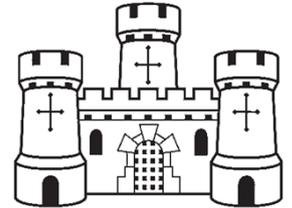


# Public Document Pack

**Date of meeting** Wednesday, 18th October, 2017  
**Time** 6.00 pm  
**Venue** Committee Room 1, Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffordshire, ST5 2AG  
**Contact** Geoff Durham



**NEWCASTLE  
UNDER LYME**  
**BOROUGH COUNCIL**

Civic Offices  
Merrial Street  
Newcastle-under-Lyme  
Staffordshire  
ST5 2AG

## Cabinet

### AGENDA

#### PART 1 – OPEN AGENDA

- 1 **APOLOGIES**
- 2 **MINUTES OF PREVIOUS MEETING** (Pages 3 - 5)  
To consider the minutes of the previous meeting.
- 3 **DECLARATIONS OF INTEREST**  
To receive declarations of interest from Members on items included in the agenda.
- 4 **MEDIUM TERM FINANCIAL STRATEGY 2018-19 to 2022-23** (Pages 7 - 13)
- 5 **DISCRETIONARY RATE RELIEF SCHEME** (Pages 15 - 22)
- 6 **BUSINESS RATES PILOT AND POOLING ARRANGEMENTS** (Pages 23 - 31)
- 7 **NEWCASTLE MARKET OPTIONS** (Pages 33 - 36)
- 8 **HOMELESSNESS REDUCTION** (Pages 37 - 44)
- 9 **GOLD STANDARD FOR HOMELESSNESS** (Pages 45 - 48)
- 10 **DELEGATION FOR NEIGHBOURHOOD PLANNING** (Pages 49 - 57)
- 11 **URGENT BUSINESS**  
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.
- 12 **ATTENDANCE AT CABINET MEETINGS**

**Councillor attendance at Cabinet meetings:**

- (1) The Chair or spokesperson of the Council's scrutiny committees and the mover of any motion referred to Cabinet shall be entitled to attend any formal public meeting of Cabinet to speak.
- (2) Other persons including non-executive members of the Council may speak at such meetings with the permission of the Chair of the Cabinet.

**Public attendance at Cabinet meetings:**

- (1) If a member of the public wishes to ask a question(s) at a meeting of Cabinet, they should serve two clear days' notice in writing of any such question(s) to the appropriate committee officer.
- (2) The Council Leader as Chair of Cabinet is given the discretion to waive the above deadline and assess the permissibility if the question(s). The Chair's decision will be final.
- (3) The maximum limit is three public questions at any one Cabinet meeting.
- (4) A maximum limit of three minutes is provided for each person to ask an initial question or make an initial statement to the Cabinet.
- (5) Any questions deemed to be repetitious or vexatious will be disallowed at the discretion of the Chair.

**Members:** Councillors Beech, Kearon, Turner (Vice-Chair), J Williams, Shenton (Chair), Rout and Robinson

**PLEASE NOTE: The Council Chamber and Committee Room 1 are fitted with a loop system. In addition, there is a volume button on the base of the microphones. A portable loop system is available for all other rooms. Should you require this service, please contact Member Services during the afternoon prior to the meeting.**

**Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.**

**Meeting Quorums :- 16+= 5 Members; 10-15=4 Members; 5-9=3 Members; 5 or less = 2 Members.**

**FIELD\_TITLE**

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

**NOTE:** THERE ARE NO FIRE DRILLS PLANNED FOR THIS EVENING SO IF THE FIRE ALARM DOES SOUND, PLEASE LEAVE THE BUILDING IMMEDIATELY FOLLOWING THE FIRE EXIT SIGNS. PLEASE **DO NOT** USE THE LIFTS.

**COUNCIL CHAMBER:** FIRE EXITS ARE AT THE REAR OF THE CHAMBER AT BOTH SIDES AND THIS IS THE SAME FOR OCCUPANTS OF THE PUBLIC GALLERY.

**COMMITTEE ROOMS:** EXIT VIA THE WAY YOU ARRIVED AT THE MEETING OR AT THE FAR END OF THE COUNCIL CHAMBER.

ON EXITING THE BUILDING, PLEASE ASSEMBLE AT THE REAR OF THE ASPITRE HOUSING OFFICE OPPOSITE THE CIVIC OFFICES. DO NOT REENTER THE BUILDING UNTIL ADVISED TO DO SO.

## CABINET

Tuesday, 26th September, 2017

Time of Commencement: Time Not Specified

**Present:-** Councillor Elizabeth Shenton – in the Chair

Councillors Beech, Turner, J Williams and Robinson

Officers Jayne Briscoe - Scrutiny Officer

Apologies Councillor(s) Kearon and Rout

### 1. **APOLOGIES**

Apologies were received from Councillors Kearon and Rout and the Executive Director of Resources and Support Services

### 2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

### 3. **MINUTES**

**Resolved:** That the minutes held on 19 July 2017 be agreed as a correct record.

### 4. **QUESTIONS RAISED AT CABINET**

The Leader read out a statement in response to the questions put by Mr R Williams in respect of Kidsgrove Sports Centre.

### 5. **FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER 1 (APRIL-JUNE, 2017)**

A report was submitted which provided Cabinet with the Financial and Performance Review report – first quarter 2017/18

**Resolved (i)** That Members note the contents of the attached report and agrees to the recommendation that the Council continues to monitor performance alongside the latest financial information for the same period.

**Resolved (ii)** That the format of the report is reviewed and refreshed.

### 6. **CONTRACT AWARD FOR THE SALE OF RECYCLABLE MATERIALS**

A report was submitted informing Cabinet of the process and outcomes of the exercise undertaken for companies to purchase bailed plastic, cardboard and steel cans (dry recycle material) collected by the Council through its kerbside recycling collection service.

**Resolved:** That Cabinet note and concur with the decision taken by the Portfolio Holders for Operational Services and Finance, IT and Customer that the Council

enter into contractual arrangements with DS Smith Limited for the purchase of Plastic, Cardboard and Steel Cans for a period of two years, with a possible extension of a further year.

**7. BEREAVEMENT SERVICES GROUNDS MAINTENANCE CONTRACT**

A report was submitted to Cabinet setting out the options for the future procurement of the Bereavement Services Grounds Maintenance Contract.

That Cabinet authorises the Head of Operations to undertake a procurement exercise via the ESPO Grounds Maintenance Services contract 245 framework for the provision of a grounds maintenance and burial service contract for a period of 2 years +1 year +1year optional extension, commencing April 1<sup>st</sup> 2018, and following consultation with the Portfolio Holder, accept the most economically advantageous tender within the existing budget provision.

**8. MULTI-FUNCTIONAL DEVICE (MFD) CONTRACT**

A report was submitted which sought Cabinet approval for the contract arrangements outlined in this report for the provision of multi-functional devices at Newcastle under Borough Council.

**Resolved (i)** That Cabinet welcomes the potential savings, efficiencies and contribution to more modern working practices at the Council which this contract will help to deliver.

**Resolved (ii)** That Cabinet endorses the procurement process in the report and delegates authority to the Chief Executive in consultation with the Portfolio Holder for Finance, IT and Customer to complete the contract process with Canon UK Ltd on the terms outlined.

**9. ADOPTION OF A SPORT AND ACTIVE LIFESTYLES STRATEGY FOR THE BOROUGH**

Cabinet received a report which sought approval to the final Sport and Active Lifestyles Strategy for the Borough.

**Resolved (i)** That Cabinet approve and adopt the 10 Year Sports and Active Lifestyles Strategy.

**Resolved (ii)** That officer's work with the Portfolio Holder to prepare a more concise document that clearly sets out the Councils priorities with regards to Sport and Leisure across the Borough, with a tighter focus on Place. This document should be sent to scrutiny for their comments before coming back to Cabinet for approval.

**10. DEMENTIA FRIENDLY SWIMMING**

A report was submitted to Cabinet setting out the recommendations of the Joint Health and Wellbeing and Active and Cohesive Communities Scrutiny Committees in relation to Dementia Friendly Swimming.

**Resolved: (i)** That the Cabinet thank the Joint Scrutiny Committees for their work on this report and that Cabinet approve the development of an appropriate

action plan to implement Dementia Friendly Swimming at Jubilee2, within existing resources and in partnership with appropriate local partners.

**Resolved (ii)** That the Council signs up to the Amateur Swimming Associations dementia friendly swimming project to create a safe and friendly swimming environment for people with dementia.

**11. SUBWAYS EVALUATION 2017**

Cabinet received the final report into subways within the Borough from the Cleaner, Greener and Safer Communities Scrutiny Committee.

**Resolved** That the Cabinet thank the Scrutiny Committee for their work on this important issue and that their report be forwarded to Staffordshire County Council with the request that they consider the issues highlighted and having considered these, confirm to the Borough Council whether they will put an Action Plan in place to secure a regular, sustainable programme of maintenance and repair to the subways in the Borough.

**12. URGENT BUSINESS**

There was no Urgent Business.

**COUNCILLOR ELIZABETH SHENTON**  
**Chair**

Meeting concluded at Time Not Specified

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1. **MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2022/23**

**Submitted by:** Executive Director – Resources and Support Services

**Portfolio:** Finance IT and Customer

**Ward(s) affected:** All

**Purpose of the Report**

To provide an update on the financial strategy for the Council over the next five years in the light of the national and local financial situation and taking account of the Council's priorities.

**Recommendations**

- (a) To approve the update to the Medium Term Financial Strategy for 2018/19 to 2022/23.

**Reasons**

The Medium Term Financial Strategy underpins the whole financial planning structure of the Authority. It is closely aligned to the Council Plan and focuses on targeting its financial resources in line with its stated aims and objectives.

1. **Background**

- 1.1 The Borough Council is committed to delivering high quality services. Integral to this ambition is the need to effectively target its financial resources in line with its stated aims and objectives.
- 1.2 The Medium Term Financial Strategy will be the main vehicle in assessing the Council's financial position, ensuring efficiency in service delivery and targeting resources to agreed priority areas.
- 1.3 In the 2016/17 provisional local government finance settlement, the government stated that it would offer any Council that wishes to take it up, a four-year funding settlement for Revenue Support Grant up to and including 2019/20.
- 1.4 To take advantage of this offer, the Council submitted an efficiency plan to the Government during October 2016, the cornerstone of which, for the Council, is the Medium Term Financial Strategy setting out what the Council intends to do to address the challenge of financial sustainability and where it hopes to be at the end of the period.
- 1.5 It follows that the Council's efficiency plan, as part of its Medium Term Financial Strategy, has clear links to the Council Plan and where the authority is involved in key partnerships, it also references ongoing and planned transformation projects and programmes that will enable the Council to reduce its costs or generate additional income locally.

2. **Issues**

- 2.1 Local government in general and district councils in particular continue to face the prospect of operating within a severely challenging financial environment. With further large decreases in general government funding confirmed and anticipated, the Council must review the services that it provides and its approach to value for money.

