

**Corporate Finance & ICT**

2nd Floor Magdalen House
30 Trinity Road
Bootle
Merseyside, L20 3NJ

Kieran Timmins,
Deputy Chief Executive,
Merseyside Fire and Civil Defence Authority
Bridle Road
Merseyside
L30 4YD

Date: 6 August 2012
Our Ref: FM/CFM
Your Ref:

Please contact: M. Rawding
Contact Number: 0151 934 4082
Fax No: 0151 934 4116
e-mail:
Margaret.rawding@sefton.gov.uk

Dear Kieran,

Consultation on an appropriate Council Tax Reduction Scheme

You will be aware of the consultation that has been ongoing over recent months regarding the introduction of a Local Council Tax Reduction Scheme. A number of meetings have taken place between Merseyside Practitioners & Finance Officers and representatives from the Fire and Rescue Authority. This letter is the next stage of the consultation process and provides information on Sefton's proposed scheme.

Sefton's Cabinet met on 19 July to discuss the Council's proposed scheme for 2013/14. Given the time constraints and resources required to design and implement an entirely new local support scheme from scratch, the Council has decided not to adopt this approach. Instead the Council proposes to make a number of modifications to the existing council tax benefit scheme for working age claimants in order to make the savings required as a result of the reduction in funding for council tax support announced in the Spending Review 2010. The proposed changes (for non-pensioner claimants) to the existing scheme put forward for consultation are:

- a) Calculating the level of support available to claimants based on 80% of their council tax liability;
- b) Ceasing to provide support to claimants with capital savings above £6,000;
- c) Removing the second adult rebate;
- d) Withdrawing the facility to backdate awards; and
- e) Either removing the deduction for dependants or introducing a flat rate deduction for non-dependants.

A copy of the Cabinet report is attached (together with the minutes) which provides greater detail including an estimate of the financial impact of each of the proposals on the Collection Fund.

These proposals are not expected to fully achieve the total savings requirement. In order to ensure that new scheme has a neutral impact on the Authority's council tax requirement, further savings are required. These are to be achieved by adopting a number of technical reforms to existing council tax discounts and exemptions.

The proposed changes to discounts and exemptions are:

- a) Removing the 10% discount for properties not occupied as a main home;
- b) Reducing the discount available on unoccupied and unfurnished properties from 100% to 50% for the 6 month period;
- c) Charging a 50% premium on properties that have been empty for more than 2 years;
- d) Reducing the discount on empty properties undergoing major repairs or structural alteration from 100% to 50%.

The estimated financial implications of the council tax support scheme proposals and the changes to discounts and exemptions (including the Band D impact) for Sefton and the Fire Authority are exemplified in the two spreadsheets attached. These identify the potential overall impact for each of the non-dependants options. These exemplifications are provided for illustrative purposes. You should note that the precise costs of the scheme are difficult to determine with any accuracy, due to uncertainties around caseload change, actions taken to avoid paying the additional costs, and reduced collection rates.

Bearing in mind the financial constraints facing the Council and the precepting authorities, the financial impact on the Collection Fund has been taken as a key consideration when developing these proposals. However, due to the uncertainties surrounding any proposed scheme, there can be no guarantee that there will not be any subsequent financial implications for our authorities.

For information, I have enclosed a copy of the Authority's consultation document for the general public. The public consultation ends on the 29 October. During this period, I would welcome your comments on the proposed scheme, the assumptions used and look forward to discussing any feedback with you.

Should you wish to speak to someone regarding the proposed scheme, Chris Finnigan (934 4161) is the most appropriate contact. If there are questions relating to the Band D calculations, please contact Bernarde Bell (934 4103).

Yours sincerely,



MARGARET RAWDING
HEAD OF CORPORATE FINANCE & ICT

Report to:	Cabinet Council	Date of Meeting:	19 th July 2012 6 September 2012
Subject:	Consultation on an appropriate Council Tax Reduction Scheme and to publish the draft scheme.		
Report of:	Head of Corporate Finance and ICT	Wards Affected:	All
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

As part of the 2010 Spending Review, the Government announced that the current national Council Tax Benefit system would be replaced by a Local Council Tax Reduction Scheme from 2013-14, reducing expenditure by 10 per cent. This is part of a wider policy of decentralisation and welfare reform. The Local Government Finance Bill was introduced to Parliament on the 19th December 2011.

