they were also asked:

“Do you think there are any groups of people in Sefton who may be more affected than others if everyone receiving support for their Council Tax (except pensioners) has to pay something towards their Council Tax bill?”
Base: All Respondents (261)

The results are provided in the following graph where the most frequently mentioned 'Other' groups included:

- People and families on a low income
- unemployed young people
- 'Vulnerable' people generally
- People experiencing health and/or mental health issues

base: All respondents (2017)



Both the telephone survey and e-consult shows that the community has shared worries about disability and young families within the Council Tax Reduction Scheme.

Section 6

Conclusion and Recommendations

The draft Local Council Tax Reduction Scheme closely follows the Government's guidelines and has retained some strong features around 'disregards' and as such softens any impact on working families and people who are working but also in receipt of disability benefits.

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However, as it is the Government's intention to 'make work pay' and as such reduce the level of benefits available to people 'able and seeking work', there are a small number of people who will be affected adversely. In the main, these are likely to be people who are either legally exempt from work tests or extremely unlikely to be able to work due to a severe disability. As such, the draft Council Tax Reduction Scheme impacts on these groups in a way that they cannot avoid, such that it becomes a disproportionate impact.

In order to meet the public sector equality duty under the Equality Act 2010 mitigation has to take place. Preference being a discretionary hardship fund established before the roll out of the scheme in April 2013.

The monitoring of the implementation of the Scheme will need to take place as outlined above to understand its interaction with the Work Programme and other Welfare Reform changes and new areas of responsibility such as localisation of community care grants and crisis loans. Those areas are all changing too and whilst every effort is being made to understand how they can interact positively, it is impossible at this stage to know their combined behavioural effect.

As there are a large number of variables still in play, it is imperative that this programme is fully monitored and this is also linked to the understanding of:

- Homelessness and Housing benefit changes.
- Crèche and childcare for under 5s
- Rate of employment in Sefton
- Non payment of Council Tax and the costs of recouping such
 - One of the features of universal credit is that benefits will be paid in one lump sum to most households, monthly in arrears and will include money to cover housing costs. For some people, making their own rent payments and having to manage over a longer period of time could be very challenging.
 - In addition, benefit capping and the size criteria reduction (in Housing Benefit) will mean more tenants will have to top up their rent from money previously available for personal and household expenses. Many people living on limited incomes are already expert money managers, but for some, particularly

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those who are vulnerable, new tenants, tenants transferring to a new home or people experiencing a sudden drop in income due to job loss or relationship breakdown will find it particularly difficult to make ends meet and pay priority taxes.

Case studies:

The following examples are for illustrative purposes only. They are designed to show the possible effects of Sefton's proposed Council Tax Reduction Scheme for different non-pensioner households and income categories. Also identified are the outcomes of existing Council Tax Benefit and central government's preferred option of using 91.5 per cent of liability to calculate a Council Tax Reduction.

Example 1 – Emma

Household attributes

Emma is a working single parent with an 8 year old daughter. She works 16 hours per week and pays child care costs for her daughter to attend after school club.

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Property attributes – 3 bedroom One Vision property (Registered Social Landlord)

- ✓ She has lived at the property since she was a child
- ✓ She succeeded the tenancy from her mother who passed away 3 years ago
- ✓ Weekly rent £87.50
- ✓ Weekly Housing Benefit £65.15

Council Tax Attributes

- ✓ Property is in band A
- ✓ Emma receives a 25% Council Tax discount as she is the only adult resident
- ✓ Council Tax bill is £742.33 per year before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £268.18
- Weekly Council Tax Benefit of £7.36
- Yearly Council Tax bill £358.56

Examples of what the Council Tax Reduction Scheme would pay If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £6.15
- Yearly Council Tax bill £421.65
- Council Tax bill increased by £63.09 from £358.56 to £421.65 (17.6% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £4.51
- Yearly Council Tax bill £507.17
- Council Tax bill increased by £148.61 from £358.56 to £507.17 (41.4% increase)

Impact of other Welfare Reform or Localism changes in 2013

Emma's Housing Benefit will be cut by £12.25 per week from April 2013 because she rents from a Registered Social Landlord and will be classed as under-occupying her 3 bedroom house (She only needs 2 bedrooms)

Example 2 – Jim and Jane

Household attributes

Jim and Jane are a couple with 3 children aged 12, 10 and 8. Jane works 21 hours per week. Jim has recently become unemployed.

Property attributes

They own their home, but the house is up for sale as they are struggling to pay the mortgage since Jim lost his job.

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Redundancy monies have been used to pay off outstanding loans and credit card debts.

As they work less than 24 hour per week between them they cannot claim Working Tax Credit. Additionally, Jim's Jobseeker's Allowance will run out in the next 6 weeks as he is only entitled to it for a maximum of 26 weeks.

Council Tax attributes

- ✓ Property is in Council Tax band D
- ✓ Annual Council Tax Bill is £1484.66 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £478.70
- Weekly Council Tax Benefit of £12.86
- Yearly Council Tax bill £814.10

Examples of what the Council Tax Reduction Scheme would pay If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £10.44
 - Yearly Council Tax bill £940.19
- Council Tax bill increased by £126.09 from £814.10 to £940.19 (15.5% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £7.17
- Yearly Council Tax bill £1,110.80
- Council Tax bill increased by £296.70 from £814.10 to £1,110.80 (36.4% increase)

Impact of other Welfare Reform or Localism changes in 2013

As they work less than 24 hours per week between them they can no longer claim Working Tax Credit.

Example 3 – Deirdre

Household attributes

Deirdre is a 53 year old single claimant and has a 20 year old son living with her. Her son works 16 hours per week and earns less than £183 per week, whilst studying part time at college.

Property attributes – 2 bedroom privately rented property

- ✓ Rent is £115.38 per week
- ✓ Housing Benefit is £58.43 per week

Council Tax attributes

- ✓ Property is in band B for Council Tax
- ✓ Council Tax bill is £1154.74 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £146.00
- Non dependant deduction of £3.30
- Weekly Council Tax Benefit of £4.85
- Yearly Council Tax bill £901.85

Examples of what the Council Tax Reduction Scheme would pay

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If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £1.96
- Yearly Council Tax bill £1,052.54
- Council Tax bill increased by £150.69 from £901.85 to £1,052.54 (16.7% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £0.42
- Yearly Council Tax bill £1,132.84
- Council Tax bill increased by £231.80 from £901.85 to £1,133.65 (25.7% increase)

Non Dependant Deductions

Depending on which of the proposals are adopted, the weekly Council Tax Reduction figure cited above will be increased by either £3.30 or £1.30.

Impact of other Welfare Reform or Localism changes in 2013

Deirdre's Housing Benefit will be reduced by £5.77 per week as a result of the changes to Local Housing Allowance which were introduced from April 2011.

Example 4 – Rod and Jane

Household attributes

Rod and Jane are a couple with 2 children, who are both under 5. Rod was made redundant 14 months ago. They are on Income-based Jobseeker's Allowance.

Property attributes

- ✓ Owner occupier – mortgaged

Council Tax Attributes

- ✓ Property is Council Tax band C
- ✓ Council Tax bill is £1319.70 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £269.65 is disregarded
- Weekly Council Tax Benefit of £25.38
- Yearly Council Tax bill £0.00 (full entitlement)

Examples of what the Council Tax Reduction Scheme would pay

If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £23.22
- Yearly Council Tax bill £112.26
- Council Tax bill increased from £0.00 to £112.26 (8.5% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £20.30
- Yearly Council Tax bill £264.10
- Council Tax bill increased from £0.00 to £264.10 (20% increase)

Impact of other Welfare Reform or Localism changes in 2013

None

Example 5 – Geoffrey

Household attributes

Geoffrey is a 32 year old single man who is unemployed and receiving Income-based Jobseeker's Allowance of £71.00 per week. He was made redundant 2 months ago.

Property attributes - 1 bedroom privately rented property

- ✓ Rent is £92.31 per week
- ✓ Housing Benefit is £66.00 per week

Council Tax attributes

- ✓ Property is in Band A for Council Tax
- ✓ He receives a single occupier discount
- ✓ Council Tax bill is £742.33 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £71.00
- Weekly Council Tax Benefit of £14.24
- Yearly Council Tax bill £nil

Examples of what the Council Tax Reduction Scheme would pay if the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £13.03
- Yearly Council Tax bill £62.91
- Council Tax bill increased from £nil to £62.91 (8.5% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £11.39
- Yearly Council Tax bill £148.42
- Council Tax bill increased from £nil to £148.42 (20% increase)

Impact of other Welfare Reform or Localism changes in 2013

Due to changes in Local Housing Allowance for single claimants who are under 35 and live alone in privately rented property, Geoffrey has seen his Housing Benefit reduce from £87.69 to £66.00 per week.

Example 6 - Stuart

Household attributes

Stuart is a 35 year old disabled single man. He lives on his occupational pension and disability living allowance. He has £9,000 savings.

Property attributes

- ✓ Owner Occupier

Council Tax attributes

- ✓ Property is in band C for Council Tax and he receives a sole occupancy Discount.
- ✓ Council Tax bill is £989.77 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £304.82
- Weekly Council Tax Benefit of £3.97
- Yearly Council Tax bill £782.76

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Examples of what the Council Tax Reduction Scheme would pay Because the proposed scheme disallows working age customers with capital over £6,000

- Stuart would not qualify for a Council Tax Reduction
- Yearly Council Tax bill £989.77
- Council Tax bill increased by £207.01 from £782.76 to £989.77 (26.4% increase)

Impact of other Welfare Reform or Localism changes in 2013

None

Annex E

Equality Analysis Report

Committee paper code: **Annex E**
Reference: Technical Changes to Council Tax

Details of proposal:

Council Tax: Changes to discounts and exemptions on unoccupied properties.

The Government has set out a range of changes affecting certain current Council Tax exemptions and discounts to empty or second homes. The Local Government Act 2012 has given power to Council's to determine further discounts for certain dwellings and to set higher amounts for long term empty dwellings, with effect from 1st April 2013.

These include:-

- Giving Council's power to levy up to full Council Tax on second homes
- Abolishing the current exemption for properties left vacant for less than 6 months (Class C) and allow Council's to give a discount of between 0% and 100%. The discount levels can vary within the 6 month period.
- Empowering Councils to adopt an empty homes premium of up to 50% payable on top of the normal Council Tax chargeable in respect of properties left empty for two years or more.
- Abolishing the current exemption for up to 12 months for vacant properties that require, or are undergoing, major structural renovation (Class A) and allow Council's to give a discount of between 0% and 100% for up to 12 months. The discount level cannot be varied within the 12 month period.

The proposed local changes from 1st April 2013 are:

- Proposal 1 - The Council will abolish the second home discount (this includes properties left furnished and unoccupied i.e. in between lets).
- Proposal 2 - The Council will introduce a discount of 100% for one month and reduce the discount to 50% for the following five months for vacant properties.
- Proposal 3 - The Council will introduce a premium of 50% for properties empty longer than 2 years.
- Proposal 4 - The Council will introduce a 50% discount for up to twelve months for vacant properties requiring, or undergoing, major structural repair.

The Key Aims of using these new freedoms in Sefton are:-

- To help keep down the overall level of Council Tax for our residents by increasing the Tax base that is available.
- To make best use of housing stock by encouraging owners to bring empty properties into use more quickly. This will interact with the Council's initiatives to reduce homelessness.
- To give property owners and landlords a reasonable time (i.e. a "grace period") within which to bring their properties into occupation.
- To encourage owners to make improvements to their properties.
- To raise additional income to help maintain services and mitigate the financial impact for vulnerable working age residents in the Borough.

Formal approval for the changes to discounts and exemptions to take effect from 1st April 2013 will be sought from full Council in January 2013.

The following table shows further unoccupied property related exemptions which we do not have the discretion to alter.

Council Tax Unoccupied Property Exemptions list (for information only)

Class B	Belongs to a charity; up to 6 months exemption
Class D	Was previously the sole or main residence of someone in prison or detention
Class E	Was previously the sole or main residence of someone in a hospital, nursing or residential care home, or certain hostels
Class F	A property where the Council Tax payer has died and probate has not

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been granted. Exemption continues for up to 6 months following grant of probate, whether the property remains furnished or not.

Class G Occupation is prohibited by law

Class H A property being kept for the occupation of a minister of religion

Class I Was previously the sole or main residence of someone who is receiving care in a place other than a hospital or care home

Class J A property owned by, and was previously the sole or main residence of someone who is residing elsewhere providing personal care

Class K A property that was previously the sole or main residence of a student who is resident elsewhere or a person who will become a student within 6 weeks of vacating

Class L A property where the mortgagee is in possession.

Class Q A property left empty by a bankrupt

Class T An unoccupied annexe to an occupied property.

Ramifications of Proposal:

Give details:

Is there a consequence to 'Threshold': Yes

Is there a consequence to 'Capacity': No

If 'Yes' give details.

The new proposals are changing the thresholds in order to recoup more Council Tax and give less discount and exemptions. As such changing both the amount of discount (from 100% to 50%) and the length of time the discount applies.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

No :

The thrust of the changes affect landlords and home owners, as such there is no discernible protected characteristic at play or affected.

There may be individual circumstances, such as a vulnerable person inheriting a property after probate and then will be liable for the second property's Council Tax. However these are instances of chance (rather than trend) and are not inherent design aspects of the policy.

There may be instances of women affected by domestic violence leaving a property empty and having to meet a charge earlier than before. (see mitigation)

The policy will be applied and managed in accordance with the Equality Act 2012

Consultation

A full report on Consultation is available.

Results of 'e-consult' are:

Proposal 1 - The Council will abolish the second home discount – 29 responses. Of these responses, **62% strongly disagreed or disagreed**, 21% strongly agreed or agreed, 10% neither agreed nor disagreed, 7% not completed returns. **13** respondents ranked this most important to them

Proposal 2 - The Council will introduce a discount of 50% for unoccupied properties for a period of 6 months – 29 responses. Of these responses, **35% strongly agreed or agreed**, 21% strongly disagreed or disagreed, 24% neither agree nor disagree, 17% not completed returns. **4** respondents ranked this most important to them

Proposal 3 - The Council will introduce a premium of 50% for properties empty longer than 2 years – 29 responses. Of these responses, **31% strongly disagreed or disagreed**, **31% strongly agreed or agreed**, 17% neither agreed nor disagreed, 17% not completed returns. **10** respondents ranked this most important to them.

Proposal 4 - The Council will introduce a discount of 50% for unoccupied properties undergoing structural repair for a period of 12 months – 29 responses. Of these responses, **31% strongly agreed or agreed**, 27% neither agreed nor disagreed, 19% strongly disagreed or disagreed, 17% not completed returns. **2** respondents ranked this most important to them

In terms of the 29 respondents to the eConsult Questionnaire, 22 completed this question and the following age ranges were submitted, cross matched against gender.

Age Ranges			
	Female	Male	Total
18-25	0	0	0
26-40	1	2	3
41-55	0	6	6
55+	5	8	13
Youngest	38	29	
Oldest	73	67	

N.B. Whilst a number of comments were made, none reflected any concerns in relation to discrimination or unfairness within protected characteristics.

As part of the consultation process the Council engaged with key stakeholders so that they could have a say on what the changes would mean for them. A newsletter about the proposed changes was sent to private and registered social landlords who receive payment of Housing Benefit. In excess of 30 private and registered social landlords attended events during this process and feedback has been included in the Consultation report.

Is there evidence that the Public Sector Equality Duties will continue to be

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met?

Yes:

The policy is not designed to directly or indirectly discriminate against any particular protected characteristic. However, we note that the victims of domestic violence may be affected. As such, we will mitigate against this by ensuring that persons within this category will be dealt with sympathetically and not incur undue financial penalties due to the policy.

What actions will follow if proposal accepted by cabinet & Council?

1. We will inform owners and landlords of change – for example by mailshot, notifications on bills etc.
2. We will make public the new rules – for example by press releases, website etc.
3. We will develop mitigation process for victims of domestic violence.
4. We will monitor progress.

Administration Only:

When was this Analysis started:

When was it finished:

Who was responsible for its completion and sign off:

Annex F



LOCAL COUNCIL TAX REDUCTION SCHEME 2013-2014

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Glossary of Terms

Applicable Amount

Means the combination of allowances and premiums used to determine a claimant's basic living needs and against which their income is compared for the purposes of the means test performed.

Couple

Means

(a) a man and a woman who are married to each other and are members of the same household;

(b) a man and a woman who are not married to each other but are living together as husband and wife;

(c) two people of the same sex who are civil partners of each other and are members of the same household; or

(d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners,

and for the purposes of paragraph (d), two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex

CTB

Means Council Tax Benefit, (i.e. the existing national scheme)

CTR

Means Council Tax Reduction, (i.e. the Council's proposed local scheme)

Excess Income

Means the amount by which a claimant's weekly income exceeds their applicable amount.

Non-Dependant

A non-dependant is a person who is living with the claimant but who is not dependent upon them, and not living in their home on a commercial basis, (i.e. as a joint tenant or sub tenant). Non-dependants generally include an adult son or daughter, a mother or father, friend, etc of the claimant.

Pensioner

A pensioner is a person who has attained the qualifying age for State Pension Credit

Regulations

The original statutory instruments, schedules and regulations referred to in this document are:

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Statutory Instrument 2012 No.2885 (This is referred to throughout this document as Statutory Instrument 2012 / 2885 and can be accessed at:

<http://www.legislation.gov.uk/ukSI/2012/2885/contents/made><http://www.legislation.gov.uk/ukSI/2006/215/contents/made>)

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, Statutory Instrument 2012 No.2886 (This is referred to throughout this document as Statutory Instrument 2012 / 2886 and can be accessed at:

<http://www.legislation.gov.uk/ukSI/2012/2886/contents/made>)

1.0 Introduction

In April 2013, Council Tax Benefit, the current means of helping people on low incomes meet their Council Tax obligations, will be replaced by Sefton Council's Local Council Tax Reduction Scheme 2013-2014 (hereafter referred to as the Local Scheme 2013-2014).

Statutory Instrument 2012 / 2885 prescribes that a person who has attained the qualifying age for state pension credit is excluded from the effects of the Local Scheme 2013-2014, as they are subject to a national framework of rules and eligibility. Persons who have not attained the qualifying age for state pension credit are not, however, covered by this national framework and are therefore subject to the provisions of the Local Scheme 2013-2014.

This document sets out the provisions of the Local Scheme 2013-2014 and should be read in conjunction with Statutory Instrument 2012 / 2885 and Statutory Instrument 2012 / 2886.

The Local Scheme 2013 - 2014 takes into account the results of the Council's consultation exercise conducted between 6 August and 29 October 2012 and must be approved by the Council no later than 31 January 2013. After that date, the Local Scheme 2013 - 2014 applies for the whole of the following financial year and can only be changed in response to statutory provisions that have precedence over it.

The Council is required to publish details of the Local Scheme 2013 - 2014 and some of the contents of this document are unavoidably technical in detail. A Glossary of Terms has therefore been included on page three and examples of how the proposals may affect entitlement in comparison to the existing Council Tax Benefit scheme are provided on our web site: www.sefton.gov.uk/counciltax.

2.0 Prescribed Requirements Regulations

Statutory Instrument 2012 / 2885 outline the matters that the Local Scheme 2013 -14 must include. There are two elements to these requirements: those that will affect all claimants; and, those that apply only to pensioners.

In the main, the provisions that apply exclusively to pensioners fall under Regulation 14(2) and are set out in Schedules 1 to 6. Provisions for all applicants fall under Regulation 15(1) and are set out in Schedules 7 and 8.⁴ Where these matters appear in the main body of this document they are mandatory elements.

2.1 Persons from Abroad

Regulations 12 and 13 prescribe those persons to be treated as not being in Great Britain and therefore excluded from receiving a Local Council Tax Reduction as:

- Foreign nationals with limited immigration status
- Individuals subject to immigration control as defined by Section 115 of the Immigration and Asylum Act 1999
- Non economically active European Economic Area (EEA) individuals who are not exercising EU treaty rights
- EEA nationals, who fall into the categories, set out in Regulation 12(4).

2.2 Refugees

⁴ The exception to this rule is paragraph 6 in Schedule 8 which applies to pensioners alone.

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As long as their status has not been revoked, the following persons will be exempt from the habitual residence test and therefore entitled to apply for a Council Tax Reduction because they have been granted:

- recognised refugee status
- humanitarian protection
- discretionary or exceptional leave to remain in the country outside of the immigration rules

Pension Age Claimants

3.0 Classes of persons who are entitled to a reduction under the scheme

Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 2 to 4 describe the three main classes of pensioners entitled to a reduction under the Local Scheme 2013 - 2014. In all classes, individuals must not be prescribed as excluded from the Local Scheme 2013 - 2014 within Regulations 12 and 13, such as those persons outlined in the “prescribed requirements” section above. The following are the classes identified in Schedule 1:

Class A

The individual must:

- . have attained the qualifying age for state pension credit,
- . be liable to pay Council Tax in respect of a dwelling in which they are resident
- . be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated
- . be a person in respect of whom a day in which s/he is liable to pay Council Tax falls within a week in respect of which the person’s income does not exceed their applicable amount (as defined in Statutory Instrument 2012 / 2885 Schedule 1, paragraph 6 and Schedule 2),
- . have applied for the scheme.

The individual must not be someone with a partner of working age in receipt of Income Support, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance.

The individual or couple must not have capital or savings above £16,000.

Class B

The individual must:

- . have attained the qualifying age for state pension credit,
- . be liable to pay Council Tax in respect of a dwelling in which they are resident
- . be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated,
- . be a person in respect of whom a day in which s/he is liable to pay Council Tax falls within a week in respect of which the person’s income is greater than their applicable amount (as defined in Statutory Instrument 2012 / 2885 Schedule 1, paragraph 6 and Schedule 2),
- . have applied for the scheme,
- . be a person for whom amount X exceeds amount Y, where amount X is the appropriate maximum Council Tax liability in their case and amount Y is a prescribed percentage (20%) of the difference between their income in respect of the week in which the day falls and the appropriate applicable amount (Living needs) in their case.

The individual must not be someone with a partner of working age in receipt of Income Support, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance.

The individual or couple must not have capital or savings above £16,000.

Class C

The individual must:

- . have attained the qualifying age for state pension credit,
- . be liable to pay Council Tax in respect of a dwelling in which they are resident
- . be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated,

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- . have applied for a scheme,
- . be somebody who has at least one second adult living with them who is not their partner, not somebody who pays rent, and who is on a prescribed low wage and / or prescribed benefit, as set out in Statutory Instrument 2012/ 2885, Schedule 3.

The individual must not be someone with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance.

4.0 The reduction to which persons in each class are to be entitled

4.1 Class A Reduction

If an individual matches the criteria in Class A, including that income is less than their applicable amount (Living needs) in their case, that person qualifies for 100% reduction on their Council Tax liability, less any non-dependant deductions (see paragraph 4.4 below).

Statutory Instrument 2012/ 2885 Schedule 1, paragraph 13 requires that an individual in receipt of state pension credit guarantee credit will have their income and capital disregarded. This means that the individual's income will automatically be less than their applicable amount (Living needs) and they will qualify for a 100% Council Tax Reduction, less any non-dependant deductions.

Where a person has been awarded only the savings credit element of state pension credit, Statutory Instrument 2012/ 2885 Schedule 1, paragraph 14 define the way in which this is to be treated for the purposes of the Local Scheme 2013 - 2014.

4.2 Class B Reduction

If an individual matches the criteria in Class B, it will mean that their income is greater than their applicable amount (Living needs). They will receive a 100% Council Tax Reduction on their Council Tax liability less any non-dependant deductions and a deduction of 20% of the difference between their weekly income and applicable amount.

4.3 Class C Reduction

The Class C reduction is known as the alternative maximum Council Tax reduction or second adult rebate. This may be awarded in respect of a second adult sharing the household who would normally be expected to contribute towards the Council Tax bill but who cannot afford to do so, based on their low income as indicated by prescribed low wages bands or prescribed working-age benefit indicators.

This reduction will be awarded at 25%, 15%, 7.5% or 100% of the Council Tax liability, depending upon individual circumstances as identified in Statutory Instrument 2012/ 2885 Schedule 3.