- 2.2 Central Government support is provided in the form of Revenue Support Grant (RSG) and a Baseline Funding amount related to retained Business Rates. The amounts of funding were notified to the Council in December 2016 for the financial years 2016/17 to 2019/20. This shows considerable reductions each year in Revenue Support Grant received by the Council.
- 2.3 Central Government has been consulting on changes to the local government finance system to pave the way for the implementation of 100 per cent business rates retention. For the purposes of the Medium Term Financial Strategy it has been assumed that the Council will be in a cost neutral position once the new system is implemented. However, there can be no guarantee that this will be the case. There was also no reference to business rates retention in the Queen's speech on 21<sup>st</sup> June 2017.
- 2.4 Housing is an important source of economic growth. For each new-build home, conversion and long-term empty home which has been brought back into use, the Council currently receives New Homes Bonus Grant which is based on the extra Council Tax revenue generated by these homes. It is therefore both economically and financially important to support housing growth.
- 2.5 Following the outcome of the 2015 Spending Review Central Government consulted local authorities on a variety of options for increasing the focus of the New Homes Bonus on delivery of new homes and freeing up resources to be recycled within the local government settlement to support particular pressures, such as adult social care.
- 2.6 The consultation proposals that have been implemented include reductions in the number of years for which the Bonus is paid from the current 6 years to 4 years from 2017/18 onwards.
- 2.7 The purpose of the comprehensive five year Medium Term Financial Strategy is to predict likely budget totals if services are maintained at current levels, by projecting forward the different elements of the 2017/18 budget, such as employee pay or supplies and services, based on assumptions as to likely changes or specific pressures, such as pay increases or price increases or any agreed changes which will affect service levels.
- 2.8 It also illustrates how the Council Plan is driving the medium term financial plan over the next five years. Whilst standing on its own as a strategy, it is an integral part of the Council's overall planning process comprising service delivery plans and the Council Plan.
- 2.9 The Medium Term Financial Strategy identifies significant budgetary shortfalls over the next five years that will need addressing with robust financial and budget strategies. The amounts for each year are set out below:
- 2018/19 £1.535m
  - 2019/20 £1.497m
  - 2020/21 £0.894m
  - 2021/22 £0.606m
  - 2022/23 £0.433m

The document attached as an Appendix shows how these amounts arise. It is not intended to reproduce the whole of the Medium Term Financial Strategy document this year, but for reference last year's document can be accessed via the following link <https://www.newcastle-staffs.gov.uk/sites/default/files/IMCE/YourCouncil/Accounts/201718%20Medium%20Term%20Financial%20Strategy.pdf>.

- 2.10 There have been a small number of changes made to the Medium Term Financial Strategy since its approval in September 2016, resulting in an increase of £0.311m in the funding "gap" to £1.535m for 2018/19. These are set out in the table below:

<b>Change</b>	<b>Amount (£'000's)</b>
Employee Increments and Pay Awards (permanent employment of previous Recycling contractor employees)	46
Business Rates (finalisation of transitional rate relief scheme)	5
Fees and Charges (change to inflationary increase assumption)	70
Summons Costs (shortfall in income due to increased collection rates of Council Tax). The collection rates have increased in recent years. This means that fewer residents are being taken to court for non-payment and therefore less income is being received in respect of the costs that the Council charges for a summons. Although this will be offset by savings in court costs incurred by the Council, it is unable to recover the contributions to its fixed overheads e.g. the costs associated with ICT systems and accommodation. Although the Council is achieving higher collection rates, there is only a marginal financial benefit as it only retains 12% of the amount collected as the other 88% is collected on behalf of its precepting authorities. In addition, with interest rates being so low the Council is gaining very little from the cash being in the bank earlier.	100
Elections (reinstatement of budget for one off saving in 2017/18)	90
<b>Total</b>	<b>311</b>

- 2.11 The Council Leader and the Portfolio Holder for Finance, IT and Customer are members of the Budget Review Group. The Budget Review Group will continue to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options including proposals for savings and increasing income, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvement to front-line services whilst offering value for money.
- 2.12 Further budget options developed by the Budget Review Group will be available for consideration by November/December and the Medium Term Financial Strategy and Efficiency Plan will be amended, where necessary, to take account of them. Cabinet will consider these proposals, in the form of a draft budget for 2018/19 at its meeting on 17 January, to enable this to be submitted to the Finance, Resources and Partnerships Scrutiny Committee on 24 January.
- 2.13 The overall budget timetable is as follows:

<b>Event</b>	<b>Body Affected</b>	<b>Date</b>
Scrutiny of MTFs	Finance Resources and Partnerships Scrutiny Committee	5 October
Consideration of MTFs and feedback from FRAPSC	Cabinet	18 October
Initial budget strategy and savings options	Finance Resources and Partnerships Scrutiny Committee	27 November
Draft budget proposals including options approved	Cabinet	17 January
Scrutiny of draft budget	Finance Resources and Partnerships Scrutiny Committee	24 January
Budget proposals recommended for approval by Full Council	Cabinet	7 February
Full Council to approve budget	Full Council	21 February

2.14 This report was considered by the Finance Resources and Partnerships Scrutiny Committee at their meeting on 5 October 2017. They requested that further explanation regarding the shortfall in summons costs be included in the report. This has been included in the table under paragraph 2.10.

3. **Proposals**

3.1 That Members approve the update to the Medium Term Financial Strategy for 2018/19 - 2022/23.

4. **Reasons for Preferred Solution**

4.1 Without a Medium Term Financial Strategy and Efficiency Plan it would be difficult to demonstrate the alignment of resources with the Council Plan. It is also the main vehicle for assessing the Council's position, ensuring efficiency in service delivery and targeting resources to agreed priorities.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

5.1 The Medium Term Financial Strategy and Efficiency Plan identifies the resources to deliver the corporate priorities of the Authority linked to expected outcomes.

6. **Legal and Statutory Implications**

6.1 The Medium Term Financial Strategy and Efficiency Plan is not a statutory document but it is considered best practice.

7. **Equality Impact Assessment**

7.1 Differential equality impact issues will be identified against the key strategies, policies and functions of the Council and will be considered in producing future service improvements, which will then be reflected within the Council's budgets.

8. **Financial and Resource Implications**

8.1 The Medium Term Financial Strategy identifies future years' shortfalls in financial resources which will need to be addressed as part of the Council's budget strategies, including the Efficiency Plan.

9. **Major Risks**

9.1 Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the budget. The main risks to the budget include:

- Spending in excess of the budget
- Income falling short of the budget
- Actuals not being in line with the assumptions made e.g. if the pay award was above 1% and not funded by Central Government. In respect of the Borough Council, a 1% pay rise is equivalent to approximately £150,000 after taking account of national insurance and superannuation
- Unforeseen elements, e.g. changes in interest rates

9.2 Such risks require regular and careful monitoring and it is essential that the council has sufficient reserves to call on if required, e.g. the council has a general fund balance of £1.20 million and a minimum balance of £0.100m in the Contingency Reserve. In previous years the Chief Finance Officer has believed that the assurance required under Section 25 can be given

and, with careful budget planning, robust monitoring and adequate level of reserves, there should be no reasons to alter that view.

10. **List of Appendices**

Appendix - Medium Term Financial Strategy Update 2018/19 to 2022/23.

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**MTFS Summary****APPENDIX**

	2018/19	2019/20	2020/21	2021/22	2022/23	Notes
<b><u>Changes to Base Budget</u></b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Employee Incremental Increases	64	59	41	21	1	As per Salaries Estimates
Pay Awards	123	124	125	126	128	1% increase per year
Superannuation Increases	296	302	392	303	303	Includes lump sum increases in 2018/19 to 2019/20 following the triennial review
National Insurance	17	17	17	17	18	Per incremental increases & pay awards
Premises (e.g. Business Rates)	32	43	44	42	35	Increases as per settlement inflation forecasts
Transport (e.g. Fuel)	14	15	16	16	17	Increases as per settlement inflation and Freight Transport Association forecasts
Other Costs (e.g. Inflation, Uplifts)	0	35	0	0	0	General inflation on energy contracts
One Off Budget Items Removed	126	0	0	0	0	Expenditure taken from/income added to budget
Castle House/Formal Civic Offices	(100)	0	0	0	0	Transitional holding costs
New Homes Bonus	518	519	347	237	94	Move from 6 years of funding to 4 years
Government Grants	471	527	62	0	0	Per 4 year settlement (Revenue Support Grant)
Business Rates Baseline Funding	(112)	(128)	(131)	(135)	(140)	Per 4 year settlement (Business Rates Baseline)
New Pressures	200	100	100	100	100	2018/19 includes £100k Summons Income (due to increased collection rates)
Fees & Charges & other Income	(114)	(116)	(119)	(121)	(123)	Increases as per settlement inflation forecasts
<b>TOTAL MTFS SHORTFALLS</b>	<b>1,535</b>	<b>1,497</b>	<b>894</b>	<b>606</b>	<b>433</b>	

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## MEETING BEING SUBMITTED TO: CABINET 18 October 2017

1. **HEADING** Discretionary Rate Relief Scheme
- Submitted by:** Revenues Manager
- Portfolio:** Finance ICT and Customer
- Ward(s) affected:** All

### **Purpose of the Report**

To approve a scheme for the granting of Discretionary Rate Relief following the 2017 National Non Domestic Rates Revaluation.

### **Recommendations**

**That the Discretionary Rate Relief scheme in Appendix A of this report be approved and that the Executive Director (Resources and Support Services) be granted delegated powers to grant the relief to individual businesses.**

### **Reasons**

To enable the Borough Council to fulfil its obligations to award relief to those businesses detrimentally affected by the 2017 revaluation.

## 1. **Background**

In the last budget the Chancellor announced that the government would make several changes to the reliefs available to National Non Domestic properties in certain categories and to help those adversely affected by the national revaluation of National Non Domestic Rates from 1 April 2017. Guidance on the administration of these schemes was issued on 16 May 2017 with the software to implement them becoming available in late August 2017.

The Department for Communities and Local Government (DCLG) have identified three new relief schemes for local authorities to implement:

### **Supporting Pubs**

Pubs with a rateable value under £100,000 would be awarded a one off reduction of £1,000 for the 2017/18 financial year (reduced if the net rates payable were less than this amount). This has been implemented with 39 properties benefiting from this relief.

### **Supporting Small Business Relief**

The rates payable by those businesses receiving Small Business Rates Relief in 2016/17 has been restricted to £600 in 2017/18 (with caps on increases also set for the next 4 years). This has also been implemented with 17 properties qualifying for assistance.

## **Discretionary Rate Relief**

The government have made available a discretionary fund of £300 million nationally to support those businesses most affected by the recent National Non Domestic Rates revaluation.

The distribution will be made to local authorities based on those properties under £250,000 rateable value which have an increase of over 12.5% in their rateable value and will be distributed over 4 years. Under this distribution the Borough of Newcastle under Lyme has been allocated a total of £468,000. This will be paid as follows:

2017/18 - £273,000

2018/19 - £132,000

2019/20 - £55,000

2020/21 - £8,000

Any monies not allocated within the year cannot be vired forward and must be returned.

### 2. **Issues**

It is necessary to establish a local scheme to enable the distribution of the discretionary fund. This scheme is not defined and it is up to individual local authorities to create a suitable scheme dependant on their individual demographic. Additionally it is necessary to consult on the scheme with precepting authorities. (Staffordshire County Council, The Office of the Police and Crime Commissioner Staffordshire and Stoke on Trent and Staffordshire Fire and Rescue Service).

### 3. **Options Considered**

It is a requirement that a scheme be created. It is considered advisable to implement a similar, although not identical, scheme to other nearby authorities to prevent issues of a postcode lottery and a situation where the relief is granted to the same organisation by some authorities and not others and as such discussions have taken place with other authorities in Staffordshire to agree on the broad principles of a scheme, notwithstanding that each authority has been allocated different funding.

### 4. **Proposal**

That the outline discretionary relief scheme set out in the attached appendix be approved.

### 5. **Reasons for Preferred Solution**

The proposed scheme aims to use the funds allocated to assist smaller and more local businesses in coping with a considerable increase in the National Non Domestic Rates payable following the revaluation.

### 6. **Outcomes Linked to Corporate Priorities**

Granting discretionary relief where appropriate fits well with the Council's corporate priorities of Creating a Cleaner, Safer and Sustainable Borough, Creating a Borough of Opportunity and Creating a Healthy and Active Community.

### 7. **Legal and Statutory Implications**

The Council is able to award discretionary relief on business rates under Section 47 of the Local Government Finance Act 1988.

8. **Equality Impact Assessment**

The subject of this report is not a policy, strategy, function or service that is new or being revised. Therefore, an equality impact assessment is not required.