On the 18th May 2012, The Department of Communities and Local Government published Localising Support for Council Tax- Statement of Intent. It sets out the requirements for preparing a 'Local Council Tax Reduction Scheme'. The document outlines very specific procedures to be followed in preparing a scheme and the requirements placed upon Local Authorities to consult.

Whilst the Bill has not received Royal Assent the Government requires Local Authorities, before adopting a scheme, to, in the following order :

- a. consult any major Precepting Authority which has power to issue a precept to it,
- b. publish a draft scheme, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

By law the scheme will have to be formally adopted by the 31st January 2013.

Recommendation(s)

1. To agree a draft Council Tax Reduction Scheme on which the Council will consult interested parties in accordance with the approach set out in this report.
2. To consult on the removal of Council Tax exemptions and discounts.
3. To require The Head of Finance and ICT to present a report to Cabinet following consultation with a recommendation for final agreement by Council.
4. The Cabinet to recommend to Council that approval be given to the rescheduling of the Council meeting from the 7th February 2013 to the 24th January 2013.

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

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

Reasons for the Recommendation:

Legislation requires the Council to formally have in place a Council Tax Reduction Scheme by the 31st January 2013. The scheme must be consulted upon with Precepting bodies and other such persons as it considers are likely to have an interest in the operation of the scheme.

What will it cost and how will it be financed?**(A) Revenue Costs**

The Government has announced provisional Council Tax support grant allocations of approximately £23.6m to fund the scheme from April 2013; this resource is to cover Sefton Council and its Precepting bodies requirements. This is a shortfall of 13.6% on the current Council Tax benefit scheme. In addition the authority will receive in the region of £84K to implement the new scheme.

(B) Capital Costs N/A**Implications:**

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

Legal

Consultation must be carried out in accordance with the order set out in the Bill. When consulting, the Council must ensure that ALL interested parties are able to give their view and influence the design of the scheme. The Council must also take into consideration any adverse effect of any changes on any particular group when making its final decision on a scheme.

Human Resources None

Equality

In relation to compliance with the Equality Act 2010, Section 149, Members need to make decisions in an open minded balanced way showing due regard to the impact of any recommendations being presented. Members need to have a full understanding of any risks in terms of people with protected characteristics and any mitigation that needs to be put in place. Equality Impact Assessments, including consultation, provide a clear process to demonstrate that Cabinet and Council have consciously shown due regard and complied with the duty. A full EIA will be published with the final recommendations to Cabinet and full Council.

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

Impact on Service Delivery:

Overall there will be a reduction in funding to help Sefton residents with Council Tax costs estimated at 13.6%. Since pensioners are required to be protected under the scheme there is an estimated reduction impact on all working age claimants at 27.7%. This is on the assumption that the benefit caseload does not increase.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 1602) and Head of Corporate Legal Services (LD 933) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

If Sefton Council choose not to adopt a Local Council Tax Reduction Scheme, the Secretary of State will impose a default scheme and there will be no need to consult as the current Council Tax Benefit Scheme will become the local scheme. However, the Council would be required to meet approximately £3.2m of the funding shortfall with the remaining £0.5m falling on the police and fire authorities. In addition any additional shortfall for increase in caseload will require further cuts on general services.

Implementation Date for the Decision

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

Contact Officer: Margaret Rawding, Head of Corporate Finance and ICT

Tel: 0151 934 4096

Email: margaret.rawding@sefton.gov.uk

Contact Officer: Christine Finnigan, Customer and Transactional Service Client Manager

Tel: 0151 934 4161

Email: christine.finnigan@sefton.gov.uk

Contact Officer: Sue Holden, Service Manager, Business Intelligence

Tel: 0151 934 4722

Email: sue.holden@sefton.gov.uk

Background Papers:

The following are background papers available for inspection:

- a. Localising Support for Council Tax – A Statement of Intent from DCLG
- b. Technical reform to Council Tax – summary of responses report from DCLG
- c. Localising Support for Council Tax – Funding arrangements consultation.
Published by DCLG 17th May 2012.
- d. Local Government Finance Bill – introduced to Parliament 19th December 2011.
- e. Technical Reform to Council Tax – summary of responses report from DCLG May 2012
- f. Data fact sheets covering proposals.