4.4 Non-Dependant Deductions

A reduction amount is arrived at after a downward adjustment has been made to take into account non-dependant adults that normally reside in the dwelling and who would be expected to make a contribution toward Council Tax liability. Deductions for such non-dependant adults will be calculated and applied in accordance with Statutory Instrument 2012/ 2885 Schedule 1, paragraph 8.

4.5 Determination of Class and Award

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Determination of the class an individual is put into and the reduction they will receive will be determined in two ways:

1. In respect of Class A and Class B, through means testing according to the rules and criteria prescribed by Statutory Instrument 2012/ 2885, Regulation 14(2).
2. Through application of the rules for the calculation of Class C under Statutory Instrument 2012/ 2885, Schedule 3.

4.6 Means Test for Class A and Class B

The means test is defined within Statutory Instrument 2012/ 2885 and is based on a comparison of income and a living allowance (applicable amount). The way in which these elements are defined and evaluated for the pension credit age scheme is set out below.

4.7 Living Allowance (Applicable Amount)

The individual's living allowance or applicable amount will be made up of four elements. These will be:

1. A personal allowance in respect of the applicant,
2. An amount in respect of any child or young person who is part of their family,
3. A family premium element (where the applicant is part of a family of which at least one member is a child or young person), and
4. Any premium amount (set out in regulations) that is applicable to the individual.

The elements and method of calculation for the applicable amount (Living needs) are set out in Statutory Instrument 2012/ 2885 Schedule 1, paragraph 6 and Schedule 2.

4.8 Calculation of Income and Capital

Income and capital will be calculated for a person who has reached the qualifying age for state pension credit in line with the provisions of Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 11 to 37. The income and capital of a claimant's partner or partners in the case of a polygamous marriage will be treated as income of the claimant.

Income or capital of any child or young person will not be treated as income or capital of the claimant. The regulations allow the Council to treat the income or capital of a non-dependant as if it were the income or capital of the applicant in a case where it appears to the Council that the two have entered into arrangements to take advantage of the scheme; with the exception of those on Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance.

4.9 Income and capital for those on state pension credit

There is special treatment of income and capital for those in receipt of state pension credit.

For those in receipt of the guarantee credit element of state pension credit, the whole of their income and capital will be disregarded meaning that they will automatically qualify under Class A for a 100% Council Tax Reduction on their Council Tax liability less any non-dependant deductions.

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For those in receipt of the savings credit element of state pension credit, the Council will use the Secretary of State's assessment of the income and capital of the individual, and adjust this to take into account income from this benefit and any other relevant requirements (as set out in Statutory Instrument 2012/ 2885 Schedule 1, paragraph 14).

4.10 Calculation of income where a person is not in receipt of state pension credit

For those who have reached the qualifying age for state pension credit, but are not in receipt of this benefit themselves, provisions relating to income, its calculation on a weekly basis, what is to be regarded as income and what is to be disregarded as income are prescribed by Statutory Instrument 2012/ 2885 Schedule 1, paragraphs 15 to 37. In particular, earnings of employed earners and earnings of self-employed earners will be taken into account as set out in these paragraphs.

Statutory Instrument 2012/ 2885 also list a number of elements and amounts which should not be taken into account in the calculation of earnings.

Amounts to be disregarded from the weekly earnings of a claimant who has attained the eligible age for state pension credit are set out in Statutory Instrument 2012/ 2885 Schedule 4.

Amounts to be disregarded in terms of income other than earnings for those who have reached the eligible age for state pension-credit are set out in Statutory Instrument 2012/ 2885 Schedule 5. Treatment of other income (in relation to which the applicant has a right) will be calculated according to the rules prescribed by Statutory Instrument 2012/ 2885 Schedule 1, paragraphs 22 and 23.

Statutory Instrument 2012/ 2885, Schedule 5, paragraph 1, allows for £10 to be disregarded from weekly war widow's pension, war widower's pension, war disablement pension and certain other guaranteed income payments including, for example, those made under the Armed Forces and Reserve Forces Compensation Scheme.

The Local Scheme 2013 - 2014 continues previous local arrangements whereby the remainder of any weekly war widow's pension, war widower's or war disablement pension are disregarded in full in the assessment of a claimant's income.

4.11 Income and wider welfare changes

In relation to income, wider welfare changes mean that new benefits will be introduced in place of those received by persons who are not pensioners.

Despite these changes being mainly to benefits for non-pensioners, they may have relevance for individuals living with a person of pension credit age and consequently, it may be taken into consideration in the assessment of a Council Tax Reduction.

New applicants will be migrated onto these new benefits over time, so both benefits will co-exist for a number of years (for example, the Universal Credit migration will take place over four years). The Local Scheme 2013 - 2014 will therefore abide by the prescriptions outlined in Statutory Instrument 2012/ 2885 or other statutory provisions that take precedence.

5.0 Calculation of capital

5.1 Calculation of capital where a person is not in receipt of state pension credit

Provisions relating to capital – for example:

- the capital savings limit of £16,000 (after which individuals will not be eligible for Council Tax reductions);
- what is to be regarded as capital;
- what is to be disregarded as capital; and,
- other capital calculations.

will operate in accordance with Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 31 to 37. Amounts to be disregarded as capital are set out under Statutory Instrument 2012/ 2885, Schedule 6.

5.2 Notional capital

Individuals may be treated as possessing capital of which they have deprived themselves for the purposes of securing Council Tax reductions. This notional capital (of which the individual is treated as being in possession) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

Notional capital excludes the value of any holding in a company where the applicant is the sole owner or partner (or where they hold an analogous position), but will include an amount of capital equal to the value (or their share of the value) of the capital of such a company. This notional capital (which the individual is treated as possessing) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

5.3 Tariff income on capital

Once an amount of capital is calculated, net of any amounts to be disregarded, this will be treated as if it is an income of £1 for every £500 (or part of £500) in excess of £10,000 but not exceeding £16,000. This amount of tariff income will be added to the initial income calculation to give a total income amount.

5.4 Calculation of Reduction

Once the total income amount has been calculated, it will be compared with the living allowance / applicable amount, to determine whether the individual falls into Class A (income does not exceed applicable amount) or Class B (income greater than applicable amount).

Persons in Class A will receive 100% Council Tax Reduction against their Council Tax liability, net of any Council Tax discounts under the Local Government Finance Act 1992) and less non-dependant deductions under Statutory Instrument 2012/ 2885 Schedule 1, paragraph 8.

Persons in Class B will receive 100% Council Tax Reduction against their Council Tax liability, net of any Council Tax discounts, less non-dependant deductions and less 20% of the difference between their income and applicable amount.

Where a person of pension credit age is not jointly liable for Council Tax with a second adult (or adults), but lives with a second adult (or adults) who is not their partner and does not pay rent in respect of the dwelling, they may fall under Class C, if conditions set out in Statutory Instrument 2012/ 2885, Schedule 3 are met.

The following table sets out the reductions that, according to individual circumstances, may be applied to maximum daily Council Tax liability (after discounts). The alternative maximum Council Tax Reduction is calculated in relation to the income and circumstances of the second adult – the applicant's income and capital is not taken into account.

	Alternative maximum Council Tax
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Second adult	Reduction (net of discounts) due in respect of a day
a) The second adult (or all second adults) are in receipt of Income Support, income-related Employment and Support Allowance, state pension credit or income-based Jobseeker's Allowance.	25%
b) Where the gross income or aggregate gross income of any second adult(s) – disregarding benefits mentioned above - is: (i) less than £180.00 per week; (ii) not less than £180.00 but less than £235.00 per week.	(i) 15% (ii) 7.5%
c) If the dwelling is occupied by a full-time student(s) and a second adult/adults on state pension credit, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Income Support.	100%

If it appears to the Council that the claimant is entitled to a Class C reduction at the same time as means tested Class A or Class B Council Tax Reduction, a comparison of the two reductions will be made. The claimant will then be awarded the greater reduction of the two.

6.0 Extended reductions

Statutory Instrument 2012/ 2885, Schedule 1, paragraph 43 prescribes that an individual who is:

- (i) approaching pension credit eligible age, *and* who is
- (ii) in receipt of a local Council Tax Reduction and not in receipt of working age benefits (Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance), *or*
- (iii) whose partner has claimed state pension credit, will continue to receive an extended reduction of their localised Council Tax Reduction for a prescribed period of four weeks, whilst they or their partner apply for the state pension credit eligible age scheme.

From the point at which the person already in receipt of a Council Tax Reduction reaches the eligible age for pension credit they will, for the prescribed extended reduction period of four weeks, be entitled to whatever award is greater – the Local Scheme 2013 – 2014 reduction for working age claimants or the reduction under the national framework of rules and eligibility for those of state pension credit eligible age.

6.1 Extended reductions – qualifying contributory benefits – i.e. severe disablement allowance; incapacity benefit; or contributory employment and support allowance

Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 38 to 42 set out that a person in receipt of one of the above benefits, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive a Council Tax Reduction calculated as if they were still in receipt of these benefits

for four weeks (where the resulting reduction amount is greater than the reduction amount taking into account their loss of these benefits).

If a pension credit age person moves from Sefton to the area of a new Local Authority, in the period from the Monday following the move to the point where entitlement to the qualifying benefit ceases (when the extended reduction rule applies), Sefton will pay the second billing authority or the individual their reduction amount for the extended period.

If the person applies for a Council Tax Reduction in the second Local Authority, the second authority will net off the reduction amount received from Sefton. Any balance of reduction award will be paid to the claimant (and the full amount will be paid to the claimant if there is no Council Tax liability in the second local authority). After the extended reduction period ends, Sefton's liability in relation to extended reductions will cease and the new authority's reduction will apply.

7.0 Applications

Statutory Instrument 2012/ 2885, Schedule 7, paragraphs 1 to 7 prescribe the procedure by which a person may apply for Council Tax Reduction:

A person may apply in writing using the Council's application form for that purpose and sending it to the address designated by the Council for that purpose. (See Contact Details on page 27)

A person may complete an application form for Council Tax Reduction online via the Council's website.

A person may complete an application form for Council Tax Reduction by telephone. An appointment to do this can be obtained by telephoning 0845 140 0845.

A person may apply for Council Tax Reduction by visiting a local One Stop Shop and completing an application online with a customer services advisor.

Any application form must be signed by the claimant and may also be signed by their partner if applicable and shall be supported by such information or evidence as is reasonably required to enable entitlement to be determined.

The Council shall not determine entitlement for an incomplete claim including one that is not signed until the relevant information, signature or both as appropriate is received. At all times, this should be provided within a period of one month from the date of the Council request or such longer period as may be reasonable in the circumstances.

A person who is in receipt of Council Tax Benefit immediately before 1 April 2013 is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

Where an individual has, prior to 1 April 2013, made an application for Council Tax Benefit which has not been determined by 1 April 2013, that individual is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

A claim for Council Tax Reduction may be amended or withdrawn in writing by the claimant at any time prior to the Council making a decision regarding entitlement.

The Council shall accept the withdrawal of an application where it has not yet made a decision concerning entitlement. This shall have effect on the same day that the notification was received by the Council.

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8.0 Entitlement

Statutory Instrument 2012/ 2885, Schedule 8, paragraph 6 prescribes that people of pension-credit eligible age will be able to backdate their applications by up to three months, provided they were entitled to pension-credit age reduction for all of the backdated period.

In all other cases, the start of entitlement to Council Tax Reduction for pensioners is covered by Statutory Instrument 2012/ 2885, Schedule 1 paragraph 45 and Statutory Instrument 2012/ 2885, Schedule 8, paragraph 5 governs the date on which a claim is to be treated as made.

If a claimant notifies the Council of an intention to claim Council Tax Reduction and submits their application form using one of the specified methods within one month of it being issued (or such longer period as may be reasonable in the circumstances), for example, the date of the claim shall be the date they notified their intention to claim. Any entitlement to Council Tax Reduction would then be awarded from the Monday following that date.

If a claimant applies for Council Tax Reduction within one month of the death or separation from their partner and the partner was in receipt of Council Tax Reduction at the time of their death or separation, the date of claim shall be the date of the death or separation in question and any entitlement to Council Tax Reduction shall be awarded from the Monday following the date of their claim.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 13 weeks prior to an event that would entitle them to Council Tax Reduction.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 8 weeks prior to becoming liable for Council Tax at their home.

Entitlement to a Council Tax Reduction may change or cease if there is a change of circumstances or be terminated if the claimant fails to respond to a request for information or evidence within one month or such longer period as may be considered reasonable in the circumstances.

9.0 Decisions

Statutory Instrument 2012/ 2885, Schedule 8, paragraphs 11 and 12 require the Council to notify the applicant in writing of its decision within 14 days from the date that all relevant information and evidence relating to the application has been received, or as soon as reasonably practicable thereafter. The written notification will include information on how an appeal can be made by the applicant.

10.0 Changes of circumstance

Statutory Instrument 2012/ 2885, Schedule 1, paragraph 46 sets out the dates from which various changes of circumstance are to take effect. In addition, paragraph 47 prescribes the dates from which changes of circumstance in relation to awards of state pension credit will be taken into account.

Statutory Instrument 2012/ 2885, Schedule 8, paragraph 9 prescribes that a relevant change of circumstances should be notified within a period of 21 days (including the day on which the change occurs).

11.0 Time and manner of granting relief and recoveries / over-payments

Matters relating to the payment of a reduction are prescribed by Statutory Instrument 2012/ 2885, Schedule 8, Paragraph 14 and those relating to overpayments by the Council Tax (Administration and Enforcement) Regulations 1992 (Statutory Instrument 1992/ 613).

Matters relating to the time and manner of granting reduction and dealing with under-payments will be as provided for in the prescribed scheme.

This will include payments to next of kin where a person in receipt of a Council Tax Reduction dies, allowing the billing authority to make payment of the reduction amount to their personal representative or next of kin.

Where the Council Tax Payer is entitled to an increase or decrease in their reductions following a reported change of circumstance, the Council can issue an amended Council Tax bill taking into account the increase or decrease in liability.

12.0 Department for Work and Pensions changes to State Pension Credit Age

The Department for Work and Pensions is intending to make changes to the way in which new applicants comprising couples of mixed age (i.e. where one member of the couple has attained state pension credit qualifying age and one has not) are treated for new applications. Currently, such couples would generally be treated under pension credit age regulations apart from a few exceptions.

It is anticipated that this new measure to be implemented by the Department for Work and Pensions at some point in the next two years will apply to *new* pension credit applications only. It is likely to mean that in future (from the point of change and for new applicants only) that it will not be possible for a couple to claim pension credit until both members have reached the qualifying age. It is anticipated that such couples will have access to Universal Credit, however, if they meet all the other eligibility criteria.

The Government proposes to align this change for new applicants to local Council Tax Reduction schemes on the same basis once it takes effect, so that Councils do not find themselves defining an individual in a mixed age couple differently from the way they are defined by the Department for Work and Pensions. It is the Government's intention that mixed age couples already applying for or receiving a pension-credit age Council Tax Reduction at the point of change (whether or not they are also receiving pension credit), will retain pension-credit age Council Tax Reduction whilst their entitlement continues.

13.0 Procedure by which a person can an appeal any decision of the authority which affects (a) the person's entitlement to a reduction under the Local Scheme 2013 - 2014 or (b), the amount of any reduction to which the person is entitled.

A claimant or a person acting on their behalf may appeal against the Council's decision concerning entitlement to a reduction under the Local Scheme 2013 - 2014 or the amount of a reduction by writing to the Council at its designated office specifying the nature of the appeal and the grounds on which the appeal is made.

The Council will consider the appeal and notify the applicant in writing of the outcome of their appeal and the reasons for the decision.

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Where the Council has considered the appeal and notified the applicant of the outcome in writing but they remain dissatisfied, or a response has not been given within a period of two months from the date of the written appeal, the applicant may further appeal to a Valuation Tribunal under section 16 of the 1992 Local Government Finance Act.

Where a response is not provided by the Council within two months of the appeal being made, any subsequent appeal to a Valuation Tribunal shall be made within four months of the date that the original appeal was sent to the Council.

The following specific matters shall not be the subject of an appeal under these provisions:

- The local CTR scheme provisions as set by the Council
- Any discretion applied to recover an overpayment of Council Tax Reduction
- Who to recover an overpayment of Council Tax Reduction from
- Suspending or restoring Council Tax Reduction
- Any decision to refuse the grant of a reduction under Section 13A(1)(c) of the Local Government Finance Act 1992

A claimant may also at any time in writing request the Council to review their entitlement to CTR or the amount of any reduction outside of the provisions for appeals detailed above.

14.0 Procedure by which a person can apply to the authority for a reduction under section 13A (1) (c).

A Council Tax Payer may apply for a reduction under Section 13A(1)(c)(a) of the Local Government Finance Act 1992. Such an application shall be made in writing to the Council at its designated office or by means of electronic communication and must give such details as are reasonable and necessary to enable the Council to properly consider the application. Such details should include but not be limited to the reason for the application, the circumstances and context in which the application is made and the period for which the application is made.

Local Council Tax Reduction Scheme for persons who are not pensioners

15.0 Introduction

The amount of support will be based upon individual circumstances and changes of circumstances will also be taken into account.

As well as the three classes of entitled persons that are covered by Statutory Instrument 2012 / 2885, there will be two classes for persons who are not pensioners and for each there will be a number of qualifying criteria.

In all cases, individuals must not be of a prescribed class exempted from support, such as a person from abroad with limited leave to remain as outlined previously in this document (paragraph 2.1, page 4).

In classes D and E below, the amount of a claimant's maximum Council Tax Reduction in respect of a day for which they are liable to pay Council Tax, shall be 80 per cent of the amount Q divided by R, less any deductions in respect of non-dependants, where:

- Q = the amount set by the Council as the Council Tax for the relevant financial year in respect of the dwelling in which they are a resident and for which they are liable, after any discount which may be appropriate to that dwelling under the Local Government Finance 1992 Act; and,
- R = the number of days in that financial year,

In calculating a person's maximum Council Tax Reduction any decrease in the amount that person is liable to pay as a consequence of any enactment made by or under the Local Government Finance Act 1992 such as Disabled Person's Relief, for example, shall also be taken into account.

Where a claimant is jointly and severally liable for Council Tax in respect of their home with one or more other persons but excepting any person residing with the claimant who is a student excluded from entitlement to local Council Tax Reduction, in determining the maximum Council Tax Reduction in their case, the amount Q shall be divided by the number of persons who are jointly and severally liable for that tax.

Where a claimant is jointly and severally liable for Council Tax in respect of a dwelling with only their partner, the paragraph immediately above shall not apply.

In any case where an extended reduction or an extended reduction (severe disablement allowance and incapacity benefit) has been allowed to a claimant, their entitlement shall be adjusted in such circumstances and by such an amount as defined within the Local Scheme 2013 - 2014.

Within the Local Scheme 2013 – 2014 set out below, a reference is made in Class E to a prescribed percentage of 20% where a claimant's weekly income exceeds their weekly applicable amount (Living needs).

Council Tax Reduction entitlement shall be calculated based upon a daily Council Tax liability. In line with Statutory Instrument 2012 / 2886, Paragraph 17, the prescribed percentage referred to within Sefton's scheme, particularly for Class E shall be $2\frac{6}{7}$ per cent (which equates to 20% in weekly terms and is referred to within our proposed scheme).

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15.1 Classes of persons who are entitled to a reduction under the scheme

Class D

The individual must:

- be a person who has not yet attained the qualifying age for state pension credit,
- be liable to pay Council Tax in respect of a dwelling in which they are resident,
- be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;
- have applied for the scheme;
- be a person in respect of whom a day in which they are liable to pay Council Tax falls within a week in respect of which the person's income does not exceed their applicable amount (Living needs).

The individual or couple must not have capital or savings above £6,000.

Class E

The individual must:

- be a person who has not yet attained the qualifying age for state pension credit,
- be liable to pay Council Tax in respect of a dwelling in which they are resident,
- be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated,
- have applied for the scheme;
- be a person in respect of whom a day in which s/he is liable to pay Council Tax falls within a week in respect of which the person's income is greater than their applicable amount (Living needs as defined in Statutory Instrument 2012 / 2886, paragraphs 26 to 28),
- be a person for whom Class D is not fulfilled, but amount X exceeds amount Y, where amount X equals the appropriate maximum Council Tax liability in their case and amount Y equals a prescribed percentage (20%) of the difference between their income in respect of the week in which the day falls and the appropriate applicable amount in their case.

The individual or couple must not have capital or savings above £6,000.

The Local Scheme 2013 – 2014 does not include an alternative maximum Council Tax Reduction for persons who are not pensioners (called Class C on page 7).

16.0 Reductions attracted by classes: awards for persons who are not pensioners

16.1 Class D Reduction

If an individual matches the criteria in Class D, including that their income does not exceed their applicable amount (Living needs), that person qualifies for a maximum Council Tax Reduction entitlement equivalent to a maximum 80% of their weekly Council Tax liability (i.e. after discounts and any other relevant deductions) and after any relevant non-dependant deductions as described in 17.3 below.

An individual in receipt of Income Support, income-related Jobseeker's Allowance or income-related Employment and Support Allowance will have income and earnings counted as zero. The same shall apply to capital held that totals less than £6,000. This

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means that the individual's income will automatically be less than their applicable amount (Living needs), and they will qualify for a maximum Council Tax Reduction entitlement equivalent to a maximum 80% of their weekly Council Tax liability (i.e. after discounts and any other relevant deductions) and after any relevant non-dependant deductions as described in 17.3 below.

With the introduction of Universal Credit, which will start to replace income-related benefits for new applicants over a period of years from October 2013, the income and capital of people who receive Universal Credit will be treated in accordance with Statutory Instrument 2012 / 2886 paragraph 37.

16.2 Class E Reduction

If an individual matches the criteria in Class E, it will mean that the individual's income is greater than their applicable amount (Living needs). The maximum Council Tax Reduction for that person will be equivalent to a maximum 80% of their weekly Council Tax liability (i.e. after discounts and any other relevant deductions) and after any relevant non-dependant deductions, less 20% of the difference between their weekly income and applicable amount.

The Local Scheme 2013 - 2014 does not include an alternative maximum Council Tax Reduction for persons who are not pensioners.

16.3 Non-dependant deductions

Once a reduction amount is calculated, it is subject to a downward adjustment to take into account non-dependant adults that normally reside in the dwelling and who would be expected to contribute toward Council Tax liability.

Subject to the exceptions stated under Statutory Instrument 2012/ 2886, Paragraph 30 the weekly amounts of deductions to be applied in the Local Scheme 2013 – 2014 are:

Description of Deduction	Amount of Deduction
Non-dependant in receipt of Income Support, Income-based Jobseeker's Allowance, income-related Employment and Support Allowance, or Pension Credit	Nil
Non-dependant not in remunerative work	£2.00
Non-dependant in remunerative work with a gross income of less than £183 per week	£2.00
Non-dependant in remunerative work with a gross income of £183 per week or over	£5.00

16.4 Determination of class and award

Determination of the class the individual is put into, and the reduction they will receive, shall be determined in respect of Classes D and E through means testing.

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16.5 Means-test for Classes D and E

The means test compares income and a living allowance (known as the applicable amount). The way in which these elements will be defined and evaluated is explained in greater detail below.

16.6 Living allowance – the applicable amount

The individual's living allowance or applicable amount will be made up of four elements. These will be:

1. A personal allowance in respect of the applicant,
2. An amount in respect of any child or young person who is part of their family,
3. A family premium element (where the applicant is part of a family of which at least one member is a child or young person), and
4. Any premium amount (set out in regulations) that is applicable to the individual.

The elements and calculation method for the applicable amount (Living needs) will be as set out in Statutory Instrument 2012 / 2886, paragraphs 26 to 28.

17.0 Calculation of Income and capital

Income and capital will be calculated for a person who has not attained the qualifying age for state pension credit in line with existing provisions for Council Tax Benefit under Statutory Instrument 2012 / 2886 paragraphs 47 to 70 (excepting paragraph 68). The income and capital of a claimant's partner or partners in the case of a polygamous marriage will continue to be treated as that of the applicant.

Income or capital of any child or young person will not be treated as income or capital of the claimant.