9. **Financial and Resource Implications**

There are no direct financial implications to the Council as the reliefs are funded 100% by central government. The Council has received £12,000 in new burdens funding to cover the administration costs and software enhancements required by these schemes.

10. **Major Risks**

Any monies not distributed in the relevant year cannot be carried forward and must be returned. Failure to allocate this money may lead to undue financial pressures being placed upon businesses risking their ability to continue with their activities. This could lead to the potential loss of businesses and jobs in the wider community.

11. **Key Decision Information**

Not applicable

12. **Earlier Cabinet/Committee Resolutions**

Not applicable

13. **Recommendations**

That the Discretionary Rate Relief scheme in Appendix A of this report be approved and that the Executive Director (Resources and Support Services) be granted delegated powers to grant the relief to individual businesses.

14. **List of Appendices**

Discretionary Rate Relief Scheme

15. **Background Papers**

Not applicable

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# Appendix A

## Newcastle under Lyme Borough Council

### Discretionary Rate Relief Scheme 2017

## Discretionary Relief Scheme

### Introduction

In the last budget the Government announced the establishment of a £300m discretionary fund over four years from 2017-18 to support businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.

Under this scheme Newcastle under Lyme Borough Council have been awarded the following amounts:

2017/18: £273,000

2018/19: £132,000

2019/20: £55,000

2020/21: £8,000

**Total: £468,000**

All billing authorities have to develop their own Business Rates Discretionary Relief Scheme and are required to consult with precepting authorities (in order to qualify for our share of the Discretionary Relief Fund) and to determine how it is to be distributed amongst local businesses affected by the rate revaluation.

The Council will be compensated for any relief granted under section 31 of the Local Government Act. Any underspend must be returned to the Treasury and monies may not be vired between years.

### Proposed Scheme

Newcastle under Lyme Borough Council is keen to identify ratepayers who may qualify for the relief. The Council will look to simplify the application process wherever possible, and will look to encourage eligible ratepayers to apply but will expect any ratepayers to provide such information as is required by the Council to support their application.

The Council has decided that relief under the scheme will be awarded using the following criteria:

- a) The scheme is designed solely to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their rateable value.
- b) No relief can be granted to a precepting authority.
- c) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
  - i. The rate liability at 31st March 2017 for the 2016/17 financial year after any reliefs and reductions; and
  - ii. The rate liability of the ratepayer at 1st April 2017 for the 2017/18 financial year taking into account any transitional relief, small business rates relief or rural rate relief granted under any other provision.
- d) Relief will only be given to premises which are liable for occupied rates. No relief will be granted for unoccupied premises or where the premises becomes re-occupied.

- e) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on the 1st April 2017. Relief will cease immediately the property becomes un-occupied or has a new occupier and will not be re-granted
- f) Ratepayers taking occupation after the 1st April 2017 will not be eligible for the relief on the basis that they would not have suffered from increases due to the revaluation.
- g) Relief will be targeted to local businesses and not those businesses that are national or multi-national in nature. Local businesses are, for the purposes of this scheme, those which have premises wholly in the Council's area.
- h) Relief will not be granted if the property is occupied by Payday lenders or short term high interest loan companies, Pawn Brokers, Bookmakers and Gambling establishments, E-cigarette/vaping shops, Off Licences, sex establishments or similar establishments. The Final discretion on acceptability lies with the Council
- i) Relief (or further relief) will not be granted where the property has an increase in Rateable Value after the 1st April 2017 which increases the rate charge above the 1st April 2017 value.
- j) Where a ratepayer is in receipt of any award under this scheme, the Council will not consider any application for relief under Section 44a of the Local Government Finance Act 1988 for the same hereditament.
- k) All payments under this relief are subject to European funding regulations and all recipients must satisfy the Council of their eligibility.

### **Amount of Relief**

Newcastle under Lyme Borough Council is proposing that relief will be awarded based on a formulaic approach (except for year 4 of the scheme when, due to the low value of funds available, claims will be assessed individually). We estimate that the allocation of funding from the Government could be used to offer eligible businesses discounts on the increase in their 2017/18 business rates bill as below.

Relief will be awarded as a percentage of the rates increase between 2016-17 and 2017-18

2017-18	45% of increase 2016-17 to 2017-18 (after other reliefs)
2018-19	48% of 2017-18 relief
2019-20	42% of 2018-19 relief
2020-21	Individual applications will be considered in exceptional circumstances only.

These percentages will be reviewed (and possibly amended) in February 2018.

### **Administration and Applications**

Applications will not be required (except year 4). The relief will be awarded automatically to qualifying ratepayers.

Ratepayers will however be required to contact the Council should they not be eligible under State Aid De Minimis regulations (1407/2013).

(The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

### **Variation and Amendments**

As with all reliefs the amount of relief awarded under this Discretionary Scheme will be recalculated in the event of a change in circumstances. In effect the relief is calculated on a daily basis in line with the rate payers liability on that day.

The scheme will allow the Council to review and amend the amount of relief during the year to reflect changing circumstances. The Council may revisit the percentages at any time.

## 1. **BUSINESS RATES PILOT AND POOLING ARRANGEMENTS**

**Submitted by:** Executive Director – Resources and Support Services

**Portfolio:** Finance IT and Customer

**Ward(s) affected:** All

### **Purpose of the Report**

To provide Cabinet with details of the potential for the Council to participate in a Business Rates Pilot in 2018/19 and to outline the Business Case and relevant risks and rewards from pilot arrangements, whilst noting the 'no detriment' requirement of the pilot application.

To update members on the implications to existing pooling arrangements as result of membership of the pilot and to present the draft governance arrangements for the new pool

### **Recommendation**

- (a) That the Council participates in the Expression of Interest to form a Staffordshire and Stoke-on-Trent Pool based upon piloting the 100% Business Rates Scheme.**
- (b) That the Chief Executive and Section 151 Officer are authorised (in consultation with the Leader and Portfolio Holder for Finance IT and Customer) to submit a firm Expression of Interest to be a member of the Staffordshire and Stoke-on-Trent Pool based upon piloting the 100% Business Rates Scheme.**

### **Reasons**

The pilot scheme would enable all future growth in Business Rates to be retained within Staffordshire. A minimum of £200,000 additional resources would be generated for the financial year 2018/19 for the Council due to the estimated 'growth position' of the participating authorities.

## 1. **Background**

- 1.1 The 50% Business Rates Retention Scheme was introduced with effect from April 2013 and was effectively a 50/50 risk and reward sharing arrangement between Central and Local Government. The scheme enabled the Council to retain its tier share of growth, although such growth was potentially subject to a 50% cap or levy.
- 1.2 The Council avoided this cap or levy payment by joining the Staffordshire and Stoke-on-Trent Business Rates Pool alongside Staffordshire County Council, Stoke-on-Trent City Council, Stafford Borough Council, Staffordshire Moorlands District Council, South Staffordshire District Council and the Staffordshire Fire and Rescue Service.
- 1.3 The pooling arrangements have enabled (by the avoidance of the levy payment):
  - Additional resources to be retained by the Council;
  - Contributions to growth projects;
  - A contingency to be made in the form of a safety net for members of the pool that have significant reductions in business rates.
- 1.4 Central Government announced during 2015 that it wished to progress to a 100% business rates retention scheme whereby in exchange for additional responsibilities Local Government would be able to retain 100% of the growth that it generated.

- 1.5 Six pilots of 100% business rates retention were launched by Central Government on 1<sup>st</sup> April 2017, solely to areas with ratified devolution deals. In return for the retention of 100% business rates income, some existing grants have been foregone. Over the pilot period they will retain all of their growth in income.
- 1.6 In response to the Consultation on Self Sufficient Local Government a commitment to launch a further pilot scheme in 2018/19 was given by Central Government. A pilot prospectus was issued on 1<sup>st</sup> September 2017 entitled 'Invitation to pilot 100% Business Rates Retention in 2018/19 and to pioneer new pooling and tier split models'.
- 1.7 Central Government expects to learn from the pilots' experience in the design of any national system of business rates retention. Hence the opportunity exists for a Staffordshire pilot to influence the design, attributes and complexity of the final system.

## 2. **Issues**

- 2.1 The pilot prospectus issued by Central Government provides a framework for the extension of the existing voluntary pooling of business rates revenues to two tier authorities. A pilot enables 100% of future growth to be retained by the pilot area as compared to the current 50% subject to Financial Neutrality (based on the baselines created at the commencement of the 50% scheme in 2013/14). Tariffs or Top Up's are adjusted to reflect the 100% share and the relevant government grants (Revenue Support Grant for the Council) consolidated within the Business Rates Regime.
- 2.2 The Business Rates Pilot 'Financial Neutrality' takes no account of the net growth (or loss) in Business Rates income since the commencement of the 50% scheme in 2013/14. Work undertaken by a steering group of the Staffordshire Chief Finance Officers Group has confirmed that all authorities within Staffordshire, that are responsible for collecting business rates, are in a growth position, averaging out at 7% for the proposed pool for 2017/18. This is likely to be at the least maintained during 2018/19. Under the current arrangements, only 50% of this growth is retained within Staffordshire, 50% is allocated to Central Government.
- 2.3 There is therefore a clear and simple financial advantage in that 50% of growth that is allocated to Central Government under existing arrangements would be retained within Staffordshire under the proposed pilot of 100% Business Rates Retention. The proposed pooling and pilot arrangements are shown as Appendix 1 to this report.
- 2.4 The 2018/19 pilot programme will last for one year only, however it is likely that pilots will remain in operation until the full 100% Business Rates Scheme is implemented (at the earliest 2020/21, more likely to be 2021/22).
- 2.5 All existing pilots have been created on a no detriment basis. This basis ensures that collectively the authorities in the pilot are no worse-off than if they had remained in the 50% scheme. However, the 2018/19 prospectus states that proposals for the 2018/19 pilots should include details of how authorities will work together to manage risk in line with their proposed pooling arrangements in the event that the 2018/19 pilots programme does not include a 'no detriment' clause.
- 2.6 In order for a 'no detriment' clause to be triggered, in relation to not being worse off as compared to the current 50% scheme for the Staffordshire wide pilot, there would need to be a loss of 7% (£12 million) in 2018/19.
- 2.7 To be accepted as a pilot for 2018/19 all parties must be designated as a pool to share business rates income. It is considered that the prospectus criteria would only be met if all eleven authorities covering the full Staffordshire geography committed to being part of the pool. Existing pools would require to be ceased.

- 2.8 If the pilot application is successful, the pool itself will operate with a 'no detriment' policy funded from the additional growth retained in Staffordshire. No member of the pool will be worse off than if they were not a member of the pool or compared to previous pooling arrangements. The Council will still receive separate allocations from Central Government, will set its own budget for Business Rates Retention and will collect and retain Business Rates.
- 2.9 The greatest risk in relation to net Business Rates Income is that the level of Business Rates appeals exceeds the Government expectations or the provisions made by each Authority. This is particularly important given the close proximity to the 2017 Revaluation, the backlog of appeals and the risk of changes in policy or treatment of hereditaments.
- 2.10 It is therefore recommended that whilst the proposed arrangements will accept the risk of volatility due to changes in circumstances and its share of appeals, the Council, and indeed the other potential Authorities within the pilot, are unwilling to become a pilot unless a 'no detriment' clause applies for the loss of business rates income due to:
- The consolidation of hereditaments as a single assessment
  - Transfer from the Local Rating List/Central Rating Lists
  - Changes in Mandatory Relief Policy
  - Changes in the basis of determining the basis of Rateable Values
  - The backdated cost of new appeals post 1<sup>st</sup> April 2018
- 2.11 Expressions of interest are required by 27<sup>th</sup> October 2017. Successful pilots will be announced as part of the Draft Local Government Settlement in December and will come into effect from the 1<sup>st</sup> April 2018. As part of the expressions of interest submission the Council is required to specify what pooling arrangements should apply in 2018/19 if the application to be a pilot was unsuccessful.