Introduction/Background

The Local Government Finance Bill which was introduced to Parliament on the 19th December 2011 requires Local Authorities to design their own schemes to administer Council Tax Support, working within a framework set out in legislation. The current Council Tax Benefit scheme will no longer exist from April 2013.

The Statement of Intent published on the 18th May 2012 by DCLG requires the following framework for the Local Council Tax Reduction Scheme:

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

Secondary legislation is due to be published early autumn and final funding and regulations in December 2012.

Consultation and engagement

The 'Localising Support for Council Statement of Intent' was published in May 2012 by the Government. The document sets out the requirements for preparing a 'Local Council Tax Reduction Scheme'. The document outlines very specific procedures to be followed in preparing a scheme and the requirements placed upon Local Authorities to:-

- a. consult any major Precepting Authority which has power to issue a precept to it,
- b. publish a draft scheme, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

By law the scheme will have to be formally adopted by the 31st January 2013.

The consultation should be carried out in accordance with the Best Value Guidance 2011 and must ensure that all interested parties are able to give their view and influence the design of the reduction scheme. The consultation should be carried out as early as possible to ensure feedback can influence the scheme and allow sufficient time for feedback to be gathered, impacts to be understood and a scheme to be agreed. In order to ensure the Council meets its obligations in relation to consultation and

engagement in preparing a 'Local Council Tax Reduction Scheme' it is recommended that the following process is agreed:

Timeline for Consulting on a local Council Tax Reduction Scheme

Produce Options for Members for consultation	July 2012
Consult with Precepting Authorities	July 2012
Consider responses from Precepting Authorities	September 2012
Consult Interested Persons (12 weeks)	August – October 2012
Start to analyse consultation feedback	September/October 2012
Determine any disproportionate impacts	September/October 2012
Publish recommendations to Cabinet Including an equality impact assessment	December 2012
Council approval of scheme	January 2013
Publish Scheme	End of January 2013

The Consultation and engagement processes will be undertaken in accordance with the Standards for Consultation and Engagement and a plan will be submitted to the Panel for Consultation and Engagement for approval. A range of methods will be used, as appropriate to the different audiences, to ensure full participation by all interested parties and inclusion in the consultation.

Equality Impact Assessment

The Consultation, Engagement and Equalities Group will take forward the development of the impact assessment for the proposed changes to Council Tax Benefit. A first draft is in development based on impacts identified through national impact assessments on both the changes to Council Tax Benefits and the wider benefit reforms. The EIA document will be reviewed throughout the consultation process to ensure the outcomes influence the consultation process and the feedback from the consultation is captured.

Context

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

Table below shows the caseload trend for Council Tax Benefit Claims

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

Table below shows number of Benefit claims in Council Tax bands

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

- There is a range of liability charges for each band as it takes into account the areas which attract the Parish Precepts. Properties in Band –A are those that are Band A properties that have been adapted for use by a disabled person.
- The current number of claimants who receive Housing Benefit and Council Tax Benefit is over 33,000. Most claimants will receive both Council Tax and Housing Benefit.
- Pensioner claimants appear to be reasonably stable across the years.
- There is an increasing volume of working age claimants, caused by the economic downturn.
- Most Sefton benefit claimants live in Band A and Band B properties.
- Council Tax Benefit is shown as a credit on the Council Tax account with a bill being sent out for the balance if claimants are not entitled to maximum Council Tax benefit.
- The Council Tax Reduction scheme may pay less benefit to the 17,000 working-age claimants in Sefton.

Budget Implications

Council Tax benefit expenditure totalled £27.3m in 2011/12. The Government has announced provisional Council Tax support grant allocations of approximately £23.6m to fund this expenditure from April 2013. This results in an initial funding reduction of **£3.7m** (13.6%) before allowing for any change in caseload or a potential reduction in the Council Tax collection rate as a result of the introduction of a new local scheme.

