



CABINET AGENDA

Wednesday, 19 December 2012

The Jeffrey Room, St. Giles Square, Northampton,
NN1 1DE.

6:00 pm

Members of the Cabinet:

Councillor: David Mackintosh (Leader of the Council)

Councillor: John Caswell (Deputy Leader)

Councillors: Alan Bottwood, Tim Hadland, Mary Markham, Brandon Eldred.

Chief Executive David Kennedy

If you have any enquiries about this agenda please contact
democraticservices@northampton.gov.uk or 01604 837722

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	TITLE
Councillor D Mackintosh	Leader
Councillor J Caswell	Deputy Leader Environment
Councillor A Bottwood	Finance
Councillor T Hadland	Regeneration, Enterprise and Planning
Councillor M Markham	Housing
Councillor B Eldred	Community Engagement

SPEAKING AT CABINET MEETINGS

Persons (other than Members) wishing to address Cabinet must register their intention to do so by 12 noon on the day of the meeting and may speak on any item on that meeting's agenda.

Registration can be by:

Telephone: (01604) 837722
(Fax 01604 838729)

In writing: Democratic Services Manager
The Guildhall, St Giles Square, Northampton NN1 1DE
For the attention of the Democratic Services Officer

By e-mail to democraticservices@northampton.gov.uk

Only thirty minutes in total will be allowed for addresses, so that if speakers each take three minutes no more than ten speakers will be heard. Each speaker will be allowed to speak for a maximum of three minutes at each meeting. Speakers will normally be heard in the order in which they registered to speak. However, the Chair of Cabinet may decide to depart from that order in the interest of hearing a greater diversity of views on an item, or hearing views on a greater number of items. The Chair of Cabinet may also decide to allow a greater number of addresses and a greater time slot subject still to the maximum three minutes per address for such addresses for items of special public interest.

Members who wish to address Cabinet shall notify the Chair prior to the commencement of the meeting and may speak on any item on that meeting's agenda. Such addresses will be for a maximum of three minutes unless the Chair exercises discretion to allow longer. The time these addresses take will not count towards the thirty minute period referred to above so as to prejudice any other persons who have registered their wish to speak.

KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £250,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held:
in The Jeffrey Room, St. Giles Square, Northampton, NN1 1DE.
on Wednesday, 19 December 2012
at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

1. APOLOGIES

2. MINUTES

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE

There are no items to be considered in Private.

4. DEPUTATIONS/PUBLIC ADDRESSES

5. DECLARATIONS OF INTEREST

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

None.

7. REVIEW OF COUNCIL TAX DISCOUNTS AND EXEMPTIONS 2013-2014

 Report of Director of Resources (Copy herewith)

8. LOCAL COUNCIL TAX SUPPORT SCHEME

 Report of Director of Resources (Copy herewith)

9. COUNCIL TAX BASE 2013/14

 Report of Director of Resources (Copy herewith)

10. NNDR DISCRETIONARY RELIEF SCHEME

 Report of Director of Customers and Communities (Copy herewith)

11. NATIONAL NON DOMESTIC RATES 2013-14

 Report of Director of Resources (Copy herewith)

12. COUNCIL WIDE BUDGET 2013-16

Report of Director of Resources (Copy herewith)

13. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT.”

Appendices
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CABINET REPORT

Report Title	REVIEW OF COUNCIL TAX DISCOUNTS AND EXEMPTIONS 2013-2014
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 th December 2012
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Finance & Resources
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	All

1. Purpose

- 1.1 To recommend to Council changes to the Council Tax Discounts and Exemptions to take effect from the 1st April 2013.

2. Recommendations

- 2.1 Cabinet recommend the following changes in Council Tax discounts and exemptions to Council take effect from the 1st April 2013:
- That Class A (vacant properties undergoing alterations as defined by the regulations) attract a 100% charge from the day they become vacant
 - That Class C (empty unfurnished properties as defined by the regulations) attract a 100% charge from the day they become vacant
 - That Second homes (as defined by the regulations) to be charged at 100%
 - That Class L (repossessed properties) attract a 100% charge from the day of repossession should the necessary legislation be in place to allow this from the 1st April 2013.
 - That the long-term empty property premium of 150% is implemented for properties vacant for over two years.

- That the above policy position in respect of discretionary discounts and exemptions be kept under review in respect of future years

3. Issues and Choices

3.1 Report Background

3.1.1 In October 2011 the Government consulted on proposed reform to discounts and exemptions within the Council Tax system from 2013-14. These being:

- Give billing authorities the power to levy up to full council tax on second homes.
- Replace existing Class A and C exemptions for vacant homes with discounts of up to 100%, the amount of which it would be for billing authorities to determine.
- Abolish Class L exemption, and make mortgagees in possession of empty dwellings liable to council tax in respect of them.
- Allow billing authorities to levy an 'empty homes premium' over and above full council tax liability in respect of dwellings which have been left empty for two years or more.

3.1.2 Northampton responded to the Government consultation on these technical reforms during 2011. The Government has subsequently published its response and the draft Regulations.

3.1.3 Whilst the Local Government Finance Act 2012 was enacted on 31st October the regulations are still draft. These provisions are due to commence on 1 April 2013, or when the appropriate enabling legislation has been enacted, whichever is the later.

3.1.4 Definitions of discounts and exemptions being considered

- Class A - New/altered properties

An empty and unfurnished property is exempt from council tax if that property requires or is undergoing major or structural repair work, and for six months from the date the major work finishes.

- Class C - Empty and unfurnished properties

A property is exempt from Council Tax payment for six months from the date it becomes empty and substantially unfurnished. For example, if you move out of your house, and take all your furniture with you whilst you are trying to sell it, you will not have to pay Council Tax for the first six months.

The exemption does not restart after a change in ownership. Therefore, if you buy a house that has already been empty and unfurnished for four months, and you keep it empty and unfurnished, you will only have two months exemption before the Council Tax is charged.

When we work out how long a property has been empty, we cannot include any periods of time when the property was occupied for less than six weeks.

- Class L – Repossessed

This exemption applies when a customer's house is repossessed by their mortgage company and is left empty. The mortgage company takes possession of the property due to non-payment.

- Second homes (discount)
These are properties where a person's sole or main residence is elsewhere and are one of the following: furnished and unoccupied properties, second homes, or holiday homes.
- Long-term empty homes (discount)
These are properties that were previously entitled to a class C exemption, which have already been empty for 6 months and still remain empty and unfurnished. No discount is awarded at present.
- Long-term empty homes (premium)
Allow billing authorities to levy an 'empty homes premium' over and above full council tax liability in respect of dwellings which have been left empty for two years or more.

3.2 Issues

- 3.2.1 The report represents the application of a prescribed process.
- 3.2.2 The proposal to change council tax discounts and exemptions must be seen in the wider context of delivering a balance budget for 2013/14 and is part of a number of options to achieve the same.

3.3 Choices (Options)

In summary, the changes being proposed include:

- 3.3.1 Remove mandatory exemptions for empty property Class A undergoing alterations and replace with a locally set discount
 - Class A is currently a mandatory exemption of 100% for up to 12 months for a vacant dwelling where major repair works or structural alteration are required. It also includes properties that have undergone repair work and newly completed properties, if less than 6 months have elapsed since the works were completed
- 3.3.2 Remove mandatory exemptions for empty property Class C Empty and Unfurnished and replace with a locally set discount
 - Class C – currently a mandatory exemption of 100% for up to 6 months for a vacant dwelling.
 - Vacant dwellings are defined as unoccupied and substantially unfurnished
- 3.3.3 Remove exemption from repossessed property (Class L)
 - Abolishing Class L exemption and making mortgagees in possession of empty dwellings liable to council tax in respect of them. This proposal is still subject to further consultation with the mortgage lending sector.
- 3.3.4 Remove mandatory 10% discount for second homes

- Giving billing authorities power to levy up to full council tax on second homes. Currently authorities can award a discount of between 50% and 10%, Northampton awards 10%, the minimum allowable.

3.3.5 Allow a premium charge of up to 50% for property empty for over 2 years

- Allowing billing authorities to levy an 'empty homes premium' of 150% in respect of dwellings which have been left empty for two years or more.

4. Implications (including financial implications)

4. Policy

4.1.1 None

4.2 Resources and Risk

4.2.1 The proposal to change council tax discounts and exemptions must be seen in the wider context of delivering a balance budget for 2013/14 and is part of a number of options to achieve the same.

4.2.2 Further to the government enacting the legislation, and if NBC were to implement in full, and the behaviours and activities of Council Tax payers remained the same as currently, the following income could be achieved.

Exemption/Discount	Awarded 12/13	NBC Element
New/altered properties	£196.8k	£30.5k
Empty & unfurnished properties	£1,377.4k	£213.5k
Reposessed	£51.0k	£7.9k
Second homes	£26.7k	£4.1k
Long-term empty homes	£158.4k	£24.6k
Total	£1,810.3k	£280.6k

4.2.3 The Government does not propose to allow authorities to grant a grace period for properties undergoing alterations (Class A). The authority can however decide the level of discount to be applied between 0% and 100% for the 12 month period. Landlords, builders and developers will be impacted by this charge if they have to refurbish properties between purchases and lets.

4.2.4 The change to the 'Class C' exemption could provide significant income due to it being the most common exemption currently granted. However a significant part of the exemptions apply where properties are changing hands at time of sale or is charged to landlords/owners between lets.

4.2.5 For empty properties the effective date for the change is the day the property became vacant and not the 1st April 2013. For example if a property in Class C has been empty for more than 1 month as at 1st April 2013 it will attract a full charge from 1st April 2013.

4.2.6 By amending classes A and C, there is an inevitable impact of this change on Northampton Council Housing as properties often take time to be re-let. Any decision would impact on the HRA.

- 4.2.7 There is a risk that the removal of Class L could potentially result in more Law of Property Act Receivers being appointed, rather than repossessions, which by their nature, will result in uncollectable debts being raised. This is where a property is no longer under the control of the legal owner, however is not classed as repossessed.
- 4.2.8 It should be noted that the provision with regard to mortgagees in possession has not been commenced with the other provisions of the Local Government Finance Act 2012. Further to this the Government has indicated that it is continuing consultation with mortgagees to discuss the new provisions. It therefore remains possible that the relevant legislation will not be set down and if this occurs, the income associated to this reform will not be forthcoming.
- 4.2.9 A risk of the premium for long term empty properties in raising additional income, is that customers may take steps to evade this, or avoiding informing us that the property has become empty.
- 4.2.10 The Government are still consulting on possible exceptions from the “empty homes premium”. This would impact on potential income if a large number of customers qualify for exception.
- 4.2.11 With removal of the exemptions, potential increase in number of claims for discretionary discounts under section 13A of the Local Government Finance Act 1992. This is borne by the Billing Authority, and NBC would have to finance the loss to the other precepting Authorities.
- 4.2.12 It is unlikely that that full amount projected in 4.2.1 would be collectable, for the reasons detailed above. Therefore the table below is an estimated amount which will be collected.

Exemption/Discount	Awarded 12/13	NBC Element
New/altered properties	£98.4k	£15.3k
Empty & unfurnished properties	£688.7k	£106.7k
Repossessed	£24.0k	£3.7K
Second homes	£2.7k	£0.4k
Long-term empty homes	£0k	£0
Total	£813.8k	£126.1

- 4.2.13 The Government has announced an intention to develop or amend regulations to enable these reforms however this has not yet been put out to consultation. Until such a time as the legislation is made and enacted, the reforms will not be possible. However, it is necessary for the Council to consider the recommendations detailed in principle in order to complete the budget build process.
- 4.2.14 No resource is required. A decision on the recommendation is required as this is integral to the Council Tax Base setting process, which has to be determined by the 31st January 2013 by Full Council.

4.3 Legal

- 4.3.1 These are covered within the body of the report.

4.4 Equality

- 4.4.1 A equality impact assessment has been undertaken, see appendix 1
- 4.4.2 No direct impact on equality has been identified, however we will monitor to ensure unforeseen equality issues are identified and used to inform future reviews of this policy.
- 4.4.3 No direct impact on equality context, however any resulting impact on options/ consultations for budgets will have to be considered individually.

4.5 Consultees (Internal and External)

- 4.5.1 Internal: Finance & Support – Section 151 Officer
Legal Services – Solicitor to the Council
- 4.5.2 External: None

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 Maximising income streams is a key ingredient in effective financial governance, which contributes to the priority of making every pound go further.

4.7 Other Implications

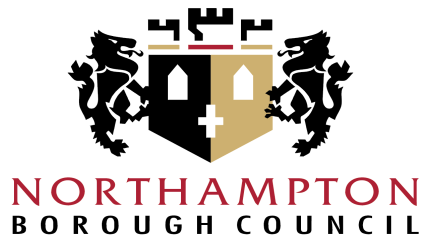
- 4.7.1 None

5. Background Papers

- 5.1 None

**Isabell Procter,
Director of Resources,
0300 330 7000**

Appendices 4



CABINET REPORT

Report Title	LOCAL COUNCIL TAX SUPPORT SCHEME
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 th December 2012
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Finance & Resources
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	All

1. Purpose

- 1.1 Local Authorities must by January 31st 2013 have a Local Council Tax Reduction Scheme (Local Scheme) in place and approved by Full Council after a period of public consultation.
- 1.2 Councillors have legal responsibility for the adoption of a localised support scheme, with the decision to introduce and revise a scheme that is in place for one financial year. The Council is therefore required to devise a local support scheme that best suits the needs of local council tax payers, whilst managing spending within lower limits and protecting the most vulnerable.
- 1.3 This report following a period of consultation and analysis provides the recommended option for a local scheme in Northampton.

2. Recommendations

- 2.1 That cabinet note the results of the consultation process undertaken.
- 2.2 That cabinet note the financial implications and analysis associated with the chosen scheme.

- 2.3 That cabinet approve the design of the local Council Tax Reduction Scheme detailed in paragraph 3.4.6 and the associated protection the scheme provides for the residents of Northampton
- 2.4 That Cabinet recommends the Local Council Tax Reduction Scheme for approval at Council on the 21st January 2013.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Government has removed from April 2013, the current Council Tax Benefit Scheme and it has been replaced with a localised council tax reduction scheme to be delivered by Local Authorities. The rationale behind this decision is to reduce the current £4.8 billion annual Council Tax Benefit bill across Great Britain. This is achieved through a reduction in the overall expenditure attributed to Council Tax Benefit by 10% and localising support for Council Tax.
- 3.1.2 Local Authorities currently administer Council Tax Benefit (CTB) in their areas based on national rules set by the Department for Work and Pensions (DWP). Under new management from Department for Communities and Local Government (DCLG), this devolved power under the Local Government Finance Act 1992 (as amended), changes the current system of awarding a means tested benefit, to a means tested local reduction scheme within Council Tax administration.
- 3.1.3 Funding arrangements from Central Government will be capped at 90% of the existing Council Tax Benefit expenditure. The expectation upon Local Authorities is to create a scheme that is suitable for its local community and promotes the Governments position on Welfare Reform, by protecting the vulnerable and encouraging work for those of working age. Whilst considering how to design a scheme, further consideration will need to be given to collection of amounts previously paid automatically through benefits.
- 3.1.4 A further review of a chosen scheme will be required for 2014/15. This could be a completely new scheme or a further refined version of the 2013/14 scheme.
- 3.1.5 Pensioners are not impacted by the introduction of a Local Scheme and are fully protected.
- 3.1.6 DCLG have acknowledged that many authorities are delivering savings using their local flexibilities and discretion on local discounts and exemptions, without unfairly increasing the burden on those who are currently on benefits. However, DCLG has expressed concerns regarding the fact that some authorities are planning to ask for very large additional contributions from those on benefits. In view of the above concerns and to further assist the transition process, DCLG has announced an additional £100 million of funding for councils to help support them in developing well-designed council tax support schemes, which maintain positive incentives to work. By applying for this grant an estimated £361k will be made available to NBC and its major precepts, these being the County and Police Authorities. However this could be subject to take up and the level of funding could therefore change on this basis.

- 3.1.7 The voluntary grant is only available to councils (billing and major precepting authorities) who choose to design their local schemes so that:
- Those who would be on 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their council tax liability;
 - The taper rate does not increase above 25%;
 - There is no sharp reduction in support for those entering work - for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award, and
 - There is no large additional increase in non-dependant deductions.
- 3.1.8 DCLG has also suggested that councils will want to avoid collecting small payments and that it may consequently be better value for money for councils to avoid designing schemes which seek to do so and therefore the local scheme for Northampton has been designed to ensure the requirements of the grant have been met. They anticipate that councils will make applications after 31 January 2013, and before the deadline of 15th February 2013, and that funding will be paid in March 2013.
- 3.1.9 As part of the design of a local scheme the continuation of voluntary income disregard for War Widows and War Disablement pensions has been considered. Under the previous CTB scheme NBC awarded a 100% disregard against income for war widows and for those who receive war disablement pensions.
- 3.1.10 In addition to protecting those in receipt of War pensions, the Council also has to decide if it will continue to afford protection to vulnerable groups within Northampton. This protection would be on the same basis as the previous CTB scheme. Details of the specific protection for disabled, vulnerable groups and those in work can be found at **Appendix A**.

3.2 Issues

- 3.2.1 DCLG has provided an estimate of the reduction in funding that each Local Authority will be capped. For Northampton Borough Council, this will be in the region of £1.723m, based upon 2010-2011 subsidy expenditure and growth/distribution of caseload over the UK for 2012-2013; however the exact amount will be published as part of the Local Government Finance Settlement. Information on the level of funding should also be made available as part of the provisional settlement on the 19th December 2012.
- 3.2.2 Central Government has suggested that following the reduction in funding arrangements, Local Authorities could meet the deficit by implementing other changes, to ensure that Local Authorities maximise their opportunities to be financially efficient with the current budgetary pressures. NBC has done so by considering;
- Reconfiguring funding for other services through, for example, efficiency savings or realising savings through shared services, in particular its proposed transfer of services to Local Government Shared Services (LGSS)
 - Using the new flexibility over Council Tax to remove the reliefs in respect of second homes and some empty properties; and other reforms of the council tax system, including the use of an electronic leaflet and removal

of expensive printing costs traditionally associated with the annual billing process. A separate report has been included as part of the draft budget in respect of the use of new flexibilities with discounts and exemptions.