### 3. **Proposal**

- 3.1 That the Council participates in the Expression of Interest to form a Staffordshire and Stoke-on-Trent Pool based upon piloting the 100% Business Rates Scheme.
- 3.2 That the Chief Executive and Section 151 Officer are authorised (in consultation with the Leader and Portfolio Holder) to submit a firm Expression of Interest to be a member of the Staffordshire and Stoke-on-Trent Pool based upon piloting the 100% Business Rates Scheme.
- 3.3 That if the pilot application is unsuccessful, the Council continues to be part of the existing Staffordshire and Stoke-on-Trent pool. If the pilot application is successful then the Council would then cease to be a member of the current pool.

### 4. **Reason for Preferred Solution**

- 4.1 The pilot scheme would enable all future growth in Business Rates to be retained within Staffordshire. A minimum of £200,000 additional resources would be generated for the financial year 2018/19 for the Council due to the estimated 'growth position' of the participating authorities.

### 5. **Financial and Resource Implications**

- 5.1 In accordance with the 'no detriment' clause the Council will not only receive the same level of resources as determined by the current 50% Business Rates retention scheme and the Councils current pooling arrangements but also minimum additional resources of £200,000 for the financial year 2018/19 and any further years that the pilot continued for.

6. **Major Risks**

- 6.1 The pilot would be responsible for the Government's share of business rates if business rates contracted below the current level of business rates.
- 6.2 The level of appeals could fluctuate significantly, hence the caveat that the pilot required a 'no detriment' clause in relation to changes in policy/the basis of determining rateable values and successful backdated appeals received after 1<sup>st</sup> April 2018.

7. **Key Decision Information**

- 7.1 This is a key decision; it has been included in the Forward Plan.

8. **List of Appendices**

Appendix 1 – Memorandum of Understanding – Subject to Contract

**Memorandum of Understanding - Subject to Contract  
Business Rates Pooling Agreement  
Pilot Arrangements**

- (a) All Local Authorities are currently obligated to pay a percentage of their Business Rate collection to Central Government. In accordance with the proposed 100% Business Rates Retention Scheme all Business Rates will be retained by Local Government
- (b) In order to pilot the 100% scheme Members have agreed , subject to designation by DCLG, to join together the net Business Rates collected and establish a Business Rate Retention Scheme in accordance with the Local Government Finance [Bill July 2012] (“the Pool”).
- (c) The rationale of the Pool is
  - (i) To utilise the additional resources available to the pool, resources that would otherwise have been returned to central government, to:
    - deliver sustained economic growth by building on and strengthening its partnership arrangements reflecting the economic geography of Staffordshire
    - the generation of additional resources for both direct service provision, and preventative, social care
  - (ii) To utilise tier splits to manage the risks and rewards across the pool

**1. Membership**

1.1 Membership of the pool is open to the following Councils/ authorities;

Cannock Chase District Council  
East Staffordshire Borough Council  
Lichfield District Council  
Newcastle-under-Lyme Borough Council  
South Staffordshire District Council  
Stafford Borough Council  
Staffordshire County Council  
Staffordshire Fire and Rescue Service  
Staffordshire Moorlands District Council  
Stoke-on-Trent City Council  
Tamworth Borough council

1.2 The Pool Board will review its membership annually and will consider requests for new members to join or existing members to leave provided applications to join or leave are made at least 2 months prior to the Department for Communities and Local Government (“DCLG”) deadline for pre designation of a Pool each year.

1.3 The Pool is open to the possibility of accepting additional members to its pooling arrangement. New members, as existing members, will be accepted subject to:

- there being a unanimous decision of the Pool Leaders to accept the new member(s)
- new membership will begin from 1 April of the following financial year
- consultation and designation requirements of DCLG
- their full acceptance of the DCLG’ s Business rates retention scheme – pooling prospectus and any subsequent amendments to or iterations thereof

**2. Duration**

2.1 Subject to the pool being designated by DCLG, the pool will come into effect from 1 April 2018. The period of membership will be for a minimum of the 2018/19 financial year.

2.2 The Pool is a voluntary arrangement and Members will be able to review their continuing membership up to [2 months] prior to the annual nomination of the forthcoming year's Pool in accordance with DCLG's timetable.

2.3 Should a Member withdraw from the Pool during the annual settlement consultation period the Pool will be dissolved in accordance with DCLG rules.

### **3. Governance**

3.1 A Pool Board consisting of a representative from each of the Members will be responsible for the Governance arrangements of the Pool.

3.2 The Pool Board will be made up of one nominee from each of the Members, being the Leader/Chief Executive or nominated substitute.

3.3 Each Member will have equal voting rights and voting will be by a simple majority. If there are an equal number of votes for/against a decision, the Chair will provide a casting vote.

3.4 A schedule of meetings will be agreed annually in advance of each financial year and a quorum for meetings will be 50% of the Membership of the Pool Board.

3.5 The Board will be hosted in each turn by each Member and chaired by the host Member.

3.6 The Pool Board will receive appropriate Legal and Financial support as required from the Lead Authority.

3.7 The Members shall at its first meeting agree terms of reference for the Pool Board, subject to the clauses as contained in Section 4 of these Heads of Terms.

### **4. Pooled Fund**

4.1 The Pool will be based upon a "No Loss" basis for each Member.

4.2 "No loss" is determined to be that a Member will be no worse off:

- by being a Member of the Pool than they would have been if they had not been a Member of the Pool. Each Member will retain the income they would have received if they were not a member of the Pool
- no Member will be worse off as compared with previous pool arrangements for Staffordshire and Stoke on Trent Business rates Pool (2012) or Greater Birmingham and Solihull Business Rates Pool
- **no Member will be worse off as a result of the increased retained % arising from the Pilot Scheme**

4.3 Each Member will retain the net Business Rates calculated in accordance with the 50% Business Rates Scheme (before any Levy Deduction). Member authorities will pay the same level of tariff or receive the same level of top up and receive the same level of safety net payment as if they were not in the pool;

4.4 Tariffs/Top ups for each Member as determined by the Annual Settlement, as adjusted for the consolidation of Revenue Support Grant and Rural Services Grant will be paid into/ received from the Pool via the Lead Authority in accordance with the timetable as approved by the Board. The Lead Authority will be responsible for payment/ receipt of the net Tariff or Top Up due to/from Central government.

4.5 Additional income in excess of the amount that would have been retained under the 50% Business Rates Scheme will be paid into the pool via the Lead Authority no later than the point at which they would otherwise have been paid to the Government had no pool existed.

4.6 The pool will be distributed in accordance with the following methodology

- The Lead Authority will receive a fixed annual sum of £XX,000
- Each Member Authority will receive a guaranteed payment of £200,000 per annum
- Compensation to a Member arising from the change in tier splits between the 50% and 100% scheme

4.7 The residual balance representing “ongoing growth” to 31 March 2018 and new growth thereafter will be split in accordance with the following Tier Splits reflecting the growth achieved by that Member:

Two Tier Authorities	Proposed 2018 Pool	Current (50% Scheme )
Staffordshire County Council	59%	9%
Staffordshire Fire and Rescue Service	1%	1%
District /Borough Councils	40%	40%
Central Government	Nil	50%
Unitary Authority	Proposed 2018 Pool	Current (50% Scheme )
Stoke-on-Trent City Council	99%	49%
Staffordshire Fire and Rescue Service	1%	1%
Central Government	Nil	50%

4.8 The above distribution mechanism will remain in place for the duration of the pool.

4.9 The distribution of pooled funds will be made by 30 June following the end of the relevant financial year.

4.10 Billing authority Members will retain their own collection funds and will retain their existing responsibility for bearing any shortfall in collected business rates.

## 5. Levy Savings

5.1 The amount retained by each Member is gross of the 50% levy payments that would have been paid to the Government. Each Member will determine how such Levy savings are distributed and are outside of the remit of the pool. However the pool is to operate on a “no detriment” basis with other partners/stakeholders.

5.2 Each Member should agree with the relevant partner or body how/whether existing arrangements are to be addressed

	S&SOT (2012)	GBS Pool
Local Retention- Tariff	40%	32.5%
- Top Up		7.5%
Economic Development	40%	
Contingency	20%	20%

## 6. Safety Net / Contingency Fund

6.1 If a Member’s business rate income drops by more than the Government determined safety net trigger, then a Party will be entitled to receive a Safety Net Payment from the Pool.

6.2 The overall Pool, under pilot arrangements, will receive a Safety Net payment that guarantees 97% of its Baseline figure. Individual Members are not protected by the Government Safety Net provision. However in accordance with the “no detriment provision” existing 50% Business Rates Retention safeguards will apply.

- 6.3 Safety Net payments ensuring each authority receives 92.5% of its Business Rates Baseline will be paid from the Pool. The payment will match any safety net payments that would otherwise be made if they were outside the Pool.
- 6.4 At the formation of the pool each Member will be required to transfer to the Lead Authority their proportion of the Contingency Fund held within the Staffordshire and Stoke on Trent Business Rates (2012) Pool or Greater Birmingham and Solihull Business Rates Pool.
- 6.5 In addition, in accordance with previous pooling arrangements, Members will make a contribution amounting to 20% of its Levy Saving to the Contingency Fund.
- 6.6 The amount of the Contingency Fund will be reviewed on an annual basis by the Pool Board.
- 6.7 If in a Financial Year there are insufficient sums in the Contingency Fund then Staffordshire County Council and Stoke-on-Trent City Council will transfer an amount equal to the shortfall to enable the Contingency Fund to make the Safety Net Payments. This payment will be split on a pro rata basis, based on respective population sizes in the two areas.
- 6.8 Staffordshire County Council and Stoke-on-Trent City Council will be reimbursed for any such payments made from the contingency in the following financial year.
- 6.9 Safety net payments will be made as a first call on sums in the contingency fund, before reimbursements are made.
- 6.10 The Contingency Fund will be reviewed on an annual basis by the Pool board. Where the existing contingency fund is, or is anticipated to be, insufficient, the % of the "levy savings" will be amended to increase the proportion allocated to the contingency fund and to reduce the allocation to the local incentive fund accordingly on a pro rata equal basis as agreed by the Pool Board.
- 6.11 If Staffordshire County Council and Stoke City Council are required to make Payments to the Contingency Fund in two (plus) consecutive Financial Years then they may notify the Members that a Variation to or Termination of the pool is needed.

## **7. The Lead Authority**

- 7.1 The Pool Board will nominate Cannock Chase District Council as Lead Authority.
- 7.2 The Lead Authority is responsible for all accounting and administration of the Pooled Fund and the Contingency Fund.
- 7.3 The Lead Authority is responsible for all auditing and accounting requirements as set out in legislation.
- 7.4 Each Member is required to provide all relevant information to the Lead Authority as required to carry out its responsibilities (to be determined by DCLG).
- 7.5 Each Member will transfer the relevant funds to the Lead Authority enabling the Lead Authority to carry out its responsibilities under this agreement.
- 7.6 The Members agree that the Pool will operate on a cash flow neutral basis. Payments should be actioned in accordance with the dates as determined by DCLG (as reasonably practical) on a net basis.
- 7.7 In addition Members will be required to provide medium term forecasts and monitoring information as determined by the Pool Board.

7.8 The Lead Authority will be accountable for producing as a minimum an annual report to the Pool Board or other such reports as required by the Pool Board.

7.9 The Lead Authority will be subject to no additional burdens other than those required to meet the normal requirements associated with the administration of the Pool and shall meet those within its own resources.

**8. Termination**

8.1 A Pool will remain in place for each financial year that it has been designated by DCLG. Once designated, Members are not able to withdraw from the Pool for that financial year.

8.2 Prior to designation, the Pool is on a voluntary basis and all members will be able to choose to be a Member of the Pool for the forthcoming year's designation. In considering their continued Membership, Members will need to have due regard to the Pool Fund aims and objectives and the impact on remaining Members.