The Council shall be permitted to treat the income or capital of a non-dependant as if it were the income or capital of the applicant in a case where it appears to the Council that the two have entered into arrangements to take advantage of the scheme.

Those on Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance are exempt from this rule.

There will be special treatment of income for those in receipt of Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance.

For those in receipt of these benefits, the whole of their income will be disregarded. Provided that capital held is less than £6,000, this shall also be disregarded. This will mean that they automatically qualify, under Class D, for a maximum 80% Council Tax Reduction on their Council Tax liability less any non-dependant deductions.

The income and capital of people who receive Universal Credit will be treated in accordance with Statutory Instrument 2012 / 2886 paragraph 37.

17.1 Calculation of income (including Earnings and Benefits)

War Pensions

Statutory Instrument 2012/ 2886, Schedule 8, paragraph 20, allows for £10 to be disregarded from weekly war widow's pension, war widower's pension, war disablement pension and

certain other guaranteed income payments including, for example, those made under the Armed Forces and Reserve Forces Compensation Scheme.

The Local Scheme 2013 - 2014 continues previous local arrangements whereby the remainder of any weekly war widow's pension, war widower's or war disablement pension are disregarded in full in the assessment of a claimant's income.

In General

Other provisions relating to income, its calculation on a weekly basis, what is to be regarded as income and what is to be disregarded as income will operate in line with Statutory Instrument 2012 / 2886, paragraphs 47 to 62. In particular, earnings of employed earners and earnings of self-employed earners (both net of tax and National Insurance contributions) will be taken into account as set out in the aforementioned paragraphs.

Amounts to be disregarded from an applicant's weekly earnings are set out in Statutory Instrument 2012 / 2886 Schedule 7.

Amounts to be disregarded in terms of income other than earnings are set out in Statutory Instrument 2012 / 2886 Schedule 8.

Treatment of other income (in relation to which the applicant has deprived themselves of) will be calculated according to Statutory Instrument 2012/ 2886, Paragraph 56.

17.2 Students

Statutory Instrument 2012 / 2886, paragraphs 73 to 86 describe the way in which students are to be treated under the Local Scheme 2013 - 2014. This will generally mean that full-time students and students who are not treated as being in Great Britain will be excluded from entitlement to Council Tax Reduction unless they meet one of the conditions specified within these paragraphs.

17.3 Calculation of capital where this is not disregarded

Other than the revised £6,000 capital and savings limit above which people will not qualify for CTR, the provisions relating to capital – including for example, what is to be regarded as capital and what is to be disregarded - will generally operate in line with Statutory Instrument 2012 / 2886, paragraphs 63 to 70 (excluding paragraph 68).

Amounts to be disregarded as capital in the Local Scheme 2013 - 2014 are defined in Statutory Instrument 2012 / 2886 Schedule 10.

There is also provision for certain elements of income to be treated as capital (for example, in relation to certain lump sum payments or tax arrears).

17.4 Notional capital

Individuals may be treated as possessing capital of which they have deprived themselves for the purposes of securing Council Tax reductions. This notional capital (of which the individual is treated as being in possession) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

Notional capital excludes the value of any holding in a company where the applicant is the sole owner or partner (or where they hold an analogous position), but will include an amount of capital equal to the value (or their share of the value of) the capital of such a

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company. This notional capital (which the individual is treated as possessing) will be reduced over time to reflect payment of additional Council Tax liabilities incurred

17.5 Tariff income

Tariff income for capital held does not apply to working age claims under the Local Scheme 2013 - 2014.

18.0 Calculation of Reductions

Once the total income amount has been calculated, it will be compared with the applicable amount (Living needs) to determine whether the individual falls into Class D (income does not exceed applicable amount) or Class E (income greater than applicable amount).

18.1 Calculation of Class D

Persons in Class D will receive a maximum 80% Council Tax Reduction for their Council Tax liability (net of any Council Tax discounts and reductions made by or under the Local Government Finance Act 1992) less any non-dependant deductions made as set out within the Local Scheme 2013 - 2014.

18.2 Calculation of Class E

Persons in Class E will receive a maximum 80% Council Tax Reduction entitlement for their Council Tax liability (net of any Council Tax discounts and reductions made by or under the Local Government Finance Act 1992) less any non-dependant deductions made as set out within the Local Scheme 2013 - 2014, less a deduction of 20% of the difference between their weekly income (net of any disregarded income) and applicable amount (Living needs).

19.0 Extended Reductions

Provisions concerning extended reductions for working age claimants Classes D and E are set out within Statutory Instrument 2012 / 2886, paragraphs 95 to 104:

19.1 Income Related Benefits

An applicant (or their partner) in receipt of:

- Employment and Support Allowance (Income-Related),
- Job Seeker's Allowance (Income-Based),
- Job Seeker's Allowance (Contribution-Based); or,
- Income Support

continuously for at least 26 weeks and who ceases to receive any of these benefits (other than Job Seeker's Allowance (Contribution-Based) because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive a Council Tax Reduction.

19.2 Qualifying Contributory Benefits

An applicant (or their partner) in receipt of

- Employment and Support Allowance (Contribution-Based);
- Incapacity Benefit;
- Severe Disablement Allowance; or,
- any combination of these

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continuously for at least 26 weeks, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive a Council Tax Reduction.

In both 20.1 and 20.2 above, the extended reduction will be calculated as if they were still in receipt of these benefits for four weeks where the resulting reduction amount is greater than the reduction amount would be if it were re-calculated to take into account their loss of these benefits.

In both 20.1 and 20.2 above, if a person moves from Sefton to the area of a new Local Authority in the period from the Monday following the move to the point where entitlement to the qualifying benefit ceases (when the extended reduction rule applies), Sefton will pay the second billing authority or the individual their reduction amount for the extended period.

If the person applies for a Council Tax Reduction in the second Local Authority, the second authority will net off the reduction amount received from Sefton. Any balance of reduction award will be paid to the claimant (and the full amount will be paid to the claimant if there is no Council Tax liability in the second local authority).

After the extended reduction period, Sefton Council shall have no liability in respect of the claimant and the new Council's Council Tax Reduction scheme shall apply as appropriate.

20.0 Entitlement

Any entitlement to Council Tax Reduction for persons who are not pensioners shall normally be awarded from the Monday following the date of receipt of a claim. This follows Statutory Instrument 2012/ 2885, Schedule 8 paragraph 5 which governs the date on which a claim is to be treated as made.

If a claimant notifies the Council of an intention to claim Council Tax Reduction and submits their application form using one of the specified methods within one month of it being issued (or such longer period as may be reasonable in the circumstances), for example, the date of the claim shall be the date they notified their intention to claim. Any entitlement to Council Tax Reduction would then be awarded from the Monday following that date.

If a claimant applies for Council Tax Reduction within one month of the death or separation from their partner and the partner was in receipt of Council Tax Reduction at the time of their death or separation, the date of claim shall be the date of the death or separation in question and any entitlement to Council Tax Reduction shall be awarded from the Monday following the date of their claim.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 13 weeks prior to an event that would entitle them to Council Tax Reduction.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 8 weeks prior to becoming liable for Council Tax at their home.

Entitlement to a Council Tax Reduction may change or cease if there is a change of circumstances or be terminated if the claimant fails to respond to a request for information or evidence within one month or such longer period as may be considered reasonable in the circumstances.

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21.0 Decisions

Statutory Instrument 2012/ 2885, Schedule 8, paragraphs 11 and 12 require the Council to notify the applicant in writing of its decision within 14 days from the date that all relevant information and evidence relating to the application has been received, or as soon as reasonably practicable thereafter. The written notification will include information on how an appeal can be made by the applicant.

22.0 Changes of circumstance

Statutory Instrument 2012/ 2886, paragraph 107 sets out how various changes of circumstance are to be dealt with.

Statutory Instrument 2012/ 2885, Schedule 8, paragraph 9 prescribes that a relevant change of circumstances should be notified within a period of 21 days (including the day on which the change occurs).

23.0 Time and manner of granting reduction and recoveries / over-payments

Matters relating to the payment of a reduction are prescribed by Statutory Instrument 2012/ 2885, Schedule 8 Paragraph 14 and those relating to overpayments by the Council Tax (Administration and Enforcement) Regulations 1992 (Statutory Instrument 1992/ 613)..

Matters relating to the time and manner of granting reduction and dealing with under-payments will be as provided for in the prescribed scheme.

This will include payments to next of kin where a person in receipt of a Council Tax Reduction dies, allowing the billing authority to make payment of the reduction amount to their personal representative or next of kin.

Where the Council Tax Payer is entitled to an increase or decrease in their reductions following a reported change of circumstance, the Council can issue an amended Council Tax bill taking into account the increase or decrease in liability.

24.0 Wider welfare changes to benefits – Universal Credit and Personal Independence Payments

The Government intends to reflect any relevant changes to the welfare and benefits system in regulations. In particular, it is intended that Universal Credit will be introduced for some new and existing claimants from October 2013 and migration will take place over four years.

A number of benefits and tax credits (Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, housing benefit, working tax credit and child tax credit and others mentioned in mentioned in Statutory Instrument 2012 / 2885 and 2886) are expected to be incorporated within Universal Credit.

The Local Scheme 2013-2014 will therefore calculate the income and capital of persons who are not pensioners and who receive Universal Credit in accordance with Statutory Instrument 2012 / 2886, Paragraph 37.

25.0 Annual Updates

The Local Government Finance Act 2012 stipulates that a local authority must, each financial year, '*consider whether to revise its scheme or replace it with another scheme*'. Any updates to the scheme as it relates to persons who are not pensioners

may therefore be considered no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

26.0 Other Requirements Reflected in the Scheme for Persons who are not Pensioners

Unless stated otherwise in this document, it is intended that other aspects of administration that may impact on the Council Tax Reduction award (particularly for the scheme for persons who are not pensioners) will continue.

This includes provision for backdating for persons who are not pensioners in line with Statutory Instrument 2012 / 2886, Paragraph 112.

27.0 Department for Work and Pensions changes to State Pension Credit Age

The Department for Work and Pensions is intending to make changes to the way in which new applicants comprising couples of mixed age (i.e. where one member of the couple has attained state pension credit qualifying age and one has not) are treated for new applications. Currently, such couples would generally be treated under pension credit age regulations, apart from a few exceptions.

It is anticipated that in future (from the point of change and for new pension credit applicants only) that it will not be possible for a couple to claim pension credit until both members have reached the qualifying age. It is anticipated that such couples will have access to Universal Credit, however, if they meet all the other eligibility criteria.

The Government proposes to align this change for new applicants to local Council Tax Reduction schemes on the same basis once it takes effect, so that Councils do not find themselves defining an individual in a mixed age couple differently from the way they are defined by the Department for Work and Pensions.

It is the Government's intention that mixed age couples already applying for or receiving a pension-credit age Council Tax Reduction at the point of change (whether or not they are also receiving pension credit), will retain pension credit age Council Tax Reduction whilst their entitlement continues.

28.0 Procedure by which a person may apply for a reduction under the Local Scheme 2013 - 2014

Statutory Instrument 2012/ 2885, Schedule 7, paragraphs 1 to 7 prescribe the procedure by which a person may apply for Council Tax Reduction:

A person may apply in writing using the Council's application form for that purpose and sending it to the address designated by the Council for that purpose. (See Contact Details on page 27)

A person may complete an application form for Council Tax Reduction online via the Council's website.

A person may complete an application form for Council Tax Reduction by telephone. An appointment to do this can be obtained by telephoning 0845 140 0845.

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A person may apply for Council Tax Reduction by visiting a local One Stop Shop and completing an application online with a customer services advisor.

Any application form must be signed by the claimant and may also be signed by their partner if applicable and shall be supported by such information or evidence as is reasonably required to enable entitlement to be determined.

The Council shall not determine entitlement for an incomplete claim including one that is not signed until the relevant information, signature or both as appropriate is received. At all times, this should be provided within a period of one month from the date of the Council request or such longer period as may be reasonable in the circumstances.

A person who is in receipt of Council Tax Benefit immediately before 1 April 2013 is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

Where an individual has, prior to 1 April 2013, made an application for Council Tax Benefit which has not been determined by 1 April 2013, that individual is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

A claim for Council Tax Reduction may be amended or withdrawn in writing by the claimant at any time prior to the Council making a decision regarding entitlement.

The Council shall accept the withdrawal of an application where it has not yet made a decision concerning entitlement. This shall have effect on the same day that the notification was received by the Council.

29.0 Procedure by which a person can appeal any decision of the authority which affects (a) the person's entitlement to a reduction under the Local Scheme 2013 - 2014 or (b), the amount of any reduction to which the person is entitled.

A claimant or a person acting on their behalf may appeal against the Council's decision concerning entitlement to a reduction under the Local Scheme 2013 - 2014 or the amount of a reduction by writing to the Council at its designated office specifying the nature of the appeal and the grounds on which the appeal is made.

The Council will consider the appeal and notify the applicant in writing of the outcome of their appeal and the reasons for the decision.

Where the Council has considered the appeal and notified the applicant of the outcome in writing but they remain dissatisfied, or a response has not been given within a period of two months from the date of the written appeal, the applicant may further appeal to a Valuation Tribunal under section 16 of the 1992 Local Government Finance Act. Where a response is not provided by the Council within two months of the appeal being made, any subsequent appeal to a Valuation Tribunal shall be made within four months of the date that the original appeal was sent to the Council.

The following specific matters shall not be the subject of an appeal under these provisions:

- The local CTR scheme provisions as set by the Council
- Any discretion applied to recover an overpayment of Council Tax Reduction
- Who to recover an overpayment of Council Tax Reduction from

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- Suspending or restoring Council Tax Reduction
- Any decision to refuse the grant of a reduction under Section 13A(1)(c) of the Local Government Finance Act 1992

A claimant may also at any time in writing request the Council to review their entitlement to CTR or the amount of any reduction outside of the provisions for appeals detailed above.

30.0 Procedure by which a person can apply to the authority for a reduction under section 13A (1) (c).

A Council Tax Payer may apply for a reduction under Section 13A(1)(c)(a) of the Local Government Finance Act 1992. Such an application shall be made in writing to the Council at its designated office or by means of electronic communication and must give such details as are reasonable and necessary to enable the Council to properly consider the application. Such details should include but not be limited to the reason for the application, the circumstances and context in which the application is made and the period for which the application is made.

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How to Contact Sefton

You can write to us at: **Sefton MBC, Benefits Section, PO Box 21, Bootle, L20 3US.**

You can phone: **0845 140 0845.** Lines are open Monday to Friday 8am to 6pm.

You can visit:

our website at www.sefton.gov.uk/counciltax

Bootle one stop shop

324-342 Stanley Road
Bootle
Liverpool
L20 3ET

Southport one stop shop

Cambridge Arcade
Southport
PR9 1DA

Office Opening times are Monday to Friday, 9am to 5pm

Sefton libraries

Ainsdale Library, Liverpool Avenue, Ainsdale, Southport, PR8 3NE **01704 577345**

Aintree Library, Altway, Aintree, L10 6LF **0151 526 8503**

Birkdale Library, 240-244 Liverpool Road, Birkdale, Southport, PR8 4PD **01704 567380**

Bootle Library, 220 Stanley Road, Bootle, L20 3EN **0151 934 5781**

Churchtown Library, Mill Lane, Churchtown, Southport PR9 7PL **01704 228678**

College Road (Carnegie) Library, College Road, Great Crosby, L23 3DP **0151 924 5287**

Crosby Library, Crosby Road North, Waterloo, Liverpool, L22 0LQ **0151 257 6400**

Formby Library, Duke Street, Formby, Liverpool, L37 4AN **01704 874177**

Litherland Library, Linacre Road, Litherland, L21 6NR **0151 928 1357**

Meadows (Maghull) Library, Hall Lane, Maghull, Liverpool, L31 7BB **0151 228 6727**

Netherton Library, Glovers Lane, Netherton, Liverpool, L30 3TL **0151 525 0607**

Orrell Library, Linacre Lane, Orrell, L20 6ES **0151 922 3843**

Southport Library, Lord Street, Southport, PR8 1DJ **0151 934 2118**

Each Library has different opening times. Please phone your preferred library for details.

Agenda Item 7

Report to: Cabinet

Date: 13 December 2012

Subject: Council Motion - Sefton Sustainable Energy Action Plan

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose

To update Cabinet, following the motion at Council on 22 November 2012 on the financial implications of the development of the Sustainable Energy Action Plan.

Recommendation(s)

That further to the Council motion on the 22 November, Cabinet note that the Sustainable Energy Action Plan is a mechanism for Liverpool City Region and Sefton Council to coordinate its own, externally funded and partner activities to deliver low carbon economy goals, is effectively self funding and in itself has no direct additional financial demands on core Council resources above contributory work streams already in progress.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People	✓		
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

To provide clarification of the financial implications of the Council Motion in accordance with Rule 84 of the Council and Committee Procedure Rules (Motions on Expenditure)

What will it cost and how will it be financed?

(A) Revenue Costs None

(B) Capital Costs: Non

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Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal:	The Council is under an existing obligation to reduce its carbon emissions under the CRC Energy Efficiency Scheme which was introduced by government in 2008 and to reduce overall household energy use under the Home Energy Conservation Act.
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD1973/12) has been consulted and has no comments to make on this report.

The Head of Corporate Legal Services (LD1290/12) has been consulted and any comments have been incorporated into the briefing report.

Are there any other options available for consideration?

No

Implementation Date for the Decision: Following expiry of the call in period for the minutes of this meeting

Contact Officer:

Mr David Packard
Head of Environment

Tel:

0151 934 4016

Email:

david.packard@sefton.gov.uk

Background Papers:

None

Background to Sustainable Energy Action Plan

1. At the Council meeting held on 22 November 2012, the following motion was moved by Councillor Weavers, seconded by Councillor Maher and unanimously approved:
“This Council welcomes the appointment of consultants for a sustainable energy action plan for the Liverpool City Region.

The Council recognises that a sustainable energy action plan will be of immense importance for investment, businesses, jobs and the environment within Sefton.

This Council commits itself to implementing a sustainable energy action plan and notes that delaying the implementation of an action plan will cost jobs and money.”
2. In accordance with Rule 84 of the Council and Committee Procedure Rules (Motions on Expenditure), the Motion was referred to the Cabinet for consideration of the financial implications in advance of any budgetary commitment and prior to any action being taken to implement the decision.
3. Cabinet Members and Cabinet have considered several reports in relation to the development of Liverpool City Region Sustainable Energy Action Plan and of a Sefton Sustainable Energy Action Plan (SEAP). On 17 August 2011, the Cabinet Member for Regeneration agreed to support the production of a LCR Sustainable Energy Action Plan.

LCR SEAP approved.

4. On 8 November 2012, the Cabinet Member Regeneration and Tourism approved the published Liverpool City Region Sustainable Energy Action Plan (SEAP) as the programme and framework for the City Region to advance its sustainable energy actions.
5. The Liverpool City Region (LCR) SEAP has been prepared at no direct cost to the Districts or the Local Enterprise Partnership (LEP) and is funded through the CLASP Climate Change Skills Fund. Work has been completed by MEAS and consultants and overseen by a Steering Group for which all Districts have had officer representation. The SEAP is a single LCR Programme of activity and it seeks to advance our sustainable energy infrastructure aspirations for a more resilient and lower carbon energy infrastructure future for the City Region
6. The Low Carbon Economy Committee of the LEP has now embraced and taken ownership of the SEAP Programme. The Committee recognises that it is a key and strategic part of the Low Carbon agenda and is keen to work with the Local Authorities in its development and delivery. Progress with the SEAP Programme will be monitored and reported to the LEP Board and City Region Cabinet.

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7. To date the programme for supporting the development of the Low Carbon Economy (SEAP) has attracted £4m of European and private sector funding.

Sefton SEAP

8. On 19 January 2012 Cabinet approved “the development of a Sefton Sustainable Energy Action Plan that considers carbon reduction and economic development progress for the maximum benefit of Sefton communities and meets the criteria of the Covenant of Mayors”.
9. ‘Sefton SEAP’ is a sub-set of the LCR plan, which will drive clear targeted actions against identified challenges and opportunities in Sefton. To date a vast amount has been achieved by the Council in reducing energy consumptions in homes by 27.4% since 1996, drawing in over £27 million investment in Sefton for domestic energy improvements.
10. The Low Carbon driver of SEAP relates to other current work streams;
 - Sefton Council Carbon Management Plan
 - Sefton Sustainable Travel Plan
 - Air Quality Management Plan
 - Home Energy Conservation Act Plan
 - Sefton Affordable Warmth Strategy
 - Sefton Economic Regeneration Plan
 - Climate Change Adaptation Plan
 - Joint Municipal Waste Management Strategy (Merseyside)
11. The Sefton Sustainable Energy Action Plan will group a range of carbon reduction interventions into a series of smaller evidence based opportunities and projects placing those projects within the overarching framework so that projects support each other and the steps to delivering energy goals become clearer and achievable.

Council Motion Comment

12. The adopted LCR SEAP is a strategic context document and will steer delivery of projects in the LCR districts. The Sefton “delivery” SEAP is currently being drafted and will be taken through the political process for corporate adoption within the next few months. Activity in this area is continuing whilst the coordinating Sefton SEAP document is being drafted.
13. The adopted LCR Sustainable Energy Action Plan and its subsidiary Sefton (and other districts) SEAP is a mechanism for Liverpool City Region and Sefton Council to bid for and coordinate externally funded and related partner activities to deliver low carbon economy goals.
14. The SEAP programme will be effectively self, grant or private sector funded and in itself has no direct additional financial demands on core Council resources over and above the coordination of contributory work streams and statutory activity already in progress.

Report to: Planning Committee Cabinet	Date of Meeting: 5 December 2012 13 December 2012
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Subject: Local Plan for Sefton - Outcome of Studies

Report of: Director of Built Environment **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?**
Yes

Exempt/Confidential No

Purpose/Summary

To inform members of the outcome of key studies which will help in preparing the Local Plan, to agree a brief for a Consequences Study, and to approve an updated timetable for preparing the Local Plan.

Recommendations

That Planning Committee

- (1) Note the findings of the various studies referred to in this report and recommend that Cabinet accept these findings for the purposes of carrying out a Consequences Study
- (2) Recommend that Cabinet approve the updated housing figures [as set out in paragraph 3.5 of this report] for use in the Consequences Study
- (3) Recommend that Cabinet agree the brief for the Consequences Study, attached as Annex 1 to this report, subject to any minor alterations that may be necessary, to be delegated to the Head of Planning Services
- (4) Recommend that Cabinet agree to updated timetable for the Local Plan, as set out in the revised Local Development Scheme [section 5 of this report]
- (5) Endorse the use of the Planning Advisory Service to provide critical advice at key stages of Sefton's Local Plan

That Cabinet

- (1) Accept the findings of the studies referred to in the report for the purposes of carrying out a Consequences Study
- (2) Approve the updated housing figures, as set out in paragraph 3.5 of this report for use in the Consequences Study
- (3) Agree the brief for the Consequences Study, attached as Annex 1 to this report subject to any minor alterations that may be necessary, to be delegated to the Head of Planning Services

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- (4) Agree the revised Local Development Scheme setting out the updated timetable for preparing the Local Plan, as set out in section 5 of this report
- (5) Endorse the use of the Planning Advisory Service to provide critical advice at key stages of Sefton's Local Plan

How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

To inform Members of the results of the studies and to agree next steps.

What will it cost and how will it be financed?

(A) Revenue Costs

The estimated cost of the Consequences Study is up to £40,000 [this is less than previously anticipated as the scope of the study has been simplified]. This sum has been identified from within the Planning Department's (Planning Policy) Revenue budget.

(B) Capital Costs

None

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	Incorporated into report
Human Resources	None

Equality

- | | | |
|----|--|-------------------------------------|
| 1. | No Equality Implication | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery:

None

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1957/12) has been consulted and her comments have been incorporated into the report.

The Head of Corporate Legal Services (LD1274/12) has been consulted and her comments have been incorporated into the report.

Are there any other options available for consideration?

No.

Implementation Date for the Decision

Following the call-in period after the Cabinet meeting.