- 3.2.3 Northampton Borough Council will as required by the prescribed elements of the scheme protect pensioners (any claimant aged over 62, whether in a single household or couple household) entitlement at current levels. Therefore NBC will continue to administer protection for year 2013-14 for approximately 7,576 residents.
- 3.2.4 Claimant's aged between 18 and 62 are deemed in the Age Relation Regulations as Working Age and are subject to the Local Scheme. Approximately 11,537 accounts fall into this group and will be affected for collection and financial purposes by a reduction of their existing award. The reduction is applied by a reduction in benefit after all calculations have been made.
- 3.2.5 The design of a scheme has also required consideration of the short time-scale available for implementation. This included capability around systems and the need to design and implement the new scheme in time for annual billing in March 2013.
- 3.2.6 Due to the timelines associated with the set-up of a new scheme the design of the local scheme will be based around the default regulations provided by the Local Government Finance Act 2012. Default regulations will broadly be in line with the former CTB regulations. These default regulations will be amended, where the Local Scheme differs as part of the scheme implemented at Northampton.

3.3 Choices (Options)

- 3.3.1 There were a number of options for a replacement local scheme consulted upon, which would reduce or mitigate the impact of the reduced funding for support. The options consulted upon are shown in 3.3.2.

3.3.2 Local Council Tax Reduction Options

These options were mutually exclusive and therefore, following consultation only one option could be selected.

3.3.2.1 Option 1.1: Maintain the existing Council Tax Benefit Scheme.

This option looks to continue in 2013/14 the principles and procedures of the existing Council Tax scheme and funding the reduction.

3.3.2.2 Options 2.1 – 2.3: Percentage Reduction in weekly benefit entitlement

This option proposed a reduction in existing awards across working age customers and illustrations were provided of between 10% and 25% restrictions.

3.3.2.3 Options 3.1 – 3.3: Reduction in weekly benefit entitlement by £5.00 per week.

This option looked at reducing the original entitlement level to working age benefit recipients by £5 per week. This option also provided an alternative view of a straight percentage reduction and also split out the different groups

contained within the working age caseload. Three different options were profiled as follows:

- Working Age reduction (all claims)
- Working Age excluding Vulnerable
- Working Age excluding Vulnerable and pass-ported claims

3.3.3 Work Incentive Option

A number of additional options were also proposed that would work alongside the chosen option.

3.3.3.1 Option 4: Incentivise work through offering Extended Payments (for those starting work):

Current legislation allows for a maximum four-week continuation of full entitlement when employment commences. It was proposed to consider an increase of this period to 3 months.

3.3.3.2 Option 5.1 & 5.2 - Increase non-dependent deduction:

A deduction is applied to a Claimants entitlement in respect of other adult's aged 18 or over living in the claimant's home. This option proposed to increase the deduction by 25% or 50%.

3.3.3.3 Option 6 Increase the Taper:

The taper is the rate at which Council Tax Support reduces where weekly income exceeds basic living needs. This option looked at increasing the rate to 30p in every pound rather than the 20p.

3.3.3.4 Option 7: Withdraw benefit for those holding over £6,000 in capital instead of £16,000:

Working age claimants with capital such as savings and investments above £16,000 have not previously been entitled to council tax benefit. This option looked to reduce that figure to £6,000.

3.3.3.5 Option 8 - Removal of Second Adult Rebate:

The Alternative Maximum Benefit scheme, known as second adult rebate (2AR) is applied to claims, up to a maximum of 25% reduction, on the basis that the second adult in the property was on a low income.

3.3.3.6 Option 9 - Freeze allowances and premiums in 2013/14 (at 2012/13 levels):

Premiums and personal allowances are used to determine basic living needs for a claimant and their family. This option proposed to hold the rates working age claimants in 2013/14 to the rates in 2012/13 and therefore not increase in line with increases in state benefits. This would have the effect of reducing entitlement to benefit.

3.3.3.7 Option 10 - Removal of Backdating:

In the current legislation, an application is made to a Local Authority as can be backdated. This option proposed the removal of backdating.

3.3.3.8 Option 11 – Restrict Benefit to Band D equivalent:

This option would exclude support to households of a Band D and above.

3.3.3.9 Option 12 - Restrict minimum weekly award from £0.50p per week to £1.00 per week:

Currently, legislation states the minimum entitlement to Council Tax Benefit, must be 50 pence. This option proposed increasing this to £1.00.

3.4 Choices – Northampton Local Council Tax Reduction Scheme

3.4.1 The Council has undertaken a 6 week consultation in order to obtain the views of citizens and stakeholders.

3.4.2 Following the consultation and upon further analysis of the financial implications of the options, it was decided that a straight percentage deduction would be further defined and as a result two options were fully analysed, including a full impact assessment of a 20% reduction across working age benefit recipients and an 8.5% reduction, which includes applying for the transitional grant offered by central Government. These options met the needs of the Council in providing a balanced budget, encompassed where possible the views expressed as part of the consultation exercise and minimised the impact to existing and future citizens in need of financial support.

3.4.3 The financial case and impact of these two options are shown below:

8.5% Reduction across all working age claims	Value	NBC	NCC	Police
Net Budget deficit after reduction to benefit/transitional grant	£903,058	£139,974	£642,345	£120,738
Cost of chosen option to incentivise work	£52,639	£8,159	£37,442	£7,038
Cost of protecting War Widows Pension Disregard	£23,304	£3,612	£16,576	£3,116
Net impact (Cost)	£979,001	£151,745	£696,363	£130,892

20% Reduction across all working age claims	Value	NBC	NCC	Police
Net Budget deficit after reduction to benefit	£537,303	£83,282	£382,184	£71,837
Cost of chosen option to incentivise work	£52,639	£8,159	£37,442	£7,038
Cost of protecting War Widows Pension Disregard	£23,304	£3,612	£16,576	£3,116
Net impact (Cost)	£613,246	£95,053	£436,202	£81,991

3.4.4 As provided in paragraph 3.2.2 and in order to mitigate the cost of these schemes on local taxpayers the draft budget also makes proposals to change the level of discounts and exemptions currently provided in Northampton, alongside wider savings proposals.

3.4.5 Alongside wider budget proposals and the receipt of a transitional grant, it was decided that an 8.5% option could be taken forward. This was opposed to making a greater deduction of 20% from existing working age benefit recipients, which would likely have posed a significant increase in the financial pressures on this group in 2013/14. By taking a transitional grant the impact in 2013/14 on this group could therefore be reduced.

3.4.6 Recommended Option (Chosen Local Scheme)

3.4.6.1 The recommended option proposes to make an application for transitional funding in 2013/14 in order to minimise the impact of any reduction on the lowest income levels in Northampton.

3.4.6.2 A reduction of 8.5% will be reduced from the benefit of existing recipients, alongside benefit levels being reduced by the same amount for future working age recipients of support.

- 3.4.6.3 Protection as set out In **Appendix A** will be afforded to ensure the Council protects disabled and vulnerable citizens, whilst ensuring there remains an incentive to work.
- 3.4.5.4 A four – week period of extended payments will be provided for those re – entering work. This period will mean that benefit rates are retained for 4 – weeks before any reduction is made.
- 3.4.5.5 Alongside this protection of existing income and capital disregards for War Widows and war disablement will also be retained.
- 3.4.5.6 The recommended local scheme includes measures to provide mitigation against potential reductions in collection and growth within the existing benefit caseload. This is to safeguard against the risk of under collection in 2013-14 which could lead to budget deficits across Northampton.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The report outlines options for a Local Council Tax scheme, which if chosen, will set policy.

4.2 Resources and Risk

- 4.2.1 There are significant financial implications on this Council and the two other major precepting authorities as a result of the requirement to design a local council tax scheme with a 10% reduction in funding, whilst protecting Pensioners.
- 4.2.2 If the Council maintains the existing scheme there would be a funding gap of up to £1.723m across the Borough, County and Police Authority.
- 4.2.3 The level of recovery and costs associated with a deduction from existing benefit recipients could see increased costs in terms of recovery. Taken in addition to wider welfare reforms the Council could see reduced collection on Council Tax and wider corporate debts. The Council has taken full account of this in calculating the impact of the recommended Local Scheme in Northampton.
- 4.2.4 If the Council fails to agree and implement a scheme locally a default scheme will apply. This scheme would have a financial implication, as it would replicate the existing benefit system, which does not apply a reduction.
- 4.2.5 The timeline for applying for the transitional grant falls after the local scheme is agreed at full Council. Therefore there is a risk that an application for funding is unsuccessful, leading to a shortfall in funding. However NBC are confident that the local scheme design meets the standards required for receiving a grant.

4.3 Legal

- 4.3.1 As part of the process of setting up a local scheme, legal advice will be obtained in order to ensure that processes and procedures that underpin the local scheme are compliant in terms of the default and prescribed regulations used as part of the local scheme in Northampton.

4.4 Equality

- 4.4.1 Northampton Borough Council must demonstrate to DCLG, that in order to devise a local scheme, a full stakeholder review has taken place and these people have been consulted on the local scheme, to ensure that the scheme reflect the needs of the community as a whole.
- 4.4.2 A full equality impact assessment has been completed, which includes the results of the consultation exercise. This can be found at **Appendix D**.
- 4.4.3 The equality impact assessment recognises that the chosen scheme will place an additional financial burden on working age customers in 2013/14. Included within this group will be individuals and families with vulnerable characteristics.
- 4.4.4 In order to mitigate against the impact on this group and in particular those vulnerable citizens the Council has continued to afford protection akin to that contained within the existing Council Tax Benefits scheme. Alongside this the Council will continue to work on fair debt collection principles and providing or referring those under financial pressure for debt advice.

4.5 Consultees (Internal and External)

- 4.5.1 Local Authorities were advised to carry out as thorough a consultation in order to reduce the opportunity for the scheme not to reflect the needs of the local population. The Cabinet Office Code of Practice for Consultation in 2004, defined consultation in five principles, which Northampton Borough Council will adopt;
- Proportional
 - Inclusive
 - Genuine
 - Consistent
 - Transparent
- 4.5.2 Consideration required that any consultation that occurred be proportional to the needs of the community and time barred in line with good practice.
- 4.5.3 Care must be given to ensure that all members of the community have access to this consultation to ensure that everyone is given a right to be heard on the local scheme. This was identified through a stakeholder mapping exercise, included in the Councils consultation methodology.
- 4.5.4 A six week consultation was undertaken and included:
- Members
 - Forums including:
 - 3rd Party Sector Meeting
 - Northampton Pensioner
 - Northampton LGBT and Q
 - Northampton Diverse Community Forum
 - Northampton Disabled People Forum
 - Members of the Public via web
- 4.5.5 A total of 23 responses were received by 22nd October 2012 (21 electronically, 1 via paper questionnaire and 1 letter by email). There has been 1 further response outside of the closing date.

- 4.5.6 Nationally, the response to Local Authority engagement on local Council Tax schemes has been low. Benchmarking with other Local Authorities has established that this is the case.
- 4.5.7 Responses in respect of the main proposals to either reduce the award by a percentage (8.5% - 25%) or by a set weekly amount (£5.00) had the majority of respondents supporting the option to reduce the award by a percentage of the award. 13 out of 18 responses to this question either strongly agreed or agreed with this proposal, whereas only 10 out of 20 respondents either strongly agreed or agreed with the proposal for a set weekly deduction (£5 per week)
- 4.5.8 14 out of 20 respondents believed that any new scheme should incentivise work and as a result the new scheme aims to provide a run on period to assist in the transition.
- 4.5.9 10 out of 19 respondents agreed that as part of the scheme everybody in the household should contribute. The new scheme in respect of non – dependents will retain the existing rules in respect of adults in the household and does not propose any additional increase in deductions.
- 4.5.10 10 out of 19 respondents agreed or strongly agreed with increasing the taper from 20% in the pound to 30% (see paragraph 3.3.4.2). Additional options to freeze allowances, remove back-dating, restrict awards above Band D and restrict the minimum weekly award were also not accepted. As part of the Councils application for the additional transitional grant these options cannot be taken forward due to the qualifying criteria for accepting the grant excluding these options.
- 4.5.11 11 out of 20 respondents agreed or strongly agreed in reducing the capital limit for qualifying for support from £16,000 to £6,000. After reviewing this option in terms of impact and the complexity of implementing the change in year 1 this will not form part of the scheme in 2013/14.
- 4.5.12 8 out of 18 respondents, with 2 responses indicating they did not know, indicated they disagreed with the removal of second adult rebate (see para 3.3.4.4). As a result the new scheme would not seek to remove this benefit in 2013/14.
- 4.5.13 The Consultation Methodology is attached at **Appendix B**.
- 4.5.14 The results of the Councils 6 – week consultation can be found at **Appendix C**.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 This change is a statutory requirement as a result of national austerity measures and wider reforms of the benefit system.

4.7 Other Implications

None

5. Background Papers

- 5.1 Northampton Borough Council Consultation
- 5.2 Website Information Local Scheme

Isabell Procter, Director of Resources
Robin Bates, Head of Finance & Resources

Disability and Council Tax Benefit/Local Council Tax Support default scheme

Premiums for disability

The applicable amounts for Council Tax Benefit are made up of several allowances and premiums. The applicable amount specifies the amount of income that someone needs to have before Council Tax Benefit starts to decrease. The income premium and allowances used in the Council Tax Benefit assessment are more generous for disabled people

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Disabled customers receive a premium which enables them to receive more help towards their Council Tax. The disability premium provides a straightforward and administratively simple means of targeting additional support to sick or disabled people.

Additional living and accommodation expenses may be incurred by long-term sick or disabled people, as such people whose illness or disability is of a long-term nature are more likely to experience increased financial pressure associated with their duration on benefit. For example, a disabled person may be forced to spend a greater than normal proportion of their time at home, thereby incurring extra costs for heating, lighting and electricity.

However, disability premiums are not calculated with reference to specific circumstances or needs. Instead Council Tax Benefit adopts a 'broad brush' approach, providing all customers who satisfy the qualifying criteria with additional benefit at a flat rate. Therefore, to qualify for the disability premium, the customer must normally have been sick for 12 months, or be registered blind, or be entitled to one of a number of long-term disability benefits, such as Disability Living Allowance. From April 2013 the Government is introducing a new benefit called Personal Independence Payment (PIP) to replace Disability Living Allowance (DLA) for eligible working age people aged 16 to 64.

There are three disability premiums: disability premium, severe disability premium and enhanced disability premium.

If a claimant has a child or children, there's a family premium, a disabled child premium and a special children's rate of the enhanced disability premium. There is also a carer premium that's paid if a claimant is looking after someone with a disability.

Increased earnings disregards

A higher earnings disregard applies for those who qualify for the disability premium or severe disability premium (or either component of the Employment and Support Allowance) in Council Tax Benefit. This means that more of the disabled customer's income is not taken into account when calculating Council Tax Benefit.

Disregard of disability benefits

Generally, disability benefits are disregarded for CTB purposes and so do not reduce the amount of weekly CTB to which a person is entitled. These disability benefits are provided to cover specific costs arising from a person's disability rather than to meet housing costs or Council Tax liability. These include Disability Living Allowance (either mobility or care component), Attendance Allowance, Severe Disablement Allowance, or payments made under the War Pensions or Industrial Disablement schemes.

Reduced non-dependant deductions for customers with disabilities

For certain disabled Council Tax Benefit customers no non-dependant deductions are applied to their Council Tax Benefit award, regardless of the number of non-dependants that they may be living with them. These are either:

- registered blind people;
- Those in receipt of Attendance Allowance; or
- Those in receipt of the care component of Disability Living Allowance.

Disability premium

The condition is that where the applicant or partner is in receipt of one or more of the following benefits:

Attendance allowance, disability living allowance, personal independence payment, the disability element or the severe disability element of working tax credit, mobility supplement, long-term incapacity benefit, is provided with an invalid carriage, is registered

blind, is incapable of work and has been incapable of work for a continuous period of not less than in the case of an applicant who is terminally ill 196 days; in any other case, 364 days.

Severe disability premium

The condition is that the applicant is a severely disabled person and is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate or the daily living component of personal independence payment and has no non-dependants aged 18 or over normally residing with him and no person is entitled to and in receipt of a carer's allowance.

In the case of an applicant who has a partner who is also in receipt of such an allowance and the applicant has no non-dependants aged 18 or over normally residing with him and either a person is entitled to and in receipt of a carer's allowance in respect of caring for only one of the couple.

Enhanced disability premium

The condition is that the applicant has limited capability for work-related activity; or the care component of disability living allowance is payable at the highest rate or the daily living component of personal independence payment is payable.

Disabled child premium

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household is in receipt of disability living allowance or personal independence payment or is registered blind.

Carer premium

The condition is that the applicant or his partner is entitled to a carer's allowance.

Council Tax Benefit disability premiums and other rates for working age claimants (people who have not reached the qualifying age for State Pension Credit)

Council Tax Benefit rates for working age claimants	April 2012	April 2013
---	------------	------------

Premiums		
Disability Premium		
Single	30.35	
Couple	43.25	
Enhanced Disability Premium		
Single	14.80	
Disabled child rate	22.89	
Couple	21.30	
Severe Disability Premium		
Single	58.20	
Couple (lower rate)	58.20	
Couple (higher rate)	116.40	
Disabled Child Premium	56.63	
Carer Premium	32.60	

Non-dependant deductions

In the June 2010 Budget, the Chancellor announced that the rates of non-dependant deductions (NDDs) would be significantly increased over the next three years to match the level they would have been had they not been frozen since April 2001. Restoring the level is intended to mean a fairer deal for taxpayers and provide an expectation that adults make a reasonable contribution towards their housing costs. Therefore, in the final uprating round to achieve this NDD will again be increased from April 2013.

