

Open

Overview & Scrutiny Committee

Agenda

6pm
Thursday, 1st November 2018
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Overview & Scrutiny Committee

Members of Committee:

Chairman: Councillor H E Dyke
Vice-Chairman: Councillor M Rayner

Councillor N Harris
Councillor N Knowles
Councillor S Miah
Councillor H S Williams

Councillor K Henderson
Councillor D Little
Councillor S J Walker
Councillor S J Williams

Would Members please note that, to ensure continuity in scrutiny, substitutes should only be appointed for the Scrutiny Committee in exceptional circumstances.

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of "Exempt Information" for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of the Council's constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

Co-opted Members

Scrutiny Committees may wish to appoint Co-Opted Members to sit on their committee in order to add value to the scrutiny process. To appoint a Co-Opted Member, a Committee must first agree to appoint either a specific person or to approach a relevant organisation to request that they put forward a suitable representative (e.g. the local Police Authority). Co-Optees are non voting by default but Committees can decide to appoint voting rights to a Co-Optee. The Co-Option of the Member will last no longer than the remainder of the municipal year.

Scrutiny Committees can at any meeting agree to terminate the Co-Option of a Co-Opted Member with immediate effect. Where an organisation is appointed to put forward a Co-Opted Member, they are able to send a substitute in exceptional circumstances, provided that they notify Democratic Services in advance. Co-Opted Members must sign up to the Members Code of Conduct before attending their first meeting, failure to sign will mean that they are unable to participate. This also applies to substitute Co-Opted Members, who will need to allow sufficient time before a meeting in order to sign the Code of Conduct.

The following will apply:

- i) The total number of voting co-opted members on any Scrutiny Committee will not exceed 25% at any one time.
- ii) The total number of voting Co-opted Members on any Review Panel will not be limited.
- iii) Those Co-opted Members with voting rights will exercise their rights in accordance with the principles of decision making set out in the constitution.

For Further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information, you should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@wyreforestdc.gov.uk

Wyre Forest District Council
Overview & Scrutiny Committee

Thursday, 1st November 2018

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the Minutes of the meeting held on the 4 th October 2018 and the minutes of the special meeting held on 25th October 2018 (<i>to follow</i>).	7
5.	How Are We Doing? Performance Update To consider a report from the Business Improvement Officer which provides an update on the performance of the Council for quarter 2 from 1 st July 2018 to 30 th October 2018.	12
6.	Recommendations from the PACT Review Panel - Draft Action Plan To consider a report from the Community Safety & Partnerships Officer which sets out a draft action plan for improvements to the PACT scheme.	42

7.	<p>Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2018-19</p> <p>To consider a report from the Corporate Director: Resources and the Principal Accountant which provides Members with a mid-year review of the Council's treasury management policies, practices and activities in accordance with the CIPFA Treasury Management Code of Practice.</p> <p>To also consider the recommendations from the Treasury Management Review Panel from its meeting on 29th October 2018 (<i>to follow</i>).</p>	<p>44</p> <p>-</p>
8.	<p>Housing Assistance Policy</p> <p>To consider a report from the Head of Strategic Growth which seeks to agree the policy that will determine how the Disabled Facilities Grant (DFG) funding from central government will be spent.</p>	68
9.	<p>Council Tax Reduction Scheme Review 2019/20</p> <p>To consider a report from the Revenues, Benefits & Customer Services Manager which provides the results of the consultation exercise that the Council is required to undertake if there are any proposed changes to the Council Tax Reduction Scheme.</p>	93
10.	<p>Work Programme</p> <p>To review the work programme for the current municipal year with regard to the Corporate Plan Priority, Annual Priorities and the Forward Plan.</p>	124
11.	<p>Press Involvement</p> <p>To consider any future items for scrutiny that might require publicity.</p>	
12.	<p>To consider any other business, details of which have been communicated to the Solicitor of the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
13.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>"That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of "exempt information" as defined in paragraph 3 of Part 1 of Schedule 12A to the Act".</p>	

Part 2

Not open to the Press and Public

14.	To consider any other business, details of which have been communicated to the Solicitor of the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
-----	--	--

WYRE FOREST DISTRICT COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

THURSDAY, 4TH OCTOBER 2018 (6PM)

Present:

Councillors: H E Dyke (Chairman), M Rayner (Vice-Chairman), A Coleman, N Harris, K Henderson, N Knowles, D Little, S Miah, H S Williams and S J Williams.

Observers

Councillors: P Dyke, I Hardiman and T L Onslow.

OS.42 Apologies for Absence

Apologies for absence were received from Councillor S J Walker.