A reduction in the collection rate equivalent to 10% of the initial funding reduction would add a further £0.370m to the cost of the scheme, increasing the saving required to **£4.1m**.

The benefit case load for working age clients has increased by an average of 8.6% per annum over the last two years, which equates to an increase in expenditure of approximately £1.150m each year. If this trend continued in 2012/13 the saving required would increase to **£5.2m**.

However, the Government are forecasting a flattening off of demand from working age claimants and a reduction in pensioner claimants between 2011/12 and 2013/14, equivalent to approximately -£0.470 (-1.7%) at local level. If this occurred the saving required would reduce to **£3.6m**.

Sefton's share of the initial funding reduction (**£3.7m**) is £3.161m (including parish precepts), the remainder of the funding reduction falls on the Major Precepting bodies, the Merseyside Police Authority (£0.372m) and the Merseyside Fire and Rescue Service (£0.167m).

The Council has the option to vary the terms of the current Council Tax benefit scheme for working age claimants in order to reduce the costs of the scheme to mitigate the funding reduction. Alternatively the Council could choose to find the savings from efficiency measures or cuts elsewhere in its budget. However, any funding shortfall not mitigated by changes to the scheme will need to be considered in the context of the £21.7m savings gap already forecast for 2013/14 in the revenue budget report presented to Cabinet on 21st June 2012.

Impact on Households

It is inevitable that reductions in the amount of Council Tax benefit payable to households will have an impact on the amount of income they have available for other needs. This impact will be felt particularly by people who rely on income based benefits for all or part of their income.

Income based benefits are set at a rate to provide basic living expenses for each week, e.g. a single person age 25 or over will be awarded £71 per week in JSA (£56.25 for 16 to 25 year olds). Any reduction in the levels of Council Tax benefit available will mean a reduction in the amount of income available for other needs. As a result households will, at least in the short term, have to make the choice between paying the increase in Council Tax or paying for other daily living costs.

In short, if means tested benefits are paid at the minimum acceptable standards then withdrawing Council Tax benefit will put claimant's income below minimum acceptable standards by the amount of benefit withdrawn.

Creating the Sefton Local Scheme

The local Council Tax Reduction Scheme needs to

- Provide assistance to those in financial need
- Promote incentives to work
- Take into account relevant factors such as Equality duty
- Follow statutory requirements and fair procedure when making the scheme.

- Be transparent and accessible

Impact on Council Tax Collection Levels

In determining the Council Tax Reduction Scheme, the Council must fully consider the householder's ability to pay as this quickly translates into the Council's ability to collect. Many households that currently receive 100% Council Tax Benefit may receive a bill for part of their Council Tax liability that they had not previously faced. Other households may see a marked reduction in the amount of help they receive with their annual Council Tax bill.

It is expected that there will be additional administration and collection costs associated with any cuts to the amount of help people receive with their Council Tax bill. The figures below demonstrate the current difficulties people face in paying their Council Tax when not in receipt of full benefit.

Liability Orders Obtained – Council Tax Benefit Awarded 2011/12

Total Number of LO's 2011/12	Number of LO's - CTB Awarded	Number of CTB LO's - Paid in Full	Number of CTB LO's With Balances	Cash Value Of CTB LO's With Balances
10128	1798	395	1403	£455887.75

Notes to the above table

- The figure of 1798 is based on cases with Council Tax Benefit in payment as at 31.03.12.
- Some of the awards were only made after the Liability Order was obtained.
- The figures do not include cases where Council Tax Benefit was no longer in payment at 31.03.12 or has been awarded for inclusive periods within the financial year.

The above figure of 1403 can be broken down further in terms of the current enforcement stage in each individual case.