Non-dependant Deductions	April 2012	April 2013
In receipt of state Pension Credit or in receipt of IS, JSA(IB), or ESA(IR)	Nil	
Aged 18 or over and in remunerative work		
-gross income greater than £394.00	9.90	
-gross income not less than £316.00 but less than £394.00	8.25	

-gross income not less than £183.00 but less than £316.00	6.55	
-gross income less than £183.00	3.30	
Others aged 18 or over	3.30	

Family Premium

The condition is that there is a child or young person in the family.

Council Tax Benefit rates for working age claimants	April 2012	April 2013
<i>Premiums</i>		
Family Premium	17.40	
Family Premium (lone parent rate)	22.20	

War Disablement Pensions and War Widow's Pensions

A statutory £10 disregard is applied to War Disablement Pensions, War Widow's Pensions or any corresponding pension payable to a widower or surviving civil partner. However, the council, in acknowledging the sacrifices of the armed forces, has always applied a local discretion to fully disregard such awards for CTB purposes.

Earnings disregards

Net income from part-time or full-time work is taken into account when Council Tax Benefit is calculated. However, for the purpose of assessing how much CTB a claimant is entitled to, a small amount of their weekly income is disregarded. Earnings disregards are designed to incentivise people to move into work.

The first £25 of earnings is disregarded for a lone parent.

£20 of earnings is disregarded if a claimant/partner

- are entitled to a disability premium, severe disability premium or carer premium
- get Employment and Support Allowance (ESA) and it's in its main phase
- have special earnings because they are a part-time fire fighter, auxiliary coastguard or part of a lifeboat crew or Territorial Army or reserve forces personnel

£10 is disregarded for couples in all other cases and for single claimants, £5 is disregarded.

A further £17.10 a week is disregarded if:

- They receive Working Tax Credit that includes a credit for working 30 hours or more a week.
- Their applicable amount includes a family premium or a disability premium and the claimant or partner is working 16 hours or more a week.
- Their applicable amount includes a disability premium and they work 16 hours or more a week.
- They are over 25 and work 30 hours or more a week.
- They are a lone parent and work 16 hours or more a week.
- They get the 50-plus element of the Working Tax Credit

Childcare

The cost of eligible childcare (for a child up to the age of 15, or 16 (if they are disabled) can be disregarded up to £175 a week for one child or £300 a week for two or more children. This is providing that they are:

- a lone parent working 16 hours or more a week
- in a couple where both of them are working 16 hours or more a week
- in a couple where one of them is working 16 hours or more and the other is incapacitated

<i>Disregards</i>	<i>April 2012</i>	<i>April 2013</i>

Earnings disregards		
Childcare charges	175.00	
Childcare charges (2 or more children)	300.00	
Single person	5.00	
Couple	10.00	
Lone parent	25.00	
Additional earnings disregard	17.10	



Consultation of Council Tax Reduction Scheme Methodology

Author	Laura Bessell
Version	3.0
Status	Full Report

Document Location

Title	Code of Consultation
Author	Laura Bessell-Welfare Reform Team Leader
Approver	Isabell Proctor-Director of Resources, Robin Bates Head of Finance and Resources
Status	Full Report

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Review

Name	Title	Organisation
Isabell Proctor	Director Of Resources/Localisation Programme Sponsor	Northampton Borough Council
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Distribution

Name	Title	Organisation
	Localisation Programme Board	Northampton Borough Council
	Chief Finance Officers Group	County, Police and Districts of Northamptonshire

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Appendices

1	Consultation Principles 2012-Cabinet Office
2	RTPI Good Practice Guidance on Effective Community Involvement and Consultation 2007

1.0 Introduction

The Government has removed from April 2013, the current Council Tax Benefit Scheme with a localised council tax support to be delivered by Local Authorities. The rationale behind this decision is to reduce the current £4.8 billion annual Council Tax Benefit bill across Great Britain. This will be achieved through a reduction in the overall expenditure attributed to Council Tax Benefit by 10% and shifting the financial pressure from the state to Local Authorities.

Local Authorities currently administer Council Tax Benefit (CTB) in their areas based on national rules set by the Department for Work and Pensions (DWP). Under new management from Department for Communities and Local Government (DCLG), this devolved power under the Local Government Finance Act 1992 (as amended), changes the current system of awarding a means tested benefit, to a means tested discount within Council Tax administration.

Northampton Borough Council must demonstrate to DCLG, that in order to devise a local scheme, a full stakeholder review has taken place and these people have been consulted on the local scheme, to ensure that the scheme reflects the needs of the community as a whole.

This document will define the principles for effective consultation for Northampton Borough Council in relation to Council Tax Reduction Scheme. It promotes good practice in line with corporate communication in place currently and the Principles of Consultation 2012 written by the Cabinet Office.

This guide will outline the following details;

- The overarching principles of stakeholder consultation and involvements
- Definition of different terms
- The relationship between NBC and stakeholders
- Process for planning a consultation programme
- How the data will be analysed and fed into the decision making
- How the data will be reported
- Commitments of equality and diversity
- Social Inclusion and how to engage with hard-to-reach groups.

Various terms will be used throughout this document. It is therefore essential to ensure that the use of the following terms are understood and the reference that there are used.¹

Consultation: This is a process of dialogue between decision makers and stakeholders with the aim of influencing the policy of the Council Tax Reduction Scheme. Consultation will only take place where options are available and a decision is required. Consultation will not occur where a resolution has been made.

Involvement: Regular interaction between decision-makers and stakeholders to exchange views to ensure that throughout the whole period of consultation it is effective.

Engagement: These are relationship building activities with stakeholders that enable more specific activity in relation to Council Tax Reduction Scheme, then during the normal course of business for NBC.

Communication: Communication in the context of this code is means that information will be two-way between NBC and the stakeholders. The provision of communication can be by public notices, press articles, publications, web site, and presentations. This vital engagement is essential to the success of the consultation. Communication will be delivered in the best possible method to ensure that engagement is maximised for social inclusion.

¹ These terms have been taken from RTPI Good Practice Guidance on Effective Community Involvement and Consultation 2007. See Appendix 2.

2.0 Principles of Good Consultation

NBC aim to use best practice identified through guidance from Central Government to underpin consultation activities for the localisation of the Council Tax Reductions Scheme. The following principles have been detailed:

Proportionality: Proportionality defines that the time and resource allocation to the consultation phase will be in line with the scale and impact of the Council Tax Support Scheme to its stakeholders.

Inclusive: Some people in the Northampton Community may be socially excluded or face barriers to be able to present their views to Northampton Borough Council. The Council aim to be proactive when consulting on the scheme and demonstrate that we have 'reached' out to these groups to ensure that all opinions are considered.

Genuine: Government legislation emphasises the requirement to consult early in order for genuine consultation to be effective. With the views of the stakeholders established at the early phase of the scheme development, it will demonstrate that NBC have used the judgment from stakeholders when designing the reduction scheme.

Consistent: Within a political and paid service remit at Northampton Borough Council, a consistency in tone and message is required from all parties to ensure that the correct implication is delivered to all stakeholders during the consultation. Should this fail to occur, it will affect the success of the consultation.

Transparent: As a public body, NBC must demonstrate that all records are maintained and accurate throughout the consultation. All information will be held electronically and subject to Freedom of Information Act 2000.

The Council's Consultation Toolkit was also used for guidance

3.0 Stakeholder Analysis

The definition of a 'stakeholder' is someone or body who is affected by the implementation of Northampton Borough Council's Council Tax Reduction Scheme. It is therefore essential that all stakeholders are identified and are asked to participate in the consultation. This will ensure that changes from April 2013 are communicated to all affected persons and informed decisions can be made.

Stakeholder	Why
General Public in Northampton Borough Council remit	All residents within Northampton potentially affected.
Voluntary Sector and Community	These organizations will be able to give additional information to NBC with regard to recovering the outstanding sums and the level of poverty in NBC catchment.
Precepting Authorities- NCC Northamptonshire Police Authority Parish Councils	Central Government reduction in funding will affect all Major Precepting Budgets. Finance implications therefore will be spread across other services in addition to NBC's current service provision to the public.
Councillors	The scheme must be authorized as part of the Council Tax discount scheme within Council Tax administration. It is therefore imperative that elected members understand the implications of the scheme and the results of the consultation.
Northamptonshire Local Authorities	NBC is keen to explore a countywide policy for CTRS for a consistent and cost effective scheme across

Stakeholder	Why
	Northamptonshire. Engagement with the other 6 LA's will establish a benchmark of additional views to be considered.
NBC Staff	Staff across multiple departments will need to be engaged as the scheme will impact upon current normal business and further business needs may be established.

4.0 Consultation Plan

Consultation is a critical process through the design of the scheme. The underpinning rationale for consultation is the idea that local people will engage with Northampton Borough Council to design a scheme that meets the needs of the community as the business requirements for Northampton Borough Council. The plan has been set out in 4 stages

- Planning
- Activity
- Analysis and Reporting
- Evaluation

Planning

The purpose for this consultation is to meet the legal requirement to consult with the public regarding the change that must be made to the Council Tax Benefit scheme that has been abolished from April 2013.

Each stakeholder defined in the previous section, has been taken from various sources as a gap analysis to reduce the risk of not communicating with all the affected personnel during the consultation process. Against each stakeholder, a method of communication has been identified to ensure that in line with equality and diversion requirements all possible methods of engagements with the stakeholder's covers as many people as is possible during the 6 week phase.

As such this consultation will be shared to the Corporate Communications Section and will be budgeted from Revenue and Benefit resources.

Before consultation can occur, training will need to be arranged for staff or political representatives to ensure that the same communication message is delivered to all.

Any publications that are generated throughout this process will be shown to Corporate Communications and Localisation Programme Board for agreement.

Activity

The public consultation will be 6-weeks long. During this period, engagement with the public will be proactive, ensuring that the time allocated will adequate to the level of customer engagement required. Six weeks has been defined by the Localisation Programme Board as a reasonable level of time to ensure that all stakeholders have an opportunity to have time to reply to the consultation document. This also coincides with aligning this process with the fixed political process for agreement before the Department Of Communities and Local Government deadline of 31st January 2013.

The type of consultation will be through on-line questionnaires (Survey Monkey) on the Northampton Borough Council Website predominately. The questionnaire has closed questions and open questions, to enable an even spread of quantative and qualitative responses. These questions will enable the public to opportunity to give responses in a time efficient and informative manner.

Through the public consultation, various meetings are already in place that Northampton Borough Council conduct through normal course of service provision.

Attendance at these meetings will show that the consultation is actively engaging with minority groups within the community. This is in accordance with the legal requirement Equalities Act 2010-Section 149 and the Armed Forces Covenant (May 2011). Attendance at forums will also provide a face to face opportunity to allow the public to ask questions in real time from a Political and Officer steer.

Should paper questionnaires be completed these, will be recorded on electronically and kept in accordance with the Data Protection Act by Officers to enable on-going monitoring of outcomes. Resource will be allocated from Revenue and Benefit Staff to complete this work.

Communication of this consultation will be made through press statements with the local press, advertisement on the Northampton Twitter Account and Facebook page.

Any communication will be published on the Councillor Newsletter that is published by Northampton Borough Council to the elected members, to ensure that any questions that they may have for their constituents are correctly informed and they have an opportunity to have an active role in promoting this consultation.

A separate e-mail address has been created and will be monitored throughout the whole phase of consultation, extending from the public phase, so ensure that transparency and FIO requests are recorded accurately. This will be managed by Revenue and Benefit Staff. (counciltaxsupport@northampton.gov.uk)

Timeline

Task	Duration	Start	Finish
Engagement with NCFO	239 days	01/05/2012	29/03/2013
Engagement with Portfolio Holder	239 days	01/05/2012	29/03/2013
Engagement with Leader of Council	239 days	01/05/2012	29/03/2013
Consultation Questionnaire completed	31 days	01/08/2012	31/08/2012
Publication Documents	31 days	01/08/2012	31/08/2012
EIA on consultation proposals	31 days	01/08/2012	31/08/2012
Localisation Programme Board	1 day	05/09/2012	05/09/2012
Public Consultation	42 days	10/09/2012	21/10/2012
Multi Agency Forum	1 day	12/09/2012	12/09/2012
3rd Party Sector Meeting	1 day	12/09/2012	12/09/2012
Northampton Pensioner Forum	1 day	13/09/2012	13/09/2012
Northampton LGBT and Q Forum	1 day	18/09/2012	18/09/2012
Northampton Diverse Community Forum	1 day	27/09/2012	27/09/2012
Northampton Disabled People Forum	1 day	17/10/2012	17/10/2012
Analysis of Results	1 day	22/10/2012	22/10/2012
Report of Findings-Include amended EIA	1 day	22/10/2012	02/11/2012
Councillor Connect	1 day		
Cabinet	1 day	19/12/2012	19/12/2012
Audit Committee	1 day	14/01/2013	14/01/2013
Full Council Meeting (CTRS Agreement)	1 day	21/01/2013	21/01/2013
DCLG Cut Off Point for Scheme Design	1 day	31/01/2013	31/01/2013
Cabinet (Annex to Budget report)	1 day	20/02/2013	20/02/2013
Full Council Approval-Budget Setting	1 day	25/02/2013	25/02/2013
General Councillor Briefing	31 days	01/03/2013	31/03/2013

Analysis and Reporting

The reporting of the finding following the consultation will be available in a variety of formats that comply with equality and diversity of the Northampton population. The results will show transparency throughout this process, as Northampton Borough Council will be able to justify that any comments that are provided, have been used effectively when considering the scheme in its entirety and not simply as a process that formally had to be conducted.

A weekly report will be provided to the Director of Resources for discussion with Political steer if required, during the public consultation. This will enable the decision making officers the opportunity to see the responses in a timely fashion throughout the designated period and can define if further consultation is required.

Once the Public Consultation is complete a full report detailing the responses held will be published. This full report will be published to all internal stakeholders and a shortened version will be available to the public on the website and in additional formats as appropriate.

The reporting will identify the level of replies that have been received, the level of responses and the equality information that has been provided to show that Northampton Borough Council has actively communicated with all sectors as far as is reasonable for this consultation.

The Report will be used by Officers of Northampton Borough Council to construct the scheme as defined by all parties for Full Council agreement on 25th February 2013.

Evaluation

As with all consultations, it is beneficial to evaluate the process that was taken and any lessons that can be learnt from the consultation and processes afterwards. Throughout the Council Tax Reduction Scheme, Northampton Borough Council must consult annually on the scheme for the following year and therefore it is important that as an organisation, any improvements that can be identified are used to make the consequential contact with stakeholders are implemented.

5.0 Key Risks

Risk	Impact	Reduction Method
Consultation is delayed	High	Part of Localism Programme Plan. Delay of consultation will impact of delivery of whole project. Slippage is factor into project plan.
Transparency myth from the public.	Low	Reporting publicized throughout the process of scheme development to keep information flow.
Web document becomes unavailable	Low	External company provides support
Lack of engagement from stakeholders	Low	This is a topic which is highly publicized nationally and locally. Meetings are occurring with CFO and 3 rd party.
Communication with Staff	Low	Welfare Reform Team Leader is attending monthly meetings with Staff from Housing, Benefits, Council Tax and Customer Services
Mixed message from NBC Officers/Political Members	Medium	Meetings are occurring with Portfolio Holder and training will be provided when Public engagement occurs
Legal Challenge to consultation	Low	Adopting principles set out by Cabinet Staff.
Method of Communication	Low	Consideration to NBC equality policy to ensure that all member of the community will be able to take part in consultation.



Council Tax Reduction Scheme Consultation Results

Author	Laura Bessell
Version	2.2
Status	Draft Report

Document Location

Title	Council Tax Reduction Scheme Consultation Report
Author	Laura Bessell-Welfare Reform Team Leader
Approver	Isabell Proctor-Director of Resources, Robin Bates Head of Finance and Resources
Status	Draft Report

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2.0		2 nd Draft

Review

Name	Title	Organisation
Isabell Proctor	Director Of Resources/Localisation Programme Sponsor	Northampton Borough Council
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Steve Archer	Local Council Tax Support Lead	Northampton Borough Council

Distribution

Name	Title	Organisation
	Localisation Programme Board	Northampton Borough Council
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EXECUTIVE SUMMARY

- 1.0 This report contains the results to the Council Tax Reduction Scheme Consultation which took place between 10th September and 22nd October 2012.
- 1.2 Council Tax Benefit is financial help towards the cost of paying the Council Tax bill. From April 2013, the Government will end Council Tax Benefit and replace it with a new scheme called Local Council Tax Reduction Scheme (Local Scheme) which will be set up and run by each council.

2.0 INTRODUCTION

- 2.1 The Council's Localisation Programme Board approved proposals for consultation on the 2013/14 local Council Tax Scheme the on 5th September 2012.
- 2.2 The consultation process covering all of the options being considered was carried out from the 10th September 2012 until the 22nd October 2012. The aim of this consultation was to find out people's views on the options proposed by Northampton Borough Council.
- 2.3 The consultation period will formally be closed on the date the scheme is approved on 21st January 2013 and will be communicated with stakeholders as appropriate.
- 2.4 This consultation followed the principles set out in the Council's Consultation Toolkit and industry standard guidance on best practice in consultation.
- 2.5 The results of the consultation are contained in this report. They will be considered by the Council as part of the process of designing a local scheme.

3.0 METHODOLOGY

- 3.1 Residents, businesses and other stakeholders were invited to provide feedback on the proposals during the consultation period and support was made available to maximise involvement and understanding of the proposals.
- 3.2 People were able to engage using a range of methods:
 - Public Open Day Event -2 Open public meetings held at the Guildhall on 10 October 2012;
 - Council's proposals debated at Community Forums (Disabled People Forum 17/10/2012; Northampton LGBT and Q Forum 18/09/2012; Northampton Pensioner Forum 13/09/2012)
 - Information about forthcoming changes, consultation proposals and questionnaire were available on the Council's website. A dedicated e-mail address and consultation phone line were set up to receive comments/views etc.
 - On-line survey;
 - Questionnaires made available in public locations ;
 - Promotion of consultation using social media (Facebook, twitter, etc).