Contact Officer: Steve Matthews

Tel: 0151 934 3559

Email: steve.matthews@sefton.gov.uk

Background Papers:

Review of Sefton Housing Requirement [NLP, 2011]

[Updated] Review of Sefton's Housing Requirement [NLP, 2012]

Employment Land and Premises Study [BE Group, 2010]

[Updated] Employment Land and Premises Study [BE Group, 2012]

Agricultural Land Study [ADAS, 2012]

Strategic Flood Risk Assessment [Capita Symonds, 2012]

Ecological Surveys [Gail Portly-Bishop, 2012]

These documents can be accessed via this link: www.sefton.gov.uk/planningstudies

Agenda Item 8

1. Introduction

- 1.1 In February/March 2012, Members received a report of the consultation on Options which had taken place in summer 2011. Members agreed to a programme of further key studies which would provide essential information in preparing the next stage of the Core Strategy.
- 1.2 Since then the Government has published the National Planning Policy Framework to simplify the planning system and to promote sustainable development and economic growth. Following a change in the law in early 2012, development plan documents are now to be collectively known as 'local plans'. This means that we will now take forward our work on the Core Strategy under the name of the Sefton Local Plan.
- 1.3 The key areas of further work which have been undertaken in recent months include the following:
- An update of the number of homes we require in the Borough to take account of the latest information e.g. from the 2011 Census and latest official population and household projections.
 - An update of the employment land and premises study: the previous study dates from a 2008 base date and only looked forward until 2026; however, the Local Plan must look ahead to 2030 and so the update looks forward a further for a further 5 years, to 2031.
 - Agricultural land study – the quality of the agricultural land which was being identified as potentially suitable for development was a major issue during the 2011 consultation on Options
 - Strategic Flood Risk Assessment –this is an update of the previous SFRA study and its main purpose is to inform decisions on where development is appropriate.
 - Ecological study was undertaken to add to existing data on the ecological value of sites in a number of sites in Sefton.

2. Findings of the studies

- 2.1 This section presents summaries of the key findings from the various studies. The studies themselves will be published in full on the Local Plans website.

None of the studies allocate development sites, nor make any recommendation for a preferred option of the Local Plan. This will be done next summer at the Preferred Option stage [see section five]

Review of Sefton's housing requirement and housing supply.

- 2.2 Independent consultants Nathaniel Lichfield & Partners (NLP) were appointed to update their previous work to derive a housing target for Sefton to replace the current Regional Spatial Strategy Housing figure for the borough.
- The original NLP Study, published in early 2011, provided the housing target that underpinned Core Strategy Option 2 which was consulted on in summer 2011. This has now been updated to reflect the most recent demographic information.
- 2.3 The NLP Study has taken account of a range of demographic and other information including official population and household projections, the latest 2011

Census information, natural change, migration, affordable housing need, and modelled a future housing requirement to 2031.

The most recent NLP work has considered a number of alternative approaches for modelling Sefton's housing requirement. In particular, NLP have undertaken a **baseline assessment** which models the implications of the latest 2010-based population projections from the Office for National Statistics [ONS] which were published in 2012. They have applied those projections to the most recent (2008-based, and published in November 2010) household projections from Communities and Local Government to derive a best estimate for likely household growth for Sefton.

- 2.4 This results in a requirement of 750 dwellings a year over the period to 2031, assuming a baseline vacancy rate in the housing stock of 4.7% for Sefton. This is the figure which they applied in previous work but the vacancy rate for Sefton has now actually reduced to 4.1%. This reduction was due to a number of 'one off' factors, including the demolition of vacant properties in the HMR area, and the re-occupation of a large number of One Vision Housing properties that had previously been vacant whilst undergoing refurbishment. Officers consider there is opportunity to introduce a policy objective of reducing the vacancy rate in the Borough into the Local Plan. This was a priority issue in last summer's consultation. When NLP apply a stock vacancy rate of 4%, this figure reduces to 700 dwellings a year.
- 2.5 The latest ONS 2010-based population projections are informed by assumptions of significant net inward domestic migration of 5,900 migrants over the period to 2031, and 8,760 net inward migrants over the same period from abroad. This is based on ONS' updated means of recording where people move to, mainly from abroad, providing local information at a greater level of detail than before. It shows a much higher figure of inward migration for Sefton than had been recorded previously. However, NLP question the robustness of these projected future migration assumptions and they query whether it is reasonable to assume that the recent higher rate of net inward migration is likely to be sustained in the future.
- 2.6 NLP have therefore recommended a more precautionary approach and, as an **alternative and preferred assessment**, have adjusted downwards the assumptions about the number of people moving into Sefton both from abroad and also from this country. This results in a requirement of 560 dwellings a year over the period to 2031, assuming a stock vacancy rate of 4.7%. However, when they apply a stock vacancy rate of 4%, this figure reduces to 510 dwellings a year over the period to 2031. This latter figure is the basis for a revised Local Plan option 2 which will be assessed as part of a Consequences Study. This figure is very close to the current Regional Spatial Strategy [RSS] housing figure for Sefton of 500 homes a year. [The RSS is due to be abolished in 2013].
- 2.7 This updated figure of 510 is contingent on maintaining this vacancy rate at 4% over the plan period and whilst this is only marginally lower than the current figure of 4.1% it will be a challenge, especially in the context that much is beyond the control of the Council. A 4% vacancy rate is therefore considered to be an achievable target for Sefton that would be just below the current North West average of 4.2%.

Agenda Item 8

Housing supply

- 2.8 The Strategic Housing Land Availability Assessment (SHLAA) makes an assessment of how much land in the urban area is suitable and available for housing development. It provides an assessment of the capacity of the existing settlements to accommodate new housing development.
- 2.9 This study is updated annually to ensure that new sites that emerge are taken into account. We are currently updating the Study from 2011 to a 2012 base-date, and the findings will be available before the end of the year. This work is to ensure that we identify maximum opportunity for new development in the urban areas.

Employment land and premises study

- 2.10 Independent consultants BE Group were commissioned to produce an Employment Land & Premises Study refresh for Sefton. This updates the previous 2008-based Employment Land & Premises Study (also by BE Group) that was jointly produced with Halton, Knowsley and West Lancashire Councils.
- 2.11 The Study has assessed Sefton's future employment land needs to 2031. It has also assessed the quality of our existing development sites and the ability of these sites to meet future business requirements. It has found that Sefton has a comparatively small pool of employment sites relative to other Merseyside districts, and that these sites are of varying quality. A key challenge will be to ensure the delivery of identified development sites, and the remodelling of currently under-used land.
- 2.12 Some of the key findings are as follows:
- There is a total need for 77.28 hectares (ha) of employment land in Sefton to 2031. Only 53.78 ha of this can be developed on brownfield sites in the urban area. This leaves an outstanding requirement for 31 ha of land.
 - The Study recommends that two new business parks are identified in Sefton to meet this requirement (as well as longer term needs) – one in North Sefton, and one in South Sefton.
 - Also, the study recommends that Green Belt land to the rear of Crowland Street, although not suitable for a Business Park, could comprise an industrial estate as an extension to the existing area.
 - Sefton has significantly fewer business development sites than any other Merseyside authority. Sefton's 53.78 ha of development land compares to 157.97 ha in Knowsley, 273.17 in Wirral, 157.97 in Liverpool, and 87.41 in St Helens. There are 49.66 ha of land in neighbouring West Lancashire. Importantly, with the exception of Liverpool and Wirral, each of these authorities has a significantly smaller population than Sefton.
 - Due to the limited supply of employment land, identified 'Primarily Industrial Areas' should be protected from non-employment uses (such as housing) unless wholly exceptional circumstances can be demonstrated.
 - The Study identifies four sites that should be identified as 'key employment sites' to deliver high quality office / industrial development. These sites are:

Southport Business Park, Atlantic Industrial Complex, Senate Business Park, and the former Peerless Refinery site.

- Two sites are identified as being unsuitable for employment uses, and are recommended to be allocated to housing. These sites are the 'People's' and 'Aintree Curve' sites in Bootle, which should be developed for housing.
- Regeneration / remodelling opportunities within existing employment areas (such as at Heysham Road, Netherton) should continue to be explored.

Agricultural land study

2.13 Independent consultants ADAS were appointed to:

- (i) Provide an updated policy context which sets out the issues to be taken into account when decisions about the future of Sefton's agricultural land are made;
- (ii) Update the 1990 analysis of the Sefton rural economy;
- (iii) Detail the benefits arising from Sefton's soil resource, including food production as well as benefits relating to ecosystem services, recreation, amenity, biodiversity, and managing flood risk;
- (iv) Review the extent and coverage of agricultural land quality across Sefton and validate agricultural land classification surveys submitted in connection with the Options consultation in 2011, and make an updated assessment of agricultural land quality of potential development sites in the Green Belt; and
- (v) Assess the impact development would have on agricultural land, the rural economy and jobs.

2.14 This study was commissioned directly as a consequence of the issues raised regarding Sefton's agricultural land in the options consultation last year. In addition, the National Planning Policy Framework states that "LPAs should take into account the economic and other benefits of Best and Most Versatile agricultural land. Where the significant development of agricultural land is demonstrated to be necessary, LPAs should seek to use areas of poorer quality land in preference to higher quality agricultural land".

2.15 The study tells us that there in 2010 there were 60 farm holdings in Sefton occupying an area of about 3,700 hectares. The Study found that agriculture comprises about 82% of Sefton's Green Belt. Within the areas surveyed as part of the Agricultural Land Study, approximately 70% of the agricultural area is farmed as 'general cropping', and 30% as 'lowland grazing livestock' units. Cereals occupy about 40% of the agricultural area. However, the most valuable crop is potatoes due to the much higher than average yields compared to the North West and England, although potatoes only occupies about 5% of the area.

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- 2.16 The following table shows the area of crop proportion in Sefton compared with the North West and England.

Crop production in Sefton, North West and England in 2010

Crop	Area (ha), 2010			Percentage of land used for each crop, 2010		
	Sefton	NW	England	% Sefton	% NW	% England
Cereals	1,440	76,457	2,496,798	57%	68%	64%
Oilseeds	271	5,224	599,675	11%	5%	15%
Potatoes	201	7,722	99,939	8%	7%	3%
Horticulture	172	5,403	104,529	7%	5%	3%
Fallow land	409	4,302	149,316	16%	4%	4%
Other crops	14	14,077	471,810	1%	12%	12%
Total	2,507	113,185	3,922,067	100%	100%	100%

N.B. figures may not add to 100% due to rounding

- 2.17 However, this only represents a very small amount of the total crop production in England as the following table shows:

Crop	Area (ha), 2010			As a proportion of crops in England (%) 2010	
	Sefton	NW	England	% Sefton	% NW
Cereals	1,440	76,457	2,496,798	0.1%	3.1%
Oilseeds	271	5,224	599,675	0.0%	0.9%
Potatoes	201	7,722	99,939	0.2%	7.7%
Horticulture	172	5,403	104,529	0.2%	5.2%
Fallow land	409	4,302	149,316	0.3%	2.9%
Other crops	14	14,077	471,810	0.0%	3.0%
Total	2,507	113,185	3,922,067	0.1%	2.9%

- 2.18 The Study confirms that agricultural land quality in Sefton is higher than the regional and national average. As a result, yields for all crops on Grade 1 and 2 agricultural land is expected to be generally higher than regional and national yields.

Typical yields for key crops in Sefton by agricultural land classification grading (tonnes per hectare)

Agricultural Land Classification	Winter Wheat	Winter Barley	Winter Oilseed Rape	Potatoes
Grade 1	9.3	7.4	4.9	74
Grade 2	8.6	7.4	4.3	62
Grade 3a	7.4	6.2	3.7	49
Grade 3b	6.8	6.2	3.1	49
Grade 4	6.2	5.6	2.5	37
Grade 5	5.6	4.9	2.5	30
<i>England average*</i>	7.8	5.8	3.3	42
<i>NW Average*</i>	5.7	4.8	3.5	<i>Not available</i>

* Figures for wheat, barley and oilseed rape yields are five-year averages (2006-2010; for potatoes, yield data is the five-year average (2005-2009).

- 2.19 Surveys undertaken as part of the Agricultural Land Study confirm that some sites have a lower agricultural land classification grading than previously documented in the provisional maps produced by DEFRA / Natural England (which confirms what many of the detailed studies carried out previously have found), but in some cases, the Provisional maps (produced by DEFRA) under-estimated the grading of agricultural land. Generally, it is land around Ainsdale, Formby and Hightown which have been under-graded on the Provisional maps, and land east of Southport and around Thornton and in Sefton East Parishes that is over-graded. However, the majority of the areas surveyed still contain predominantly best and most versatile agricultural land (i.e. Grades 1, 2 and sub-grade 3a).
- 2.20 If Option 2 or 3 were to be progressed in the Local Plan, a small amount of Sefton's agricultural land would be lost to development. This equates to about 144 hectares or 2.1% of the Green Belt under Option 2, or 226 hectares or 3.4% of the Green Belt under Option 3. The loss of food production in Sefton, even under option 3, would be very small when compared with the North West (0.02 - 0.03% of the agricultural area in the NW) or England (0.003 - 0.006% of the agricultural area in England).
- 2.21 The impact of potential development on individual crops could be between 20% – 50% greater than the regional and national averages because of the higher yields in Sefton. However the overall impact on food production regionally and nationally would still be minute.
- 2.22 The Study concluded the impact of development [on Green Belt land as described here] on economic output and jobs would also be very small. This is shown in the following table:

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Gross margin and employment per ha by farm type in the North West

Farm Type	Associated GVA* £ per ha 2009	Associated Employment per ha*, 2010	Impact on GVA		Impact on employment	
			Option2 (144ha)	Option3 (226ha)	Option2 (144ha)	Option3 (226ha)
General cropping	£829/ha	0.02 jobs/ha	£82k (99 ha)	£129k (156ha)	2.0 jobs	3.0 jobs
Lowland grazing livestock	£550/ha	0.01 jobs/ha	£25k (45 ha)	£39k (70ha)	0.5 jobs	0.7 jobs
All farms**	-	-	£107k	£168k	2.5 FTE	3.7 FTE

* Using Gross Margin as a proxy

**Assumes no specialist horticulture units.

Source: Farm Business Survey (FBS) 2009/10 for the North West Region¹

Strategic Flood Risk Assessment

- 2.23 The main purposes of the Strategic Flood Risk Assessment (SFRA), in line with the National Planning Policy Framework, are to provide the evidence to:
- direct development away from areas at greatest risk of flooding, and manage residual risk, taking into account the impacts of climate change (using the so called 'sequential' and 'exceptions' tests);
 - make sure that any development is safe, does not increase flood risk (from any source) elsewhere, and if possible reduces flood risk overall; and
 - develop appropriate policies for the management of flood risk from all sources within Sefton.

Government advice is that only river and tidal flood risk should affect the location of development sites, but that all flood risk from all sources should be taken into account when looking at the design of development or where exactly it is built within the site.

- 2.24 The 2012 Strategic Flood Risk Assessment (SFRA) [undertaken by Capita Symonds] updates the previous (2009) SFRA, and is nearing completion. The SFRA assesses the risk of flooding from all sources, drawing on the Environment Agency's most up to date information on river and tidal flooding, recent information from the Sefton Surface Water Management Plan (SWMP) on surface water flood risk, and other information on sewer, groundwater, canal and reservoir flood risk (no reservoirs in Sefton, some in Knowsley could affect Sefton). All of these sources of flood risk affect some parts of Sefton. The SFRA also provides further guidance and recommendations for development management and the preparation of the Sefton Local Plan.

- 2.25 River flood risk is important in a number of areas, notably in the areas to the north and east of Formby, and around the River Alt from north of Ince Blundell, through the rural area to the western fringes of Maghull and the northern fringes of Netherton and Aintree. Tidal flood risk is largely managed by the existing defences.

- 2.26 The principal source of flood risk within the borough of Sefton is from surface water flooding, and this is a risk across Sefton. The SWMP identified that approximately 38,000 properties could be at risk in the event of a 1 in 100 year storm with an allowance for climate change. Sewer flooding is considered to be a significant issue across the borough, largely as a result of sewer systems that generally have insufficient capacity to cope with severe rainfall.
- 2.27 Government advice is that it is acceptable to develop sites at risk of surface water flooding, as surface water can and should be managed within the site through use of sustainable drainage systems. It is considered important in Sefton for Local Plan policies to limit surface water run-off rates for both greenfield and brownfield sites; and to make sure both that the development on the site is safe from surface water (as well as other) flood risk and does not increase flood risk elsewhere. Where possible, development should be designed to reduce flood risk overall - for example through provision of additional flood water storage areas.
- 2.28 Although extensive, the direct risk of groundwater flooding to people and property is considered to be relatively low. The risks of canal and reservoir flooding are localised, and also considered to be relatively low. None of these three risks alone would affect the choice of development sites, but as for flood risk from any sources, they may affect the design of development or where exactly it is built within the site.

Ecological study

- 2.29 Specialist consultants carried out ecological surveys for some of Sefton's Local Wildlife Sites (Sites of Local Biological Interest, or SLBIs) in summer 2012.
- 2.30 These provide up to date snapshots of the current habitat value of the sites, and showed that all of the surveyed Local Wildlife Sites retain their habitat importance.
- 2.31 Like international and national wildlife site designations, and priority habitats, the Local Wildlife Sites form part of the core biodiversity area in Liverpool City Region's Ecological Framework.

3. Consequences Study

- 3.1 The results of the aforementioned studies will be critical in formulating the Preferred Options, which is the next stage in preparing Sefton's Local Plan. Counsel has advised that it is important to assess the impact and risks of various options, from an economic, social and environmental perspective on both Sefton and its adjoining authorities. This assessment will effectively be the Consequences Study. Planning Committee were previously informed [25 July 2012] on the need and scope of a Consequences Study. This report updates this and seeks approval of the brief for the study [draft brief provided at Annex 1].
- 3.2 In order to assess an appropriate range of impacts, it is proposed to identify three different levels of housing requirements as the main basis for this work. While providing new homes is only one aspect of the Local Plan, it will have implications for many other parts of the Plan, mainly because of the issues raised by finding suitable land. None of these options currently has specific Council support, but the scope of these levels of housing requirement should demonstrate a wide

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range of effects and help the Council to decide which approach best suits Sefton's needs and aspirations.

- 3.3 In order to take full account of the updated evidence set out above, and to take account of updated Government planning requirements, it will be necessary to formally update the three options that were previously consulted upon. As a reminder, those options were:
Option One: 270 homes a year– 'urban containment' [i.e. meet all development needs within the built-up area without any green belt encroachment]
Option Two: 480 homes a year + a new business park in the north of the Borough – 'meeting identified needs'
Option Three: 650 homes a year + new business park – 'stabilising the Borough's population'.
- 3.4 As stated earlier, the most recent published government demographic and household and Census information now shows that, instead of an overall outward move of population from Sefton, there is now an overall increase in the population moving into the borough. This trend is projected to continue. The 2010 based population projections [published in 2012] suggest Sefton will now experience population growth from 275,000 in 2011 to 286,300 in 2031, a growth of 4.1%.
- 3.5 The revised options are as follows:
Option One: 270 homes a year– 'urban containment' [i.e. meet all development needs within the built-up area]
Option Two: 510 homes a year + a new business park *in both the north and the south of the Borough* – 'meeting identified needs'
Option Three: 700 homes a year + new employment areas both north and south – 'optimistic household growth'
The number of homes for options two and three above are dependent on achieving and maintaining a vacancy rate of 4%.
- 3.6 The brief for the Consequences Study is attached as Annex 1. This would draw on the findings of the studies which have just been completed, together with other Sefton studies, and similar studies for adjoining authorities. The consequences study would have regard to the (updated) three rates of development set out above and will identify the key effects on, and risks to, Sefton of pursuing any of these options.
- 3.7 It is intended that the Consequences Study will be commissioned in January and will be completed by May. The conclusions of this study will help determine the choice of 'preferred option'. Agreeing a 'preferred option' is the next key stage in preparing the Local Plan and will be the subject of a further 12-week consultation in summer 2013.
- 3.8 For completeness, Members are advised that a number of other studies will be commissioned shortly to inform the Local Plan. A refresh of our Strategic Housing Market Assessment will be undertaken to update the evidence we have on the range of housing needs [including affordable housing] that exist in Sefton. We will also be part of a Liverpool City Region group that will commission a sub-regional study of the accommodation needs of Gypsies and Travellers.

4. External review

- 4.1 In addition to the need for up-to-date evidence, a Local Plan must take account of the latest Government guidance and best practice. The Local Planning team is working closely with the national Planning Advisory Service [PAS] to secure advice on key aspects of preparing the Plan.
- 4.2 PAS is offering guidance and comment on the process of preparing the Plan, on key requirements like sustainability appraisal and viability assessment, and of how to develop appropriate approach to consultation which makes sure as many people as possible can contribute to the preparation of the Plan.
- 4.3 The contribution of PAS draws on the experience of authorities elsewhere, advice from CLG, and how Inspectors are assessing other Local Plans. This will ensure that the process of preparing Sefton's Local Plan can benefit from critical external appraisal at key points in preparing the Plan.

5. Local Development Scheme – update

- 5.1 Each Local Authority must maintain a Local Development Scheme which sets out the timetable for the production of its Local Plan. Sefton's current Local Development Scheme has become out-of-date due to the need to update evidence in a number of key areas.
- 5.2 Given the recent completion of many of these studies, and with agreement sought to bring the findings of these studies together in a Consequences Study [see section 3 above], it is now possible to set out the dates of the key stages for the Local Plan to its completion.
- 5.3 These stages are set out below:

Preferred Options Consultation [12 weeks]	July – September 2013
Publication	March 2014
Publication period [6-8 weeks]	March - May 2014
Submission to SoS	June 2014
Pre-hearing meeting	August 2014
Examination	October 2014
Adoption	February 2015

- 5.4 If agreed, this timetable will be used to update the Local Development Scheme and be placed online and made available on request. This will enable local residents and other interested groups to identify periods when they can expect to

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be consulted and make representations. It will also give the Council more certainty in allocating its resources.

BRIEF FOR CONSEQUENCES STUDY

Tender Invitation

Brief for the Appointment of Consultants to Undertake a 'Consequences Study of Sefton's Local Plan Options' for Sefton Council to Inform the Emerging Local Plan Process

1. Background

- 1.1 Sefton Council is seeking to appoint suitably qualified and experienced consultants to undertake a **'Consequences Study of Sefton's Local Plan Options'** for the local authority area of Sefton and for surrounding local authority areas. The purpose of the Study is to advise upon the likely effects in social, demographic and economic terms as to the consequences of the Council adopting the range of options presently under consideration as part of its local plan preparation work. The study will henceforth be known as the **'Consequences Study'**.
- 1.2 The 'Consequences Study' is required to inform the preparation of Sefton's Local Plan in terms of assessing the consequences of pursuing different development options both for Sefton Council and for neighbouring local authorities. In this regard, in part it fulfils the Duty to Co-operate requirement, as set out in the 2011 Localism Act.
- 1.3 The 'Consequences Study' will review and analyse the wide range of background evidence that has been assembled by Sefton Council and neighbouring local authorities (see section 5 and Appendix A for full details of all relevant studies by topic and date).
- 1.4 It is not anticipated that any further original research will need to be undertaken as part of this commission and any findings should be derived from existing studies and evidence and the consultants' best professional judgement. However, if tenderers consider that further research is absolutely necessary because of essential evidence or data gaps etc, they should set out in their tender submission what is required, and why, and what the cost of such work would be.
- 1.5 Given the wide range of topics to be risk assessed and evaluated, it is essential that tenderers consider how they intend to approach the complexity of the work and how they would intend to resource the Study, as well as providing a structure for the final report.

2. Purpose of the Study

- 2.1 The purpose of this study is to comprehensively assess the **key social, economic and environmental consequences** for Sefton Council and for neighbouring authorities of choosing to pursue one of a number of specified Local Plan options [see section 4].
- 2.2 The study should be consistent with current government guidance including the National Planning Policy Framework and best practice advice where available.
- 2.3 The study findings are required to be robust, transparent and capable of defence at subsequent public examinations or other public inquiries.