Recovery Stage	14 Day Letter	AOB	AOB Pending	AOE	AOE Pending	Bailiff	Arrangement
Number	25	381	257	14	17	514	195

Key

14 Day Letter = Letter sent warning of bailiff action

AOB = Attachment of Benefit in place (£3.40 deduction per week)

AOB Pending = Attachment pending as an earlier debt still subject to an attachment

AOE = Attachment of Earnings

AOE Pending = Attachment pending as an earlier debt still subject to an attachment
Bailliff = Case with bailiff for collection
Arrangement = Payment arrangement agreed with Sefton

Additional Information

83% of the cases with balances are HB/CTB cases – current value £378,386.83.

Methodology used for options design:

The Operational workgroup and relevant officers within the Council developed a range of potential options within the required Government framework for the Local Council Tax Reduction Scheme. The Group identified and examined the potential effects on benefit claimants, developed information sharing channels and attended various meetings to discuss potential implications of the impending changes.

Background information was gathered from a number of sources prior to and during the process as follows:

- Professional organisations i.e. CIPFA and IRRV
- Government seminars and workgroups
- Merseyside Practitioners working group
- Working with other Local Authorities
- Software providers – to ensure any proposals can be delivered.

Draft Scheme Design

The draft Scheme addresses the funding shortfall for Council Tax Benefit claimants through three principle areas:-

- a) To reduce the Council Tax discounts and exemptions on certain unoccupied properties. This will provide the Council with additional funding to minimise the impact for working age claimants and will support other Council objectives such as bringing empty properties back into use. The proposed changes to Council Tax discounts and exemptions will not affect the majority of Council Tax Benefit claimants.
- b) To consider a level of Council Tax payable by all claimants of the Council Tax Reduction Scheme.
- c) To adjust the specific rules for some claimants.

Technical Reforms to Council Tax discounts & exemptions

The Government is proposing changes to Council Tax Discounts & Exemptions to certain classes of unoccupied properties. The Government intends to make the change in legislation to take effect for the year 2013/14.

The proposed Council Tax Technical Reforms have been included to achieve the required financial savings for the Council Tax Reduction Scheme in Sefton to relieve the impact for working age claimants.

The changes to Council Tax discounts and exemptions will require a Council resolution later in the year once enabling legislation is in place.

**a) Increase Council Tax Base (Council Tax Technical reforms)-
Revenues Fact Sheets 1, 2, 3 & 4**

Proposed Measures	Current Regulation	Government Proposal	Council Proposal	No of properties affected	Estimated Cash value
a) Removing the Council Tax discount for properties not occupied as a main home	10% discount	Allow Councils to reduce the discount to nil	To reduce the discount to 0%	530	£72,000
b) Removing the Council Tax six month exemption for unoccupied & unfurnished properties	Class C exemption- 6 months exemption	Abolish the exemption and allow Councils to give a discount between 0% and 100%. The period of the discount must be 6 months.	To reduce the discount to 50% for the 6 month period	1570	£456,000
c) Removing the discount on long term empty properties and charging an 'empty homes premium' of 50% on properties left empty for more than 2 years	0% discount after 6 months	Allow Councils to levy an 'empty homes premium' on properties left empty for longer than 2 years.	To charge a premium of 50% making the total liability 150% after 2 years	896	£523,000
d) Removing the Council Tax exemption on empty properties undergoing major repair or structural alteration	Class A exemption –up to 12 months exemption	Abolish the exemption and allow Councils to grant a discount between 0% and 100% for 12 months	To reduce the discount to 50%	364	£237,000
Total					£1,200,000

Pros	Cons
<ul style="list-style-type: none"> • Minimises the financial impact for working age claimants. • Potential additional income to LA • Would encourage owners/landlords to sell/let properties quicker. • Interaction with Empty Homes & other initiatives 	<ul style="list-style-type: none"> • Increased costs for homeowners trying to sell. • Changes in housing market may impact on number of properties affected and will therefore reduce potential income. • Avoidance tactics • Collection impact

It is proposed that the draft Council Tax Reduction Scheme be calculated as a means tested discount, defined by the terms of the existing Council Tax Benefit Scheme except as identified below:-

b) Limit liability- working age claimants will pay a percentage of their bill – Liability 5, 7, 8