- All responses to e-mail communication from the benefit mailbox, included an invitation to take-part in the consultation.
 - Staff via intranet;
 - Agenda item at Multi Agency Forum and 3rd Party Sector Meeting 12/09/2012
 - Invitation to participate was sent to key stakeholders, including Precepting Authorities, parishes and Member of Parliaments
 - Invitation to participate was sent to the business community via the Chamber of Commerce, their network and the Federation of Small Businesses;
 - Invitation to members of the Sounding Board (tenants);
 - Engagement with the housing association and voluntary and community sector via their various networks ;
 - Engagement with our key stakeholder and partners ;
 - Meeting with Northampton Chief Finance Officers.
- 3.3 The consultation was advertised widely through the media including, mail shots, press releases and radio interviews to raise awareness. Two radio broadcasts were held with Inspiration FM and BBC Northamptonshire.
- 3.4 Interim weekly consultation reports containing full details, including potential impacts and alternative proposals, were circulated to the Localisation Programme Board to maximise awareness and action in relation to issues and concerns raised during the consultation.

4.0 RESULTS

- 4.1 A total of 23 responses were received by 22nd October 2012 (21 electronically, 1 via paper questionnaire and 1 letter by email). There has been 1 further response outside of the closing date.
- 4.2 Nationally, the response to Local Authority engagement on local Council Tax schemes has been low. Benchmarking with other Local Authorities has established that this is the case.
- 4.3 It should be noted that additional activity has been undertaken independently of this consultation in respect of wider welfare reforms and has included local press, public attendance at meetings and forums. Views expressed during such events are not included in this report as they do not affect the scheme design, but national issues surrounding welfare reform.

5.0 SUMMARY OF FINDINGS

Results are indicative of the views of individuals that have responded, but due to the low response level to the consultation, this data is insufficient to provide a definitive view.

- 5.2 The website was viewed 433 times during the consultation period and the average time spent was over three minutes. This demonstrates that media coverage of the consultation was active, however members of the public, did not complete the form to air their views, once reading the detail.

5.3 Table of key results.

Local Council Tax Reduction Scheme Consultation						
To what extent to do agree or disagree with the following statements?						
Answer Options	Agree Strongly	Agree	Disagree	Strongly Disagree	Don't know	Response Count
Restrict award to a percentage of the charge	4	9	3	1	1	18
Reduce weekly award by £5 per week	4	6	4	4	2	20
The scheme should incentivise work	12	2	4	2	0	20
Everybody in the household should contribute	8	2	8	1	0	19
Increase proportion of income to be taken into account when making an award from 20% to 30% (Increase the taper)	3	7	3	3	3	19
Withdraw award for those holding over £6,000 in capital instead of £16,000	4	7	5	4	0	20
Removal of Second Adult Rebate (also known as Alternative Maximum Benefit)	2	6	6	2	2	18
Freeze allowances and premiums in 2013/14 (at 2012/13 levels)	6	4	6	1	2	19
Removal of backdating awards	7	5	5	3	0	20
Restrict award to Band D	5	4	9	1	1	20
Restrict minimum weekly award from £0.50p per week to £1.00 per week	6	7	4	0	3	20

5.4 Comments made during face to face meetings from the public included;

- Scheme should clearly recognise those difficulties for disabled and the unemployed to obtain additional income in order to meet the shortfall of entitlement.
- Details of the scheme need to be conveyed recognizing varying need within the community.
- Concerns were raised for future people to be affected from scheme. Consideration to be given that communication is not wholly directed to those affected in the initial period, but shared wider to the community.

Comments made through consultation and the opportunity for these views to be used in designing the scheme.

Comments	Opportunity to Include in scheme
Extend time for many disabled households unable to access the net, use the phone, etc.	NBC can write in own scheme, how long information is required to be provided to determine entitlement to a reduction
Consider looking into the savings/properties owned by household members this doesn't seem to be done currently and many large family groups living with elderly parents my own numerous other properties with incomes.	Consideration can be given to the local scheme to include this
Remove many of the exemptions that allow landlords to pay little or no council tax on their properties	Consideration can be given to the local scheme to include this
Those with long-life illnesses, disability, not able to work.....how will they be supported?	Consideration can be given to the local scheme to include this
My husband is currently on ESA for a long term back problem so perhaps these people and other disabled groups should also have their council tax benefit protected like the pensioners.	Consideration can be given to the local scheme to include this
If you're single, regardless of size of house, you should continue to receive at least 25% off. There is no way one could afford to lose this with everything else going up in price - the whole economic crisis needs to be taken into consideration to see that people are at the end of their budgets !!	Consideration can be given to the local scheme to include this
The size of property shouldn't necessarily affect the benefit but the value of the property combined with the household income - a two faceted approach.	Consideration can be given to the local scheme to include this
People have different size properties for all sorts of reasons and this does not mean they are well off financial, often it is the reverse as the property is costly to maintain and heat.	Consideration can be given to the local scheme to include this
Changes should be tapered so that those in Council Band F upwards are paying a higher percentage. It is more likely that these properties are for the wealthier, but the income also needs to be taken into consideration.	Consideration can be given to the local scheme to include this
Low paid families	Consideration can be given to the local scheme to include this
What about those unable to handle their own personal affairs cope?	Consideration can be given to the local scheme to include this

As a single mother of 2 young children who worked for 15 years before becoming unemployed last year, I think it is fair that those of us who rely on state benefits should pay £5 per week towards council tax.	Consideration can be given to the local scheme to include this
The only ones who are likely to complain about it are the minority who 'have no money' yet manage to be able afford 20 cigarettes a day and drink alcohol most nights! However not all of us on benefits are like that and any more than £5 a week would cause a big impact on our ability to feed and clothe our children.	
A total revamp of the Property Banding for Council Tax needs to take place. All properties should be revalued as the current scheme does not reflect today's market. Some large town houses are worth less than a property of similar size on the outskirts of town and the state of the area, i.e. Ward demographics, crime etc. needs to be reflected. Some town properties have a much higher Council Tax than should be applied as the property has a low value. Also there are many instances where houses in the same street with the same configuration are charged different rates!!!!	This is a national decision to be taken by the Department for Communities and Local Government and NBC is not able to amend or influence this decision.
Consider removing the disabled restriction. Just because somebody receives DLA / AA doesn't mean that their non-deps should automatically be disregarded. They may have large incomes/savings or own properties	Consideration can be given to the local scheme to include this

6.0 ADDITIONAL CONSIDERATION

- 6.1 On 16th October, The Department for Communities and Local Government (DCLG) announced that an additional £100 million of funding for councils to be available. These additional funds are aimed at supporting the development of local schemes and to maintain positive incentives to work. Conditions for funding and timescales will be published shortly by DCLG.

7.0 EQUALITIES

- 7.1 Following the public consultation, the Equality Impact Assessment screening has been reviewed to include these comments. Please see Appendix 1.



Equality Impact Assessment

Part 1: Screening

When reviewing, planning or providing services Northampton Borough Council needs to assess the impacts on people. Both residents and staff, of how it works - or is planning to – work (in relation to things like disability). It has to take steps to remove/minimise any harm it identifies. It has to help people to participate in its services and public life. “**Equality Impact Assessments**” (EIAs) prompt people to think things through, considering people’s different needs in relation to the law on equalities. The first stage of the process is known as ‘screening’ and is used to come to a decision about whether and why further analysis is – or is not – required. EIAs are published in line with transparency requirements.

A helpful guide to equalities law is available at: www.northampton.gov.uk/equality. A few notes about the laws that need to be considered are included at the end of this document. Helpful questions are provided as prompts throughout the form.

1 Name of policy/activity/project/practice	This is:
Local Council Tax Reduction Scheme (CTRS)	New policy/activity/practice

2. Screening undertaken (please complete as appropriate)	
Director or Head of Service	Isabell Procter
Lead Officer for developing the policy/activity/practice	Robin Bates
Other people involved in the screening (this may be people who work for NBC or a related service or people outside NBC)	Revs/Bens Management Team Localisation Programme Board Finance

3. Brief description of policy/activity/project/practice: including its main purpose, aims, objectives and projected outcomes, and how these fit in with the wider aims of the organisation.

From April 2013, the Government is abolishing the Council Tax Benefit (CTB) scheme and legislatively requiring each Local Authority to design a own local scheme. The Government funding less money to pay for the local scheme than previously for CTB. We will have around 10% less to spend on help towards Council Tax than before.

Localising financial support for council tax is part of a wider central Government policy to give councils increased financial interest and a greater stake in the economic future of their local area. This is part of the Government's wider agenda to enable stronger, balanced economic growth across the country.

Northampton Borough Council (NBC) has existing policies which details the Council commitment to safeguarding vulnerable people. These policies consider wider issues of poverty and debt within the community. This review will consider documentation that is currently in place within other departments to ensure that a consistent approach to Council Strategy is maintained.

4 Relevance to Equality and Diversity Duties

Anyone who is currently claiming CTB and is of working age will be affected by the changes and is likely to see their rate of benefit change.

In localising support for council tax, the Government believes that local schemes should provide support for the most vulnerable, including vulnerable pensioners.

5 Evidence Base for Screening

List the evidence sources you have used to make this assessment (i.e. the *known evidence*) (e.g. Index of Multiple Deprivation, workforce data, population statistics, any relevant reports, customer surveys, equality monitoring data for the service area.)

- [CLG Localising Council Tax Equality Impact Assessment and update](#)
- NOMIS Labour Market Profile
- Northampton Council tax database
- Council Tax Benefit database
- EIA's from other NBC departments that are relevant for this assessment.

Currently the Benefit data includes details of age, gender, receipt of disability award/benefit and relevant household composition.

6 Requirements of the equality duties:

(remember there's a note to remind you what they are at the end of this form and more detailed information at)

Will there be/has there been consultation with all interested parties?

Please explain:

Yes-full consultation with all council tax payers and key agencies and networks through presentations, surveys and workshops.

The consultation ran between 10th September and 22nd October 2012.

Are proposed actions necessary and proportionate to the desired outcomes?

Please explain:

Yes-This is a Government legislative reform and NBC has no scope for not applying this change.

Where appropriate, will there be scope for prompt, independent reviews and appeals against decisions arising from the proposed policy/practice/activity?

Please explain:

Yes-All decisions and determinations in relation to CTRS will be subject to an independent appeals process.

Does the proposed policy/practice/activity have the ability to be tailored to fit different individual circumstances?

Please explain:

No-Through the role of consultation NBC have devised many options available to ensure

that groups of people will not be adversely affected more than any other.

Where appropriate, can the policy/practice/activity exceed the minimum legal equality and human rights requirements, rather than merely complying with them? Please explain:

Yes-Whilst most working age people who qualify for CTRS will have to pay something or more than they do now we propose to set up a fund to give additional support to people who are in exceptional hardship or who are particularly vulnerable.

From the evidence you have and strategic thinking, what are the key risks (the harm or 'adverse impacts') and opportunities (benefits and opportunities to promote equality) this policy/practice/activity might present?

The DWP have published the following statistics regarding the national picture upon CTRS.

Passported Claimants are those who receive a qualifying benefit such as they are entitled to a council tax benefit award equal to 100% of their council tax liability. Without further means testing. Non-passported Claimants are means tested to determine their CTB award, but may still receive 100% support.

As of January 2011, in England, there are 4.9m Claimants receiving about 4.2bn in CTB. Over 60% of Claimants are aged under 65, accounting for a similar share of the total expenditure. Passported Claimants account for 66% of the Claimants and over 70% of expenditure.

With this in mind, the below table illustrates the potential financial impact on CTB Claimants in NBC.

Cat Description	No. Of Claims	Average week ent.	Total CTB per week	Annual Cost (£)
A Pensioner Income Support	4,595	16.80	77,196.00	4,014,192
B Pensioner Non Income Support	2,685	13.06	35,066.10	1,823,437
C Working Age Income Support	7,795	15.98	124,564.10	6,477,333
D Working Age Non-Income Support (vulnerable Status)	702	13.61	9,554.22	496,819
E Working Age Non-Income Support (All remaining Customers)	3,109	13.61	42,313.49	2,200,301
Total	18,886		288,693.91	15,012,083

Given that pensioners will be protected from CTRS, this leaves those claimants in category C – E to share the 10% saving. Applying this on an even basis across category C - E would see a reduction of approximately 16.35% in the claimants benefit.

It is likely that claimants who are already viewed as vulnerable would need to be protected (Category D). For the purpose of this illustrative example the vulnerable claimant group represents those claimants of working age, who are not in receipt of Income Support and who have a disability, or have a dependent child with a disability. Protecting this group from reductions in support for council tax would increase the saving required across category C & E to approximately 17.29%.

There are other implications to consider in respect of claimants in category C & E beyond the fact that they are already on low incomes and face a potential financial loss. There will be vulnerable families amongst these categories who may, for example, have young children or medical conditions.

The Government has therefore indicated that they wish to work closely with local authorities to ensure that they understand their existing responsibilities in relation to vulnerable groups. This work may see the number of claimants categorised as vulnerable increase resulting in the reduction for

other claimants rising above 17.29%.

Many of the customers who receive CTB may also be affected by other changes to the welfare benefit system, including changes to housing benefit announced in 2011. There are approximately 10,000 working age claimants currently in receipt of both CTB and Housing Benefit (HB) in NBC.

The 2011 Census results for Northamptonshire reveal a noticeable increase in the under 5 population (19%) and the over 85 population (33% increase) since the 2001 census. It is anticipated that the number of pensioners in receipt of CTB will continue to increase in the coming years. It is also anticipated that any system where CTB becomes a discount is likely to increase take-up, particularly among pensioners. Any significant increase in pensioner take up will inevitably force heavier reductions in support on some working age groups. Consequently, contingency arrangements may need to be built into a local scheme to provide a cushion against any unexpectedly high levels of demand for support. This will also inevitably lead to a further reduction in available support levels.

Clearly, the requirement to achieve a 10% saving while managing spending within lower limits and protecting the most vulnerable could increase the burden on those least able to pay and in so doing could compromise the council's revenue streams.

	Risks (Negative)	Opportunities (Positive)
Race	It is not intended that this policy will disproportionately affect any particular ethnicity. Consideration should be given to how the scheme is communicated; as it feasible that there are higher levels of unemployment within differing sectors of the community.	Consultation with communities, will give a greater understanding to those needs within our diverse community.
Disability	Disabled people may experience a shortfall in their budget. Consideration should be given to how the scheme is communicated; as it feasible that there are higher levels of unemployment within differing sectors of the community.	Scope within the local scheme is to protect 'vulnerable' people. Should a disability premium be allocated by the DWP in respect of a person's needs, then the policy can look to protect these people from the negative shortfall in entitlement.
Gender or Gender Identity/Gender Assignment	There are a greater proportion of female claimants than male within the current claiming population. This will therefore affect more women than men of working age.	None identified so far through this review
Pregnancy and Maternity (including breastfeeding)	People may be on reduced level of earnings whilst in receipt of Statutory Maternity Pay or Maternity Allowance and therefore will be affected by reductions.	None identified so far through this review
Sexual Orientation	None identified so far through this review	None identified so far through this review
Age (including children, youth, midlife and older people)	The impact of this policy will be felt by people of working age. This will also affect families in receipt of CTRS as there will be less excess income to spend on children as it will be used to meet financial commitments.	The Government has recognised that low-income pensioners cannot be expected to increase their income through paid work and therefore are to be protected from any reform or reduction in their entitlements
Religion, Faith and Belief	None identified so far through this review	None identified so far through this review
Human Rights	None identified so far through this review	None identified so far through this review

Comments made through consultation and the opportunity for these views to be used in designing the scheme.

Comments	Opportunity to Include in scheme
Extend time for many disabled households unable to access the net, use the phone, etc.	NBC can write in own scheme, how long information is required to be provided to determine entitlement to a reduction
Consider looking into the savings/properties owned by household members this doesn't seem to be done currently and many large family groups living with elderly parents my own numerous other properties with incomes.	Consideration can be given to the local scheme to include this
Remove many of the exemptions that allow landlords to pay little or no council tax on their properties	Consideration can be given to the local scheme to include this
Those with long-life illnesses, disability, not able to work.....how will they be supported?	Consideration can be given to the local scheme to include this
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People have different size properties for all sorts of reasons and this does not mean they are well off financial, often it is the reverse as the property is costly to maintain and heat.	Consideration can be given to the local scheme to include this
Changes should be tapered so that those in Council Band F upwards are paying a higher percentage. It is more likely that these properties are for the wealthier, but the income also needs to be taken into consideration.	Consideration can be given to the local scheme to include this
Low paid families	Consideration can be given to the local scheme to include this
What about those unable to handle their own personal affairs cope?	Consideration can be given to the local scheme to include this
As a single mother of 2 young children who worked for 15 years before becoming unemployed last year, I think it is fair that those of us who rely on state benefits should pay £5 per week towards council tax.	Consideration can be given to the local scheme to include this

<p>The only ones who are likely to complain about it are the minority who 'have no money' yet manage to be able afford 20 cigarettes a day and drink alcohol most nights! However not all of us on benefits are like that and any more than £5 a week would cause a big impact on our ability to feed and clothe our children.</p>	
<p>A total revamp of the Property Banding for Council Tax needs to take place. All properties should be revalued as the current scheme does not reflect today's market. Some large town houses are worth less than a property of similar size on the outskirts of town and the state of the area, i.e. Ward demographics, crime etc. needs to be reflected. Some town properties have a much higher Council Tax than should be applied as the property has a low value. Also there are many instances where houses in the same street with the same configuration are charged different rates!!!!</p>	<p>This is a national decision to be taken by the Department for Communities and Local Government and NBC is not able to amend or influence this decision.</p>
<p>Consider removing the disabled restriction. Just because somebody receives DLA / AA doesn't mean that their non-deps should automatically be disregarded. They may have large incomes/savings or own properties</p>	<p>Consideration can be given to the local scheme to include this</p>
<p>7 Proportionality</p> <p>The reduced central government funding will undoubtedly leave the council facing some significant service and financial pressures. In particular, it is anticipated that debt collection efforts will be impacted.</p> <p>Many claimants will also be facing reductions in their other welfare benefits, including Housing Benefit and consequently it is anticipated that many will face financial hardship and/or debt.</p>	

8 Decision date: 1st November 2012

We propose to carry out the following actions and review our assessment as appropriate:

Actions to be taken

- Review scheme after implementation
- Review of Benefit Claimant profiling data
- Review of forthcoming analysis of changes and impact that the CTRS scheme has on the wider picture for citizens of Northampton.
- Consider Communication with the public, to mitigate poverty and promote other Council option available to reduce financial burden in the community.
- Communication of the scheme, when agreed at Full Council to these people who will be affected most.
- Evaluation of 2012-2013 scheme for following years, in particular when impact arising from Universal Credit is known

Appendices 1



CABINET REPORT

Report Title	COUNCIL TAX BASE 2013 -2014
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 th December 2012
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Finance & Resources
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	All

1. Purpose

- 1.1 The report sets out the calculation of Northampton Borough Council's Tax Base for the year 2013/14 under the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) regulations 2003 (SI 2003/3012) and amendments made in the Local Government Act 2012.