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3. The Study Area

3.1 In addition to assessing the consequences for Sefton Council the study should also thoroughly assess the implications for Sefton's neighbouring local authorities:

- The Borough of Knowsley
- Liverpool City
- West Lancashire Borough; and
- Wirral Metropolitan Borough
- and any other local authority area which the consultants consider may be affected by the decision Sefton Council might make on any of the proposed options for its Local Plan.

3.2 A plan [to be added] showing the boundary of the borough of Sefton (outlined in red) and how it relates to other authorities in the Liverpool City Region is below.

4. Local Plan Options to be considered

4.1 **[Explanation of the Local Plan Options will be included here. These will include two of the three options consulted on during 2011, and a third based on updated housing and employment requirements and capacities]**

4.2 In addition to the three options which consider the **level** of development in Sefton, the Consequences Study should also assess the potential options for the **location** of development in Sefton. If development is proposed in the Green Belt we will need to determine the most suitable locations. The draft Green Belt Study identified land in the Green Belt which has potential for development. Further work is required to enable us to decide whether some of those sites should be ruled out because of various constraints. This will not form part of the Consequences Study.

4.3 As the draft Green Belt Study identified only a relatively small number of potential sites for development, the choice is limited. Our view is that the only realistic **locational options** are either:

- Sites are chosen by how suitable they are regardless of where they may be. It is likely that this will mean that development will be clustered in the central area of Sefton, concentrated around the Maghull/ Lydiate area; or
- Sites are distributed as much as possible across Sefton to meet local needs, even if this means choosing some sites with more constraints; or
- Or a combination of both

5. Key Components of the 'Consequences Study'

5.1 As indicated above the 'Consequences Study', in undertaking an assessment of the social, economic, and environmental consequences, must at the very least include an appraisal of all the implications set out in this section.

5.2 For the avoidance of doubt it must specifically identify, assess the risks and evaluate the key consequences of each Local Plan option set out in section 4 above i.e. the three options for the level of development, and the two options for the location of development. The tenderers' proposed methodology for undertaking the risk assessment should be outlined in the Expression of Interest.

Social

- (i) Implications for future housing provision (including choice and price) and the related implications for whether meeting housing demand and need across tenures is achievable, including (but not exclusively), for single people, families and the elderly, together with meeting needs for affordable housing and for specialist households.
- (ii) Population and demographic implications for the borough and beyond, including possible future change and the impact on migration
- (iii) Implications for viability and access to local services. This should include an assessment of the impact a changing population would have on local schools, health services, local shopping facilities, public transport, leisure and other Council and local services.

Relevant Background Studies/Evidence

Strategic Housing Market Assessment 2008 [Fordham Research, June 2009]
Housing Needs in Sefton – Further details on the Sefton Strategic Housing Market Assessment 2008 [Fordham Research, August 2010]
Housing Search and Expectations Study [August 2010]
Liverpool City Region Movers Survey [Fordham Research, 2010]
Sefton Movers Additional Analysis [Mott McDonald, February 2010]
The Scope for Affordable Rent in Sefton [Richard Fordham and Company and Fordham Research, November 2011]
Strategic Housing Land Availability Assessment [Sefton, 2010] and Annual Updates
Sefton Older People's Housing Strategy [Peter Fletcher Associates, 2005]
Review of RSS Housing Requirement for Sefton [NLP, March 2011]
Review of RSS Housing Requirement for Sefton [NLP, October 2012]
Housing and Economic Development Evidence – Overview Study [GVA, March 2011]
Housing Technical Paper [Sefton Council, June 2011]
Draft Sefton Infrastructure Plan [Sefton Council, 2011]
Retail Strategy Review and Sefton District, Local Centres and Shopping Parades Study [WYG, 2012]
School Admission Data [Sefton Council, 2012]

Economic

- (i) Impact on the local economy - including the ability to attract new businesses and the retention and growth of existing businesses
- (ii) Implications for jobs created and quality and nature of the labour force, including travel to work implications
- (iii) Council tax/New Homes Bonus consequences
- (iv) Implications for physical infrastructure including opportunities to provide new and enhance existing infrastructure.

Relevant Background Studies/Evidence

Joint Employment Land and Premises Study [BE Group, 2010]
Employment Land and Premises Refresh [BE Group, 2012]
Housing and Economic Development Base – Overview Study [GVA, March 2011]
Sefton Economic Strategy [Sefton Council, 2012]

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Liverpool City Region Transport Plan – LTP3 and Supporting Evidence [Merseytravel, date?]
Draft Sefton Infrastructure Plan [Sefton Council, 2011]
Port Masterplan, 2011

Environmental

- (i) Implications for agricultural land quality, food production and security, and the rural economy.
- (ii) Implications in terms of the potential for loss, enhancement or creation of ecological sites and networks (biodiversity, habitats and species).
- (iii) Traffic and highway congestion implications [linked to travel to work implications – see above]
- (iv) The flood risk implications, in terms of the likely amount of development in Flood Zone 3a or Flood Zone 2, and the magnitude of infrastructure and other costs required to allow this.
- (v) Implications for other environmental assets, including heritage, water resources, landscape, open space.

5.4 For each of the environmental consequences, an assessment of how climate change will impact further on these issues should be provided.

Agricultural Land Study [ADAS, 2011]
Draft Green Belt Study [Sefton, 2011]
Merseyside Ecological Framework [MEAS, 2012]
Sefton East Traffic Modelling Study [Atkins/Mott McDonald, 2012]
Liverpool City Region Transport Plan – LTP3 and Supporting Evidence [Merseytravel, date?]
Sefton Strategic Flood Risk Assessment [2012]
Flood Risk Maps [XXX]
Surface Water Management Plan [XXX]
Draft Urban Greenspace Study [Sefton Council, date]
Green Space Strategy for Sefton [Sefton Council, 2009]

Sub-regional Implications

5.5 In addition to assessing the consequences for Sefton, consultants should also assess the key consequences for our neighbours who make-up the Liverpool City Region. This part of the assessment should concentrate on those issues that are truly sub-regional in nature and where the choice of option will have a demonstrable impact on one or more of our neighbouring authorities. The strategic issues set out in paragraph 156 of the Framework should provide a starting point of the issues that would have cross-boundary implications.

[emerging] Local Plans/Core Strategies of neighbouring authorities
Liverpool City Region Movers Survey [Fordham Research, date]
Housing and Economic Development Evidence – Overview Study [GVA, March 2011]
Latest Strategic Housing Land Availability Assessments, Strategic Housing Market Assessments and Employment Land and Premises Studies of neighbouring authorities

- 5.6 In assessing the sub-regional consequences of Sefton's proposed Local Plan options, consideration should be given to the need for Sefton to comply with the Duty to Cooperate.
- 5.7 To assist in scoring tender submissions, consultants should in their tender document (a) provide a broad indication of the consequences that they perceive as likely to be relevant to neighbouring local authorities and, in general terms, how they would propose to assess them; and (b) provide an outline of how best they would engage neighbouring local authorities in the study.
- 5.8 Consultants should identify which issues, both in respect of Sefton and the sub-region, in their professional opinion are the most critical.

6. Study Output

- 6.1 The outputs of the study will comprise a report (in MS Word format) setting out the study methods, analysis, interpretation and findings, including an executive summary/ key findings at the front of the report.
- 6.2 The final study needs to be both concise and easy to read as it will be read thoroughly by many people with different levels of understanding of the issues. The Study is also likely to be scrutinised by a wide range of stakeholders. The report should therefore be in plain English and technical terms should either be explained as they occur in the report or by using a glossary.
- 6.3 Ten bound paper copies of the final study are also required.
- 6.4 Electronic versions of the final study should be accessible using the Microsoft Office suite of programmes.
- 6.5 Sefton Council uses MapInfo Professional as its principal desktop mapping application. Any geographical information should be provided in MapInfo (.tab) or ESRI Shapefile (.shp) formats.
- 6.6 It is anticipated that a structure of the final report will be provided at an early stage in the consultant's work, to enable feedback upon the proposed format.

7. Information to be provided to the Consultants to Inform the Expressions of Interest Submission

- 7.1 Sefton Council has assembled a wide range of baseline information to inform the study. This list of relevant studies is included in section 5 above; web-links are set out in Appendix A1.
- 7.2 Similarly, neighbouring authorities have also assembled a wide range of baseline evidence. The list of relevant studies is set out in Appendix A2).

8. Timetable for Study Outputs

- 8.1 The appointed consultants will be required to conclude the study in a maximum of 14 weeks following the Inception Meeting, which will define the commencement of the study.
- 8.2 The study has considerable importance and urgency, and there is little scope to vary the overall programme. However, if consultants are of the opinion that this timetable is unrealistic they should

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state why and propose an alternative timetable. The study timetable (i.e. Day 1, Week 1) will commence with the date of the formal Inception Meeting.

8.3 The key study deadlines will be as follows:

- Provision of an initial draft report to be submitted by consultants no later than the end of **Week 7**
- Comments on the initial draft report to be submitted to the consultants no later than the end of **Week 9**.
- Provisional final draft report to be submitted by consultants no later than the end of **Week 11**.
- Comments on the final draft report to be submitted to the consultants no later than the end of **Week 13**
- Report to be finalised and submitted by end of **Week 14**.

9. Essential Requirements

9.1 It is essential that the appointed consultancy is able to demonstrate as far as is practicable:

- (i) a proven track record of undertaking complex risk assessments, similar or related work for local authorities;
- ii) it has adequate specialist staff resources (including sub-contracted work) with relevant experience to undertake this work;
- iii) it has applied a rigorous and considered approach to addressing the requirements of the tender brief;
- iv) that there will be no conflict of interest with other clients who may be advised by the consultancy; and
- iv) that it has an equal opportunities policy in place and a commitment to its implementation, including providing a copy of the consultancy's Equal Opportunities Policy Statement.

Once the appointed consultants have been instructed by the Council, a Contractor Licence must be signed. Under the terms of the Contractor's Licence, the Council will then pass Ordnance Survey and Mapping Services Agreement data to the consultants. The draft agreement will be made available at the Inception Meeting.

10. Expressions of Interest Submissions

10.1 In addition to the requirements set out above, expressions of interest submissions should include the following (with the figures in bracket reflecting the scores to be attributed to each element):

- a) Full details of the consultancy's relevant experience in advising local authorities on similar planning matters. (mark = 25)

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- b) Full details of how the consultancy would propose to address the requirements of this Expressions of Interest invitation (mark= 50)
- c) The names and CVs of the lead consultant and all other staff who will be responsible for undertaking the work, together with a statement of their seniority, skills and experience. (mark= 20)
- d) Full details of any work which is proposed to be sub contracted and to whom (mark will be scored as part of c)
- e) A detailed breakdown of who will actually carry out the work, what time they will attribute to it and when (mark = 25)
- f) Whether you can meet the proposed timetable (see out in paragraphs 8.1 - 8.3 above) or, if not, explain why and set out an alternative timetable
- g) Confirm that there will be no conflict of interest with other clients who may be advised by the consultancy (essential requirement but not scored = pass/fail)
- h) Set out what further information the consultancy would expect the Council to provide at the Inception Meeting (noted but not scored)
- i) The full postal address of the offices from which the consultancy will operate. (noted but not scored)
- j) The anticipated all inclusive fee basis for undertaking this work including all disbursements, and setting out the anticipated time contribution of key staff who will be involved in the study and a scale of day/hourly rates for all those involved. (mark= 80)
- k) The names, addresses and contact details of three local authorities willing to supply references. (essential requirement but not scored = pass/fail)
- l) Full details of professional indemnity insurance. (essential requirement but not scored= pass/fail)

NB All prices quoted should be stated as the price plus VAT at the prevailing rate.

All scoring provisional at this time. 200 points qualitative score = 60% of total score;
80 points price score = 40% of total score

- 10.2 Tenders will be scored on the basis set out in 10.1 above.
- 10.3 Ten paper copies and one electronic copy of the expression of interest tender submission should be submitted.

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11. Informal Discussion

11.1 For an informal discussion about the commission, please contact:

Alan Young
Strategic Planning and Information Manager
Sefton Council
Magdalen House
Trinity Road
Bootle L20 3NJ
0151 934 3551
alan.young@sefton.gov.uk

12. Indicative Study Budget

12.1 The indicative study budget has been set at a maximum of £40,000. If any consultants proposing to tender for this work feel that such an amount is inadequate, they should indicate, as part of their submission, not only how much extra it would cost to complete the commission in full, but also what elements of the commission could not be carried out if the indicative budget of £40,000 is not increased. For comparative purposes, the quotation should be broken down into the cost of carrying out each part of the commission.

13. Application Procedure and Selection Process

13.1 Consultancies wishing to pursue their interest should apply in writing to

Mrs Jane Gowing
Head of Planning Services
Sefton MBC
Ground Floor
Magdalen House
30 Trinity Road
Bootle
Merseyside
L20 3NJ

13.2 Tenders should be submitted in an unmarked envelope except for the title:

'Tender Submission for a Consequences Study'

13.3 Consultancies short-listed will be interviewed during the week commencing XX Month 2013. It is anticipated that the successful consultancy will be notified during early in XX, Month 2013 and will commence their appointment with an Inception Meeting will be arranged soon thereafter (may specify date at a later time).

13.4 In selecting a successful consultancy Sefton Council will take into account all the factors set out in the brief. All tender submissions will be assessed on the basis of both price and quality with 60% of the total score (120 points) being attributed to quality and 40% to price. The Council will not necessarily appoint the lowest cost of any tender submitted. Furthermore, any appointment will be subject to the Council’s standing orders regarding the appointment of consultants, a copy of which is attached as Appendix A

APPENDIX A

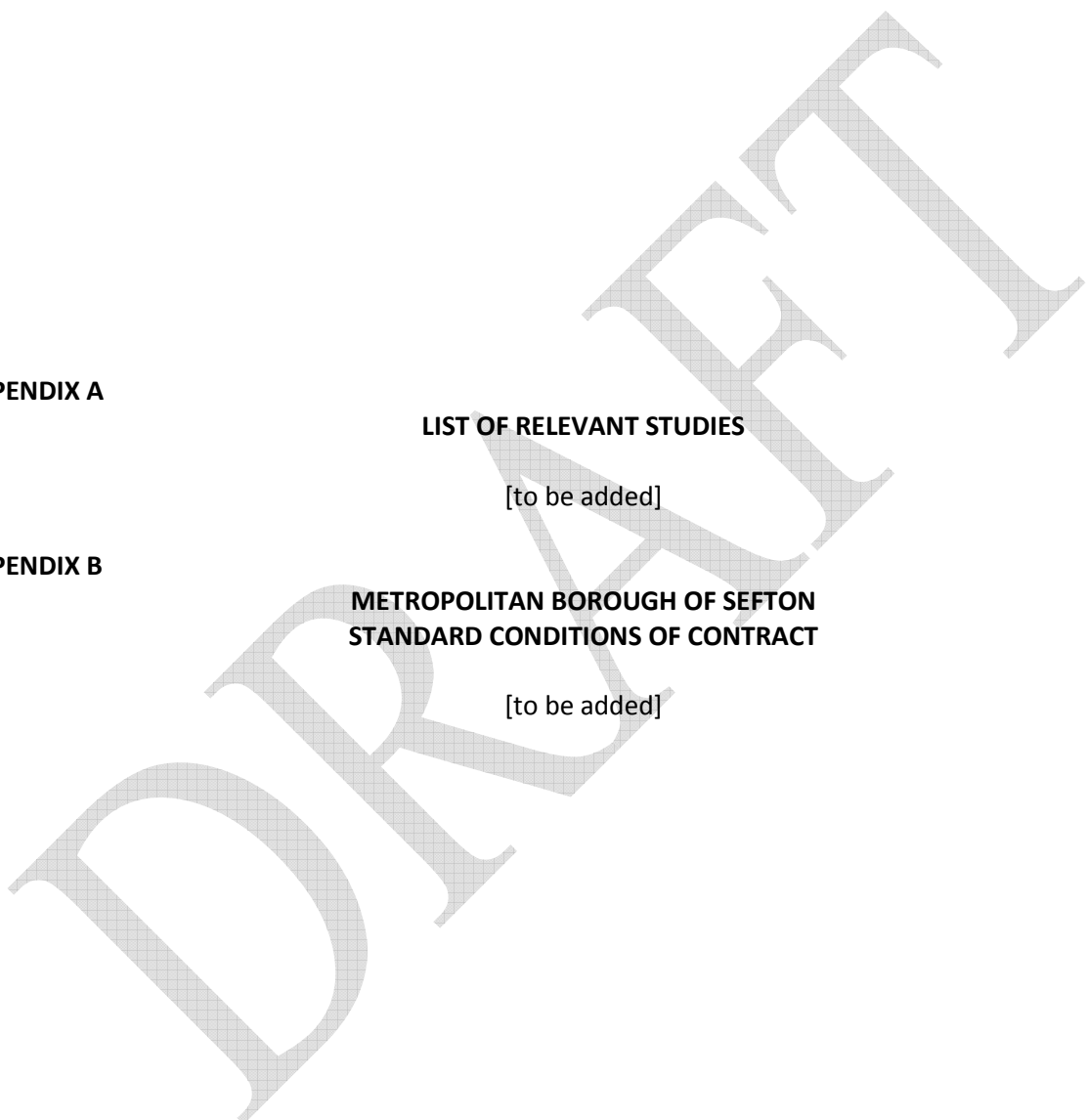
LIST OF RELEVANT STUDIES

[to be added]

APPENDIX B

**METROPOLITAN BOROUGH OF SEFTON
STANDARD CONDITIONS OF CONTRACT**

[to be added]



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Report to: Cabinet

Date of Meeting: 13th December 2012

Subject: Housing Tenancy Strategy

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan?
Yes

Exempt/Confidential

No

Purpose/Summary

To seek approval to a finalised Tenancy Strategy.

Recommendation(s)

Cabinet approves the Tenancy Strategy

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		X	
2	Jobs and Prosperity		X	
3	Environmental Sustainability		X	
4	Health and Well-Being	X		
5	Children and Young People	X		
6	Creating Safe Communities	X		
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy		X	

Reasons for the Recommendation:

Section 150 of the Localism Act 2011, places a statutory duty on local housing authorities to prepare and publish a tenancy strategy, and to have undertaken formal consultations in advance. Finalised Tenancy Strategies are required to have been published by January 2013.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs arising out of the recommendations of this report

(B) Capital Costs

There are no additional costs arising out of the recommendations of this report

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Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal Section 150 of the Localism Act 2011, places a statutory duty on local housing authorities to prepare and publish a tenancy strategy	
Human Resources None	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None; as the Council do not directly manage social housing stock.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1949/12) has been consulted and has no comments on the report.

The Head of Corporate Legal Services (LD1266) has been consulted and any comments have been incorporated into the report.

The results of the formal consultations with housing associations and the public are contained in the report.

Are there any other options available for consideration?

The Council has a duty to prepare a Tenancy Strategy. The only options relate to the contents of that strategy

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet/Cabinet Member Meeting

Contact Officer: Neil Davies,
Service Manager – Housing Strategy and Investment
Investment Programmes and Infrastructure

Tel: 934 4837

Email: neil.davies@sefton.gov.uk

Background Papers:

None

1. Introduction/Background

- 1.1 The Localism Act 2011 received Royal assent in November 2011. This sets out provisions for Housing Tenure reform. Section 150 of the Localism Act 2011, places a new statutory duty on local housing authorities to prepare and publish a tenancy strategy.
- 1.2 Previously, social landlords were only entitled to provide life tenancies to residents. Under the Localism Act 2011, more flexibility will be provided in relation to allocating tenancies for new tenants, including more flexible tenancy agreements such as fixed length tenancies for new social housing tenants. The rights of existing social housing tenants will be protected. These provisions essentially apply to Sefton's Registered Providers of Social Housing (RP's) e.g. One Vision Housing, not Sefton MBC directly. It will be for RP's to determine the type of tenancy it wishes to offer within the legislation, Local Authorities can however offer guidance through their new Tenancy Strategy.
- 1.3 Section 150 Localism Act 2011 now requires local authorities to set out a Tenancy Strategy which provides broad objectives that RP's should have regard to when formulating their own tenancy management policies. Local Authority tenancy strategies should set high level objectives, for example around 'creating and sustaining mixed communities' and 'tackling over-crowding'. It will be for RP's to decide what their own tenancy management policy should be and what types of tenancy they will offer. For the avoidance of doubt, the proposed requirement to have regard to LA tenancy strategies only applies in relation to RP's tenancy management policies, and not to other aspects of their business (such as rent setting).

2. Requirements of a Tenancy Strategy

- 2.1 A local authority in England must prepare and publish a strategy (a 'tenancy strategy') setting out the matters to which the registered providers of social housing in its district are to have regard in formulating policies relating to –
 1. the kinds of tenancy they grant
 2. the circumstances in which they will grant a tenancy of a particular kind
 3. where they grant tenancies for a certain term, the length of the terms
 4. the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- 2.2 Section 151 of the Localism Act 2011 requires that:
 - (1) Before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must—
 - (a) send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and
 - (b) give the private registered provider a reasonable opportunity to comment on those proposals.
 - (2) Before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must also—
 - (a) consult such other persons as the Secretary of State may by regulations prescribe.

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3 Consultations

- 3.1 Significant work and discussion was undertaken with RP's to prepare a draft strategy. This original draft was presented and discussed at the Sefton Housing Partnership meeting in February 2012. Subsequently a small sub-group was established with social landlord partners, in order to review and finalise the draft strategy for consideration and approval by Cabinet Member Regeneration and Tourism in June 2012. This draft strategy formed the basis for the subsequent consultations.
- 3.2 As well as consulting all of the RP's operating in Sefton, we have also consulted those people who are registered on the Council's waiting list, managed by OVH, as they maybe directly affected. The arrangements and methods for the consultation exercise were considered by the Councils Public Engagement & Consultation Panel in July 2012. Letters were sent to every housing association with stock in the borough, and contact was made with over 3,500 waiting list applicants, directing them to take part in the consultation. A survey questionnaire was used to capture views in a consistent way. The results of the consultation exercise are shown in appendices 1, 2 and 3.
- 3.3 There is strong support for the proposals in the Strategy from housing associations. There is strong support from the public for most of the proposals in the strategy. In terms of RPs offering fixed term tenancies of at least 5 years, there is almost a 50:50 split. However, some of the comments suggest that respondents used this question to register opposition to the use of fixed term tenancies.
- 3.4 Among the comments received from both some RPs and the public, there seems to be many who believe that fixed term tenancies should not be renewed where tenants have seriously breached their tenancy conditions. However, Section 4 of the proposed strategy does already state:

Other factors which will inform the decision on granting a new tenancy will include:

The conditions of the tenancy are being maintained

In addition the Strategy already states;

If a tenant defaults on the terms of the fixed-term tenancy (e.g. non-payment of rent, or anti-social behaviour) the R.P. should seek to end the tenancy by way of repossession proceedings. Landlords should not ordinarily use the renewal of a fixed term tenancy to resolve breaches of tenancy. However in those situations where there is a sustained serious breach and possession action is well progressed, the landlord may choose not to renew a fixed term tenancy and there would be no requirement to support the tenant with an offer of alternative accommodation.

Failure to grant a new tenancy at the end of the fixed term, for reasons of tenancy default, should only occur where the R.P. is in a legal position to obtain a repossession warrant.

Officers believe this should be adequate to address the concerns being raised by consultation respondents, and no changes to the proposed strategy are required.

- 3.5 The Strategy will only take on significance if RPs decide they do wish to use the new tenancy freedoms provided by the Localism Act 2011. Members may be interested to learn that in a recent survey of some of the larger Merseyside RPs, only one of the ten who responded indicated that they intend to use fixed term tenancies. Dialogue with Sefton based RPs has revealed little appetite among them to use fixed term tenancies.

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Appendix 1

TENANCY STRATEGY CONSULTATION RESPONSES

6 Housing Associations responded to the consultation.
29 members of the Public responded to the consultation.

Results of the Survey Questionnaire are presented for each Stakeholder Group.