Description	Estimated value	Summary
Limit to a percentage of liability when calculating entitlement to Council Tax Reduction. (after discounts & reliefs)	a) 70% = £4,500,000 b) 80% = £3,020,000 c) 85% = £2,270,000 -	This means that everybody will pay a percentage of their Council Tax bill
Key Pros		Key Cons
<ul style="list-style-type: none"> Creates incentive to work Affects all working age claim types irrespective of income Spreads burden across all working age claimants Easy to understand and administer 		<ul style="list-style-type: none"> Creating new CT liabilities for around 11,000 households who previously did not have to pay anything on the lowest incomes and subsequently have the least disposable income from which to pay. Collection rates are likely to be low for this group. Increased administration for Council Tax collection Increased demand for front line services Forecasting future savings is difficult

c) Specific Rules

Capital limit – do not grant a Council Tax Reduction to any working age claimant who has capital savings above £6,000 – Capital 1

Description	Estimated Value	Summary
Do not grant a Council Tax Reduction to a working age claimant who has capital savings above £6,000.	£80,000	Current Council Tax benefit scheme calculates tariff income of £1 per week for every £250 capital or part thereof in excess of £6,000. Any capital over £16,000 would automatically disqualify a person from entitlement to claiming Council Tax benefit. Generally, for the purposes of calculating entitlement, capital takes the form of savings (e.g. in cash, building society accounts, bank accounts, stocks & shares, ISA's etc.) but excludes the value of the property where the claimant lives.
Key Pros		Key Cons
<ul style="list-style-type: none"> Capital can be used to pay for Council Tax liability Affects all working age claim types that have not been transferred from DWP to Council Tax Benefit Scheme 		<ul style="list-style-type: none"> Use of capital may limit long term savings for the scheme Claimants may reduce capital in order to qualify for a reduction

Remove the second adult rebate for working age claimants–Liability 11

Description	Estimated Value £k	Summary
Remove entitlement for working age claimants to Council Tax Second Adult rebate	£48,000	Second adult rebate is based on the income & circumstances of other adults living in the household with the claimant & partner.
Key Pros		Key Cons
<ul style="list-style-type: none"> • Simplifies scheme • Creates incentive to work 		<ul style="list-style-type: none"> • Increased administration for Council Tax collection • Does not interact with other Council Tax discounts (sole occupier, students) • Will continue to operate for pensioner claims

Withdraw facility to backdate the Council Tax Reduction award – Parameters 2.

Description	Estimated Value	Summary
Withdraw facility to backdate award for working age claimants.	£25,000	Currently working age claimants can have their benefit backdated for up to 6 months in cases where they can provide “good cause” why they did not apply earlier (e.g. hospitalisation, bereavement etc.)
Key Pros		Key Cons
<ul style="list-style-type: none"> • Simplifies the benefit scheme • Reduces administration costs • Encourage claimants to claim on time 		<ul style="list-style-type: none"> • Could disadvantage vulnerable claimants

Reduce or Remove deduction for “non-dependants” for working age claimants Household 3 and 4

Description	Estimated Value	Summary
1. Remove deduction for non-dependant(s) for working age claimants or, 2. Introduce flat rate deductions for non-dependants for working age claimants:- <ul style="list-style-type: none"> • £2.00 per week for non-working non dependants • £5.00 per week to apply to all working age working no dependants. 	1. £178,000 (minus) 2. £72,000 (minus)	Current deductions range from £0.00 to £9.90 per week depending on the income of the non-dependant. Note: There are no non-dependant deductions for Council Tax Benefit if the claimant or partner - <ul style="list-style-type: none"> • Is blind or has recently regained their sight or, • Receives the care component of disability living allowance payable at any rate or receives attendance allowance payable at any rate.
Key Pros		Key Cons
<ul style="list-style-type: none"> • Will help to mitigate impact of welfare reform on households. • Creates incentive to work for Non dependents who can contribute to the Council Tax bill 		<ul style="list-style-type: none"> • Claimants who currently do not qualify could now qualify – forecasting implications unknown.