2. Recommendations

- 2.1 That Cabinet recommend to Council to approve the tax base for 2013/14 at 58,074.34 Band D equivalent properties and associated parish tax bases within this report.

	2013/14	(2012/13)
Billing	2,394.26	2,702
Collingtree	443.35	515
Duston	4,748.13	5,486
Great Houghton	246.80	287
Hardingstone	658.39	767
Upton	1,687.65	1,566
Wootton & East Hunsbury	5,442.79	6,357

West Hunsbury	1,447.71	N/a
Hunsbury Meadow	369.95	N/a
Northampton (Unparished)	40,635.31	49,520
Total tax base	58,074.34	67,200

- 2.2 That Cabinet delegate to the Director of Resources in consultation with the Cabinet member for Finance to make any technical adjustments necessary arising out of the Local Government draft settlement which impacts on the taxbase.

3. Issues and Choices

3.1 Report Background

- 3.1.1 A summary of the tax base and how it is calculated is attached at Appendix 1.
- 3.1.2 The non-collection rate of council tax has been increased from 2.5% to 3.513% for the 2013/14 tax base setting. This is due to the estimated non-payment of the additional debit raised in respect of changes to the exemption, discounts, Local Council Tax Reduction Scheme and taking into consideration the current financial climate. The collection rate is reviewed each year as part of the tax base setting process.
- 3.1.3 There is no deficit to be apportioned on the Collection Fund to Northampton Borough Council and therefore does not need to be incorporated into the budget for 2013/14.

3.2 Issues

- 3.2.1 The report represents the application of a prescribed process.

3.3 Choices (Options)

- 3.3.1 To not set a tax base would render the authority unable to set a council tax.
- 3.3.2 The methodology used to calculate the tax base, has taken into account the recommendation to Council with respect to the Review of Exemptions and Discounts 2013/14.
- 3.3.3 The methodology used to calculate the tax base, has taken into account the recommendation to Council with respect to the Local Council Tax Reduction Scheme.
- 3.3.4 Each of these previous decisions, either individually or as a whole, could be reconsidered by Full Council and the discounts reinstated. Any decision to change the current position would have a negative financial impact on the budget report and tax base. The value of the removal of discounts is shown as a band D equivalent in appendix 1.
- 3.3.5 To approve the recommendations in the report

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None

4.2 Resources and Risk

- 4.2.1 No resource required. The base has to be determined by the 31st January 2013 by Full Council
- 4.2.2 That the above policy position in respect of the Local Council Tax Reduction Scheme be kept under review in respect of future years
- 4.2.3 That the above policy position in respect of discretionary discounts and exemptions be kept under review in respect of future years

4.3 Legal

- 4.3.1 These are covered within the body of the report.

4.4 Equality

- 4.4.1 No direct impact on equality context, however any resulting impact on options/ consultations for budgets will have to be considered individually.

4.5 Consultees (Internal and External)

- 4.5.1 Internal: Finance & Support – Section 151 Officer
Legal Services – Solicitor to the Council
- 4.5.2 External: None

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 None

4.7 Other Implications

- 4.7.1 None

5. Background Papers

None

**Ian Tyrer,
Revenues Manager
0300 330 8000**

Council Tax Base for Northampton

12/13		13/14
68,641.00	Tax Base	68,923.08
-703.12	Growth in tax base (note 1)	126.28
236.17	Planning Assumptions (note 2)	425.00
749.03	Exemptions & Discounts (note 3)	1,079.83
0.00	Council Tax Reduction Scheme (note 4)	-10,365.40
-1,723.08	Non-Collection (note 5)	-2,114.45
67,200.00	Taxbase for Council Tax	58,074.34

NB - all figures are expressed in band "D" equivalent

Note 1	Movement in the tax base in last year
Note 2	Allowance of 50% applied to the estimated new build to allow for part year liability.
Note 3	Revised figure following review
Note 4	Includes 2% for increase in caseload
Note 5	Has increased from 2.5% to 3.51%

Northampton

BAND	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>		
Number on list	0.00	30,227.00	21,006.00	22,219.00	10,211.00	5,349.00	2,326.00	1,197.00	73.00	92,608.00
less exemption	0.00	750.00	558.00	392.00	125.00	36.00	17.00	6.00	10.00	1,894.00
plus disabled from higher band	37.00	55.00	109.00	77.00	42.00	23.00	13.00	5.00	0.00	361.00
less disabled going into lower band	0.00	37.00	55.00	109.00	77.00	42.00	23.00	13.00	5.00	361.00
less number of one adult resident household x25%	2.50	3,792.00	2,054.13	1,761.00	599.88	210.88	75.75	29.88	0.25	8,526.25
less number of properties with no residents but not exempt x50%	0.00	6.00	6.00	4.50	8.50	9.50	6.00	7.50	10.00	58.00
less number of second home properties with no residents but not exempt x10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less CTRS	0.00	-5,074.86	-3,022.91	-2,797.79	-1,142.89	-489.85	-180.24	-80.39	-4.09	-12,793.01
plus f y e for new properties	0.00	3.00	17.50	261.50	95.50	33.50	14.00	0.00	0.00	425.00
Total	34.50	20,625.14	15,436.46	17,493.21	8,395.23	4,617.28	2,051.01	1,065.24	43.66	
conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
band d equivalent	19.17	13,750.09	12,006.14	15,549.52	8,395.23	5,643.34	2,962.57	1,775.40	87.33	60,188.79

Assume 96.49% collection**Duston**

BAND	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	
Number on list	0.00	1,721.00	2,855.00	959.00	513.00	111.00	30.00	2.00	7,101.00
less exemption	0.00	15.00	26.00	4.00	0.00	0.00	0.00	0.00	72.00
plus disabled from higher band	4.00	17.00	5.00	4.00	2.00	0.00	0.00	0.00	43.00
less disabled going into lower band	0.00	4.00	17.00	5.00	4.00	2.00	0.00	0.00	43.00
less number of one adult resident household x25%	0.50	133.75	179.25	201.13	45.00	13.25	3.00	0.75	576.63

less number of properties with no residents but not exempt x50%
less number of second home properties with no residents but not exempt x10%
long-term empties x no discount
less CTRS
plus f y e for new properties
Total
conversion to band d equivalent
band d equivalent

0.00	0.00	0.50	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.50	1.00	2.50
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	-162.91	-264.08	-383.32	-114.45	-50.09	-9.17	-2.15	-0.12	-986.29			
0.00	0.00	0.00	15.00	9.00	2.50	1.00	0.00	0.00	27.50			
3.50	605.34	1,256.17	2,247.55	803.05	450.16	97.83	26.60	0.88				
5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9				
1.94	403.56	977.02	1,997.83	803.05	550.19	141.31	44.34	1.76	4,921.00			

Total 4,748.13 **Assume 96.49% collection**

Collingtree

50

BAND
Number on list
less exemption
plus disabled from higher band
less disabled going into lower band
less number of one adult resident household x25%
less number of properties with no residents but not exempt x50%
less number of second home properties with no residents but not exempt x10%
long-term empties x no discount
less CTRS
plus f y e for new properties
Total
conversion to band d equivalent

<u>A-</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	
0.00	4.00	39.00	56.00	27.00	105.00	43.00	128.00	26.00	428.00
0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00	2.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00
0.00	1.00	4.50	4.25	1.25	6.75	1.25	2.88	0.25	22.13
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.50
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	-1.11	-9.27	-11.65	-4.99	-15.88	-5.50	-14.20	-2.40	-65.01
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	1.89	25.23	40.10	19.76	82.37	37.25	110.43	22.35	
5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	

band d equivalent	0.00	1.26	19.62	35.65	19.76	100.67	53.80	184.04	44.69	459.49
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Total	443.35	Assume 96.49% collection								
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Billing

BAND	A-	A	B	C	D	E	F	G	H	
Number on list	0.00	1,250.00	824.00	603.00	455.00	305.00	96.00	87.00	1.00	3,621.00
less exemption	0.00	13.00	10.00	5.00	3.00	1.00	0.00	0.00	0.00	32.00
plus disabled from higher band	4.00	1.00	4.00	2.00	3.00	3.00	1.00	0.00	0.00	18.00
less disabled going into lower band	0.00	4.00	1.00	4.00	2.00	3.00	3.00	1.00	0.00	18.00
less number of one adult resident household x25%	0.00	154.38	77.50	50.63	23.75	12.00	4.00	2.50	0.00	324.75
less number of properties with no residents but not exempt x50%	0.00	0.00	0.50	0.00	0.50	0.00	0.00	0.50	0.50	2.00
less number of second home properties with no residents but not exempt x10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less CTRS	0.00	-1.11	-9.27	-11.65	-4.99	-15.88	-5.50	-14.20	-2.40	-65.01
plus f y e for new properties	0.00	0.00	5.00	19.00	27.50	9.00	9.00	0.00	0.00	69.50
Total	4.00	1,078.52	734.73	552.73	451.26	285.12	93.50	68.80	-1.90	
conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
band d equivalent	2.22	719.01	571.46	491.31	451.26	348.48	135.05	114.67	-3.81	2,829.65

Total	2,730.24	Assume 96.49% collection								
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Great Houghton

BAND	A-	A	B	C	D	E	F	G	H	
Number on list	0.00	4.00	31.00	45.00	37.00	111.00	37.00	17.00	0.00	282.00
less exemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
plus disabled from higher band	0.00	0.00	0.00	1.00	1.00	0.00	1.00	0.00	0.00	3.00

[illegible]

Total	246.80	Assume 96.49% collection
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[illegible]

less CTRS	0.00	-19.29	-26.91	-54.04	-16.01	-8.98	-4.45	-1.36	0.00	-131.05
plus f y e for new properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1.00	70.71	121.59	289.46	102.99	73.65	43.55	16.14	0.00	
conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
band d equivalent	0.56	47.14	94.57	257.29	102.99	90.02	62.90	26.90	0.00	682.36

Total 658.39 **Assume 96.49% collection**

Upton	A-	A	B	C	D	E	F	G	H	
BAND										
Number on list	0.00	47.00	174.00	728.00	623.00	295.00	169.00	70.00	2.00	2,108.00
less exemption	0.00	0.00	0.00	5.00	6.00	3.00	0.00	1.00	0.00	15.00
plus disabled from higher band	0.00	0.00	1.00	7.00	2.00	2.00	2.00	1.00	0.00	15.00
less disabled going into lower band	0.00	0.00	0.00	1.00	7.00	2.00	2.00	2.00	1.00	15.00
less number of one adult resident household x25%	0.00	8.25	21.50	92.25	60.25	11.13	4.25	1.75	0.00	199.38
less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.00	2.00
less number of second home properties with no residents but not exempt x10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less CTRS	0.00	-10.07	-31.97	-117.03	-89.02	-34.49	-16.72	-6.00	-0.14	-305.45
plus f y e for new properties	0.00	0.00	10.50	68.00	11.00	12.50	1.00	0.00	0.00	103.00
Total	0.00	28.68	132.03	587.72	473.23	258.39	148.53	59.75	0.86	
conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
band d equivalent	0.00	19.12	102.69	522.42	473.23	315.80	214.55	99.58	1.71	1,749.10

Total 1,687.65 **Assume 96.49% collection**

Hunsbury Meadow	A	B	C	D	E	F	G	H
BAND								

Number on list	0.00	4.00	17.00	68.00	93.00	31.00	109.00	32.00	0.00	354.00
less exemption	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
plus disabled from higher band	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less disabled going into lower band	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less number of one adult resident	0.00	0.00	2.25	5.50	4.00	1.00	3.75	0.50	0.00	17.00
household x25%										
less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less number of second home										
properties with no residents but not exempt x10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
less CTRS	0.00	-1.12	-4.08	-14.27	-17.35	-4.73	-14.08	-3.58	0.00	-59.20
plus f y e for new properties	0.00	0.00	0.00	40.00	9.00	3.50	1.50	0.00	0.00	54.00
Total	0.00	2.88	10.67	88.23	80.65	28.77	91.67	27.92	0.00	
conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
band d equivalent	0.00	1.92	8.30	78.43	80.65	35.16	132.42	46.53	0.00	383.41

Total 369.95 **Assume 96.49% collection**

West Hunsbury

BAND	A-	A	B	C	D	E	F	G	H	
Number on list	0.00	119.00	314.00	510.00	372.00	301.00	198.00	53.00	0.00	1,867.00
less exemption	0.00	1.00	3.00	5.00	1.00	0.00	0.00	0.00	0.00	10.00
plus disabled from higher band	0.00	2.00	1.00	3.00	4.00	2.00	2.00	0.00	0.00	14.00
less disabled going into lower band	0.00	0.00	2.00	1.00	3.00	4.00	2.00	2.00	0.00	14.00
less number of one adult resident										
household x25%	0.00	17.25	32.38	44.88	19.75	13.50	4.50	1.25	0.00	133.50
less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[illegible]

Wootton & East Hunsbury

[illegible]

Total		5,442.79	Assume 96.49% collection							
Unparished										
BAND	A-	A	B	C	D	E	F	G	H	
Number on list	0.00	27,511.00	16,314.00	15,231.00	5,842.00	2,498.00	890.00	551.00	39.00	
less exemption	0.00	714.00	505.00	329.00	99.00	31.00	13.00	5.00	10.00	
plus disabled from higher band	28.00	36.00	74.00	54.00	21.00	13.00	6.00	3.00	0.00	
less disabled going into lower band	0.00	28.00	36.00	74.00	54.00	21.00	13.00	6.00	3.00	
less number of one adult resident household x25%	2.00	3,419.50	1,551.50	1,187.50	346.63	102.63	34.00	14.00	0.00	
less number of properties with no residents but not exempt x50%	0.00	6.00	5.00	4.50	6.00	9.00	5.50	5.00	8.50	
less number of second home properties with no residents but not exempt x10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
less CTRS	0.00	-4,345.45	-2,208.73	-1,804.34	-615.18	-215.22	-64.88	-34.81	-2.05	
plus f y e for new properties	0.00	3.00	2.00	119.50	29.50	6.00	1.50	0.00	0.00	
Total	26.00	19,037.05	12,083.77	12,005.16	4,771.70	2,138.16	767.12	489.19	15.45	
conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
band d equivalent	14.44	12,691.36	9,398.49	10,671.25	4,771.70	2,613.30	1,108.06	815.31	30.89	42,114.81
Total		40,635.31	Assume 96.49% collection							

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	NNDR – Review of Discretionary Relief Scheme
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 December 2012
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Customers and Communities
Accountable Cabinet Member:	Cllr Brandon Eldred
Ward(s)	All

1. Purpose

- 1.1 To approve a new Discretionary Scheme for National Non-Domestic Rates (NNDR) Relief.

2. Recommendations

- 2.1 The Cabinet is recommended to
 - (a) Approve the changes to the Discretionary Scheme for National Non-Domestic Rates (NNDR) Relief as detailed in paragraph 3.2.1 of the report.
 - (b) Agree that the revised scheme will come into effect from 1 April 2013.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council has the discretionary power to grant additional relief to charities or relief to similar organisations under the Local Government Finance Act 1988 who satisfy either of the criteria below on both occupied (Section 47) and unoccupied property (Section 48).

3.1.2 Under legislation relief can be awarded in the following cases:

a) Local Charity

The ratepayer is a local charity or trustees for a local charity and the property is wholly or mainly used for charitable purposes. In such cases the relief can be awarded at up to 20%, as 80% mandatory relief will have already been granted. Note that this is not granted for any shops including charity shops.

Of the 20% topped up, the Council pays 75% of this and 25% of this is paid from central government.

b) Not for Profit Organisations

Where the hereditament is not an excepted property (one occupied by a billing or precepting authority) and all or part of it is occupied by an individual or organisation which is:

- not established or conducted for profit, and,
- whose aim should be charitable or otherwise philanthropic, or concerned with the promotion of social welfare, education, science, literature or the fine arts.

The Council pay 25% and central government fund 75%

c) Special Discretionary Relief

where the hereditament is not an excepted hereditament and is wholly or mainly used for:

- the purposes of recreation, and,
- all or part of the property is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

The Council pay 25% and central government fund 75%

3.1.3 The amount of relief being awarded has continued to increase in recent years and is therefore putting pressure on finances at the Council. As part of the budget setting process for 2012/13 the Council agreed to review the Discretionary Relief Scheme.

3.1.4 Cabinet, at their meeting on 7 March 2012, agreed to revoke the existing discretionary relief scheme with effect from 31 March 2013 and to consult on a new scheme to take effect from 1 April 2013. Letters were despatched to all existing recipients of discretionary relief on 22 March 2012.

3.1.5 The consultation was carried out in two phases. In the first phase existing recipients and members of the Community and Voluntary sector were invited to put forward suggestions about how the scheme could be varied to best support Northampton's interests.