8.3 Members must give a minimum of 2 months' notice of intention to withdraw from the Pool prior to the provisional designation of the Pool in accordance with DCLG' s timetable.

8.4 If a Member or Members leave the Pool without the required notice set out in 8.3 and it is not possible for other Members to form an alternative pool for the forthcoming year then the exiting Member or Members, in addition to sums due under clause 8.6 below (contingency payments) shall pay 50% of the lost benefit to the Member Authorities directly affected in accordance with the Tier splits. The lost benefit relates to the additional retained growth as compared to the 50% scheme that would have been available to the Members in the forthcoming year had the Member or Members not exited.

8.5 Clause 8.4 of this Memorandum of Understanding shall not apply to the first year of the Pool or if the Pool Board unanimously agrees that it shall not apply.

8.6 Should a Member leave the Pool having provided the required notice then the only liability shall be in respect of sums due under clause 7.6 if any.

8.7 In the event that the Pool is terminated the Pool Board must unanimously agree how any balances in the Pooled Fund or the Contingency Fund are shared amongst the Members. For the avoidance of doubt this will include both positive and negative balances which will be netted off each other. If the pool board cannot reach a unanimous decision then the matter will be referred to mediation and/or arbitration as per the dispute resolution procedure set out in the pooling agreement.

**9. Other Terms**

9.1 The Pooling Agreement will also include other terms standard in documents of this type e.g. Freedom of Information Act, anti-discrimination, Data Protection Act, etc.

9.2 Each Member will be responsible for its own legal fees in the connection with the drafting, negotiation and completion of the Pooling agreement.

9.3 A dispute resolution shall be included in the Pooling agreement.

**Signed (for and on behalf of):**.....

**Name:**.....

**Title:**.....

**Date:**.....

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## **MEETING BEING SUBMITTED TO Cabinet – 18 October 2017**

**Report title: Future operation and management of the Market**

**Submitted by: Executive Director Regeneration & Development**

**Portfolio: Town Centres, Property & Business; Finance, ICT & Customer.**

**Ward(s) affected: Town (and wider borough catchment)**

### **Purpose of the Report**

To provide Members with the outcome of a recent tendering exercise to enable necessary decisions to be made regarding the future operation and management of the Market.

### **Recommendations**

- (a) That the offer from Market Place Management is accepted.
- (b) That officers be authorised to take all the necessary steps, in consultation with the relevant Portfolio Holder(s), to execute the new Market management arrangements at the earliest opportunity.

### **Reasons**

The award of a contract for MPM would represent the best outcome from the recent tendering exercise from both a service delivery and value for money perspective. In addition the company's proposals are considered to represent the best prospects for improving the fortunes of the Market for the benefit of the wider town centre economy.

## **1. Background**

- 1.1 At its meeting in March 2017 Cabinet considered the current performance of the market in Newcastle town centre and options for its future. The options presented were that the Council continued to run the market itself and invested in an improvement programme or that officers conducted a tendering exercise to seek an external operator to take control of the operation and management of the Market. Members made a resolution reflecting the latter and officers were duly authorised to conduct a tendering exercise.
- 1.2 A tender pack was prepared with the support of relevant officers and it was also discussed by the Economic Development and Enterprise Scrutiny committee prior to issue.

## **2. Issues**

- 2.1 The tender opportunity was extensively advertised and the evaluation process confirmed that Market Place Management (MPM) would provide the best overall outcomes from both a value for money and qualitative perspective.
- 2.2 The main issue is for the Council to consider the proposal against the current in-house arrangement taking account of a range of considerations, notably in relation to service delivery and financial implications.

## **3. Options Considered**

In view of the outcome of the tendering process there are two options to consider:

3.1 Option 1 - Contract with Market Place Management  
To contract with Market Place Management as the company who provided the best all-round offer in the recent tendering exercise. This option has the benefit of bringing a fresh and more commercial approach to managing the market, including the introduction of new market-based specialist events. In addition the company would be taking on the operating and commercial risks but with a realistic and focussed business plan it would be hoped that they could improve the performance of the market. Market Place Management has a significant motivational factor in revitalising Newcastle market in the interests of maintaining its reputation as an award winning leading provider of market services.

3.2 Option 2 - Continue with the in-house delivery arrangement  
Members could opt for a continuation of the existing in-house delivery of the activity. This option has the benefit of experienced officers who have prepared an Improvement Plan in an attempt to improve the Market's fortunes although this would need to be resourced at a time when the wider organisational needs and financial context is very challenging. Any commercial and operational risks would remain with the Council.

#### **4. Proposal**

4.1 On balance it is proposed to accept the offer from Market Place Management taking account of all material considerations including the medium to long term prospects of the Market, the potential effects on the town centre's economy and the financial implications and risks for the Council. Most importantly the proposal represents a real prospect of delivering a reinvigorated and sustainable Market offer that will optimise the prospects of it remaining a significant feature of the town's retail economy well into the future.

#### **5. Reasons for Preferred Solution**

5.1 When reviewed across the five-year term of the intended contract the proposals from Market Place Management provide the best prospects for delivering the overall desired outcome of a stronger, improved and more sustainable Market whilst representing the most economically advantageous option for the Council compared to the in-house service delivery option.

5.2 Importantly Market Place Management will be working co-operatively with the Council to review the market operation. MPM propose to take on the Market on an "as is" basis for an initial 3/4 month period before considering any changes. They have confirmed that any proposed modifications to fundamental aspects will be reviewed with Traders and the Council and agreed as part of the execution and monitoring of their Business Plan. The latter would be monitored on a quarterly basis through formal contract monitoring meetings and the Business Plan would be refreshed on an annual basis by agreement between the parties. Such monitoring meetings would include a review of defrayed expenditure on the company's investment plan.

5.3 MPM are proposing a range of actions associated with a professionally run market. Such actions include introduction of a customer charter and Real Deal initiative; a schedule of market based events to enhance the market year and activities to capitalise on seasonal themed activities and promotions. Additionally Market Place Management will introduce a full range of marketing, promotional and media activity to attract customers and traders to the market.

5.4 Market Place Management has demonstrable experience of working with wider town centre partners in the delivery of events and initiatives that will enhance town centre vitality; accordingly it is considered that they would be able to support the market element of any town centre events co-ordinated by Newcastle BID.

5.5 Subject to the passing of any Cabinet resolution it will be necessary to complete due legal processes including TUPE consultation with affected staff. Consequently the earliest realistic date to execute the handover of arrangements would be around early February 2018.

5.6 It should also be noted that the company is a Living Wage employer, consistent with the values of the Council.

## **6. Outcomes Linked to Corporate Priorities**

6.1 The delivery of an effective market supports the Corporate Priorities of a Borough of Opportunity and a Co-operative council delivering high quality, community driven services.

## **7. Financial and Resource Implications**

7.1 Given that the MPM proposal has been prepared on the basis of a 5-year business plan and contract period it has been considered appropriate to assess the in-house option over the same time period. It should be noted that whilst a detailed financial analysis has been undertaken it has been based upon trends relating to stall occupancy and income levels. In order to provide necessary comparative data for the in-house service this has required professional judgements and forecasts to be made based on historical data over appropriate time periods. On that basis the MPM proposal has been assessed as achieving a better financial outcome and representing the best value for money overall. Commercially sensitive and confidential information in this regard has been shared with Cabinet Members in advance of the publication of this report.

7.2 If the market were to be contracted out the Council would no longer incur budgeted costs in relation to employees, premises, supplies and services (note that the staff involved in the direct delivery of the market service have the right to TUPE transfer to the external market operator). On the other hand the Council would lose the income derived from stall fees. Although the latter would be offset in part by the payment of an annual licence fee. In addition the Market Place Management bid includes an investment offer over the 5 year contract period. As part of the overall assessment it is noted that no budgetary provision has been made to enable the in-house service to invest in further service improvements.

7.3 It should be noted that whilst the MPM offer is considered more financially advantageous than the Council's in-house service over the five-year contract period it would still create a budget pressure in the context of the Council's MTFS.

## **8. Major Risks**

8.1 As set out in the issues section above, principally:

- Reputational
- Decline of the market
- Financial
- Adverse impact on wider town centre economy

## **9. Earlier Cabinet/Committee Resolutions**

9.1 March 2017:

- (a) That Members agree to an external partner being sought to operate and manage the Council's town centre Markets and that officers be authorised to prepare a tender pack at the earliest opportunity and to take all the necessary steps to procure such an operator.

- (b) That officers be authorised to prepare an outcome-based specification for the service in consultation with the relevant Portfolio Holder(s) taking account of the views of the Economic Development and Enterprise Scrutiny Committee.
- (c) That the results of this tendering exercise be reported back to a future meeting of Cabinet with a view to appointing an external market operator for Newcastle town centre market as soon as practically possible.

10. **Background Papers**

- 10.1 Tender documents (confidential).

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 18th October 2017

<b><u>HEADING</u></b>	<b>Homelessness Reduction Act 2017</b>
<b><u>Submitted by:</u></b>	<b>Amanda Boffey</b>
<b><u>Portfolio:</u></b>	<b>Communities and Social Cohesion; Planning and Housing</b>
<b><u>Ward(s) affected:</u></b>	<b>All</b>

#### **Purpose of the Report**

**This report details the changes to homelessness legislation and an overview of the implications and risks of these to the Council.**

#### **Recommendations**

- (a) Members are requested to note the Homelessness Reduction Act and endorse the actions taken by officers to date and those proposed within the HRA implementation plan.
- (b) Members are requested to approve the allocation of the two sources of grant funding from the Government provided to tackle homelessness for the next 2 years to enable the new legislation to be successfully implemented.
- (c) To authorise the Executive Director for Regeneration and Development in consultation with the relevant Portfolio Holders to consider and review any changes to the Implementation Plan and changes in processes at Newcastle Housing Advice as required to comply with the new Code of Guidance.

#### **Reasons**

**To provide an understanding within the Council of the likely impact of the Homelessness Reduction Act 2017 and secure the funding needed to prepare and implement the Act**

#### **1. Background**

- 1.1 The Homelessness Reduction Act 2017 (abbreviated in this report to the HRA) became law in April 2017. The date of enactment is 1<sup>st</sup> April 2018.
- 1.2 Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002, sets out the duties of English local housing authorities (LHAs) to someone who is homeless or threatened with homelessness. Current legislation means that people who are not considered to be in priority need or who are found to have made themselves intentionally homeless are owed little in the way of legal duties from local authorities; although powers to relieve homelessness do exist.

- 1.3 The HRA sets out a framework for the most significant changes to homelessness legislation in recent years, proposing several new duties, many of which will require a change in working practices, and very likely additional resources. The aim of the HRA is to propose improvements to the legal framework in order to prevent homelessness more effectively in England, without undermining the rights people currently have under the existing system.
2. **Main new statutory duties**
- 2.1 The HRA places a new duty on local authorities to help prevent the homelessness **of all** client groups, regardless of priority need, who are eligible for assistance and threatened with homelessness. A new duty is also placed on public services to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless. The changes are summarised in the ensuing paragraphs of this section:
- 2.2 **Definition of homelessness and threatened with homelessness:** this clause extends the period within which the LHA should treat someone as threatened with homelessness from 28 to 56 days, and sets out the action LHAs should take when someone applies for housing assistance, having been served with a notice to end an assured shorthold tenancy.
- 2.3 **A stronger duty on the Local Housing Authority to provide advice and information:** this clause strengthens and extends the general advice duty, requiring the LHA to design a service that meets the needs of certain groups at risk of homelessness; care leavers, people leaving prison, people who have left the armed forces, victims of domestic abuse, people leaving hospital and people suffering from a mental illness or impairment. It is worth noting that the Council's re-commissioning of a debt advice service is likely to be beneficial to some client groups.
- 2.4 **Mandatory code of practice:** currently LHAs are required to have regard to the Homelessness Code of Guidance for Local Authorities when carrying out their Part VII functions. The new clause allows the Secretary of State to provide LHAs with "one or more codes" of practice that LHAs **must** have regard to, on how they exercise and monitor their functions under Part VII and staff training
- 2.5 **A new duty to prevent homelessness for all eligible applicants threatened with homelessness irrespective of priority need status:** this clause includes new duties to those who are homeless or threatened with homelessness, to:
- carry out an assessment;
  - agree a personal housing plan;
  - help prevent homelessness; and
  - help to secure accommodation for all eligible applicants, regardless of priority need.
- Once triggered the prevention duty would continue for 56 days unless it is brought to an end via one of the prescribed conditions. Applicants will have a right to request a review of the decision to end this duty.
- 2.6 **The Relief Duty owed to those who are homeless:** under this clause the LHA must take reasonable steps to help all homeless eligible applicants to relieve homelessness for 56 days by helping applicants to secure accommodation regardless of priority need.
- 2.7 **Deliberate and unreasonable refusal to cooperate:** this clause places a requirement on all applicants to co-operate with the LHA attempts to comply with their prevention and/or relief duties. If the LHA considers that an applicant has "deliberately and unreasonably refused" to cooperate or take any of the steps set out in the personalised plan, they can serve a notice on the applicant to notify them of their decision.