<ul style="list-style-type: none">• May encourage renting householders to take in lodgers where they under occupy homes, make better use of housing stock and reduce chance of landlords pursuing repossession.	
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THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY, 1 AUGUST 2012. MINUTE NO. 27(4) IS NOT SUBJECT TO "CALL-IN".

CABINET

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 19TH JULY, 2012

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

ALSO PRESENT: Councillors Booth and Papworth

23. APOLOGIES FOR ABSENCE

No apologies for absence were received.

24. DECLARATIONS OF INTEREST

No declarations of interest were made.

25. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the Cabinet meeting held on 21 June 2012 be confirmed as a correct record.

26. TRANSFORMATION PROGRAMME AND REVENUE BUDGET 2012 - 2015

Further to Minute No. 16 of the meeting held on 21 June 2012, the Cabinet considered the report of the Chief Executive that sought approval of the process associated with the development of budget options for 2013-15 and which set out a work programme timetable and information on the re-engineering of the Parks and Green Spaces and Coast and Countryside Service.

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

RESOLVED: That

- (1) the process and work programme for the development of budget options for 2013-15, as outlined in section 2 of the report be approved;

CABINET- THURSDAY 19TH JULY, 2012

- (2) the Strategic Leadership Team work programme timetable as detailed in Annex A to the report be noted;
- (3) it be noted that detailed budget options will emerge from September 2012 and will be subject to appropriate consultation and engagement;
- (4) the findings and the proposed savings arising out of the re-engineering of Parks and Green Spaces and the Coast and Countryside services contained in Annex B to the report be approved;
- (5) the commencement of a public engagement exercise on the context and strategic choices for the Council going forward be approved; and
- (6) the strategic and operational risks as outlined in section 6 (Risk Management) of the report be noted.

27. CONSULTATION ON AN APPROPRIATE COUNCIL TAX REDUCTION SCHEME

The Cabinet considered the report of the Head of Corporate Finance and ICT on the proposals in the Local Government Finance Bill for the national Council Tax Benefit system to be replaced by a Local Council Tax Reduction Scheme from 2013-14, which would reduce expenditure by 10 per cent as part of a wider policy of decentralisation and welfare reform.

The report also set out the details of 'Localising Support for Council Statement of Intent' published by the Department for Communities and Local Government in May 2012 on the specific proposals for local authorities to produce a Local Council Tax Reduction Scheme and hold consultations with interested parties.

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

RESOLVED: That

- (1) the Head of Corporate Finance and ICT be authorised to publish a draft Council Tax Reduction Scheme with 80% liability (page 26 of the agenda, paragraph b, item b) as the basis for consultation with interested parties in accordance with the approach set out in this report;
- (2) the Head of Corporate Finance and ICT be authorised to undertake consultations on the removal of Council Tax exemptions and discounts;

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- (3) the Head of Corporate Finance and ICT submit a report to the Cabinet following the consultation exercise with a recommendation for final agreement by Council; and
- (4) the Council be recommended to give approval to the rescheduling of the Council meeting from 7 February 2013 to 24 January 2013 to enable the Council Tax Reduction Scheme to be approved by the required deadline.

28. SUPPORTING PEOPLE REVIEW UPDATE

Further to Minute No. 17 of the meeting held on 21 June 2012, the Director of Older People submitted a report which provided an update on the consultations which have continued to be held with service providers to formulate specific reduction proposals utilising the commissioning principles previously agreed to meet the budget savings required under the Supporting People Review for 2012/13 and 2013/14.

RESOLVED: That

- (1) the progress on the Supporting People Review be noted;
- (2) the managed review and re-commissioning processes outlined in Section 5 of the report, including the integrated re-commissioning of all supported/assisted living services be approved; and
- (3) a further update report be submitted to the next Cabinet meeting.

29. SOUTHPORT CULTURAL CENTRE - PROJECT UPDATE

Further to Minute No. 68 of the meeting held on 8 December 2011, the Cabinet considered the report of the Strategic Director - Place which set out the history of the Southport Cultural Centre project, the potential additional cost and time overrun identified within the project: and the measures taken to mitigate this additional cost and time overrun.