3.1.6 Following the first phase of consultation, the outcomes of the consultation were used to develop a package of options for revisions to the scheme. A further period of consultation was then carried out between 19th November and 3rd December 2012 during which existing recipients of discretionary relief and members of the community and voluntary sector were asked for further comments on the package of options that were proposed.

3.2 Issues

3.2.1 Consultation was carried out between 19th November and 3rd December 2012 on the following proposed revisions to the NNDR discretionary relief scheme with effect from 1 April 2013:

- a) The discretionary top up relief available to charitable organisations and Community Amateur Sports Clubs (CASCs) will be reduced from 20% to 15% where the organisation is the sole occupier of the premises. The effect of this will be that organisations will be eligible for a maximum relief of 95% of NNDR liability (80% mandatory relief and 15% discretionary).
- b) A discretionary top up relief rate of 20% will be retained for charitable organisations and CASCs organisations which co-locate and share the same premises. This would apply in situations where two or more organisations are jointly liable for NNDR at the premises they occupy or where one organisation sublets part of the premises to an organisation with charitable or CASC status.
- c) The discretionary relief available to not for profit organisations which focus on social welfare, arts, sport and recreation (criteria b) and c) in the current scheme) will be reduced from a maximum of 100% to 80% of NNDR liability.
- d) There will be no Special Discretionary Relief Scheme (which previously awarded relief up to a maximum of £3162.93 for organisations meeting the relevant criteria) from April 2013.

3.2.2 The package of options proposed in a), c) and d) would deliver a saving to the Council of approximately £70,000 based on the current rates of relief being paid to recipients in 2012/13.

3.2.3 In addition, the proposal outlined in b) above may deliver further saving if a number of organisation took up the co-location option, however, the exact figure cannot be quantified as it would be influenced by level of take-up and the costs associated with the NNDR liabilities on the properties affected. It is anticipated that a single rate of relief at 20% would be lower in cost terms than multiple rates of relief at 15%.

3.2.4 The consultation on the proposed amendments to the scheme carried out between 19th November and 3rd December 2012 resulted in the following comments;

- Concerns about the impact on sports clubs, particularly in light of the “Olympic legacy” and other regulatory burdens which are increasing costs for such organisations.
- Additional costs for organisations which are volunteer lead and funded should be avoided.
- Non-profit making organisations affected by these proposals will have to pass any additional costs to members through membership fees which may disadvantage people on low incomes.
- A reduction in full relief to 80% for non-profit making organisations will result in increases in subscriptions for members and may impact on membership.

- Charities which support needy and vulnerable people should not be treated in the same way as Community and Amateur Sports Clubs (CASCs).
 - Reductions in relief should only be imposed on organisations occupying larger premises.
 - A minimum financial threshold should be applied, e.g. £1,000 of relief, before the reduced levels of relief are applied.
 - The co-location option is restrictive for those organisations which do not have space or capacity to share with others.
 - Some organisations will not be able to afford to pay if relief is reduced.
 - Consideration should be given to how not for profit organisations who also have a related charitable benevolent arm should be treated.
 - Small hobby groups will be forced to close if relief is withdrawn.
 - Concern that previous letters concerning the intention to end the existing scheme and opportunity to contribute to consultation had not been received.
- 3.2.5 The proposed amendments to the scheme will have some financial impact on the organisations currently in receipt of relief where the proposals will reduce the maximum rates of relief available and, in the case of the current Special Discretionary Relief scheme, where it is permanently withdrawn. The proposals have sought to minimise the impact on organisations as far as possible, and in particular those who have charitable or CASC status.
- 3.2.6 The proposal to make the withdrawal of the Special Discretionary Relief scheme permanent, whilst taking into account the financial impact of the organisations affected, has factored in that the organisations currently in receipt of this relief are generally social establishments which have the capacity to generate income and therefore can offset any costs associated with the withdrawal of relief through their business operating model. In other cases where organisations are funded through membership fees and subscriptions there is opportunity for any increases in operating costs to be redistributed equitably through charges to those benefiting from the organisations.

3.3 Choices (Options)

- 3.3.1 To agree the proposed changes to the scheme which would deliver an approximate saving of £70,000 with possible additional savings generated through the co-location of charitable and CASC organisations.
- 3.3.2 To maintain the existing scheme and retain the current rates of relief for those organisations in receipt of relief.
- 3.3.3 The Cabinet is recommended to approve the changes to the scheme outlined in paragraph 3.2.1 above and implement the changes to the scheme with effect from 1 April 2013.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The report proposes to amend the maximum rates of relief under the Council's discretionary power to grant additional relief to charities or relief to similar organisations under the Local Government Finance Act 1988 who satisfy either of the criteria below on both occupied (Section 47) and unoccupied property (Section 48).

4.2 Resources and Risk

- 4.2.1 The exact level of the saving could be impacted on by the Government's introduction of the Local Retention of Business Rates. A Policy Statement was recently released which stated that:
- “Under the rates retention scheme, the existing costs of mandatory and discretionary reliefs will be accounted for within local authorities' business rates baselines. However, any changes in these costs between resets will be shared 50:50 between central and local government, in accordance with central-local shares.”
- 4.2.2 It is anticipated that the impact on the saving of this and the resource equalisation mechanisms in the new scheme would be marginal.
- 4.2.3 There is a risk that organisations currently in receipt of relief could leave the local area if it is reduced or removed. However, the proposals have been designed to minimise the impact as much as possible, especially on those with charitable or CASC status.
- 4.2.4 A medium term planning option has therefore been prepared to incorporate the saving of £70k into the Council's budget proposals for the 2013/14.

4.3 Legal

- 4.1.2 The Council has discretionary power to grant additional relief to charities or relief to similar organisations under the Local Government Finance Act 1988 who satisfy either of the criteria below on both occupied (Section 47) and unoccupied property (Section 48). The proposed alterations to the scheme are compliant with these legal obligations and it is at the discretion of the Council to determine the maximum rates of discretionary relief.

4.4 Equality

- 4.4.1 The report considers the impact on organisations potentially affected by the proposals and considers that these have been mitigated as far as possible by reducing the potential impact on those charitable organisations, in particular which provided services and facilities to support more vulnerable groups.
- 4.4.2 There was no indication from Equality Impact Analysis conducted in November 2011 or in developing the consultation or final proposals that any individuals or groups with protected characteristics will be disadvantaged disproportionately by the proposals for a replacement scheme.
- 4.4.3 It is noted that in some cases it may be necessary for organisations to pass on any additional costs incurred as a result of reduced relief to members through subscriptions, fees or through income generating activities. It has not been

identified that this would adversely affect any specific group or individuals with protected characteristics in a way that would disadvantage them specifically.

4.5 Consultees (Internal and External)

4.5.1 All current recipients of discretionary relief were consulted on the proposals and in addition the proposals were circulated to all community and voluntary sector organisations on the Northampton database held by the Northampton Volunteering Centre.

4.5.2 The following organisations responded to the consultation on the proposed new scheme;

- Northamptonshire Sport
- Northamptonshire YMCA
- Northampton Weightlifting Club
- Fernie Fields Sports and Social Club
- Northampton Society of Model Engineers
- Spring Charity
- Thai - bo & martial arts studio
- Northampton Door-to-Door Service
- Gulzare-e-medina islamic welfare Trust
- Cargin Moss Black Belt Academy
- Northamptonshire Football Association Ltd
- Northampton Model Railway Group

4.6 How the Proposals deliver Priority Outcomes

4.6.1 These proposals reflect the commitment of the Council to creating empowered communities and supporting the voluntary sector to support communities by limiting the impact of these proposals as far as possible across all of the community and voluntary sector. In addition the proposal to continue maximum relief for organisations which co-locate in shared premises will further limit any impact on those organisations whilst supporting the Council's commitment to providing value for money and protecting local services.

5. Background Papers

5.1 Department of Communities and Local Government – Business Rates Retention Policy Statement published November 2012

<https://www.gov.uk/government/publications/business-rates-retention-policy-statement>

5.2 Northampton Borough Council Business Rates Relief Review 2012, Consultation Results – Phase 1

Nicci Marzec,
Head of Partnership Support,
0300 330 7000

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	NATIONAL NON DOMESTIC RATES 2013-14
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 th December 2012
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Finance & Resources
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	All

1. Purpose

- 1.1 The original National Non-Domestic Rating form 1 (NNDR1) regulations are under the LGFA1988 paragraph 5(2) of Schedule 8 (which requires authorities to calculate their provisional non-domestic rating contribution for the forthcoming financial year, at such time as the Secretary of State directs).
- 1.2 By means of the direction powers in paragraph 40 of section 1 to the Local Government Finance Bill, the Government requires billing authorities to provisionally complete the NNDR1 by mid-December and send it to DCLG and any relevant precepting authorities in its area. By 30 January confirmation that the NNDR1 is correct will be required by DCLG and relevant precepting authorities. This will be after it has been signed off by the council. Any changes can also be resubmitted.
- 1.3 Note: 30 January is the same date by which billing authorities must notify their council tax base to their precepting authorities.

2. Recommendations

- 2.1 That Cabinet recommend the approval of the NNDR1 form for 2013/14 to Council as attached in appendix 1.

- 2.2 That Cabinet delegate to the Director of Resources in consultation with the Cabinet Member for finance to make any technical adjustment necessary arising from the draft local government settlement.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Annually, each billing authority estimates the business rates income that it expects to collect in the next financial year. For this purpose, billing authorities use the National Non-Domestic Rating form 1 (NNDR1)
- 3.1.2 They must complete the form and send to DCLG and their relevant precepting authorities on a provisional basis by mid-December and following approval by the local authority in final form by 30 January immediately proceeding the financial year to which it relates.
- 3.1.3 The rateable value and rating multiplier will be the starting point for the NNDR1, allowing the authority to determine a gross yield figure for the year. The billing authority is then able to adjust the gross yield figure to reflect local intelligence about likely increases, or decreases, in the gross rates collected for the year. In this way, authorities will be able to take account of prospective physical changes to the rateable property in their area.
- 3.1.4 From the gross yield figure, authorities will need to deduct:
- The amount of small business rate relief that they anticipate giving;
 - The total of all mandatory and discretionary reliefs;
 - Rates yield in Enterprise Zones, (in accordance with the terms of any Order made under paragraph 37, schedule 1 to the Local Government Finance Bill;
 - Rates yield in respect of an approved New Development Deal scheme
 - Rates yield in respect of renewable energy schemes
 - Costs of collection – as determined by DCLG
- 3.1.5 Authorities will need to add to the gross yield figure:
- The additional yield generated to finance small business rates relief,
 - Any additional rates that they anticipate collecting as a result of ratepayers having deferred their 2012-13 rates bills
- 3.1.6 Authorities will also be expected to make a reduction to the gross yield figure to reflect losses on collection. This will comprise two elements:
- Provision for bad debts; and,
 - Provision for future losses on appeal,
- 3.1.7 DCLG will provide indicative figures based on:
- The average losses in collection reported by authorities
 - The historic differences between estimates and actual performance
- 3.1.8 However, the NNDR1 form will allow authorities the ability to adjust these figures, upwards, or downwards, to reflect their local intelligence.

- 3.1.9 This will give a figure for the billing authority's estimated net rating income for the year. It is this figure that should be used to determine the payments that are due to central government, by way of central share, and to any relevant precepting authorities.
- 3.1.10 The figure takes no account of the financial impact of any transitional arrangements, these are dealt with separately.
- 3.1.11 The estimate of business rates income in the NNDR1 will be used by central Government to determine a schedule of payments for the payment, by the billing authority, of the central share due to central government.
- 3.1.12 The estimate will also form the basis on which a billing authority and its relevant precepting authorities work out a schedule of payments for the business rates income due to the precepting authority.
- 3.1.13 Once the NNDR1 has been completed and sent to DCLG and relevant precepting authorities, billing authorities and precepting authorities will be able to set their budgets.
- 3.1.14 On the basis of the estimates of business rates income in NNDR1s, it will be possible to determine authorities' provisional eligibility for safety net payments for the forthcoming financial year. The Government will confirm provisional safety net payments to authorities on the strength of the provisional NNDR1s returned in mid-December. Authorities can then include the sums in their budgets and the Government will build them into the schedule of payments

3.2 Issues

- 3.2.1 The report represents the application of a prescribed process.

3.3 Choices (Options)

- 3.3.1 To approve the recommendations in the report

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None

4.2 Resources and Risk

- 4.2.1 No resource required. The base has to be determined by the 30th January 2013 by Full Council

4.3 Legal

- 4.3.1 These are covered within the body of the report.

4.4 Equality

- 4.4.1 None

4.5 Consultees (Internal and External)

4.5.1 Internal: Finance & Support – Section 151 Officer
Legal Services – Solicitor to the Council

4.5.2 External: None

4.6 How the Proposals deliver Priority Outcomes

4.6.1 None

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 None

**Ian Tyrer,
Revenues Manager
0300 330 7000**



Department for
Communities and
Local Government

NATIONAL NON-DOMESTIC RATES RETURN 1 NNDR1 2013-14

Please e-mail to : ndr.statistics@communities.gsi.gov.uk

Please enter your details after checking that you have selected the correct authority name.

Please check the figures shown in the cells with a blue border and enter your own figures if you disagree with those suggested.

A provisional version of the form should be returned to the Department for Communities and Local Government by
Monday 7 January 2013

The final version of this form, including a signed copy, must also be sent to the Department for Communities and Local Government by
Thursday 31 January 2013

Select your local authority's name from this list:

North Somerset
North Tyneside
North Warwickshire
North West Leicestershire
Northampton
Northumberland UK

Check that this is your authority :

Check that this is your E Code :

Local authority contact name :

Telephone number of local authority contact :

Fax number for local authority contact :

E-mail address of local authority contact :

Northampton
E2835
Richard Watson
01933 231624
01933 231677
watson@wellingborough.gov.uk

Ver 1.1

1. Number of hereditaments on the rating list on 30 September 2012

6,236

£

2. Aggregate rateable value on the rating list on 30 September 2012

248,097,868

GROSS CALCULATED RATE YIELD

3. Enter line 2 x small business non-domestic rating multiplier (0.462)

£

114,621,215.02

MANDATORY RELIEFS

Small business rate relief

£

4. Additional yield generated to finance the small business rate relief scheme

1,853,029.88

5. Cost of small business rate relief for properties within billing authority area

3,109,085.61

6. Net cost of the small business rate relief (Line 5 minus Line 4)

1,256,055.73

7. Cost of relief to charities

5,018,103.18

8. Cost of relief to Community Amateur Sports Clubs

15,046.73

9. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

0.00

10. Cost of relief for partly occupied premises

606,878.90

11. Cost of relief for empty premises

5,647,417.00

12. Total mandatory reliefs (Sum of lines 6 to 11)

12,543,501.54

DISCRETIONARY RELIEFS

13. Cost of relief to charities

257,959.54

14. Cost of relief to non-profit making bodies

242,209.95

15. Cost of relief to Community Amateur Sports Clubs

2,630.55

16. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

0.00

17. Cost of relief to other rural businesses

0.00

18. Other Section 47 reliefs (Localism Act discounts)

0.00

19. Total discretionary reliefs (Sum of lines 13 to 18)

502,800.03

20. Gross Rate Yield after reliefs (Line 3 minus lines 12 & 19)

101,574,913.45

21. Estimate of 'losses in collection'

1,015,749.13

22. Allowance for Cost of Collection

307,165.75

23. Special Authority Deductions - City of London Offset

0.00

NATIONAL NON-DOMESTIC RATES RETURN 1 2013-14
Northampton

Ver 1.1

Section 2
Enterprise Zones

24. Estimated level of discount to be awarded in 2013-14		£ 1,218,999.70
25. Estimated value of non-domestic rates in the Enterprise Zone area in 2013-14	2,887,250.98	
26. Enterprise Zone baseline	3,194,482.00	
27. Total estimated value of business rates to be retained in 2013-14 (Line 25 minus line 26)		-307,231.03

New Development Deals

28. Estimated value of non-domestic rates in the New Development Deals area in 2013-14	0.00	
29. New Development Deals baseline	0.00	
30. Total estimated value of business rates to be retained in 2013-14 (Line 28 minus line 29)		0.00

Renewable Energy Schemes

31. Total estimated value of business rates to be retained in 2013-14		0.00
32. Net Rate Yield excluding transitional arrangements and rate retention (Line 20 minus the sum of lines 21 to 23, 27, 30 & 31)		100,559,229.59

Rate retention adjustments

33. Estimate of the change in rateable value between 1 October 2012 and 30 September 2013		863,450.00
34. Estimate of the change in receipts as a result in the change in rateable value (line 33 times the multiplier)		398,913.90
	%	
This equates to a percentage change of	0.35	

35. Local authority's estimate of adjustment due to appeals		35,183.61
36. Net Rate Yield excluding transitional arrangements but after rate retention adjustments (Line 32 plus lines 34 and minus line 35)		100,922,960.00

Section 3
Transitional arrangements

37. Addition revenue received because reduction in rates have been deferred	2,114,987.87	
38. Revenue foregone because increase in rates have been deferred	159,715.23	
39. Net cost of transitional arrangements (Line 38 minus line 37)		-1,955,272.63
40. Net Rate Yield after transitional arrangements and rate retention (Line 36 minus line 39)		102,878,233.00

NNDR Summary for : Northampton

These figures show the percentage shares of the NNDR you estimate your authority will collect in 2013-14. They are based on line 36. See the *Tier Split* tab for full information

Amount of NNDR to be paid to central government	£ 49,242,480.30
Amount to be retained by Northampton under the rates retention scheme	40,369,184.00
Amount to be passed to Northamptonshire	10,092,296.00

Certificate of Chief Financial Officer

I certify that the entries in lines 3, 12, 19, 20, 36, 39 and 40 of this form are the best I can make on the information available to me and that the figures given in lines 1 and 2 used in the calculating the amount shown in lines 36 and 40 are, to the best of my knowledge and belief those shown in the rating list for my authority as at 30 September 2012, subject to any order made before 15 January 2013 under the Local Government Act 1972 implementing boundary changes. I also certify that the authority has made proper arrangements for securing efficiency and effectiveness in relation to the collection of non-domestic rates. I also certify to the best of my knowledge and belief that any amount included as legal costs in line 22 and discretionary relief in line 24 meet the conditions set out in the Non-Domestic Rating (Rates Retention) Regulations 2013.