	Question	Responses	
		H.A.s	Public
	The Council's Tenancy Strategy Proposes ...		
1	If housing associations offer fixed term tenancies, they should be for a minimum of 5 years?	YES: 6 (100%) NO: 0	YES: 16 (51%) NO: 15 (49%)
2	If housing associations do choose to offer fixed term tenancies, they should be used where properties are in the greatest affordable housing shortage	YES: 5 (83%) NO: 1 (17%)	YES: 21 (70%) NO: 9 (30%)
3	Fixed Term tenancies should NOT be used where the property is being provided to a vulnerable household	YES: 6 (100%) NO: 0	YES: 25 (86%) NO: 4 (14%)
4	Housing Associations should strike a balance between: (i) Using fixed term tenancies to increase property turnover and availability (ii) Maintaining stable communities or avoiding community instability	YES: 6 (100%) NO: 0	YES: 22 (76%) NO: 7 (24%)
5	That fixed term tenancies should always be renewed in the following situations:- - The household contains children of school age - The household contains a disabled person who has had adaptations made to the home - The household receives some form of housing support or is recognised as being vulnerable - The household remains unable to access market housing	YES: 6 (100%) NO: 0 YES: 6 (100%) NO: 0 YES: 6 (100%) NO: 0 YES: 6 (100%) NO: 0	YES: 25 (89%) NO: 3 (11%) YES: 26 (93%) NO: 2 (7%) YES: 25 (89%) NO: 3 (11%) YES: 26 (90%) NO: 3 (10%)
6	The Strategy recognises there are circumstances where a housing association may choose <u>NOT</u> to renew a fixed term tenancy:- - The household economic circumstances enable them to access market housing AND there is not a reason to retain the household in the locality for	YES: 6 (100%) NO: 0	YES: 19 (70%) NO: 8 (30%)

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	community balance.		
	- Where the household composition has changed such as children have moved away and the remaining household under-occupy	YES: 6 (100%) NO: 0	YES: 16 (59%) NO: 11 (41%)
	- The property has been adapted for someone with a disability, but that person no longer lives in the home	YES: 6 (100%) NO: 0	YES: 22 (81%) NO: 5 (19%)
	- Where a person was granted the tenancy in order to receive support but then subsequently refuse support	YES: 6 (100%) NO: 0	YES: 22 (81%) NO: 5 (19%)
	- Where the property is inappropriate for the household needs i.e. they are not coping in the property	YES: 6 (100%) NO: 0	YES: 25 (89%) NO: 3 (11%)
7	The Strategy recommends that if a housing association does <u>NOT</u> renew a fixed term tenancy, and the tenant is required to relocate, it should help the household find alternative acomodation, except where the tenancy has ended due to a serious breach of tenancy conditions.	YES: 6 (100%) NO: 0	YES: 27 (96%) NO: 1 (4%)

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Appendix 2

Additional Comments made by Housing Associations

Q.2. It should be for the housing association itself to determine where to restrict fixed term tenancies, or have no restrictions if they choose so.

Whilst we agree with the rationale behind the approach we feel that in addition H.A.s should have the flexibility to use fixed term tenancies in all areas where it may be of benefit.

Q.5. Currently we do not intend to operate fixed term tenancies.

Agree that fixed term tenancies should be renewed for these sorts of households, but 'subject to satisfactory conduct of the tenancy'.

Q.6. Fixed term tenancies should not be renewed in cases of serious rent arrears or serious anti-social behaviour.

Fixed term tenancies should not be renewed where there is significant anti-social behaviour being perpetrated by the tenant.

In addition should we include things like A.S.B., rent arrears etc ('satisfactory conduct of tenancy') or would this be assumed?

Q.7. It would be helpful to have further guidance on what help would be expected (i.e. signposting support versus financial support).

Q.4. I'm not sure how a balance could be achieved. There will either be too many fixed term tenancies for L.A.s to stomach or not enough to support the needs of the housing association.

Additional Public comments

Question 1

I'm very undecided on this I just hope if it goes ahead it will make getting a property with the housing a lot easier

I wholly disagree with fixed term tenancy agreements

I believe that fixed term tenancies offer little or no help to new tenants, 5 years is far too short and could cause new tenants distress and a feeling of uncertainty in their new homes, fixed term tenancies should be longer or should be scrapped altogether

Why should the council be considering this....shouldn't be up to the housing associations?

Question 6

(i) Are there other circumstances when you believe fixed term tenancies should be renewed. Please comment.

Good tenants, ie no social or community issues such as noise or damage to property

All circumstances

Single parent households and elderly households.

Where children are within two years of starting school and attend a nursery attached to their prospective primary school.

Elderly, Disabled, People with children.

I believe you've covered all the vulnerable people.

(ii) Are there any circumstances where you believe fixed term tenancies should NOT be renewed?

Anti social behaviour, and criminal activities by any member of the household.

bad tenants, the opposite of above. If children leave the home and are in a permanent relationship then yes. If they go to college/university then no. If the adaptations are minimal then there is no need to not renew. If they are significant, and to remove them would incur cost and there is a disabled person on the waiting list, then yes, don't renew, as long as the tenant is provided with choices for other accommodation

none

where tenants do not look after the property there in

Bad behaviour and disturbing neighbours

When tenants have showed persistent anti-social behaviour which has adversely affected their neighbours.

Drug addicts Alcoholics Trouble makers .

unsocial behaviour deliberately damaging the property failure to pay rent (all subject to appeal)

Sefton Tenancy Strategy

Introduction

Section 1. Why do we need a Tenancy Strategy?

The Localism Act received Royal assent in November 2011. This sets out provisions for Housing Tenure reform. In addition Section 150 of the Localism Act places a statutory duty on local housing authorities, such as Sefton MBC, to prepare and publish a Tenancy Strategy.

DCLG Guidance states:

Social housing tenure reform

Under the previous system social landlords were normally only able to grant lifetime tenancies. Sometimes this meant that people acquire a social home at a moment of crisis in their life, and continue to live there long after their need for it has passed. Meanwhile there are people waiting for a social home who face much more difficult circumstances. This was unfair, and represented a poor use of valuable public resources.

The Government has protected the security and rights of existing social housing tenants, including when they move to another social rented home. However, provisions in the Localism Act allow for more flexible arrangements for people entering social housing in the future. Social landlords will now be able to grant tenancies for a fixed length of time.

The minimum length of tenancy will be two years in exceptional circumstances with five years or more being the norm. There is no upper limit on the length of tenancy. Councils can still offer lifetime tenancies if they wish. More flexible tenancies will allow social landlords to manage their social homes more effectively and fairly, and deliver better results for local communities.

Section 2. Purpose of a Tenancy Strategy?

The aim of a Tenancy Strategy is to advise on a Local Authority's strategic objectives in relation to the housing market and provision in its area.

A Local Authority in England must prepare and publish a strategy (a 'tenancy strategy') setting out the matters to which the registered providers of social housing in its district are to have regard in formulating policies relating to –

1. the kinds of tenancy they grant
2. the circumstances in which they will grant a tenancy of a particular kind
3. where they grant tenancies for a certain term, the length of the terms
4. the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

In considering its strategy Sefton has also had regard to the Sefton Housing Strategy, government policy, and the housing market within the Borough.

Background

Section 3. Sefton Housing Strategy - Aims and Objectives

Sefton's Housing Strategy sets out the following key priorities:

*** Strategic Housing Priority 1**

To provide affordable and sustainable homes in neighbourhoods where people want to live.

*** Strategic Housing Priority 2**

To enable people to live at home independently and improve their health

*** Strategic Housing Priority 3**

To deliver and sustain a balanced housing market

*** Strategic Housing Priority 4**

To ensure equal access to housing and services

The Housing Strategy also places emphasis on;

- 'Increasing the choice of housing within the Borough, particularly new affordable housing'
- 'Reducing concentrated pockets of deprivation'
- 'Support the development of services that maximise equality of access to services'

In addition:

The area of South Sefton has the largest number and concentration of social housing, and much of this area has been within the NewHeartlands Housing Market Renewal Initiative. The Newheartlands mission statement remains a key objective:

NewHeartlands Mission

Stabilise the NewHeartlands area with a diverse range of tenures, house values and household income groups. Every household will have access to a home of a high standard in neighbourhoods with high quality physical environments, which are provided with a range of employment opportunities and good quality health, education and other services.

Section 4. Government Policy

The current government approach, outlined in their housing strategy, is that social housing is there to provide support for people at a time when they need it most. The debate now is no longer about providing enough social housing for those who want it, it is about defining exactly who deserves it, and for how long. Government advice has stated that all social landlords will be required to show how their tenancy plans will provide for and protect the most vulnerable, including families with children.

It is considered that fixed term tenancies will:

- help make best use of (scarce) social housing stock
- help ensure social housing is used by households who continue to need social housing, and cannot access market housing,
- increasing the range of product choices.

The Homes and Communities Agency's **Programme Framework** document goes on to say:

(3.18) '.....local authorities will be required to set out the broad objectives that RP's should have regard to when formulating their own tenancy management policies. LA tenancy strategies will set high level objectives, for example around creating and sustaining mixed communities and tackling over-crowding'.

(3.19) '..... it will be for RP's to decide what their own tenancy management policy should be and what types of tenancy they will offer. For the avoidance of doubt, the

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proposed requirement to have regard to LA tenancy strategies only applies in relation to RP's tenancy management policies, and not to other aspects of providers' business (such as rent setting).'

Section 5. Sefton Housing Market Overview

Current market

Sefton is a diverse Borough for housing, with regeneration required in the south of the Borough centred on the NewHeartlands Housing Market Renewal pathfinder area and affordable housing imperative in Southport to support the local economy.

The North West Plan (Regional Spatial Strategy) suggests that household growth in Sefton should be carefully managed to assist in the growth of the Regional Centre of Liverpool, meeting local market and affordable housing needs and to support inner area regeneration. Owner-occupation in Sefton is higher than the national average. The stock of social rented dwellings is relatively small although has seen a decrease over the past 10 years.

The level of unemployment in the Borough is higher than the national and regional equivalents, although around 42% of employed residents in Sefton work in occupation groups 1 to 3, which are the most skilled job types.

Household growth in Sefton is driven more by population change than by migration. Single (non older) person households are the most likely to move home and older person households are the least likely.

The population of the Borough is projected to decrease over the period 2006-2026, by 1.0%, but the number of households in Sefton is projected to increase by 10.1%. The profile of the population is expected to change substantially, with a large increase in the numbers of those aged 60 and over and a decrease in the number of families with children.

The Strategic Housing Market Assessment suggests that 34,515 of all households in Sefton contain only older people (29.7%), and the number of older people resident in Sefton is projected to increase dramatically over the next 20 years.

It is recognised that the sustainability and stability of an area benefits from having mixed income groups. Assessment by Super Output Area within Sefton reveals a wide range of deprivation levels within the Borough. The areas of highest deprivation are concentrated in the south, particularly within the wards of Linacre, Derby, Litherland, Netherton & Orrell, St Oswald, Ford and Church. There is also an area of high deprivation around the centre of Southport, and a small pocket of high deprivation within the outskirts of Southport.

Therefore diversifying the housing offer may help to diversify the socio-economic mix of households in an area. The Council would intend this Strategy to help toward attracting and retaining economically active households within it's deprived neighbourhoods.

Affordable Housing Need

The results of the 2008 Strategic Housing Market Assessment (SHMA) indicate that the affordable housing need in the Borough as a whole has significantly worsened. The findings suggest that the 5 year requirement has approximately doubled to 11990 dwellings, with Southport requiring 6180 dwellings (just under 52%); Crosby 2005 dwellings; Bootle 1390 dwellings; Maghull/Aintree 855 dwellings; Netherton 795 dwellings and Formby 765 dwellings. Bootle and Netherton together now have a five year requirement for 2185 affordable units, an annual requirement of 437 which is very similar to the 2005 position.

Although the vast majority of this requirement remains (as in previous studies) for social rented housing, the proportion has fallen to 87.5% with intermediate housing (particularly intermediate rents rather than equity-based products) set at an affordability level halfway between social and market rental levels, playing an increasing minor role at 12.5%. The SHMA also indicated that Social rented accommodation should focus on 3 and 4 bed provision.

The Strategic Housing Market Assessment 2008 (SHMA) shows a net need estimate of 2,398 affordable dwellings per year, equivalent to 11,990 dwellings over a five-year period. The net need for affordable housing is greatest in Southport, which has almost 52% of borough needs. It is recommended that 60% of new housing in Sefton should be market housing with 40% affordable i.e. homes provided by registered social landlords for rent, or for shared ownership.

Housing Register and Social Housing Lettings

Sefton's Housing Register had increased from 4,605 in 2001 to 15,132 in 2009. However, a review of the borough housing waiting list has seen the number on the Register reduce to just over 8000 households at April 2012.

The increased demand appears to be due to a combination of factors relating to an increase in house prices and a greater awareness and demand for social housing with the introduction of choice based lettings. In contrast the number of social housing lettings available has faced a year on year reduction from 2,611 in 2001 to 1,645 in 2009, and they have remained at a similar level since.

Using lettings information provided from the Council/One Vision Housing Allocations system from April 2009 to May 2012, the properties which appear in greatest demand include;

- * Southport and Formby; all 2, 3 and 4 bedroom accommodation - houses, flats and bungalows.
- * Crosby and Thornton; all 2, 3 and 4 bedroom accommodation - houses, flats and bungalows.
- * Maghull and Lydiate, Aintree and Meilling; all 3 bedroom houses.
- * Litherland; 2 bedroom bungalows.
- * Waterloo; 2 bedroom properties.

These are the properties and localities in the borough with the greatest affordable housing shortages, and property types with greatest demand.

Sefton Tenancy Strategy

Section 6. Sefton Tenancy Strategy – Key Objectives.

In considering the current housing market in Sefton the key objectives of this Tenancy Strategy are:

1. Assist to make the best use of scarce social housing stock
2. Protect vulnerable households
3. Assist to maintain stable communities, particularly in weaker market areas
4. Assist retain economically active households in deprived areas
5. Respond to local needs
6. Complement other relevant Policies and Strategies

1. The kinds of Tenancies granted

Tenancies granted in Sefton by Registered Providers (RP's) will be of the following forms.

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Assured Tenancy – Their aim is to provide quality and reliable accommodation to households who are unable meet their housing needs through the market. They are, and will be, particularly focused on the more vulnerable members of society. Such tenancies would be offered to tenants regardless of whether the property is let at a social, intermediate or affordable rent level. These lettings will be subject to Local Authority nominations in accordance with the Nominations agreement. Nominations will usually take the form of lettings through the PropertyPoolPlus Choice Based Lettings system.

It is common practice for RP's to offer an **Assured Shorthold Tenancy** for the first twelve months as a **Starter or Probationary tenancy**, and the Local Authority expect this practice to continue.

Secure Tenancies – Some RP's will have tenants with secure tenancies, primarily as a result of stock transfer from the Local Authority. Such tenants will keep the right to retain such tenancies, including when they move to an alternative property with the same RP.

Market Tenancies – These tenancies will usually have Assured Shorthold Tenancy as their legal form. Their aim is to provide quality and reliable accommodation to households who can meet their housing needs through the market and are attracted to registered providers because of the quality and reliability they can offer. Such tenancies will play an important strategic role in meeting a demand and, particularly where introduced into areas undergoing change, in helping foster and sustain mixed communities.

It is envisaged that this form of tenure will be an attractive alternative to households aspiring to buy for the first time but who are having difficulty securing a mortgage in the current economic environment. Market rent lettings will not usually be subject to Local Authority nominations but Registered Providers may choose to make lettings through the PropertyPoolPlus facility.

Flexible Tenancies – These tenancies will usually have **Assured Shorthold Tenancy** [unless an alternative form of tenancy is introduced] as their legal form. Flexible Tenancies last for a limited period and are renewable at the discretion of tenant and landlord at the end of a fixed term. The tenancies will be principally directed at those who are in housing need and there is not a market solution readily available. Such tenancies could be offered to tenants regardless of whether the property is let at a social, intermediate or affordable rent level. These lettings will be subject to Local Authority nominations in accordance with the Nominations agreement. Nominations will usually take the form of lettings through the PropertyPoolPlus facility.

It is recognised that some RP's provide temporary accommodation, such as hostels. In such instances **LICENSES** are often used, and it is expected this practise will continue. The use of short-term, supported housing is considered to be beyond the scope of this Tenancy Strategy.

2. Circumstances in which Tenancy of a particular kind will be granted

Where a property becomes available for letting the registered provider will determine the appropriate form of tenancy and will seek to identify a suitable tenant. In determining the form of the tenancy the RP will take into account:

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- the current mix of households in the locality and the aspiration to create and sustain balanced and mixed communities
- the individual circumstances of the household
- known need and demand for housing in the locality

If flexible tenancies will help meet a greater level of housing needs, they should be given greater consideration in localities in the borough with the greatest affordable housing shortages, and property types with greatest demand. (*Objective 1*)

Property specifically designed and targeted at vulnerable groups should continue to be let as life time tenancies, such as: (*Objective 2*)

- Dedicated housing for older persons
- Supported Housing
- Adapted property for households with a member who has a disability

Lifetime tenancies should also be offered to Vulnerable groups taking up general needs accommodation, who may include: (*Objective 2*)

- Older People with Support Needs, Frail Elderly or Older People with Mental Health Needs/Dementia
- People with Complex Needs
- People with Physical or Sensory Disability
- People with Mental Health Needs
- People with Learning Disability
- Young People at Risk (including Young Offenders)
- Young People Leaving Care
- Teenage Parents
- People with Drug and/or Alcohol support needs
- People at Risk of Offending and Mentally Disordered Offenders
- Single People at Risk of Homelessness
- Rough Sleepers
- Families at Risk of Homelessness
- People at Risk of Domestic Violence
- People with HIV/Aids
- Travellers
- Refugees

There is a balance to be struck between generating greater availability of social housing for those in need, and maintaining stable communities. It would not be desirable to allow a high proportion of fixed term tenancies in any area, if this risks creating an excessive turnover of properties and hence, community instability. (*Objective 3 & 5*).

For clarity, when a property is to be offered with a 'flexible' or 'fixed term' tenancy, it should be clearly identified and advertised as such to an applicant or new household.

3. Lengths of the terms of Flexible Tenancies

The expectation is that tenancies will be for five years with discretion to the RP to let for shorter or longer periods where this is appropriate to the circumstances of the household or property.

The reasons for this approach are:

- it is reasonable in terms of managing the resources involved in reviewing tenancies
- in order to give the tenant a reasonable time of stability to build their life chances for themselves and their possible dependants

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- to allow a reasonable period for tenants to engage in the local area, which is needed for cohesion in communities
- to allow the RP to take into account circumstances of the household or property which might merit a letting of longer than five years

4. The circumstances in which a Registered Providers will grant a further Tenancy on the coming to an end of the existing Tenancy

It is expected that tenant's needs will be sensitively dealt with, and that the criteria for granting a further tenancy may include:

Fixed term tenancies expiring will usually be granted a new tenancy where:

- The household includes children of school age. However, we may need to recognise that children stay with their parents well beyond school age for valid reasons, and these will be considered on an individual basis.
- The household includes a disabled person with adaptations to the home
- The occupant receives some form of housing support or is recognised as being vulnerable in some way
- The household remains unable to access market housing

Other factors which will inform the decision on granting a new tenancy will include:

- The conditions of the tenancy are being maintained
- Where the household is playing an active role in the community
- Where the tenant can demonstrate significant investment in the upkeep of their home

Fixed term tenancies expiring **may not** be granted a new tenancy where the household's circumstances have changed since granting the original tenancy, and for example where:

- The households' economic circumstances enable them to access market housing AND there is not a reason to seek to retain the household in the locality for purposes of community balance
- Where the household composition has changed, such as the children in the household have moved away leaving behind under-occupation of more than 1 bedroom
- Property is adapted for someone with a disability only for that person to no longer be resident there
- Where a person has been granted a property in order to receive support but then refuses to accept that support.
- Where it is identified the property is inappropriate for an individual's needs, i.e. they are not coping in the property or they need more support than is currently being provided.

While it may be expected that a household should be relocated into another property, this may not necessarily be the case where a households' economic circumstances have changed. RP's should consider the current mix of households in the locality and the aspiration to create and sustain balanced and mixed communities, particularly in the deprived areas of the borough. Where it is desirable to retain an economically active household in an area, the RP should explore other options with the household, which may assist them continue to live in their current home/area, but move into an alternative tenure. (*Objective 4*)

Should a household be required to relocate, an alternative tenancy/property should be offered to the household, possibly through a transfer or mutual exchange.

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Where fixed term tenancies come to an end the RP will take responsibility for offering help and assistance to find alternative accommodation for the household. RP's should take account of the households' connections and areas of choice, as far as possible.

No household should be made homeless as a result of the fixed term tenancy ending.

If a tenant defaults on the terms of the fixed-term tenancy (e.g. non-payment of rent, or anti-social behaviour) the R.P. should seek to end the tenancy by way of repossession proceedings. Landlords should not ordinarily use the renewal of a fixed term tenancy to resolve breaches of tenancy. However in those situations where there is a sustained serious breach and possession action is well progressed, the landlord may choose not to renew a fixed term tenancy and there would be no requirement to support the tenant with an offer of alternative accommodation.

Failure to grant a new tenancy at the end of the fixed term, for reasons of tenancy default, should only occur where the R.P. is in a legal position to obtain a repossession warrant.

While the Tenancy Strategy may be a way of helping to tackle under-occupation of social housing, RP's are encouraged to consider utilising other policies and tools (*Objective 6*). Welfare Reform changes may well place financial pressures on social housing tenants who rely on benefits, and who under-occupy their home. To assist such tenants, the new sub-regional choice based lettings policy (Property Pool Plus) offers reasonable priority to under-occupying social housing tenants, to seek smaller accommodation. Likewise RP's should look to develop schemes to assist under-occupying tenants to relocate, where they wish to do so. Similarly the Localism Act introduces some changes to tenancy succession rights. RP's will need to develop policies to ensure any discretionary succession will help ensure the best use of their stock.

Section 7. Monitoring and Review of the Tenancy Strategy

Registered Providers will be expected to provide the Council with annual information about the number of lettings, and nominations it has offered. The Council will also expect RP's to provide information on the types of tenancies offered and taken up, to allow this policy to be monitored.

This tenancy strategy will be reviewed every 3 years. A review may occur sooner than this if there is any significant national, or local, policy change that may impact on this strategy, or a significant change in the Sefton housing market.

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Reasons for the Recommendation(s):

To adopt the Sefton Economic Strategy as Council policy.

What will it cost and how will it be financed?

There are no financial implications as a result of this report.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal None	
Human Resources None	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

The Strategy will help provide an organisational focus for delivering employment and business growth in the Borough

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT Strategy (FD 1835/12) has been consulted and has no comments to make on this report as there are no direct financial consequences as a result of it. The Head of Corporate Legal Services (LD 1153) has also been consulted and any comments on this report have been incorporated into it.

Are there any other options available for consideration?

No.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet/Cabinet Member Meeting

Contact Officer: Andrew Hall
Tel: 0151 934 3604
Email: andrew.hall@sefton.gov.uk

Background Papers:

The following background papers are available through the Council's website

www.sefton.gov.uk/economicstrategy

Sefton Economic Strategy (October Final Version)

Sefton Economic Strategy (Responses Report)

Sefton Economic Strategy (Environmental Impact Analysis)

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Background:

1. Cabinet received a report on 29th March 2012 inviting members to accept a draft Economic Strategy for Sefton and to consult widely on its three main aims:
 - To mitigate the local impact of the recession
 - To reduce the underlying performance gap with the rest of the country
 - To achieve social inclusion through work

2. The report noted the extensive consultation with members, agencies, private sector and neighbouring local authorities that had taken place to produce the draft Strategy, and approved a consultation plan:
 - Document available from Council website on-demand
 - E-mail distribution of Strategy web link to list to 1,000 local businesses
 - E-mail distribution of Strategy web link to list of SCVS members
 - E-mail distribution of Strategy web link to list of Sefton Chamber of Commerce & Federation of Small Business members
 - Set of presentation slides, available for download from Council website
 - Presentation roadshow with lead officer available for events
 - Deposit copies in Sefton libraries

Consultation process

5. The Strategy's Communication and Consultation Plan was approved by the Public Engagement and Consultation Standards Panel. A 12 week consultation period opened on 2nd April.