RESOLVED: That

- (1) the potential 'worst case' cost scenario now identified in respect of the completion of the project be noted; and
- (2) the Strategic Director - Place be requested to pursue all potential means of mitigating cost and time overruns, including;
 - a. where possible reducing specifications to the minimum acceptable level for a 'fit for purpose' facility;
 - b. undertaking any further possible Value Engineering exercises to maximise cost savings;

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- c. in conjunction with the Head of Corporate Finance and ICT, explore further funding arrangements to mitigate the increase in final project cost; and
- d. in conjunction with the Head of Corporate Legal Services, explore the potential for minimising and/or recovering additional costs incurred.

**30. REFURBISHMENT OF KING'S GARDENS, SOUTHPORT -
ACCEPTANCE OF HERITAGE LOTTERY FUND GRANT**

The Cabinet considered the report of the Strategic Director - Place which sought approval to formally accept a grant of £4,079,000 offered by the Trustees of the National Heritage Memorial Fund and the Big Lottery Fund towards the refurbishment of King's Gardens, Southport and enter into a Contract with the funders governing how the Council would deliver and manage the project.

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

RESOLVED: That

- (1) the terms and conditions of the funders' Contract relating to King's Gardens, Southport as appended to the report be accepted and the Head of Corporate Legal Services be authorised to enter into Contracts accordingly;
- (2) approval be given to the commencement of the procurement and tender process for the selection of a suitable Main Contractor to undertake the works and the outcome of the tender process be reported at a future meeting of Cabinet;
- (3) it be noted that the existing Economic Regeneration and Tourism and Landscape Services' budgets for Management and Maintenance costs total £180,734 and the funding Contract requires the ongoing provision of this funding to ensure the gardens are adequately maintained upon completion;
- (4) approval be given to the ring-fencing of the existing Economic Regeneration and Tourism and Landscape Services King's Gardens' budgets referred to in (3) above and that at the end of subsequent financial years, any underspend be carried forward into the following financial year to fund cyclical maintenance;
- (5) approval be given to a maximum contribution of £50,000 towards the refurbishment of the Marine Lake Café, to be provided from the Property Intervention Fund;
- (6) the Strategic Director - Place and Head of Corporate Legal Services, be granted delegated authority to approve a new 30-year

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Lease and Agreement for the development between the Council and the current leaseholders of Marine Lake Café, King's Gardens, Southport; and

- (7) the Strategic Director - Place be authorised to agree a programme management structure necessary to demonstrate the Council's commitment to the successful delivery and long term management of the improved facility.

31. MEOLS COP HIGH SCHOOL - PROPOSED NEW EXTENSION

The Cabinet considered the report of the Strategic Director - Place which provided details of the tenders received for the proposed new extension for the provision of a new library, IT Suite, 2 classrooms and 3 nurture rooms at Meols Cop High School. The total cost of the scheme was within the Children's Services Capital Programme budget provision, funded from Capital Maintenance grant.

RESOLVED: That

- (1) the tender submitted by D. Henderson and Son of Southport in the sum of £727,682 be accepted; and
- (2) the Head of Corporate Legal Services be authorised to enter into a contract with the successful tenderer.

32. SUPPLEMENTARY PLANNING DOCUMENT - HOUSES IN MULTIPLE OCCUPATION AND SELF-CONTAINED FLATS.

The Cabinet considered the report of the Director of Built Environment which sought approval to commence consultations on the emerging draft Supplementary Planning Document for assessing Houses in Multiple Occupation (HMO) and self-contained flats, and to revoke the Interim Planning Guidance "New Housing in South Sefton".

RESOLVED: That

- (1) the draft Supplementary Planning Document be approved as the basis for public consultation;
- (2) the Interim Planning Guidance 'New Housing in South Sefton' be revoked; and
- (3) it be noted that the proposal was a Key Decision but, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) has been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision

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until the commencement of the next Forward Plan because the current planning policy on HMOs and flats is out of date due to recent appeal decisions (26 March 2012) and changes to the housing benefits system. This could leave the Council at risk from either granting planning permission for poor quality accommodation or facing appeals to the Planning Inspectorate where the Council may be liable to applications to pay legal costs.