- 2.8 **Local connection of a care leaver:** all care leavers under the age of 21 will be considered as having a local connection with an area if they were looked after, accommodated or fostered there for a continuous period of two years irrespective of who the placing authority is.
- 2.9 **Review of decisions:** this clause proposes additional rights of review in relation to new duties in the HRA.
- 2.10 **Co-operation between authorities and others:** this new duty applies to all public authorities specified in the regulations to refer cases to the LHA if they consider that a person in England, to whom they exercise functions, may be homeless or is at risk of homelessness.
- 2.11 **Other changes:** the twelve month tenancy condition for a private rented sector offer in order to discharge the full homeless duty is amended to a six month tenancy.

### 3. **Implications of the HRA**

- 3.1 The Council has a good track in homelessness prevention and tools and resources to support this. Nevertheless there will inevitably be an impact on service delivery arising from the proposed new legislation which will need to be carefully managed. Officers are currently working through the detail of the full implications of the HRA but it may take some time to enable sound forecasting with regard to service delivery responses.
- 3.2 Early predictions are that once in force the changes will increase the Newcastle Housing Advice (NHA) workloads and the use of temporary accommodation. This is due to the additional steps that will have to be taken in every case. It is anticipated that casework will at least double as a result of more detailed discussions, agreements, case monitoring and reviews that will need to be undertaken with each client.
- 3.3 There is likely to be an increase in the usage and cost of temporary accommodation as lengths of stay are likely to be longer, for example, the length of time which intentionally homeless households in priority need will have to be accommodated will double. We do have existing challenges to purchase temporary accommodation placements due to competing demands from neighbouring authorities and agencies. The provision in Newcastle is limited and there are it should be noted that accommodation providers are not obliged to help our customers. For this reason, placements within Stoke are the only realistic option at this time.
- 3.4. The government has announced that Local Housing Authorities (LHA) will receive funding to help meet the costs of implementing the legislation. Furthermore it has been indicated that this will be reviewed two years after implementation including resourcing and assessing how it is working in practice. Nevertheless there is real concern amongst housing professionals as to whether this funding will adequately cover the additional costs that LHAs will incur.
- 3.5 We continue to explore opportunities to work with our partners to secure alternative temporary accommodation options to reduce both the time households stay in nightly paid temporary accommodation and the cost. We have been successful with two properties managed by Midland Heart within Stoke and we have a third property identified that the Council owns within the borough, which will increase our accommodation provision as well as providing a more settled form of accommodation for customers pending a more permanent solution to meet their housing need.

#### **4. Proposal and Reasons for Preferred Solution**

- 4.1 Officers recommend that priority is given to the implementation plan, supported as an appendix to this report, in making the necessary steps to ensure that the Council and NHA are able to deliver a service which meets the requirements of the Homelessness Reduction Act. The plan will also support those measures obtained from the Gold Standard Diagnostic Peer Review findings. Please see The Gold Standard for Homelessness Services Diagnostic Peer Review report in this pack for further information.
- 4.2 It is anticipated that there will be additional resource implications for implementation of the HRA; and that this will be achieved by the pooling of the existing funding to prevent homelessness together with the New Burdens funding and the Flexible Homelessness prevention funding (please see Financial and Resources Section below).

#### **5. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The provision of a homelessness and housing advice service enables the Council to prevent homelessness which assists in meeting the Corporate Priorities to provide a Clean, Safe and Sustainable Borough, a Borough of Opportunity, a Healthy Active Community and Becoming a Co-operative Council by delivering high quality community driven services.

#### **6. Legal and Statutory Implications**

- 6.1 Local Authority obligations to homeless people are set out in statute and are the subject of a Code of Guidance.
- 6.2 The Council has a statutory duty to assist all persons who are homeless or threatened with homelessness under the Housing Act 1996 (as amended 2002) part 7 Homelessness. The HRA 2017 when enacted will place a new duty on Local Authorities to help to prevent homelessness in all client groups, rather than those with specific eligibility status

#### **7. Equality Impact Assessment**

- 7.1 There are no direct equalities issues arising from this report but it is anticipated that the diversity of client service needs will be best achieved by the Council engaging in the actions outlined within the appendix and reviewing an EIA prior to implementation of the Act.

#### **8. Financial and Resource Implications**

- 8.1 There are 3 sources of funding for preventing and tackling homelessness. These are:
- a) The Council's Homeless Prevention Grant received as a named amount in the Council's Revenue Support Grant. This is currently £124,883, £125,871 (2018/19), £125,897 (2019/20). This grant is currently not ring fenced.
  - b) A new annual Government grant provided to replace the Temporary Accommodation Management Fund (TAMF) and starting from April 2017. This has been confirmed as £40,000 2017/18 and £40,000 (2018/19). The newly named Flexible Homelessness Support Grant (FHSG) is an increase in funding compared to the previous TAMF system. The Department of Communities and Local Government published the funding allocations for the grant over two years so councils will know with more certainty how much they will receive under the new system. They have made a commitment to announce allocations for 2019/20 during 2017/18. The grant is ring fenced for an initial period of two years and during that time may be used only to prevent or deal with homelessness

- c) New Burdens Funding from DCLG for a 2-year period after enactment to recognise the new duties the HRA places on local authorities. This is estimated to be £40K to £70K a year over 2 years but the exact figure will not be confirmed until autumn 2017. The first payments will be made in winter 2017/18. There will also be additional funding allocated to local authorities to enable the implementation of a revised data system, known as the PIE, to capture the operation and outcomes of the new duties brought in by the HRA. The change will generate much richer data both on homelessness problems and the impact of interventions, enabling better informed policy and resource decisions by both local and central government.
- 8.2 It is proposed to utilise the 2 new sources of funding (items b and c) to implement the Homelessness Reduction Act and meet the new statutory duties arising out of the Act.
- 8.3 At this stage it is not known what the resource implications will be and depending upon future funding availability, there may be the requirement for additional resources to implement service improvements for the ongoing development of the HRA. Where this is the case additional investment will be subject to further Cabinet consideration.
9. **Major Risks**
- 9.1 There are no known major risks associated with this report beyond the issues identified.
10. **Key Decision Information**
- 10.1 This is not a key decision.
11. **Earlier Cabinet/Committee Resolutions**
- 11.1 This report was considered by Economic Development and Enterprise (EDE) Scrutiny Committee on the 18<sup>th</sup> September 2017. Members requested that an Equality Impact Assessment is required to determine what the direct equality impacts will be. EDE also noted that it is too early to take forward the issues until the amended Homelessness Code of Guidance is issued by the Department of Communities and Local Government.
12. **Background Papers**
- 12.1 Further information about the Housing Reduction Act 2017 is available from the Housing Strategy team.
13. **Appendices**
- 13.1 Appendix 1 – A summary of the proposed actions to be taken forward by officers to implement the HRA.

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## Newcastle-under-Lyme Borough Council Homelessness Reduction Act Implementation Plan: Version 1

Description	Proposed actions
<p><b>Raising Member and Corporate understanding within the Council of the likely impact of the Homelessness Reduction Act 2017 and secure the funding needed to prepare and implement the Act</b></p> <p><b>Improve reception and interview facilities provided at NHA</b></p> <p><b>Review case management processes and systems – implement a new IT system essential to support Personal Housing Plans and to establish clear pathways and outcomes. NHA and the council to participate in a free pilot named Housing Jigsaw</b></p>	<ol style="list-style-type: none"> <li>1. The findings of the Diagnostic Peer Review for the Gold Standard report to be submitted to the Cabinet. The main recommendations be supported that link directly to the implementation of the HRA</li> <li>2. To seek Council Corporate Management and Council Member approval for the recommendations in the HRA report and specifically the recommendations for protecting current and anticipated implementation funding and Government Grant funding as set out in the HRA report.</li> </ol>
<p><b>Working in Partnership to prevent and tackle homelessness arising from the new duties in the Homelessness Reduction Act</b></p> <p><b>Obtaining a commitment from all relevant statutory and voluntary sector partners to work in partnership to successfully implement the new model of prevention to meet the requirements of the Homelessness Reduction Act</b></p> <p><b>To continue to explore options for the potential increase of use of temporary accommodation</b></p> <p><b>Review current pathways and referral protocols with relevant agencies including Discharge from Hospital, Young Person, Leaving Prison and statutory services including Health and Police</b></p>	<p>Plan how prevention work will be delivered through greater partnership working</p> <ol style="list-style-type: none"> <li>1. Requests to the Homeless Forum for members to form a sub group and organisations to come forward</li> <li>2. Aim is that all relevant partners sign up to a new “<b>Homeless Prevention Charter</b>” structured around the partnership aims of the Act</li> </ol> <p><b>To explore alternative and review existing use of temporary accommodation to allow for more suitable and cost effective solutions to be found</b></p> <p><b>To ensure that all agencies are aware of their responsibilities toward preventing homelessness and ensure that Good Practice is followed for all client groups</b></p>

**Review best practice - “Trailblazer” authorities, Practitioner Support (CLG), and neighbouring authorities**

**Review and amend Allocations Policy – “reasonable preference” applicants**

**Review and amend the current Homelessness Strategy Action Plan**

**To ensure that we have all round knowledge of current and ongoing developments of the HRA that can support and challenge our approach to the implementation of the HRA**

**The current allocations policy will need to be reviewed and amended to support the HRA toward supporting applicants who would be prioritised within the “reasonable preference groups”**

**To review and amend the current 5 year Homelessness Strategy Action plan to incorporate the implementation of the HRA and the ongoing development of the strategic actions**

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 18<sup>th</sup> October 2017

<b><u>HEADING</u></b>	<b>The Gold Standard for Homelessness Services Diagnostic Peer Review</b>
<b><u>Submitted by:</u></b>	<b>Caroline Hallsworth</b>
<b><u>Portfolio:</u></b>	<b>Communities and Social Cohesion; Planning and Housing.</b>
<b><u>Ward(s) affected:</u></b>	<b>All</b>

#### **Purpose of the Report**

**To inform of the outcome of the DCLG's Gold Standard Peer Review Assessment of the Council's Housing Options Service.**

#### **Recommendations**

- (a) For the Council to consider and implement actions / recommendations from the Continuous Improvement Plan prior to pursuing the challenges.
- (b) To authorise the Executive Director for Regeneration and Development in consultation with the relevant Portfolio Holders to consider and review the improvement plan as this is developed and implemented.