6. A survey form was sent out to 1,613 individuals and to 80+ organisations who had participated in the Sefton Economic Strategy Stakeholder Workshops.

7. The consultation period closed on 29th June 2012. A total of 49 written responses were received.

8. The responses have been compiled in a Consultation Response report which is available through www.sefton.gov.uk/economicstrategy

9. A full debrief on methods and outcomes of consultation was presented to the Standards Panel on 21st September. In addition an Equalities Impact Analysis has been produced and approved with the support of Sefton CVS, the Equalities Standing Panel also expertise made available through the Business Intelligence and Performance Division.

Summary of consultation findings

10. It is important to start off by saying that the overwhelming majority of respondents accepted and supported the main thrust of the Economic Strategy.
11. They wanted to see an active and purposeful local authority working in partnership with businesses, trainers and colleges, VCF organisations and with the support of the Local Enterprise Partnership and central government to inspire and facilitate growth.
12. While recognising the difficulties and obstacles presented by the liquidity crisis, depressed demand and the need for public deficit reduction and expenditure cuts, the respondents were insistent on the need for a realistic local growth agenda.
13. A number of respondents asked how the higher-level objectives could be translated into realistic growth projects that they could engage with. The Strategy supplied some evidence of where this was happening but did not go far enough.
14. The main focus for respondents was the balance between fostering growth and **developing skills and employability**. Respondents called for a clearer partnership involving the Council, trainers, colleges and growing businesses and sector development bodies. They wanted to see more explicit recognition of the role of FE and HE Colleges and other training providers in equipping working age adults (especially 16-24) with the skills and experience that employers require. This needed to be employer-led, and with explicit mechanisms for harnessing employer demand for skills replacement and recruitment to the supply of those skills.
15. This relationship should start early – respondents wanted to know how the Strategy would support **enterprise and entrepreneurship in schools**, and what Sefton's strategy was for **Apprenticeships** and the transition of young people into the labour market.
16. There was recognition that the wider effects of **public expenditure reduction** have yet to be felt by the general public, and that not all the implications of policy change are yet understood. However, the cumulative and growing impact of **welfare reform** on the working age population was considered to be a significant challenge for both neighbourhoods, the business community and central government.
17. There were concerns about being able to maintain **Southport's** visitor destination offer, and that the Strategy should emphasise the wider **Sefton Coast** offer.
18. Respondents noted the importance of **town centres** to the overall vitality of Sefton, and asked that town centre management and

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renewal, and the need to protect town centre jobs, could be given greater weight.

19. It was requested that more reference is given to the role of **sustainable transport** and to the importance of **transport infrastructure** in supporting the economy. This included Mersey Travel as a stakeholder and the Local Transport Plan.
20. Finally, the close relationship between **housing**, economic activity and prosperity was noted, referring to the role of **Registered Social Landlords** as investors, providing housing choice, local job creation and their work with communities.
21. A fuller account of all the consultation responses and officer comments upon them can be found in the Report of Consultation.

Revising the Economic Strategy

22. About a year has elapsed since the draft Strategy was prepared, and much has changed since then.
23. At some point the document will have to be “frozen” as we move onto the next stage of implementing it. Therefore it is not proposed to maintain the Strategy as a “living document” and to constantly update it with new information.
24. The comments received above have been edited into the final text, and where further work is required that has been noted. But adopting the Strategy should not be delayed until this further work is completed.
25. Cabinet are asked to approve the full Strategy statement which includes the Equalities Impact Analysis as Council policy www.sefton.gov.uk/economicstrategy

Dissemination

26. The full 120 page version of the Strategy remains a valid statement of our perspective and all the reasons for choosing it. However, it is a technical document of limited wider appeal.
27. The main tool for popularising it and communicating the Council’s approach to a wider audience will be a shorter summary with high production values and an emphasis on readability and accessible to a wide variety of audiences.
28. Economy & Tourism will, in conjunction with Corporate Communications, arrange for the publication and dissemination of the summary, using website, mailout and face-to-face events and networks to raise its profile.

Next Steps

29. Taking into account the revisions described above, we can be confident that the broad thrust of the Strategy is soundly based in evidence, and corresponds to stakeholders' considered views on feasible levels of jobs and prosperity given current conditions.
30. The next step is to focus down on the smaller number of key initiatives that translate the Strategy into action. Further reports will be brought to members on the headline opportunities facing Sefton, but they can be briefly summarised as follows:
 - Launch of the new **InvestSefton Business Support** programme and **Stepclever Legacy Fund** this autumn
 - Commencement of the £35m **Mersey Channel Dredge Project**, and the job & supply opportunities associated with the parallel construction of **Liverpool 2 river berth** at Seaforth
 - Studies and plans for receiving port-centric logistic and port-related investment in the "**L5**" zone
 - Advanced planning and procurement of up to £40m of superfast **broadband provision** for "white areas" without internet access in Sefton and across Merseyside
 - Completion/extension of **REECH**, investment in decentralised **energy generation** in the Port estate, and the development of plans for the **Green Deal**, a major national programme of investment in energy efficiency and renewable energy
 - Exploring the potential of a **Business Improvement District** for Southport town centre and seafront, and developing a **Destination Management Organisation** dedicated to the town
 - A regeneration prospectus for **south Sefton**, connecting port, energy and digital investment in Bootle, Seaforth and Netherton in an exciting and dynamic economic cluster for the future
 - A regeneration prospectus for **Southport**, connecting seafront assets, new cultural attractions in the town centre, and edge-of-town development at Kew and the Commerce Park, refreshing and stimulating a diverse and resilient economic base
 - Job and training opportunities created by all of the above will be identified, captured and concentrated by a renewed **employment and skills partnership for Sefton**, that offers entry to employment for the working-age population, pathways to employability for those with multiple disadvantages, and a substantial engagement with the learning and development needs of Sefton's 7,500 businesses.

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Report to: Cabinet **Date of Meeting:** 13th December 2012

Subject: Commissioning options for Healthwatch and the Independent Complaints Advocacy Service

Report of: Director of Older People. **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

To enable Cabinet to determine the approach to be taken in commissioning a local Sefton Healthwatch, to commence on 1st April 2013, and the Independent Complaints Advocacy Service, the commissioning and contract monitoring of which Local Authorities have responsibility for from 1st April 2013.

Recommendation(s)

That Cabinet:

- (1) Note the indicative funding allocations published by government for these services and the commissioning options identified within the report; and
- (2) Approve the recommendations, at paragraphs 28 and 44 of the report, for the commissioning of Healthwatch and the Independent Complaints Advocacy service.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Jobs and Prosperity	√		
3	Environmental Sustainability		√	
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities	√		
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

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Reasons for the Recommendation:

Section 182 of the Health and Social Care Act 2012 imposes a duty on the Council to make contractual arrangements with a Local Healthwatch organisation for the involvement of local people in the commissioning, provision and scrutiny of health and social services.

Section 185 of the Health and Social Care Act 2012 transfers from the government to local authorities the duty to make arrangements for the provision of independent advocacy services for complaints relating to health services.

What will it cost and how will it be financed?

(A) Revenue Costs:

The proposed costs for Setting up a Local Sefton Healthwatch is £143,281 PA plus a one-off start-up grant (£19,996 non-recurring). Guidance from DH advises that Healthwatch should be funded from existing LINK (Local Involvement Network) budget (£91,050) together with additional new funding to be made available from April 2013. Indicative allocations have been provided and indicate an additional sum of £84,765 will be received by the Council for this purpose. Actual allocations will not be known until local government grant settlement figures are received in December

The Proposed cost for the Independent Complaints advocacy service is:

£50,011 for the year 2013/14 reducing to £46,601 for the year 2014/15. Again indicative allocations have been provided and indicate a sum of £90,626 will be received for this purpose. Actual allocations will not be known until local government grant settlement figures are received in December

(B) Capital Costs:

N/A

Implications:

Legal

Section 182 of the Health and Social Care Act 2012 imposes a duty on the Council to make contractual arrangements with a Local Healthwatch organisation for the involvement of local people in the commissioning, provision and scrutiny of health and social services. Section 185 of the Health and Social Care Act 2012 transfers from the government to local authorities the duty to make arrangements for the provision of independent advocacy services for complaints relating to health services

Equality

- | | |
|---|-------------------------------------|
| 1. No Equality Implication | <input checked="" type="checkbox"/> |
| 2. Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery:

This report is to enable Cabinet to determine the approach to be taken in commissioning a local Sefton Healthwatch and the Independent Complaints Advocacy Service (ICAS). The report presents a number of options for each. Any implications for the new services or for the services they will replace are identified within each option.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and any comments have been incorporated into the report (FD 1832).

Head of Corporate Legal Services (LD1150/2012) has been consulted and any comments have been incorporated into the report.

Consultations have also taken place with:

- Present Sefton LINK members and their host Sefton CVS via bi-monthly steering group meetings (2011/12)
- Sefton Strategic Integrated Commissioning Group (August 2012)
- Sefton Shadow Health and Well-being Board (September 2012)
- Sefton Health and Social Care Forum (September 2012)
- The South-Sefton and Southport & Formby Clinical Commissioning groups (September 2012)
- Sefton MBC People's Directorate People's Leadership Team (August 2012)
- North West lead officers for Healthwatch implementation group (Quarterly meetings from 2011/12)
- Merseyside & Cheshire Commissioning officers (2011/2012)
- Department of Health Policy Officers (June 2012)
- The Local Government Association (July 2012)
- Sefton Citizens via e-consult and Sefton LINK website from September 2012/ December 2012

Are there any other options available for consideration?

The options are contained within this report.

Implementation Date for the Decision

Healthwatch and the Independent Complaints Advocacy Service must commence by 1st April 2013. Local Involvement Networks will discontinue from 31st March 2013.

Contact Officers:

Peter Moore	Head of Commissioning & Partnerships.	0151 934 3730,
Margaret Milne	Service Manager Commissioning.	0151 934 3614.

Background Papers:

None

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Background

1. The Health and Social Care Act 2012 amends the Local Government and Public Involvement in Health Act 2007 to make provisions for a Local Healthwatch as the consumer champion for health and social care services. Responsibility for commissioning this new service to replace the Local Involvement Networks (LINKs) from 1st April 2013 sits with Local Authorities. Local Authorities also have the responsibility to commission a Local Independent Complaints Advocacy Service which was previously commissioned by NHS. ⁽¹⁾
2. The purpose of this report is to enable Cabinet to consider the various commissioning options for a Local Sefton Healthwatch and Independent Complaints Advocacy service and officers' recommendations which reflect the views of the various stakeholders who have been consulted during the last year whilst LINKs have been preparing for the transition process for the implementation of Local Healthwatch.

Financial Implication - Healthwatch

3. A grant has been made available to Local Authorities in the 2012/13 to fund set-up costs for local Healthwatch, the Sefton allocation was £19,996. There will be additional financial resources made available for the years 2013/14 and 2014/15, the indicative amount for Sefton is £73,050 per annum for Healthwatch (This is in addition to the current amount included in the PSS Adult Social Care grant for LINKs.) ⁽⁹⁾
4. From 2008 the indicative budget from the DH for the running cost for Sefton Local Involvement Networks was £172, 000. per annum ⁽¹⁵⁾. The present running cost for Sefton LINK is £91,500 per annum. LINKs will cease from March 2013 but the guidance from DH advises that Healthwatch should be funded within the funding previously allocated for LINKs ⁽¹⁾ and the additional new funding which will be made available from April 2013 until March 2015.
5. The proposed costs for the running of a Sefton Healthwatch contained within the report are £143,281 per annum for the financial years 2013/14 and 2014/15 with a one off allocation of £19,996 set-up costs.

Financial Implications - Independent Complaints Advocacy Service

6. There will be funding made available to Local Authorities for the financial years 2013/14 and 2014/15 for the funding for the Independent Complaints Advocacy Service, the indicative amount for Sefton is £90,626 per annum ⁽⁸⁾.
7. The proposed costs for the service contained in the report is £50,011 for 2013/14 and £46,601 for 2014/15.

The Role of Healthwatch

8. The Department of Health has stated that "Local Healthwatch will make a positive contribution to the successful local achievement set out in national frameworks for the NHS, primary care, adult social care and public health. Particular attention will be paid to:

- Improved patient and user experience
 - Signposting the public to appropriate health and social care services
 - Improved communication
 - Improved satisfaction with health in Sefton
 - Greater patient and public involvement in health and social care
 - Stronger relationships with commissioners and health and well being boards
 - Improved access to services
 - Improving the understanding for people of their rights (consumer champion)
 - High public awareness/raised profile of local Healthwatch
 - Positive image, building trust between the public and Healthwatch” ⁽³⁾
9. Healthwatch will be encouraged to find creative solutions to achieving these outcomes and fulfilling its core functions. Performance will be judged on the following measures (n.b. this list is not exhaustive and may expand once the final regulations are issued in November this year) ⁽¹⁵⁾
- Numbers of members or community champions
 - Response rates to consultations
 - Joint work with other Healthwatch organisations in surrounding Boroughs
 - Supervision of volunteers
 - Follow up work with “enter and views”
10. The work plan for Healthwatch will be based upon the Joint Strategic Needs Assessment (JSNA). Local Healthwatch will have a statutory seat on local Health and Wellbeing Boards and use this position to promote the patient and public voice in commissioning and scrutiny. The responsibility of the Local Healthwatch representative on the Health and Wellbeing Board is significant. This person will be responsible for representing the diverse views of the wider population and must be supported by the rest of the organisation and its partners. The local Healthwatch representative should therefore have sufficient ⁽³⁾ access to expertise and service user experience. ⁽³⁾
11. Local Healthwatch will need to work with CCGs to integrate local people’s views into commissioning practices. Local Healthwatch may also work with CCG representatives on the Health and Wellbeing Board and may also have CCGs representatives on its own boards. Local Healthwatch representatives may also sit on CCG Boards and be non-voting members. ⁽³⁾

The Roles of Healthwatch England and the Care Quality Commission.

12. Healthwatch England has now been established. Healthwatch England will be a member of the Care Quality Commission (CQC). Under the Health and Social Care Act 2012, Local Healthwatch is required to make the views of local people known to Healthwatch England to make recommendations to them and to the CQC on special reviews or investigations to conduct where appropriate.
13. Healthwatch England will be required to provide Local Healthwatch with advice and assistance in carrying out its core functions. It will share best practice with Local Healthwatch organisations in an effort to create consistency across the country. Healthwatch England will escalate concerns raised by Local Healthwatch to the

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CQC, the Secretary of State, the NHS Commissioning board and NHS & Local Authority commissioners who are required to respond to its reports and recommendations. ⁽⁸⁾

Establishing Local Healthwatch.

14. Government guidance states that it will be up to local authorities to decide how they commission and fund local Healthwatch and that this may include grant-aid funding. There is no automatic requirement to use the EU tender process but each case should be considered on its merits. The Government has made clear that while the final decision about what each local Healthwatch will look like is for the local authority, this decision should be made with the local community stakeholders and the existing LINK, this underlines the principles of good commissioning based on active engagement to understand local need. ⁽⁴⁾
15. Under the Health & Social Care Act 2012 the Local Authority must make its local Healthwatch arrangements with a body Corporate which:
 - Is a social enterprise and
 - Satisfies any additional criteria prescribed by regulation (secondary legislation).

In this context a social enterprise is defined as an organisation that acts for the benefit of a community or section of a community in England. ⁽⁴⁾

Commissioning options for a Local Healthwatch model in Sefton

Option 1: An organisation is commissioned to work with volunteers as independent collaborators. The contracted organisation is required to work with member volunteers from the (then) former Local Involvement Networks.

Advantages

16. A tender exercise could provide a range of voluntary organisations the opportunity to demonstrate business cases for establishing a Local Healthwatch service.

Disadvantages

17. This could be a lengthy process and as there is no guarantee of funding beyond 2014, one which may be viewed as a challenge to many organisations in the current economic climate.
18. There could be a lack of continuity of the work of the present Sefton LINK volunteers and the host organisation Sefton CVS who have developed local knowledge via the networks and tasks that have been undertaken in partnership with statutory organisations. (For example the work of the Sefton LINK Community Champions and their recent patient engagement work undertaken as part of the JSNA).

Option 2: The Local Authority establishes and commissions a new social enterprise to deliver local Healthwatch.

Advantages

19. Council's such as Staffordshire Council have taken this option via their Communities Division. This was established prior to 2009 in response to the publication of the report into the failings at the Mid-Staffordshire NHS Foundation Trust. Reports indicate that this has been considered a popular option for a large area such as a Shire County and Staffordshire have reported that they expect this model to be re-branded from 2013 as their Local Healthwatch. (6)

Disadvantages

20. This model may take considerable time and resources to set up and may not be viewed as being independent and objective as it would be Council owned.

Option 3: A transitional host is commissioned to help set up Local Healthwatch as a social enterprise which could be a trading arm of the host organisation

Advantages

21. There are a number of advantages to this option: including the continuity of the work undertaken by the Sefton LINK; the retention of local knowledge and networks established by Sefton CVS and retention of committed experienced volunteers. Sefton CVS have submitted a proposal to set up a Local Healthwatch as a subsidiary company limited by guarantee under the auspice of Sefton Council for Voluntary Services which is a registered charity. Sefton CVS have been advised by Charity Legal experts, Brabners of Chaffe St LLP, of the viability of this model. Sefton CVS have already established and facilitated a range of community empowerment networks including:

- Ability (Disability networks)
- Children, Young People & Families Network
- Embrace (LGB Network)
- Equal Voice (BME Groups)
- Fawcett Society Sefton
- Mental Health Forum
- Network South
- Police and Crime Commissioners network
- Sefton Access Forum
- Sefton Faith Communities Network
- Southport & Formby Forum
- The Health & Social Care Forum

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22. The structure and inter-dependencies for the proposal submitted by CVS are provided in Appendix 1. The costs can be summarised as follows:

<u>Description</u>	<u>Cost</u>
Staffing Costs	£107,981
Other Costs	£35,300
TOTAL COST	£143,281

23. In addition to the above, it is proposed to make a one-off contingency payment of £16,050, for the period 2013-2015, this will be provided to fund marketing & Publicity, re-branding and events promoting the new Sefton Healthwatch and funded from the Healthwatch Start-up grant.

Disadvantages

24. The changes in the statutory responsibilities that will be required from Healthwatch may require a different skill set from board members which may or may not be those held by present volunteers. This can be overcome by developing new job descriptions and person specifications in accordance with further guidance expected from the LGA later this year.

Option 4: An Umbrella organisation is commissioned that oversees a range of providers who carry out the functions of Local Healthwatch. The responsibilities of sub-contractors may cover a specific function or a specific geographical area.

Advantages

25. Shared costs of back office functions across a Merseyside footprint could potentially provide economies of scale.

Disadvantages

26. Accessibility and location could prove problematic for existing volunteers thus increasing the risk of loss of the current expertise of current LINK members. (7)
27. Feedback from other Merseyside and North West Authorities has indicated that their own LINK members wish to have a local identity for their individual Local Healthwatch.

Recommendation

28. It is proposed that Cabinet consider Option 3 “*A transitional host is commissioned to help set up Local Healthwatch as a social enterprise which could be a trading arm of the host organisation*”, to be the most favourable option. Sefton CVS have the infrastructure and expertise to support this model to maintain a seamless transition from LINK into Healthwatch. Local Authorities have the option to use a tender waiver to grant fund an existing or new organisation to deliver Healthwatch and Members are recommended to approve this course of action.

Independent Complaints Advocacy Service

29. Section 185 of the Health & Social Care Act transfers a duty to commission independent complaints advocacy services from the Secretary Of State to individual Local Authorities. This transfer will take place on 1st April 2013. Whilst the funding to be made available is not ring-fenced and Local Authorities have a duty to ensure that local complaints advocacy operates effectively providing value for money, lack of a sufficient level of funding could jeopardise the quality of the delivery of this service.
30. The Government's Localism agenda supports the shifting of the commissioning of NHS complaints independent advocacy services from central government to Local Authorities as it feels that Local Authorities are better placed to determine what services are appropriate to be arranged for their local area and giving them responsibility for arranging them.
31. Independent advocacy services are services assisting persons making or intending to make complaints in relation to the provision of NHS services or the exercise of certain NHS bodies. They cover complaints made under:
 - Procedures operated by certain NHS bodies or providers of services
 - Section 113 (1) and (2) of the Health and Social (Community Health and Standards Act 2003)
32. NHS Complaints to the Health Service Commissioner in England or the Public Service Ombudsman in Wales are also covered. (9)

Current Service Provision

33. Independent complaints advocacy is currently provided on a national basis by the Independent Complaints Advocacy Service (ICAS). ICAS is a patient centred service, delivering support ranging from provision of self-help information, through to the assignment of dedicated advocates to assist individuals with letter writing, form filling and attendance at meetings. ICAS aims to ensure complainants have access to the support they need to articulate their concerns and navigate the complaints system.
 - ICAS staff use advocacy skills to provide practical support and direction to clients, in order to assist them in finding a resolution to their complaint.
 - ICAS's relationship with the client focuses on contact at each of the following points or activities in the NHS complaints procedure, those being:
 - Identifying what the available options and possible outcomes are, and deciding which option to take;
 - Making the complaint to the appropriate Trust(s);
 - Deciding how to proceed with the complaint, following the Trusts initial response;
 - Supporting clients during the local resolution phase by attending meetings or entering into correspondence;
 - Making a complaint to the Healthcare Commission;
 - Supporting the Independent Review stage by attending meetings or entering into correspondence;
 - Making a complaint to the Health Service Ombudsman;

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- Understanding the Health Service Ombudsman’s final decision.
34. ICAS will also support clients with a grievance related to any aspect of healthcare that falls under the jurisdiction of the Health Service Ombudsman, such as complaints about poor treatment or service provided through the NHS in England. Whilst ICAS does not provide on-going advocacy for clients outside of the health related complaint, ICAS will suggest appropriate referrals for clients who require alternative, additional or specialist support, including referrals to PALS, professional bodies such as the GMC, and to specialist support such as medico-legal advice, bereavement support, mental health support, etc.
 35. The specification for the current service has been published by The Department of Health. There are currently three ICAS providers for England, The Carers Federation, POhWER and SEAP. The present provider in the North West, The Carers Federation Ltd also covers the East Midlands and the North East.
 36. DH and the LGA produced a fact sheet “*Healthwatch fact sheet - Independent complaints advocacy service*” outlining the indicative amounts for funding independent complaints advocacy for each Council. The amount shown for Sefton is £90,626. Like the Healthwatch funding this is not ring-fenced and Local Authorities have a duty to ensure best value to the local community.
 37. From 1st April 2013 the new ICAS service will be accountable to Local Authority commissioners; Local Healthwatch; Overview and Scrutiny and The Care Quality Commission.

Complaints Advocacy Data for Sefton Metropolitan Borough Council - April 1st 2011 to March 31st 2012

38. The Table below shows the volume of complaints taken through the present provider of the Complaints Advocacy service.

Table 1 Volume of Activity and 'Exports' Quantity	
Enquiries Received	699
Information Downloaded from Carers Federation Website	1949
Direct Advocacy Cases for residents of the local authority area *	37
% of residents' cases where the case refers to a health service in another area	35%
Prison Health Cases for residents of the local authority area	0
* This compares to 109 cases for the Liverpool Authority, 37 for the Knowsley Authority, and 15 cases for the Halton Authority.	

Commissioning options for Independent Complaints Advocacy in Sefton

Option 1: Local Authorities can commission Local Healthwatch to provide this service in addition to the Local Healthwatch functions

Advantages

39. Independent Complaints advocacy would have a local presence to work within Local Healthwatch.

Disadvantages

40. Feedback from Sefton LINK members and other Merseyside LINK members indicate that this type of advocacy is specialist and needs to be provided by experienced appropriately qualified advocates with the relevant expertise of dealing with formal Complaints against health services.
41. There could be TUPE implications for staff who currently work for the present provider of this service.

Option 2: Local Councils can collectively commission this service on a regional footprint.

Advantages

42. There are considerable economies of scale in considering this option. Furthermore the continuity of this service will ensure consistent standards of advocacy practice and support across boundaries. Local commissioners have worked in partnership to develop a specification and a predicted budget to provide this service. The table below indicates that last year there were a relatively low number of cases of formal health complaints supported through the present provider Carers Federation who are commissioned by the NHS.