OS.43 Appointment of Substitutes

Councillor A Coleman was a substitute for Councillor S J Walker.

OS.44 Declarations of Interests by Members

No declarations of interest were made.

OS.45 Minutes

Decision: The minutes of the meeting held on 6th September 2018 and the minutes of the Overview & Scrutiny Sub-Committee meeting held on 5th September 2018 be confirmed as a correct record and signed by the Chairman.

OS.46 Wyre Forest Health and Wellbeing Plan Update

Councillor T L Onslow entered the meeting at 6:03pm

The Committee received a report from the Principal Health and Sustainability Officer which provided an update on the work undertaken to improve health and wellbeing in Wyre Forest.

The Principal Health and Sustainability Officer led members through the report and advised that the Council worked closely with the Public Health team at Worcestershire County Council to ensure that it made a positive contribution towards improving the health of the residents within the Wyre Forest district.

Agenda Item No. 4

She advised that the latest Public Health England profile (2018) for Wyre Forest showed that there were some indicators that were significantly worse than the national or regional average including smoking in pregnancy, breastfeeding rate and dementia diagnosis (a new indicator for 2018). Whilst indicators for Obese Children and Excess Weight in Adults were currently not significantly different to England average, local values were still concerning. In Wyre Forest 20% of Year 6 children (10-11 year olds) are obese and 60.3% of adults are carrying excess weight.

She advised that the Wyre Forest Health and Wellbeing Plan aimed to tackle these issues as well as the Worcestershire Health and Wellbeing Board's current priorities to keep everyone physically active, prevent alcohol harm and maintain good mental health and wellbeing.

The Principal Health and Sustainability Officer led members through an update showing examples of projects undertaken as part of the 2017/18 Health Action Plan. These included Five Ways to Wellbeing, Dementia Action, Health Walks, Social Prescribing and Starting Well.

Members considered the report and expressed the view that more detail about direction and outcome would be helpful in future.

The Principal Health and Sustainability Officer noted the detailed views and suggestions put forward by members in respect of the projects, measures and updates.

Concern was expressed that while the Dementia Action Alliance had provided helpful training to organisations, there had been no regular information since or access to retraining which would be very valuable. It was requested that further Dementia Friends training be provided.

In respect of Social Prescribing, members made the point that extending referral to more hubs could alleviate travel distance for those accessing the services.

Members asked for information on whether budget cuts were affecting resources and making initiatives difficult to undertake regarding reducing harm from alcohol at all ages.

Councillor P Dyke entered the meeting at 6:17pm

In the Reducing respiratory illness through raising thermal comfort initiative, members requested figures on the amount spent per property.

The Principal Health and Sustainability Officer led members through the updated Wyre Forest Health Action Plan 2018-21, which reflected the priorities of the Worcestershire Health and Wellbeing Strategy of improving mental health and well-being, increasing physical activity and reducing the harm caused by alcohol. It also reflected the key principles of partnership, empowerment, local action, rigour, involvement, transparency and accountability.

When considering the section of the Health Action Plan 2018-2021 on good mental

health and wellbeing throughout life, members felt it would be useful to be able to make more detailed comparisons. The Principal Health and Sustainability Officer offered to circulate the link to the Public Health Outcomes Framework which she suggested could support that.

Members requested further particulars about the Dementia Friendly Communities grants awarded, whether artificial intelligence was used and how many grants had been awarded to people living alone, independently.

Concerns were expressed about social isolation and suicide prevention and members urged that this section should be expanded specifically to support young people in Wyre Forest, in relation to mental health awareness issues.

Members welcomed the initiatives in respect of reducing overweight and obese adults but expressed the view that this should be extended to a childhood obesity initiative, with a focus on healthy eating in children.

Members noted the progress in respect of Local Priorities. There was a suggestion that a form of wording be included that moves away from making non-breastfeeding mothers feeling guilty about this.

The Committee reviewed the projects undertaken over the past year and welcomed the progress made.

They endorsed the new plan for 2018-21, with suggested amendments.

Agreed: Recommend to Cabinet:

1.1 The following be included in the Plan:

- **More detailed information setting out specific direction and what has been achieved to be included in the next update**
- **Dementia Friends refresher training to be made available.**
- **Mental health awareness issues promoting initiatives specifically to help young people.**
- **A childhood obesity initiative with a focus on encouraging healthier eating in children.**

1.2 The Wyre Forest Health and Wellbeing Strategy and Health Action Plan 2018/21 as attached at Appendix 1 and 2 of the report, as amended, be approved.