#### **Reasons**

**The actions and recommendations within the Continuous Improvement plan will support the measures, which will need to be taken in the coming months to ensure that the housing service is able to meet the statutory requirements of the Homelessness Reduction Act 2017, when enacted (expected to be April 2018).**

**The information within this report was considered by the Economic Development and Enterprise Scrutiny on 18<sup>th</sup> September 2017. The panel supported the recommendations and requested that the timescales for the Improvement Plan be developed by March 2018, thus forming part of the annual service plan. Then for further reporting to a future Scrutiny meeting on progress in implementing.**

#### **1. Background**

- 1.1 This report provides an update on the DCLG Gold Standard Peer Review Assessment, as reported previously at Cabinet on the 7th January 2016. Participation of the Gold Standard Process is considered to be a key process to support the continuous improvement of the homelessness / housing services at the Council.
- 1.2 In February 2017 the Council's Housing Strategy Team and Newcastle Housing Advice Service participated in a housing sector led Diagnostic Peer Review ('DPR'). The DPR is the first step Local Authorities take when participating in the Homeless Gold Standard Challenge, which is designed to help local authorities deliver more efficient and cost effective homelessness prevention services. The challenge follows a 10 step continuous improvement

approach that starts with a pledge for local authorities aspiring to 'strive for continuous improvement in front line housing services' and culminates in an application for the Gold Standard Challenge.

- 1.3 The DPR was conducted over a four day period by a Lead Reviewer from the National Practitioner Service and a shared second reviewer role by Officers from Amber Valley and South Derbyshire Councils.
- 1.4 The DPR included investigation of core housing options and homelessness services. The sub-categories which were assessed were: Homeless Prevention Strategy; Website; Reception & Interview Room Facilities; Customer Interview Observation; Housing Options File Reviews; Homelessness File Reviews; Staff; Managers; Partners; Visits (Temporary Accommodation); Quality of Housing Options.
- 1.5 Upon completion of the DPR a Continuous Improvement Plan ('CIP') was drafted by NPSS. The Continuous Improvement Plan considers all areas of the review and provides recommendations and actions for the areas of the review which were deemed to have room for improvement.
- 1.6 It is worth highlighting that as a Council we continue to set ourselves ambitious targets for high quality service provision and that alongside our newly commissioned debt advisory service and related services, this peer review process is about making sure that we continue to provide high quality support for our residents when faced with new and revised responsibilities placed on us by central government. More particularly it should be acknowledged that this process is about driving up the quality and consistency of essential support services for the most vulnerable people in our community.

## 2. **Issues**

- 2.1 Newcastle achieved an overall score of 67%, which represents a solid pass rate (60% being the threshold). This means that the Council has successfully passed the first stage of the Gold Standard process.
- 2.2 There were a number of key recommendations within the 'Continuous Improvement Plan' these related to the website, reception & interview facilities, homelessness case files and the overall quality of the housing options.
- 2.3 **The Website:** The review identified that the NHA Options website is a key area for people to self-help and it could be improved further by increasing the range of accessibility options available on the site. It was also recommended that Officers review the information currently available on the site to ensure that it is fit for purpose and user friendly.
- 2.4 **Reception & Interview Room Facilities:** These facilities were identified as sub-standard and subsequently were scored well below the required benchmark. The reception area and the interview room were deemed to be small and unsuitable, giving rise to disability and safety concerns. It was also noted that the lack of available ICT equipment within the interview room was inefficient and could lead to delays in service provision. Confidentiality issues were also raised in relation to both areas (e.g. lack of screens/booths or private areas).
- 2.5 **Homelessness Case Files:** The review identified that there was a requirement for better case file management systems and improved consistency for the Homelessness Case Files.

2.6 **Overall Quality of the Housing Options Service:** The review identified that the service was particularly weak at being able to demonstrate that good practice systems are in place and confirmation of advice is provided.

2.7 **Good Practice Identified in the Review:** There were also a number of areas within the report highlighting 'good practice' which included;

- An excellent Homelessness Strategy;
- Skilled and professional staff;
- Prevention ethos demonstrated throughout the service;
- Established relationships with partners;
- One off payments Pot;
- Customer Service and;
- Fully furnished self-contained Temporary accommodation units.

### 3. **Options Considered**

3.1 There are two stages to the Gold Standard process, the DPR, followed by further assessment against the 10 local challenges, leading to the award of Bronze, Silver and ultimately Gold Standard Status.

3.2 Having achieved more than the minimum 60% required to pass, the DPR assessment, the Council has the following options:

3.3 **Option 1**  
For the Council to pursue the next stage of the Gold Standard Challenge.

3.3 **Option 2**  
For the Council to consider and implement actions from the improvement plan prior to pursuing the challenges.

3.4 **Option 3**  
For the Council to note the findings of the review, but take no further action.

### 4. **Proposal and Reasons for Preferred Solution**

4.1 Officers recommend Option 2, which in the first instance gives priority to addressing the findings of the review and considering the recommendations and actions from the Continuous Improvement Plan.

4.2 By doing this, service delivery can be enhanced and any improvements made will go some way in supporting the measures, which will need to be taken in the coming months to ensure that the housing service is able to meet the statutory requirements of the Homelessness Reduction Act 2017, when enacted (expected to be April 2018) (Please see The Homelessness Reduction Act 2017 Cabinet report in this pack for further information). One example of an improvement measure that can and should be explored is the potential to utilise interview room space at the new Castle House building to address the issues highlighted at paragraph 2.4.

4.3 Once the Council is satisfied that the Housing Service is meeting the new statutory requirements for the Homelessness Reduction Act 2017, Officers can commence the assessment stage of the Gold Standard Challenges.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

5.1 The provision of a homelessness and housing advice service enables the Council to prevent homelessness which assists in meeting the Corporate Priorities to provide a Clean, Safe and Sustainable Borough, a Borough of Opportunity, a Healthy Active Community and Becoming a Co-operative Council by delivering high quality community driven services.

6. **Legal and Statutory Implications**

6.1 Local Authority obligations to homeless people are set out in statute and are the subject of a Code of Guidance.

6.2 The Council has a statutory duty to assist all persons who are homeless or threatened with homelessness under the Housing Act 1996 (as amended 2002) part 7 Homelessness.

6.3 The Homelessness Reduction Act 2017 when enacted will place a new duty on Local Authorities to help to prevent homelessness in all client groups, rather than those with specific eligibility status.

7. **Equality Impact Assessment**

7.1 There are no direct equalities issues arising from this report but it is anticipated that the diversity of client service needs will be best achieved by the Council continually working to improve the homelessness service provision within the Borough.

8. **Financial and Resource Implications**

8.1 It is anticipated that as is the case with all review and evaluation processes there will be additional resource implications to implement service improvements. At this stage it is not known what these resource implications will be, should additional investment be required this will be subject to further Cabinet consideration.

9. **Major Risks**

9.1 There are no major risks associated with this report.

10. **Key Decision Information**

10.1 This is not a key decision.

11. **Earlier Cabinet/Committee Resolutions**

11.1 Gold Standard for Homelessness 16<sup>th</sup> March 2016.

11.2 EDE Scrutiny 18<sup>th</sup> September 2017. The panel supported the recommendation and requested that timescales for the Improvement Plan be developed by March 2018, thus forming part of the annual service plan. Plus a further report, on the progress in implementing to be submitted to a future Scrutiny.

12. **Background Papers**

12.1 Further information about the ten Gold Standard Challenges is available from the Housing Strategy team on request.

## CABINET

18<sup>th</sup> October 2017

### DELEGATION FOR NEIGHBOURHOOD PLANNING

**Submitted by:** Executive Director: Regeneration & Development

**Portfolio:** Planning and Housing

**Ward(s) affected:** All wards

#### **Purpose of the Report**

For Cabinet to consider and approve delegated decision making arrangements for Neighbourhood Planning to allow the Council to meet statutory timescales.

#### **Recommendation**

1. That all decisions (see Table 1) involving any aspect of the statutory function relating to Neighbourhood Planning be delegated to the Executive Director, Regeneration & Development in consultation with the Cabinet Member responsible for the Planning & Housing Portfolio, unless:
  - that stage of the Neighbourhood Planning process has resulted in significant public objection and/or the decision is publicly contentious in the opinion of the Cabinet Member; or
  - the decision is considered to be a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards.

Then such decision shall be delegated to the Cabinet Member responsible for the Planning and Housing Portfolio.

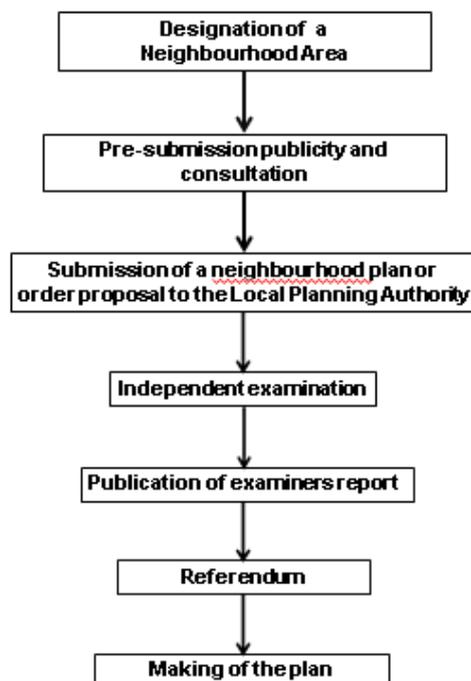
#### **Reasons**

Recent legislative changes have introduced time limits on certain stages of the Neighbourhood Plan production process, including the timing of the referendum and the making (adoption) of the plan. In the interests of timely and efficient decision making, it is requested that decisions involving any aspect of the executive statutory function relating to Neighbourhood Planning be delegated to the Executive Director, Regeneration & Development in consultation with the Cabinet Member. Decisions will in most cases be largely non-contentious given that the responsibility of the Local Planning Authority is broadly limited to administering regulatory stages and providing technical advice. If decisions are potentially significant and/or contentious, then decisions will be taken by the Cabinet Member.

Without delegation, it would be very difficult to meet statutory deadlines introduced by recent Neighbourhood Planning legislation, undertake the required consultation periods within parts of the process and any turnaround time for reports before decisions can be made.

## 1. Background

- 1.1 Neighbourhood Planning was introduced through the Localism Act 2011 and enables local communities to produce neighbourhood plans, setting a vision and policies for the future development of their area.
- 1.2 To date five neighbourhood areas have been designated in the Borough and all are currently working on the production of draft plans. Once 'made', a neighbourhood plan forms part of the statutory development plan. Planning applications submitted in areas that have a sufficiently advanced neighbourhood plan<sup>1</sup> will be assessed against the policies that it contains.
- 1.3 The Council has a statutory duty to support the production of Neighbourhood Plans. This support includes designating Neighbourhood Areas, publicising submitted plan proposals and organising the examination and referendum. The Council's responsibilities are generally administrative or technical in nature, for example, advising on general conformity with the development plan, checking that neighbourhood plans have followed correct procedures and arranging the examination/referendum.
- 1.4 On the 16<sup>th</sup> September 2015, Cabinet agreed to delegate decisions on the designation of neighbourhood areas (one of the first steps in the process of preparing a neighbourhood plan) to the Cabinet Member with responsibility for the Planning and Housing Portfolio. The delegated powers secured have been successfully used in order to designate three neighbourhood areas, namely: Keele; Betley, Balterley & Wrinehill and the Madeley Neighbourhood Areas.
- 1.5 Beyond area designation, neighbourhood plans have to go through a number of key stages before they are made and this are summarised in the flowchart below.