Chief Financial Officer :

Date :

Appendices
5



NORTHAMPTON
BOROUGH COUNCIL
CABINET REPORT

Report Title	COUNCIL WIDE BUDGET 2013/14 – 2015/16
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 December 2012
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr A Bottwood
Ward(s)	N/A

1. Purpose

- 1.1 The purpose of this report is to present for consultation the Cabinet's draft budget proposals for 2013/14 and the forecast budgets for 2014/15 and 2015/16 for:
 - The General Fund (Revenue), as attached in Appendices A and B and recommended Council Tax levels for public consultation.
 - The Housing Revenue Account (HRA)
 - The draft Capital Programme and financing proposals
- 1.2 To provide details of the current financial climate and progress in compiling the 2013/14 to 2015/16 General Fund revenue budget, setting out the issues considered as part of the revenue budget setting process.

2. Recommendations

- 2.1 That Cabinet's General Fund draft budget proposals for 2013/14, and indicative budgets for 2014/15 and 2015/16, as summarised in Appendices A and B be approved for public consultation.
- 2.2 That the proposed Council Tax freeze for 2013/14 be approved for public consultation.
- 2.3 That Cabinet's draft Capital Programme and financing, as detailed in Appendices D1, D2, and E, be approved for public consultation
- 2.4 That Cabinet approve the draft Housing Revenue Account (HRA) budget including charges and rents for public consultation.
- 2.5 That Cabinet delegate to the Director of Resources in consultation with the Cabinet Member for Finance the authority to make any technical changes arising from the draft Local Government Finance Settlement.
- 2.6 That Cabinet note the decision to enter into a pooling arrangement with other authorities across Northamptonshire with regard to the localisation of business rates.
- 2.7 That the approval of the consultation leaflet be delegated to the Director of Customers and Communities in consultation with the Leader and Accountable Cabinet Member for Finance for approval.
- 2.8 That the Chief Executive and Management Board, in consultation with the relevant Cabinet members, undertake the preparatory work in relation to the savings and efficiencies built into the draft budget proposals, subject to any actions being rescinded should any budget options not be approved at Council on 25 February 2013.
- 2.9 That Cabinet note that Council's response to any Formula Grant settlement consultation will be prepared by the Director of Resources in consultation with the Chief Executive, the Accountable Cabinet Member for Finance and the Leader of the Council.

3. Issues and Choices

3.1 Report Background

Local Preparation

- 3.1.1 Board approved the timetable and process for the Medium Term Financial Strategy and budgets in the summer. The report set out the financial parameters for budget projections 2013/14 to 2015/16.
- 3.1.2 The budget process was closely linked to the Corporate Plan and the objectives set out in it, which are also reflected in the Medium Term Financial Strategy.

Timetable

- 3.1.3 The provisional Local Government Finance Settlement for 2013/14 is to be announced on 19 December 2012 and the timetable following this and the draft budget report is as follows:

January – main public consultation on budget and proposed level of Council Tax.

End January/February – final Local Government Finance Settlement announcement is received from Government.

February – Cabinet recommends budget to Council. Council agrees budget and Council Tax.

3.2 Overview

- 3.2.1 The budget is being set at a time of continuing economic and financial turmoil, and against a backdrop of an extremely challenging Spending Review 2010 and significant funding changes arising from the Local Government Finance Reform. The Cabinet remains clear in its determination to continue towards its ambition to be amongst the best Councils in terms of public service, value for money services to the community. The Council will not be deflected from this aim by external factors. However, it does recognise that they make it more challenging to accomplish.
- 3.2.2 The fundamental changes that have been made over the last three years, and continue to be made, in the way the organisation delivers value for money services, has anticipated the reduction in central government funding of local services. This has stood the authority in good stead for the austerity measures announced in the Spending Review 2010 and the changes arising from the Local Government Finance Reform for the medium term.

3.3 Issues

- 3.3.1 This report sets out the issues facing decision makers, with the aim of allowing as much information as possible to be in the public domain, as early as possible.
- 3.3.2 The Council is facing an extremely challenging financial situation and a high degree of uncertainty in the short to medium term, particularly due to the economic environment, government policy in relation to funding, and proposals which will fundamentally reform the local government funding regime during the Spending Review (SR2010) period, in particular from April 2013.

Economic Environment

- 3.3.3 The national economy remains in a period of downturn and instability and is likely to be so for the foreseeable future. This has had specific repercussions locally.
- 3.3.4 Investment interest levels remain low, and are expected to do so for at least the next 12 months before rising very gradually.
- 3.3.5 Funding for capital expenditure is linked both to revenue funding in relation to borrowing costs and the Council's ability to generate capital receipts.
- 3.3.6 The impact on the property market has had the effect of reducing income levels; e.g. Right to Buy receipts have dropped away significantly in recent years.
- 3.3.7 The differential between investment and borrowing rates remains high. The cost of borrowing, having already been increased by Government in relation to the Public Works Loan Board as part of the Spending Review, is expected to remain high in comparison to investment rates, which are expected to remain at just under 1%.

- 3.3.8 Overall the effects of the economic downturn on local citizens and businesses are such that there is likely to be a continued high call on certain services, such as Housing Needs, Homelessness and Benefits, which in turn draw on the Council's resources.

Government Policy

- 3.3.9 There are several areas of government policy that have influenced the Council in considering the costs of growth and limits placed on government grant.
- 3.3.10 Local Government Funding Reform was announced as part of the Spending Review 2010. At the heart of this is a move from the Formula Grant Four-Block model to the Local Retention of Business Rates scheme, which comes into effect for the 2013/14 financial year.
- 3.3.11 The technical consultation on the proposals in the summer of 2012 also indicated that there would be a further reduction in the control totals for local authority funding compared to the Spending Review 2010, while at the end of October CPI was running at 2.7% and RPIX was 3.1% (RPI 3.2%) indicating rising costs. This highlights the importance of careful financial planning.
- 3.3.12 Broadly, the new funding scheme allows local authorities to keep 50 per cent of any additional business rate funds they generate. However, without adjustment the funding would be weighted towards richer authorities so there will be some redistribution using levies and safety nets to protect authorities that see their income drop to a particular level, e.g. as a result of a significant rate payer leaving the local area. This will be added to an allocation of Revenue Support Grant (RSG) to give a total funding assessment. The scheme transfers some of the financial risks of collectable business rates to local authorities, but also offers incentives to deliver business growth.
- 3.3.13 In addition to changes to formula funding, the government has stated that every local authority will receive reduced funding of 10% for Council Tax Benefit as a part of welfare reform. Its policy is for people of working age to become less reliant on the state for financial support, but to protect pensioners for the first year (as they are unable to increase their income). In order to bridge the funding gap that this creates local authorities have to develop a new Council Tax Support Scheme, which will operate from 1 April 2013. These reforms and others making changes to exemptions and discounts mean that there will be changes to how the taxbase is calculated.

3.4 Revenue Budget

- 3.4.1 The overall summary budget can be found at **Appendix A** to this report with further detail in **Appendix B**. From the summary it can be seen that a key feature of the budget process for previous years has been a focus on obtaining further efficiency in the delivery of Council services.
- 3.4.2 The Council aims to deliver as much of its savings requirements as possible through efficiencies before turning to other options to balance its budget.
- 3.4.3 The changes that are being proposed are part of the reorganisation of the Council that are necessary to achieve excellent status and are a key part of the requirement to deliver more with less and to raise our productivity and customer focus.

- 3.4.4 The authority is pro-actively working on delivering major changes through its work on investigating opportunities for partnership working and alternative forms of service delivery.
- 3.4.5 The Council recognises that it may be necessary to share services with other authorities in order to deliver change. We are very open with regard to working with partners and recognise that we need a change of delivery model in some areas to enable local authority services to be delivered efficiently and effectively in this difficult financial environment. Examples of this work to establish a more mixed economy include the work to transfer the majority of back office services to LGSS.
- 3.4.6 The Council's programme for delivering efficient cost effective services has effectively closed the 2013/14 budget/funding gap, by looking at efficiency improvements and considering the balance between using reductions in service levels in some areas and increasing income in others.

Earmarked Reserves

- 3.4.7 Earmarked reserves are held against specific risks (contractual or with a high degree of certainty), and also for regulatory reasons in terms of grants. These are reviewed three times annually, twice for budget setting, in November and January, and once at the closure of accounts in June.
- 3.4.8 It is proposed that £0.68m of earmarked reserves are applied to contribute to funding the budget for 2013/14 at this stage. In the main this relates to use of New Homes Bonus Grant £723k, which is proposed to be applied to costs that will contribute to the improvement of Northampton, such as setting up the Enterprise Zone.
- 3.4.9 Housing Planning Delivery Grant of £247k is proposed to be used to contribute to planning costs in line with previous budget assumptions.
- 3.4.10 Whilst it is assumed that the balance of the application of reserves will come from general reserves at this point, officers will continue to work on options and challenge of the continuation budget during January. Therefore it is anticipated that the use of reserves will be reduced.

General Fund Balances

- 3.4.11 A prudent level of General Fund balances, along with appropriate application of reserves, should be part of the overall budget. An annual risk assessment is undertaken to ascertain the minimum level of General Fund balances the authority should hold. This suggests that £3.0m should be the minimum for 2013/14.
- 3.4.12 This is in line with what the authority currently holds and is a similar level to that recommended for 2012/13 and covers key areas such as:
- Tighter requirements to plan to mitigate Treasury risks such as counterparty risk in investment.
 - Partnership and outsourcing risks.
 - Emergency Planning and Business Continuity
 - General increased risk levels due to the unstable political and economic climate nationally.

Planning Levels of Resources

- 3.4.13 There are two main funding streams for local authorities' net General Fund revenue budgets. The first is local taxation, and the second is from Formula Funding, consisting of Revenue Support Grant (RSG) and the Retention of Business Rates scheme (NNDR).

2013/14 Provisional Settlement

- 3.4.14 The Government is due to announce the provisional Local Government Finance Settlement on 19 December.
- 3.4.15 At this stage it must be stressed that the Formula Funding projections from 2013/14 onwards are estimates due to the late settlement and changes to the funding regime.
- 3.4.16 Council will consider responding to any formula grant consultation. The final response would be prepared by the Director of Resources in consultation with the Chief Executive, the Accountable Cabinet Member for Finance and the Leader of the Council.

Council Tax

- 3.4.17 Various options for Council Tax levels were considered by Cabinet in autumn 2012. Cabinet has chosen to consult with the public on taking up the government offer of assistance to enable it to propose a 0% increase for 2013/14.
- 3.4.18 Council would then apply to the government for the New Burdens funding to mitigate the cost of this equivalent to 1% on Council Tax (approximately £140k). Funding for the 2013/14 Council Tax freeze has been confirmed for two years. If funding does not continue beyond that, the loss of funding would have to be compensated for through additional savings.
- 3.4.19 The Borough Council's 2012/13 Band D Council Tax is £209.57, excluding amounts raised for parish precepts. In 2013/14, the Band D at the resource illustration is the same, representing a 0% increase in Council Tax.
- 3.4.20 The Band Ds (excluding parishes) for each of these years is shown in the table below:

	2008/09 £	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 Estimate
NBC	196.92	204.60	209.65	209.62	209.57	209.57
NCC	956.05	993.34	1,028.11	1,028.11	1,028.11	?
NPCC	178.62	186.66	193.20	193.20	193.20	?
Total	1,331.59	1,384.60	1,430.96	1,430.93	1,430.88	?

- 3.4.21 The Medium Term Financial Strategy requires the Council to look ahead. Whilst the budgets for years 2 and 3 have been comprehensively prepared, there may be opportunities to reduce expenditure, and there will be changes to government funding arrangements in the future.

Local Government Finance Reform

- 3.4.22 Under the new scheme for local retention of business rates there is an option to join with other local authorities in a pooling arrangement, which would benefit the pool through a reduced levy. This would enable the pool (in a net growth situation) to retain a greater proportion of its business rates under the scheme. Following a period of negotiation during the summer and autumn of 2012, NBC has participated in a bid to be part of a pool with NCC and the other districts in Northamptonshire, excluding South Northamptonshire District Council.
- 3.4.23 The government has removed the current Council Tax Benefit Scheme from April 2013 with the aim of reducing the overall expenditure attributed to Council Tax Benefit by 10% and localising support for Council Tax. The expectation is that local authorities will create a scheme that is suitable for their local communities and promotes the government's position on Welfare Reform, by protecting the vulnerable and encouraging work for those of working age. The exact amount of the funding reduction at the local level will be published as part of the Local Government Finance Settlement in January 2013, with an indication of the likely level of funding expected as part of the provisional settlement on about the 19th December 2012. (Further information can be found in the Local Council Tax Support Scheme report elsewhere on this agenda).
- 3.4.24 The government has suggested that local authorities could meet the deficit from the reduction in funding by implementing other changes to ensure that they maximise their opportunities to be financially efficient with the current budgetary pressures. NBC has done so by considering:
- Reconfiguring funding for other services through, for example, efficiency savings or realising savings through shared services, in particular its proposed transfer of services to Local Government Shared Services (LGSS).
 - Using the new flexibility over Council Tax to remove the reliefs in respect of second homes and some empty properties; and other reforms of the Council Tax system, including the use of an electronic leaflet and removal of expensive printing costs traditionally associated with the annual billing process. (Further details of NBC's proposals can be found in the Review of Council Tax Discounts and Exemptions 2013-14 report elsewhere on this agenda).

3.5 Housing Revenue Account

- 3.5.1 The Housing Revenue Account (HRA) is a ring-fenced account that represents the costs of holding the Council's housing stock. There are strict rules surrounding the costs and income that can be charged to this account.
- 3.5.2 Much of the income and expenditure is dictated by legislation and regulation leaving the Council with direct control over a limited number of these budgets. Rental income, by far the largest single budget within the HRA, is calculated by applying the rent restructuring formula as defined by the government.
- 3.5.3 The HRA is now subject to self-financing which has substantially affected the operation of the HRA. Subsidy is no longer paid to the Government but debt has to be serviced from within overall HRA finances. The budget requirements relating to this are reflected in the HRA budget proposals.

- 3.5.4 Rents within the HRA are currently being restructured in line with the government's Rent Restructuring formula. The intention of this restructuring is to have a consistent approach to rental charges across the whole of the public sector housing stock. The government's national rent policy determines the calculation of rents and this is expected to be in line with the restrictions placed on rent rebate subsidy by the Department for Work and Pensions. The proposed level of rent increase for 2013/14 is 4.41% for Northampton. Following rent restructuring this equates to an average rent increase of approximately £3.33 per week.

Summary HRA Position

- 3.5.5 A summary of the draft HRA budget figures is contained in **Appendix C1**, which includes medium term planning investment and savings options, detailed in **Appendix C2**.

3.6 Capital Programme

- 3.6.1 The proposed Capital Programme for 2013/14 to 2015/16 is attached at **Appendices D1 and D2**. The programme is split between General Fund (GF) and HRA schemes. Capital appraisals have been prepared for all proposed schemes.
- 3.6.2 The value of the total proposed Capital Programme for 2013-14 is £29.5m.
- 3.6.3 The table below outlines proposed funding of the programme in 2013/14.

Proposed Capital Programme Funding 2013-14

	GF	HRA	Total
	£m	£m	£m
Capital Programme 2013-14	5.115	24.375	29.490
Funding Source			
Borrowing	4.050	0	4.050
Capital Receipts	0.540	0.600	1.140
Major Repairs Reserve	0	6.775	6.775
Grants & Third Party Contributions	0.475	17.000	17.475
Revenue/Earmarked Reserves	0.050	0	0.050
Total Funding	5.115	24.375	29.490

- 3.6.4 A more detailed breakdown of the funding assumptions for the next three years is set out at **Appendix E**.

General Fund Capital Programme

- 3.6.5 General Fund schemes have been prioritised within the resources available; i.e. capital receipts that will be received during 2012/13, grants and Section 106 contributions and borrowing funded within existing revenue budgets. Contributions from earmarked reserves and costs of borrowing are recognised in the GF revenue budget, as well as any revenue costs arising from capital schemes.
- 3.6.6 The proposed programme for 2014/15 includes a significant scheme to restore Delapre Abbey. This is subject to securing the necessary Heritage Lottery Fund grant during 2013. The scheme will also require a contribution of £0.5m from capital receipts.

HRA Capital Programme

- 3.6.7 The HRA capital programme has a direct impact on the revenue position of the HRA. Expenditure for capital purposes and the effect on revenue expenditure continue to be considered together within the context of the 30-year Business Plan.
- 3.6.8 Central government grant for Decent Homes has been re-phased. This results in a reduced requirement for funding from the Major Repairs Reserve in 2013/14, but increased in 2014/15. Revenue contributions will also be used later.
- 3.6.9 Under new pooling arrangements introduced in April 2012, the Council can retain additional receipts generated from Right to Buy sales in excess of the number assumed in the self-financing buy-out, provided that these are spent on increasing the supply of social housing. A budget has already been added in the current year to fund buy-back of former council houses, and a further £1m is included for this purpose in the proposed 2013/14 programme.

Capital Strategy

- 3.6.10 The Capital Strategy for 2012/13 to 2014/15 was approved by Council on 29 February 2012 and remains current. The aim of the Capital Strategy is to provide a clear framework for capital funding and expenditure decisions. This is in the context of the Council's vision, values, objectives and priorities, financial resources, and spending plans.
- 3.6.11 The strategy includes the Council's capital funding strategy and proposals for the capital programme have been developed in line with this.

3.7 Consultation

- 3.7.1 . Formal consultation with the public and local businesses will be launched in December 2012 and will continue until the budget is formally adopted in February 2013.
- 3.7.2 Budget reports and equality impact assessments for budget proposals are published on the internet.