<u>Description</u>	<u>Annual Cost</u> <u>2013/14</u>	<u>Annual Cost</u> <u>2014/15</u>	
Salaries	£310,000	£310,000	1 FTE manager @ £40,000 and 9 FTE Advocates @ £30,000 (inc on costs)
Overhead costs	£100,000	£100,000	
Start up costs	30,000	Nil	
Total	£440,000	£410,000	

Agenda Item 11

<u>Authority</u>	<u>Population</u>	<u>1st year cost</u>	<u>Subsequent annual cost</u>
Knowsley	145,900	£26,650	£24,832
Liverpool	466,400	£85,191	£79,382
Sefton	273,800	£50,011	£46,601
St Helens	175,300	£32,020	£29,837
Wirral	319,800	£58,413	£54,431
Cheshire East	370,100	£67,601	£62,992
Cheshire West & Chester	329,600	£60,203	£56,099
Halton	125,800	£22,978	£21,411
Warrington	202,200	£36,933	£34,415
Total	2,408,900	£440,000	£410,000

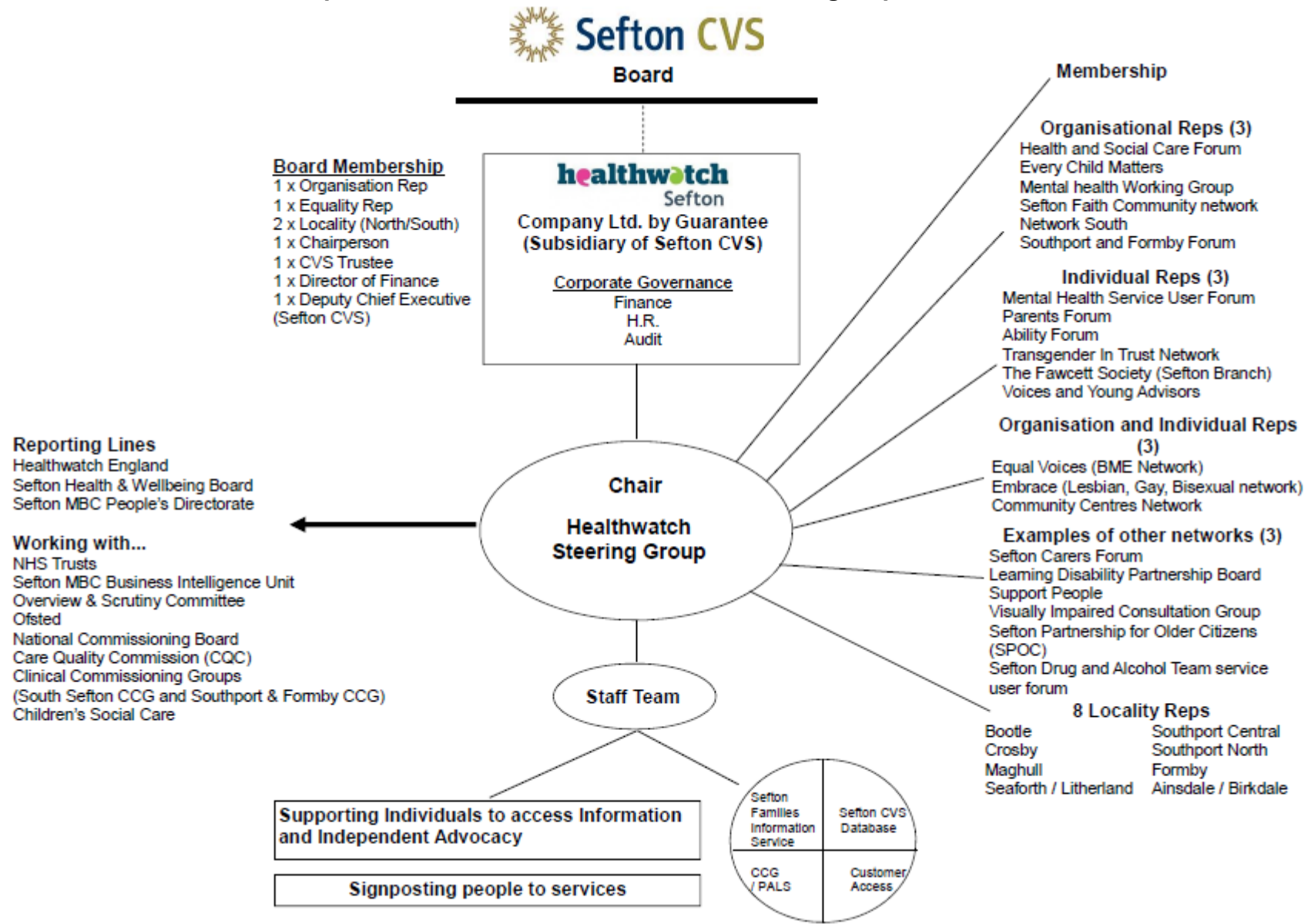
Disadvantages

43. There may not be a local presence should an organisation outside the borough of Sefton be the successful bidder for the service. The service should however be promoted via Local Healthwatch and an expectation that advocates will, where required, provide outreach services.

Recommendation

44. It is proposed that Cabinet consider Option 2 the most favourable option. A new service specification is in draft and Liverpool City Council Commissioners have offered the services of their procurement team to run the tender on behalf of the neighbouring authorities. Each Authority will be given the opportunity to be part of the panel that will interview the organisations who are invited to tender following successful PQQ's. Members are recommended to approve this course of action, with Liverpool City Council leading the procurement exercise and Sefton Council being represented on the selection panel.

Appendix 1 - Structure and Inter-dependencies of Healthwatch delivered through Option 3



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Agenda Item 12

Report to: Cabinet Council	Date of Meeting: 13 December 2012 24 January 2012
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Subject: Capital Maintenance Grant 2012/13 - Additional Schemes

Report of: Director of Young People & Families	Wards Affected: Blundellsands, Litherland, Manor, Park, Ravenmeols & St Oswald
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Is this a Key Decision? No **Is it included in the Forward Plan?** No

Exempt/Confidential? No

Purpose/Summary

The purpose of this report is to seek approval to the increase in Children's Services Capital funding provision in order to proceed with the schemes detailed in this report.

Recommendation(s)

Cabinet is recommended to:-

- Approve the allocation of £536,250 to the proposed schemes to be funded from Capital Maintenance Grant which is included within the Capital Programme 2012/13;
- Authorise the Director of Young People and Families to progress the projects in conjunction with Capita Symonds;
- Recommend Council to approve the addition of the identified schemes totalling £536,250 into the Capital Programme.

Council is recommended to:-

- Agree to the Cabinet recommendation to include the schemes identified in this report, at a cost of £536,250, into the 2012/13 Capital Programme.

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How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People	✓		
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

The recommendation is made in accordance with the Authority's constitution.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no revenue implications.

(B) Capital Costs

All funding for the proposed schemes is from the Capital Maintenance Grant and consists of the remaining unallocated balance of funding from the 2012/13 Department for Education Capital allocation.

Implications:

The following implications of the proposals have been considered and where there are specific implications, these are set out below:

Legal

Final approval for new projects within the Capital Programme is required from Cabinet and Full Council under Paragraph 31 of Chapter 11 of the Constitution.

Human Resources

N/A

Equality

- | | | |
|----|--|-------------------------------------|
| 1. | No Equality Implication | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery:

It is not anticipated that the additional works will lead to any impact upon services.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT Strategy (FD 1948/12) has been consulted and would confirm the balance of unallocated Capital allocations is as stated in the report (£536,250).

The Head of Corporate Legal Services (LD 1265/12) has been consulted and has incorporated changes to Legal implications.

Are there any other options available for consideration?

Not applicable.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

Contact Officer: Ivan Guy
Tel: 0151 934 3429
Email: Ivan.Guy@sefton.gov.uk

Background Papers:

There are no background papers available for inspection.

Agenda Item 12

Capital Maintenance Grant 2012-13: Additional Schemes

1. Introduction/Background

- 1.1 A Government Capital Grant allocation totalling £3,198,000 was received in 2012/13 in respect of Children's Services. This comprised Basic Need Grant (£781,000) and Capital Maintenance Grant (£2,417,000).
- 1.2 Subsequently Cabinet and Full Council, at the meetings held on 24 May 2012 and 5 July 2012 respectively, considered a report of the Head of Corporate Finance and ICT and approved an interim allocation of £2,661,750 to meet Children's Services existing commitments and urgent requirements.
- 1.3 The £536,250 funding balance remains available and Members are asked to consider the recommendations within this report and approve the allocation of the funding balance in order to meet Children's Services outstanding priority requirements.

2.0 Proposals

2.1 Lydiate Primary School

The heating pipework at this school is in poor condition and is prone to leaks. When a leak occurs repairs can not be remedied quickly due to the presence of asbestos within the ducts. It is therefore necessary to adopt a planned approach from the removal of the asbestos and replacement of the heating pipework.

- 2.2 Funding of £57,000 was provided within the 2012/13 approved new starts programme to carry out the most urgent elements of these planned works. However, during these works and following the recent commencement of the heating season, it has become apparent that elsewhere pipework has deteriorated further than anticipated. Temporary measures have been put in place to extend the life of the pipework but works to affect a permanent solution are now urgent.

- 2.3 It is proposed that a further phase of planned asbestos removal and pipework replacement work be progressed as soon as possible. The estimated cost of these works is £150,000.

2.4 Crosby High School

Phase 1 of the additional accommodation required at Crosby High School was reported for inclusion in the Capital Programme 5 July 2012. This additional accommodation was required at the school as a result of the cancellation of the BSF programme, which was to resolve 3 classrooms/45 pupils being educated off site. Phase 1 has been completed September 2012.

- 2.5 Phase 2 will address issues of sufficiency, suitability and Health & Safety with regard to the hall. The school has only one hall which serves as the dining hall, sports hall and link corridor. The impact of this one space being utilised for all three functions impacts on the management of the school and lessons for the pupils, which are limited in time and constant interruptions by staff and pupils

needing to pass through.

- 2.6 The school has a purpose built hydrotherapy pool which is not utilised by pupils but is maintained at a high cost to the school for a limited amount of external organisations. The school now consider this a financial burden and are considering closing the facility as alternative provision is available in the area.
- 2.7 Phase 3 is to provide an external link corridor between two main corridors thus by-passing the hall. All areas of the school can be linked without disturbing the activities in the hall.
- 2.8 Included in Phase 3 is the alterations to the existing heating plant to Hydrotherapy pool to include the new Sports Hall.
- 2.9 Create an additional corridor to aid circulation around the school.
- 2.10 Roof repairs - Various Schools
The annual condition review of school premises has identified roofing problems to a number of schools throughout the borough.
- 2.11 The schools where the works are of the highest priority, and where failure to address the condition now could result in serious failure, are Grange Primary, Netherton; Linacre Primary, Bootle; Redgate Primary, Formby; Valewood Primary, Crosby and Netherton Moss Primary, Netherton.
- 2.12 The proposed additional works, together with their estimated costs, are set out in annexe 1 to this report.

3. Financial Implications

- 3.1 A report identifying a number of proposed schemes to be included in the Children's Services 2012/13 Capital Programme was reported to Cabinet and Council in May 2012, which resulted in a partial allocation of Capital Maintenance Grant, leaving an unallocated balance of £536,250.
- 3.2 The estimated costs of the schemes in this report have been provided by the Council's consultant, Capita Symonds and are inclusive of all fees and contingencies where appropriate.
- 3.3 There are no financial implications for the Council as the schemes, if approved, will be funded from the remaining Capital Maintenance Grant of £536,250, resulting in a full allocation of the Grant.
- 3.4 The Head of Corporate Finance and ICT (FD 1948/12) comments that all the proposed schemes outlined in this report can be fully funded from specific resources.

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Annex 1

Table of Additional Condition Works

Scheme	School	Project	Estimated Cost
Lydiate Primary	Lydiate Primary	Ducts & Asbestos	£150,000
Crosby High	Crosby High	Heating Plant Alterations	£140,000
	Crosby High	Link Corridor	£85,000
Various Schools	Grange Primary	Roof Repairs	£40,000
	Linacre Primary	Roof Repairs	£18,000
	Redgate Primary	Roof Repairs	£40,000
	Valewood Primary	Roof Repairs	£11,250
	Netherton Moss Primary	Roof Repairs	£52,000
	Total		£536,250

Report to: Cabinet **Date of Meeting:** 13 December 2012

Subject: Sefton New Directions – Request to Seek Various Permissions

Report of: Director of Corporate Services **Wards Affected:** None

Is this a Key Decision? No **Is it included in the Forward Plan?**
No

Exempt/Confidential No

Purpose/Summary

To consider the requests from Sefton New Directions (SND) to seek various permissions from Cabinet that affect the business operations of the Council’s controlled Company.

Recommendation(s)

1. To consider the requests from Sefton New Directions for the following permissions:
 - a) To the Company to subcontract
 - b) To allow the Company to appoint new auditors

2. That if Cabinet is minded to grant the permissions as requested that the Head of Corporate Legal Service be authorised to make the necessary variations to the contractual arrangements in place between the Council and Sefton New Directions

3. That Sefton New Directions be asked to confirm to the Head of Corporate Legal Services in due course, that the necessary changes have been made to their Articles/Memorandums of Association and registered with Companies House accordingly.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	

Agenda Item 13

7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

Reasons for the Recommendation:

For Cabinet to consider

What will it cost and how will it be financed?

(A) Revenue Costs

Nil

(B) Capital Costs

Nil

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	
The Council holds the single shareholding in Sefton New Direction which is a local authority controlled company as regulated under Part V of the Local Government and Housing Act 1989 (as amended). The Council is acting under its powers as a shareholder and exercising those in accordance with the Companies Act 2006 (as amended).	
Human Resources	
Nil	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

These proposed contractual variations will allow greater freedoms to Sefton New Directions

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 1993/2012) has been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

To not grant the permissions sought

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

Contact Officer: Jill Coule, Head of Corporate Legal Services

Tel: 0151 934 2031

Email: jill.coule@sefton.gov.uk

Background Papers:

There are no background papers available for inspection.

Agenda Item 13

1. Introduction/Background

- 1.1 Sefton New Directions (SND) was incorporated in 2007 as a local authority trading Company. Sefton Council is the sole shareholder. The Company is an independent legal entity and operates under the governance of a Board. The Board is responsible for the governance of the Company. The Company is registered with the Commission for Social Care Inspection and conducts a range of care services. These services include residential homes, intermediate care, respite services, day services, supported living and meals on wheels. The services are provided to learning and physically disabled adults, older people and residents suffering from mental health and dementia. The client groups are primarily Sefton residents with some services being provided to Sefton NHS and other PCT's. The Board consists of the following Directors; Councillors Rimmer and Brennan and the Council's Chief Executive.
- 1.2 The Council is the sole shareholder, in accordance with the Companies Act 2006. The shareholder can ultimately take most decisions in relation to the future of the Company, so long as this in accordance with the Company's Articles and Memorandums of Association and the requirements of legislation.

Members will recall that through the report to Council on 1 September 2011, that the Constitution was amended. In particular Chapter 5 paragraph 59 refers. The amendment clarified the Cabinet's responsibilities for dealing with the Council's shareholding in a Company. By providing delegated authority to Cabinet this means that any necessary permissions, consents and decisions as to the future of the shareholding can be taken by Cabinet.

In accordance with that remit, the Company has approached the Council having itself resolved to seek permission to make two changes to the current arrangements that exist between the Council and the Company. Those changes are set out below:

- a. To allow the Company to subcontract
- b. To allow the Company to appoint new auditors

1.3 To allow the Company to subcontract

WRVS has delivered community meals prior to the inception of Sefton New Directions. For reasons not now evident to Council officers or Company consultants, this service provision by WRVS was not recognised or reflected in the arrangements set up in 2007 between the Council and the Company. WRVS has continued to deliver community meals in the meantime. This means that the Company has continued an arrangement with WRVS which is in essence to subcontract part of its service provision.

However both SND's Articles of Association and the contractual arrangements between the Council and the Company state that the Company shall not sub-

contract any part of the services to be provided under the Services Agreement without the consent of the Council.

To regularise the current arrangements with WRVS and to allow the Company some flexibility to meet peak demands in some other service areas such as re-ablement, the Company now formally seeks permission to be allowed to sub-contract.

1.4 To allow the Company to appoint new auditors

SND's Articles of Association also state that the Company cannot change its auditors without the Council's permission. The current arrangements with Grant Thornton have expired and the Company would like the opportunity to re-tender the work. Again such a change would need to be reflected in the Council's contract with the company.

1.5 Conclusions

At their meeting of the 15 November 2012, the Board of Sefton New Directions approved these changes, subject to permission from the Council as parent entity, as requested above. Copies of the Board report and an extract of the minutes are attached to this report for consideration.

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REPORT TO BOARD OF SEFTON NEW DIRECTIONS LTD
ANY OTHER BUSINESS

9.1 Changing Contract Arrangements

9.1.1 Introduction

The Board of Sefton New Directions Limited (SND) instructed management to explore the requirements in relation to changing Auditors and in relation to sub-contracting.

Various consents and approvals have been identified as necessary for changes in these areas to take place. These consents relate to the Council as Parent Entity (for Changes to take place in the *Memorandum and Articles of Association* of the company and secondly the Council as the contracting authority under the *Service Agreement* also agreed in 2007.

This note deals with changes required.

9.1.2 Memorandum & Articles

Article 18 of the *Articles of Association* adopted on 29th March 2007 states that "The company shall not undertake any of the following matters [*listed under Article 18*] without the prior written approval of the Parent Entity" specifically this includes the above matters, which are governed as follows:

Article 18.9 "change its accounting reference date or its auditors;"

Article 18.14 "sub-contract any part of the services to be provided under the Service Agreement"

This means that the permission of the Council as Parent Entity is necessary if the Board wishes to change auditors or to sub-contract services. This will in turn require a formal resolution by the Board to seek those permissions and to make consequential changes to the Memorandum & Articles.

Change of Auditors

In 2009 the firm of Grant Thornton was appointed as the company's auditor for a three-year period, concluding with the 2011-12 Audit.

Following the submission of the Report and Accounts at its 14th June 2012 the Directors acknowledged the need to appoint auditors to meet future requirements. It was also acknowledged that in the interests of cost efficiency alternative providers should be considered.

In order to proceed to consider the appointment of alternative service providers it is considered necessary for SND to obtain the approval under Article 18.9.

REPORT TO BOARD OF SEFTON NEW DIRECTIONS LTD ANY OTHER BUSINESS

Contracting Arrangements

SND has sub-contracted community meals delivery to WRVS, a practice inherited in 2007 from the Council.

Recently, we have been seeking to transform service delivery in areas of care such as the Re-enablement service, which aims to support the rehabilitation of patients discharged from hospital or referred in other ways from the Council.

There are a number of issues affecting Re-enablement at this time. These include:

- The volume of service referrals, including those patients who may not always benefit fully from the service
- Employment issues surrounding the company including working practices and the recruitment of suitable carers

The impact of these factors on the company is that SND cannot meet all of the service requirements all of the time. This forces the Council as Commissioner to contract services with other providers at additional cost as well as creating additional work for officers of the company and the council in managing the process.

If SND were able to manage the process of service provision through some sub-contracting arrangements the company could deploy its re-enablement resources most effectively. Sub-contracting would be limited to those calls it could not itself fulfil. This would make better use of in-house resources, free up Council resources and reduce the impact on council expenditure.

In discussion with Council Commissioners, this is seen as a practical step by both parties towards the resolution of a particular problem.

However, in order to proceed towards a change in practice it is necessary for SND to obtain the approval of the Parent Entity under Article 18.14.

9.1.3 Service Agreement Consents

Clause 16 of the *Service Agreement* dated 30th March 2007 between Sefton Council and Sefton New Directions Limited deals with Assignment and Sub-contractors, including the matter of consent and associated conditions or requirements.

Clause 16.1 states that SND, as Service Provider, shall not be entitled, among other things, to sub-contract any of its obligations under the Service without **“the prior written consent of the Authority (such consent not to be unreasonably withheld or delayed).”** Where consent is provided, Clause 16.2 sets out certain conditions relating to any sub-contract arrangements.

REPORT TO BOARD OF SEFTON NEW DIRECTIONS LTD
ANY OTHER BUSINESS**9.1.4 Conclusions**

The conclusion reached is that permissions are required separately under both the Memorandum and Articles and the Service Agreement.

The company needs to appoint Auditors as the old contract has expired.

In consultation with the Service Commissioner it has been identified that there are at times circumstances where the interests of the Council as Commissioner and the Company in respect of efficiency and economy could be enhanced were the company able to sub-contract elements of service delivery to third parties.

We have no background information on the WRVS arrangement and the consents will regularise the pre-existing sub-contract arrangement on Community Meals.

9.1.5 The Proposal

It is proposed that The Board agree to a request be presented as follows:

(A.) To the Council as Parent Entity for appropriate consents under Article 18 of the Memorandum and Articles to:

1. Allow the change of auditors
2. Allow the Board to make decisions on sub-contracting of services subject to necessary consents under the Service Agreement with Sefton Council.

(B.) To authorise any consequential changes of the Articles of Association arising as a result of the consents being granted.

(C.) To the Council as Commissioning Authority for appropriate permission under Clause 16 of the Service Agreement to:

Allow subcontracting of services as required and subject to agreement in the area of Re-enablement and community meals.

Subject to the Board agreement, it is proposed that the Documents annexed at (Annex 9.1) are submitted to the Council and consents to them being published as part of the report to Council. A copy of the minutes of this Board meeting will also need to go to the Council as evidence the Board's decision.

Ends

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SEFTON NEW DIRECTIONS LIMITED

MINUTES

THE BOARD MEETING held at the TOWN HALL, BOOTLE

15th November 2012

Present:

Councillor Robert Brennan (Chair)

Councillor David Rimmer

Sam McCallum (Fresh Care)

Ken Fish (Fresh Care) [part time]

The Chairman thanked all participants for re-arranging the meeting from 14th November.

1. APOLOGIES

Apologies were received from Margaret Carney and Mark Dale.

2. DIRECTORS AND OFFICERS DECLARATIONS OF INTEREST

Cllr Brennan asked for his interest in UNISON to be noted.

3. MINUTES OF THE MEETINGS HELD ON 18th October 2012

The minutes were agreed.

4. MATTERS ARISING

[REDACTED]

[REDACTED]

5. EMPLOYMENT MATTERS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Agenda Item 13

6. OPERATIONS REPORT

[REDACTED]

At this point KLF left the meeting.

7. FINANCIAL REPORT

[REDACTED]

8. FUTURE PLANNING UPDATE

8.1 Day Services Consolidation

[REDACTED]

8.2 Options Response

[REDACTED]

9. AOB

9.1 Changing contract arrangements

The Board considered the submission on appointing new auditors and sub-contracting arrangements and resolved that the consent requests appended to the Board Submission be forwarded to the Parent Entity and the Commissioner as appropriate and any relevant changes to the Articles necessary pursuant to any consents granted should be made.

In discussion, the Board expressed reservations that the Articles of Association as drafted could constrain the ability of the Board and its officers at times to act in the Company's commercial interests.

The Board noted that the Company had inherited sub-contracting arrangements that appeared to be in conflict with the Articles of Association and did not appear to have been specifically provided for in the M&A or in the Service Agreement. The Board was concerned that SND was effectively prevented from contracting to deliver services to third parties, although such arrangements had been operating for some time. It was considered that this may require the Board to seek revision of the M&A and/or the Service Agreement to facilitate contracting work with or for other parties – (such as self funding clients or other service commissioners).

The Board instructed the executive management to review the M&A and Service Agreement with relevant parties and bring forward recommendations for any changes considered appropriate to permit the company to operate and trade as intended by the shareholder.

9.2 MOU Sovini

[Redacted]

9.3 Good News Report

[Redacted]

9.4 Suggestions Scheme

[Redacted]

9.5 Christmas

[Redacted]

9.6 Next meeting

The next Board is scheduled for Thursday 13th Dec 2012 at 1.00 pm in Bootle TH

Signed

Dated

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