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<sup>1</sup> [Duty to have regard to a post-examination Neighbourhood Plan](#)

- 1.6 Since the Cabinet decision in 2015, the Government has continued to support Neighbourhood Planning and the rights of communities to guide and shape their areas. The Neighbourhood Planning Act 2017, the Housing and Planning Act 2016 and other changes to Regulations in 2016 and 2015 have introduced a number of legislative changes which are designed to speed up and simplify the neighbourhood planning process.
- 1.7 The effect of recent legislative changes means that certain decisions must be made within prescribed time periods, including:
- the designation of a neighbourhood area (for parish/town councils, designation required as soon as possible).
  - the designation of a neighbourhood forum (13/20 weeks);
  - the decision by a local planning authority on whether to put a neighbourhood plan to referendum following receipt of the report of the independent examiner (5 weeks);
  - the period for a local planning authority to seek further representations and make a final decision, where they propose to make a decision which differs from that recommended by the examiner (6 weeks additional consultation plus 5 weeks to issue decision);
  - the time period within which the referendum must be held, following the decision that the plan proposal should be put to referendum (56/84 working days);
  - the time period for a local planning authority to bring a neighbourhood plan into force after it has been approved in each applicable referendum (8 weeks).
- 1.8 National Planning Policy Guidance advises that Local Planning Authorities should make every effort to conclude each stage of the neighbourhood planning process promptly. In addition, measures have recently been introduced to enable the Secretary of State to intervene if a Local Planning Authority does not make decisions in a timely manner.

## **2. Issues**

### Decision Making Process

- 2.1 The council's constitution makes no provision for the determination of decisions relating to Neighbourhood Planning.
- 2.2 National Planning Practice Guidance states that a council's Executive body (i.e. Cabinet) takes the decisions relating to Neighbourhood Planning (where the authority operates executive arrangements as in Newcastle) but that it may delegate this duty to others in the authority, for example a Cabinet sub-committee or the relevant Portfolio Holder.
- 2.3 Advice has been sought from the Council's legal team who have confirmed that Cabinet has the relevant authority to delegate decision making responsibilities in relation to neighbourhood planning to others in the authority. Any future delegations which need to be included in the Scheme of Delegation would consequently be reported to Council for information.
- 2.4 Cabinet approval was previously sought in September 2015 to enable neighbourhood area applications to be decided by the Cabinet Member with responsibility for the Planning and Housing Portfolio. This has worked successfully with 3 areas being designated utilising these powers. If the Local Planning Authority is to meet the statutory timescales relating to different stages of the neighbourhood planning process

as neighbourhood plans in the Borough progress, further clarification in terms of the decision taking framework is required.

#### The role of the Local Planning Authority and Individual Members

- 2.5 Neighbourhood plans are produced by communities and currently all are being led by parish councils in the Borough. The Borough Council's role as the Local Planning Authority is largely technical in nature, for example advising on conformity with the Development Plan and checking that Plans have followed correct procedure. Neighbourhood Plans are required to be in general conformity with the adopted Development Plan but beyond this, the Local Planning Authority does not have a mandate to provide a political steer on the content of an emerging plan.
- 2.6 Decisions on neighbourhood plans will in most cases be largely technical or administrative and non-contentious. Each application and submission will be discussed with the Portfolio Holder. Individual Members will be kept informed of decisions affecting their ward.
- 2.7 The proposal below allows for key decisions and decisions in circumstances where there are potentially significant or contentious issues to be decided by the Cabinet Member.

#### Future Implications for the Borough Council

- 2.8 Whilst Neighbourhood Plans are prepared by bodies external to the Borough Council, it will be the Borough Council's responsibility to 'make' (i.e. adopt) the Neighbourhood Plans and to implement their policies through subsequent decisions on planning applications submitted for consideration. Neighbourhood Plans must however be in general conformity with national planning policy and the approved development plan for the area. In Newcastle-under-Lyme this currently means the adopted Core Spatial Strategy and the 'saved' policies from the Newcastle-under-Lyme Local Plan 2011.
- 2.9 The preparation of a Joint Local Plan for Newcastle-under-Lyme and Stoke-on-Trent City Council is underway. If neighbourhood plans are made in advance of the Local Plan, there is potential for neighbourhood plan policies to become out of date if they were to conflict with policies of a Local Plan that is subsequently adopted. It may be necessary for Qualifying Bodies (QB's) to review their neighbourhood plans in these circumstances.

### **3. Proposal and Reasons for Preferred Solution**

- 3.1 It is proposed to delegate matters of an administrative or technical nature to the Executive Director, Regeneration & Development. Other matters are delegated in consultation with the Cabinet Member. The table at Appendix 1 identifies the various stages of neighbourhood planning and the delegation sought.

### **4. Financial and Resource Implications**

- 4.1 The Borough Council has a statutory to advise and assist in the preparation of Neighbourhood Plans. The processes set out in this report involve staff time and costs including providing ongoing professional advice and technical support, sharing evidential information and data, organising formal public consultation periods and making the arrangements for the examination and referendum of the Neighbourhood

Plans. The Council currently employs a temporary part-time Neighbourhood Planning Officer (0.6FTE) to administer and support this process.

4.2 Funding for Neighbourhood Planning is currently supported by grants available from the Department for Communities and Local Government (DCLG) which is reviewed on an annual basis. The Borough Council can currently claim:

- Area and Forum designation: LPAs can claim £5,000 for the first five neighbourhood areas and first five forums designated. To date, the Council has submitted 5 claims relating to the designation of five neighbourhood areas (£25,000 in total, £5,000 per area).
- For all areas: LPAs can claim £20,000 once they have set a date for a referendum following a successful examination.
- Business areas: LPAs can claim a further £10,000 once they have set a date for a referendum following a successful examination.
- Neighbourhood Development Orders and Community Right to Build Orders: LPAs can claim £20,000 in relation to NDO's and/or CRtBO's for each neighbourhood planning area per year. The claim can be made once the date for the referendum on the orders has been set.
- Modification of a neighbourhood plan that is in force: LPAs will be able to claim £10,000 once they have set a date for a referendum following a successful examination for a modified neighbourhood plan, when a plan is already in force for that area.

4.3 All payments are retrospective and any costs are therefore funded upfront from the Council's existing resources. The extension of delegated powers would achieve time savings by reducing the number of reports being prepared and considered.

## **5. Outcomes Linked to Corporate Priorities**

5.1 The preparation and implementation of Neighbourhood Plans in the Borough will contribute to the following corporate priorities:

- A clean, safe and sustainable Borough
- A Borough of opportunity
- A healthy and active community
- A co-operative council delivering high quality, community driven, services

5.2 The designations are not expected in themselves to have a direct impact on the council's corporate priorities.

## **6. Legal and Statutory Implications**

6.1 Neighbourhood Planning is part of Government policy to empower local communities to take forward planning proposals at a local level as outlined in Section 116 of the Localism Act, 2011. The Act and the Subsequent 2012 Regulations (as amended) confer specific functions on Local Planning Authorities in relation to Neighbourhood Planning. The Council is required to adopt procedures to process Neighbourhood Plans and has a statutory duty to make decisions within prescribed timeframes.

6.2 Neighbourhood Planning is one of the Council's executive functions and all decisions must be made accordingly. Cabinet has the ability to delegate some or all of these decisions to an Officer and /or to an Individual Cabinet Member.

## **7. Major Risks**

7.1 If Cabinet were to continue as the decision making body for decisions relating to Neighbourhood Planning, this would make it very difficult to meet the statutory deadlines enforced by the updated Neighbourhood Planning legislation due to the required consultation periods within parts of the process and the turnaround time for writing and signing off reports before a decision could be made. Failure to comply with statutory deadlines could result in intervention by the Secretary of State in the neighbourhood planning process in the Borough.

## **8. Appendices**

1. Table showing the stages of Neighbourhood Planning and the delegations sought

## **9. Background information**

1. Cabinet Report 19 September 2015

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Table 1: Stages of Neighbourhood Planning and delegation sought

Stage	Timescale/ Comments	Proposed delegation
<p><b>Publication and determination of Neighbourhood Area Applications</b></p> <p>1. Designation and publication of a Neighbourhood Area where the Qualifying Body (QB) is a Parish or Town Council and the proposed Neighbourhood Area consists of the whole of the Parish/ Town Council boundary.</p> <hr/> <p>2. Where the QB is a Forum (or the area does not consist of the whole of a Parish/ Town Council boundary)</p>	<p>Designation of the area should take place as soon as possible upon receipt of application.</p> <p>The Borough Council has no discretion to amend the boundary provided that the application is valid and complete.</p> <p>No public consultation is required prior to the designation of the area.</p> <hr/> <p>Decision on the application must be made within 13 weeks, or 20 weeks where the application area falls within the areas of two or more local planning authorities.</p> <p>This includes a period of 6 weeks public consultation. Time limits do not apply where a part of an area is already designated or more than one application has been made in overlapping areas.</p>	<p>Executive Director, Regeneration &amp; Development.</p> <p>All relevant Ward members will be notified of the decision to designate the Neighbourhood Area.</p> <hr/> <p>Executive Director, Regeneration &amp; Development in consultation with the Cabinet Member.</p> <p>All relevant Ward members will be notified of the application and decision.</p>
<p><b>The provision of informal support</b></p> <p>The provision of informal technical support and advice to QB's on draft neighbourhood plans.</p>		<p>Executive Director, Regeneration &amp; Development.</p>
<p><b>Provision of Strategic Environmental Assessment and Habitats Regulations Screening, where requested.</b></p>		<p>Executive Director, Regeneration &amp; Development.</p>

<p><b>Provision of formal comments to the QB on the pre-submission draft plan.</b></p> <p>(Regulation 14)</p>	<p>The Borough Council has 6 weeks once the consultation period has commenced to provide comments on the draft plan to the Qualifying Body.</p>	<p>Executive Director, Regeneration &amp; Development.</p> <p>All relevant Ward members will be notified of the consultation.</p>
<p><b>Accepting a submitted Neighbourhood Plan for public consultation.</b></p> <p>(Regulation 15/16)</p>	<p>Where a QB submits a plan proposal to the Borough Council, the submitted documents will be checked to ensure that they comply with all relevant legislation.</p> <p>If the plan meets the legal requirements, the plan proposal will be publicised for a minimum of 6 weeks and responses will be collated.</p>	<p>Executive Director, Regeneration &amp; Development.</p> <p>All relevant Ward Members will be notified.</p>
<p><b>Appointment of independent examiner and examination of plan.</b></p> <p>(Regulation 17)</p>	<p>Appointment of an independent examiner in conjunction with the QB.</p> <p>Make arrangements for the examination and for the provision of documents to the examiner.</p>	<p>Executive Director, Regeneration &amp; Development.</p>
<p><b>Publication of the Examiners Report</b></p>	<p>Publish final examiners report on website.</p>	<p>Executive Director, Regeneration &amp; Development.</p>
<p><b>Decision on examiners recommendation</b></p>	<p>Within 5 weeks of receiving the examiner's report, or in accordance with the timescale agreed within the QB, a decision will be made by the Borough Council as to whether or not the draft neighbourhood plan meets the legal tests (basic conditions) and whether or not a referendum should be held.</p> <p>Where the Borough Council proposes to make a decision that differs from that of the Examiner, additional consultation must be undertaken in accordance with the regulations for a period of six weeks with the final decision being issued within five weeks of the end of that consultation period.</p>	<p>Executive Director, Regeneration &amp; Development in consultation with the Cabinet Member.</p> <p>All Ward Members will be notified.</p>

	Publish decision statement.	
<b>Organisation of Referendum</b>	<p>A referendum must be held within 56 working days of the Borough Council's decision that the plan proposal should proceed to a referendum; or 84 working days where there is a business referendum, or where the area falls within more than one LPA.</p> <p>If there is opportunity to combine the referendum poll with another poll that is due to be held within three months of the end of the 56 or 84 day period, then this period will be extended accordingly.</p> <p>These time limits do not apply where there are unresolved legal challenges on the decision to hold a referendum.</p>	<p>Executive Director, Regeneration &amp; Development in conjunction with Electoral Services.</p> <p>All relevant Ward Members will be notified.</p>
<b>Decision to 'make' a neighbourhood plan</b>	<p>The decision to make the plan has to be made within 8 weeks of the result of the referendum, unless there are unresolved legal challenges.</p>	<p>Executive Director, Regeneration &amp; Development in consultation with the Cabinet Member where the referendum result is positive.</p> <p>In all other cases – Cabinet Member.</p> <p>All relevant Ward Members will be notified.</p>

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