3.8 Choices (Options)

- 3.8.1 Cabinet can agree that the budget proposals for 2013/14, for General Fund Revenue, Housing Revenue Account and Capital, and indicative budgets for 2014/15, and 2015/16, as summarised in the appendices to this report are approved for public consultation

- 3.8.2 Cabinet can agree that the proposed Council Tax increase of 0% for 2013/14, and the indicative 0% for 2014/15 and 2015/16 are approved for public consultation.
- 3.8.3 Cabinet can choose to make changes to the budget proposals and the proposed Council Tax levels prior to agreeing the budget to consult on, subject to the advice of the Chief Financial Officer.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The revenue and capital budgets are set in support of the Council's priorities.
- 4.1.2 The General Fund Revenue Budget is set in the context of the Medium Term Financial Strategy, elsewhere on this agenda.
- 4.1.3 The Capital Programme is set in the context of the Council's Capital Strategy.

4.2 Resources and Risk

- 4.2.1 In addition to the Borough Council's own Council Tax, there are separate Council Taxes for Northamptonshire County Council, the Parish Areas and the Police Authority.
- 4.2.2 There will be two new parish areas from 1 April 2013 in Hunsbury Meadows and West Hunsbury. No estimates are included for these precepts at this stage.
- 4.2.3 The provisional Local Government Finance Settlement is expected to be announced on 19 December 2012, but is subject to change and will be updated when the final settlement is announced, at the end of January/early February 2013.
- 4.2.4 Housing Revenue Account budgets may need to be updated when Government release the final national rent rise percentages.
- 4.2.5 Information will be included in the report to the Council meeting in February 2013 on the level of spend for the County Council, parishes, and the Police and Crime Commissioner, and the final Formula Funding settlement.

4.3 Legal

- 4.3.1 There are no specific legal issues arising from this report.

4.4 Equality

- 4.4.1 Equality and diversity were considered as a part of the budget build process, and an Equalities Impact Assessment is completed as part of each medium term planning option submitted.
- 4.4.2 Equalities assessments for the draft revenue budget are published on the internet at www.northampton.gov.uk/budget2013 and will be updated to take account of feedback from the public consultation and re-published with the final budget proposals in February 2013.
- 4.4.3 The impact assessments are 'living' documents and will be updated to take into account relevant feedback from the consultation process. Where these documents identify mitigating action, this will be undertaken in implementing

the relevant option should it be taken forward and approved in February 2013.

- 4.4.4 Each completed capital project appraisal includes responses to the following questions:
- State specifically the equalities issues that have been identified that this project will address?
 - How will this project address the equalities issues that have been identified?
- 4.4.5 The project manager for each scheme in the agreed capital programme will complete the Equalities Impact Assessment process as a condition of approval.
- 4.4.6 The Capital Strategy underwent an Equalities Impact Assessment screening. There are no direct impacts on individuals or groups arising from the Capital Strategy itself.

4.5 Consultees (Internal and External)

- 4.5.1 Internally heads of service and budget managers have been consulted, and Management Board has carried out a detailed challenge of the budget with Members.
- 4.5.2 This paper is to agree to put out a draft capital and revenue budget and Council Tax to public consultation, which will be undertaken with the general public, partners of the Council and businesses. This is in line with best practice and the statutory requirements of the Local Government Finance Act 1992.

4.6 How the Proposals Deliver Priority Outcomes

- 4.6.1 Consulting on the draft budget is a key ingredient in effective financial governance, which contributes to the priority of making every pound go further.

4.7 Other Implications

The **Appendices** are set out as follows:

- A General Fund Summary
- B General Fund Medium Term Planning Options
- C1 HRA Revenue Budget Summary
- C2 HRA Medium Term Planning Options
- D1 Proposed General Fund Capital Programme 2013/14
- D2 Proposed HRA Capital Programme 2013/14
- E Proposed Capital Programme Financing 2013/14

5. Background Papers

- 5.1 Capital Strategy 2012 - 2015
- 5.2 Medium Term Planning Options consolidated list GF
- 5.3 Medium Term Planning Options consolidated list HRA

5.4 Equality Screening and Analysis for MTP Options GF and HRA

David Kennedy,

Chief Executive,

0300 330 7000

Isabell Procter,

Director of Resources

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Description	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
Summary				
Service Base Budget	31,974,131	32,022,843	31,822,843	31,822,843
Service Continuation Budget	-	1,256	593,370	1,312,741
Total	31,974,131	32,024,099	32,416,213	33,135,584
<i>Medium Term Planning Options</i>				
Savings and Efficiencies	-	(1,314,766)	(1,928,360)	(1,972,050)
Growth	-	102,760	79,270	79,850
Total MTP Options	0	(1,212,006)	(1,849,090)	(1,892,200)
<i>Corporate Budgets</i>				
Debt Financing	1,810,900	1,642,920	1,953,310	1,548,910
Recharges from General Fund to HRA	(4,831,000)	(4,779,389)	(4,768,774)	(4,815,284)
Council Tax Freeze Grant	(353,200)	(143,140)	(143,140)	(143,140)
Transition Grant	-	(56,030)	-	-
Parish Grants	(20,287)	(20,287)	(20,287)	(20,287)
Parish Precepts	976,291	842,291	842,291	842,291
Contribution from Earmarked Reserves	(1,303,048)	(680,507)	(516,316)	(500,076)
Contribution to General Fund Balances	100,000	0	0	0
Total Corporate Budgets	(3,620,344)	(3,194,142)	(2,652,916)	(3,087,586)
Revenue Budget Requirement	28,353,787	27,617,951	27,914,207	28,155,798
<u>Funding</u>				
Revenue Support Grant	(252,807)	(7,931,865)	(6,841,482)	(5,697,206)
NNDR	(13,041,537)	-	-	-
Locally Retained Business Rates	-	(6,673,114)	(6,673,114)	(6,673,114)
Total Formula Grant	(13,294,344)	(14,604,979)	(13,514,596)	(12,370,320)
<u>Council Tax</u>				
NBC Council Tax	(14,083,152)	(12,170,681)	(12,257,138)	(12,287,641)
Parish-related Council Tax	(976,291)	(842,291)	(842,291)	(842,291)
Total Council Tax	(15,059,443)	(13,012,972)	(13,099,429)	(13,129,932)
Total Funding	(28,353,787)	(27,617,951)	(26,614,025)	(25,500,252)
Remaining Gap	0	(0)	1,300,182	2,655,546

General Fund MTP Options

Appendix B

Description	MTP Reference	MTP Option Details	Value		
			2013/14	2014/15	2015/16
Savings arising from internal services	43, 61, 62, 161, 186, 187, 189	Savings arising from Management and Staffing restructure	(478,219)	(514,123)	(515,093)
	157	Removal of Essential Car User Allowance for Senior Management	(11,757)	(11,757)	(11,757)
	188	Savings arising from changes to Terms and Conditions	(210,000)	(385,000)	(385,000)
	166	Savings arising from moving services into LGSS	(415,000)	(752,000)	(764,000)
	158	Reduction in Training budget	(40,000)	(40,000)	(40,000)
	31	Reduction in Councillor Training and Conference budget	(6,000)	(6,000)	(6,000)
		TOTAL	(1,160,976)	(1,708,880)	(1,721,850)
Externally focused savings	146	Review of Discretionary National Non-Domestic Rates Scheme	(70,000)	(70,000)	(70,000)
	45	End support to Ground Works Scheme	(25,000)	(25,000)	(25,000)
	103	Raising sponsorship to offset cost of NBC Events	(5,000)	(70,000)	(100,000)
	109	Introducing parking permits for commuters	(40,000)	(40,000)	(40,000)
	190	Review of CCTV	(13,790)	(14,480)	(15,200)
		TOTAL	(153,790)	(219,480)	(250,200)
Total savings and efficiencies			(1,314,766)	(1,928,360)	(1,972,050)
Growth	6	Protecting Public Spaces from illegal encampments	15,000	15,000	15,000
	11	Improving action planning and analysis in Community Safety	20,000	31,000	31,000
	107	Securing Greyfriars before demolition	35,000	0	0
	165	Diverting young people from anti-social behaviour	20,000	20,000	20,000
	159	Providing vehicles to increase patrols by Park Rangers	12,760	13,270	13,850
Total growth			102,760	79,270	79,850
Overall Total			(1,212,006)	(1,849,090)	(1,892,200)

Housing Revenue Account Budget Proposals

Description	2012/2013 Original Budget £'s	2013/2014 Proposed Budget £'s	2014/2015 Proposed Budget £'s	2015/2016 Proposed Budget £'s
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INCOME				
Rents - Dwellings Only (1)	(46,571,123)	(48,453,700)	(50,434,700)	(52,488,400)
Rents - Non Dwellings Only	(1,111,836)	(1,091,400)	(1,116,900)	(1,143,700)
Service Charges	(1,873,377)	(2,717,254)	(2,743,596)	(2,770,547)
Service Charges - De-pooled (1)	(970,400)			
Other Income	(85,000)	(85,000)	(85,000)	(85,000)
Total Income	(50,611,736)	(52,347,354)	(54,380,196)	(56,487,647)

EXPENDITURE				
Repairs and Maintenance	11,114,158	12,575,452	12,784,049	12,595,076
General Management	6,186,892	6,317,282	5,444,186	5,570,040
Special Services	3,546,676	3,598,319	3,683,057	3,750,947
Rents, Rates, Taxes & Other Charges	87,164	81,499	81,867	82,270
Increase in Bad Debt Provision	450,000	750,000	750,000	500,000
Rent Rebate Subsidy Deductions	643,000	25,000	12,000	6,000
Total Expenditure	22,027,890	23,347,552	22,755,159	22,504,333

Continuation Budget	(28,583,846)	(28,999,802)	(31,625,037)	(33,983,314)
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Medium Term Planning Options	0	355,750	87,750	(12,250)
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Net Recharges from the General Fund	4,821,000	4,604,400	4,531,300	4,577,800
Interest & Financing Costs				
- Debt management costs	99,920	0	0	0
- Premia	301,872	40,803	0	0
- Interest on balances	(173,090)	(345,410)	(407,790)	(416,710)
- Mortgage interest	(980)	(820)	(670)	0
- Interest Fixed Rate (2)	5,944,500	6,352,300	6,351,100	6,352,300
Voluntary Debt Repayment	8,197,624	0	0	0
RCCO (3)	3,147,500	0	16,036,900	10,623,380
Depreciation/MRA	8,245,500	8,458,079	8,667,947	11,065,994
Contribution to / (from) Reserves	(2,000,000)	9,534,700	(3,641,500)	1,792,800
Remaining Deficit / (Surplus)	0	0	0	0

Notes

(1) Rent increase - Draft 4.41% in 2013/14 in line with Rent Convergence, Service charges de-pooled in 12/13.

(2) Interest due on self-financing debt taken out

(3) RCCO - Revenue Contributions to fund the Capital programme

Housing Revenue Account MTP options

Appendix C2

Directorate	MTP Reference	MTP Option Description	Value 13/14	14/15	15/16
Housing					
	6	Property Maintenance Restructure	(2,000)	(220,000)	(220,000)
		TOTAL	(2,000)	(220,000)	(220,000)
Terms and Conditions					
	188	Terms and Conditions Savings	(90,000)	(165,000)	(165,000)
		TOTAL	(90,000)	(165,000)	(165,000)
Savings & Efficiencies	Total				
			(92,000)	(385,000)	(385,000)
GROWTH					
Housing					
	4	Floating Support for Vulnerable Tenants	50,000	75,000	75,000
	8	Dealing with Welfare Reform and the Impact on Rent Income Collection	100,000	100,000	0
	50	Responsive Repairs Gas Boiler Breakdown	124,100	124,100	124,100
	51	Programmed Repairs External Painting and Repairs	73,650	73,650	73,650
	52	Landlord Services Restructure - service improvement	100,000	100,000	100,000
Growth Total			447,750	472,750	372,750
Overall Total			355,750	87,750	(12,250)

Draft Capital Programme 2013-14 to 2015-16 - General Fund

Reference Number	Project Title	Note	2013-14 £	2014-15 £	2015-16 £	Scheme Total £
<u>Proposed Capital Programme</u>						
GF01	IT Infrastructure - Servers and Network Storage (self-funded)	1	270,000			270,000
GF02	IT Infrastructure - PC replacement with VDI Terminals (self-funded)	1	65,000			65,000
GF03	Disabled Facilities Grant (continuation)		1,475,000	1,475,000	1,475,000	4,425,000
GF05	Bus Interchange (continuation)		1,500,000			1,500,000
GF06	Corporate Improvements		200,000			200,000
GF07	Parks Infrastructure - Improvements & Renewals		150,000			150,000
GF08-GF10	Lifts - Health & Safety Works		70,000			70,000
GF11	Derngate Theatre Roof		297,000			297,000
GF17	Delapre Abbey Renewals & Improvements		100,000			100,000
GF18	Guildhall Renewals Phase 3		75,000			75,000
GF19	Skate Park Toilet & Kiosk	2	150,000			150,000
GF21-GF25, GF27	Lifts - Improvement Works		150,000			150,000
GF35, GF36, GF39	Cemeteries - Towcester Rd Boundary Wall, Roadway, Footpath		25,000			25,000
GF37	Car Parking Signage		200,000			200,000
GF38	Visitor Signage in Town Centre		80,000			80,000
GF16/GF29	Water Management & Bridge Works		100,000			100,000
GF14	Investment Property - Renewal & Improvement		50,000			50,000
GF13	Community Centre Renewals		50,000			50,000
GF12	Allotments		58,000			58,000
GF42	Delapre Abbey Restoration	3	50,000	5,208,480		5,258,480
Total Proposed Programme			5,115,000	6,683,480	1,475,000	13,273,480
<u>Self-funded schemes (will only go ahead if savings/source of funding proven)</u>						
GF31	Westbridge Depot - Insulation of External Walls		35,000			35,000
GF41	Mounts Bath Roof		150,000			150,000
GF40	LED Lighting Schemes		298,000			298,000
			483,000	0	0	483,000

Notes:

- 1) Borrowing costs funded by existing leasing budgets - borrowing is more cost effective, enables equipment lives to be lengthened
- 2) Borrowing to be partly funded (£75k) by income from Kiosk
- 3) Subject to Heritage Lottery Fund application

Appendix D2

Draft Capital Programme 2013-14 to 2015-16 - HRA

Reference Number	Project Title	2013-14 £	2014-15 £	2015-16 £	3-Year Total £
HRA001	Decent Homes	17,752,900	26,705,000	6,156,380	50,614,280
HRA003	Structural Improvements	300,000	200,000	400,000	900,000
HRA004	Heating replacements (responsive)	500,000	500,000	500,000	1,500,000
HRA005	Asbestos removal remedial action	50,000	100,000	100,000	250,000
HRA007	Door entry replacement	100,000	150,000	150,000	400,000
HRA008	Kitchens	115,000	100,000	100,000	315,000
HRA009	Planned Heating Replacements	500,000	400,000	500,000	1,400,000
HRA010	Reroofing	100,000	100,000	200,000	400,000
HRA011	Windows and doors replacement (outside Decent Homes programme)	30,000	30,000	30,000	90,000
HRA012	Electrical periodic works	125,000	125,000	125,000	375,000
HRA014	Garage roofs, doors and forecourts	40,000	100,000	100,000	240,000
HRA015	Minor adaptations	100,000	140,000	140,000	380,000
HRA016	Environmental enhancements	100,000	100,000	200,000	400,000
HRA017	Digital Aerials	0	10,000	10,000	20,000
HRA018	Estate regeneration (paths, boundary walls, parking areas and other similar projects)	100,000	240,000	1,000,000	1,340,000
HRA019	Fire safety in communal areas	100,000	150,000	150,000	400,000
HRA020	Disabled adaptations	1,000,000	1,000,000	1,000,000	3,000,000
HRA021	Sheltered housing improvements	1,000,000	1,000,000	500,000	2,500,000
HRA022	IT capital	200,000	200,000	200,000	600,000
HRA023	Walkways	100,000	100,000	100,000	300,000
HRA024	Communal area upgrade	200,000	300,000	300,000	800,000
HRA025	Green deal contribution & energy efficiency	50,000	50,000	100,000	200,000
HRA026	Major Regeneration, Repurchase and New Build	1,000,000	10,000,000	10,000,000	21,000,000
HRA027	Change of Use	100,000	250,000	100,000	450,000
HRA028	CCTV	50,000	50,000	0	100,000
HRA029	Lift Refurbishment St Kats	100,000	0	0	100,000
HRA030	Little Cross Street	562,000			562,000
Total		24,374,900	42,100,000	22,161,380	88,636,280

Appendix E

Capital Programme 2013-14 to 2015-16 - Forecast of Capital Financing

GENERAL FUND

	2013-14 £	2014-15 £	2015-16 £
Capital Receipts	540,000	500,000	
Prudential Borrowing	3,640,000	1,000,000	1,000,000
Self-funded Borrowing	410,000		
Revenue Reserve - Delapre Abbey	50,000	790,000	
Grant Funding - DFGs	475,000	475,000	475,000
Grant Funding - Delapre Abbey		3,908,480	
Section 106		10,000	
Total Financing - GF	5,115,000	6,683,480	1,475,000

Notes:

- 1 Funding for Delapre Abbey is subject to the Heritage Lottery Fund grant application. Capital Receipts of £500k to meet the Council's contribution are expected to be secured prior to final approval of the scheme.

HOUSING REVENUE ACCOUNT

	2013-14 £	2014-15 £	2015-16 £
Decent Homes Backlog Grant (provisio	17,000,000	15,355,000	0
Major Repairs Reserve/Depreciation	6,774,900	10,351,100	11,066,000
Capital Receipts - Right to Buy	600,000	357,000	472,000
Revenue/Earmarked Reserve	0	16,036,900	10,623,380
Total Financing - HRA	24,374,900	42,100,000	22,161,380

Notes:

- 2 The balance between HRA funding sources may be adjusted in line with changes to the 30-year HRA Business Plan.