OS.47 Climate Change Update

The Committee received a report from the Principal Health and Sustainability Officer which provided an update on the implementation of the Wyre Forest Climate Change Action Plan 2017/18, and sought endorsement of the updated plan for 2018/19.

The Principal Health and Sustainability Officer outlined the background to the Wyre Forest Climate Change Strategy and the key areas of focus that could have most impact in the district with current resources. These had four themes of warmer, healthier homes, building a low carbon economy, transport and infrastructure, and healthy resilient communities.

Members commented and requested clarification about the case studies in the report. In respect of Heating and Insulation, the amount of the funding for the project was sought.

It was noted that local residents had contacted a committee member expressing concerns about the Winter Warmth scheme. As residents had not seen any publicity about the scheme and were unaware of it, they had suspicions about its legitimacy. The Committee felt that the existing publicity for these schemes could be increased to alleviate this.

Members considered that the carbon emission reduction figures looked acceptable but questioned whether on balance the 34% should have been greater to meet UK targets. The Principal Health and Sustainability Officer advised that so far low-cost schemes had been covered and that going forward meeting the targets could prove more costly. She advised that there is reason to be optimistic and with the development and improvements in technology it should be possible to meet them.

A discussion ensued regarding the Big Energy Switch and how the initiative worked. It was noted that there was no cost to the consumer but a small incentive for referrals was made to local authorities. Revenue to the Council went back into the funds. The Principal Health and Sustainability Officer confirmed that the tariff offered was for one year only with the idea that households would then review their tariff and consider switching again.

Concern was expressed over air quality issues in relation to the increasing local popularity of wood burning stoves. The Principal Health and Sustainability Officer advised that under the scheme for renewable heat incentives, there were criteria to be met. Members felt it was important that information about this be more widely available.

The issue of insulation in properties in rural and conservation areas was raised and concern was expressed about the planning permissions needed. The Principal Health and Sustainability Officer acknowledged this and advised that insulation was not the only consideration in respect of this initiative as a focus on energy use behaviours was also relevant.

Members considered the report and noted the progress on implementation of the Climate Change Action Plan 2017/18.

Agreed: Recommend to Cabinet:

1.1 The following be included in the Climate Change Action Plan 2018/19

- **Greater publicity for Winter Warmth schemes that are offered to**

residents through WFDC to give reassurance that they are legitimate.

- **Provide information on air quality control criteria for wood burning stoves in the home.**
- **Provide information about energy efficiency measures that can be carried out in properties in Conservation Areas**

1.2 The Climate Change Action Plan 2018/19 as attached at Appendix 2 of the report, as amended, be approved.

OS.48 Feedback from Cabinet

Agreed: The content of the Cabinet action list, following consideration of the recommendations from its meeting on 19th September 2018 be noted.

Councillor T L Onslow left the meeting at 6:56pm.

OS.49 Work Programme

The Committee reviewed the work programme for the current municipal year with regard to the Corporate Plan Priority, Annual Priorities and the Forward Plan.

The Chairman advised that the Highways Maintenance Review Panel were scheduled to meet one more time before reporting their findings and recommendation to the Overview and Scrutiny Committee. She added that the Review of Civil enforcement Issues would commence once the Highways Management Review Panel had concluded their work. Members were advised that the Affordable Housing Review Panel would be reconvened to discuss the work done by the Association for Public Service Excellence.

Agreed: The Work Programme be noted.

There being no further business the meeting ended at 6:58pm.



Overview & Scrutiny Committee

Briefing Paper

Report of: Rhiannon Foxall, Business Improvement Officer
Date: 1st November 2018
Open

How Are We Doing? Performance Update

1. Summary

- 1.1 To update Members on the performance of the Council for Quarter 2 (from 1st July 2018 to 30th October 2018).

2. Background

- 2.1 Performance management is instrumental in all council activities as it helps us to keep track of how well we are performing and enables any potential issues to be identified at an early stage so remedial action can be taken. It also informs our decision making processes which underpin the delivery of our Corporate Plan 2014-19.
- 2.2 The Council has a number of processes in place to monitor our performance including:
- Corporate Plan Actions
 - Corporate Risks and associated actions
 - Leading Measures
 - Lagging Measures

3. Progress

- 3.1 **Appendix 1** is a detailed report of performance against our purpose of ['People'](#).
- 3.2 **Appendix 2** is a detailed report of performance against our purpose of ['Business'](#).
- 3.3 **Appendix 3** is the [business tracking spreadsheet](#).
- 3.4 **Appendix 4** is the [Capital Projects](#) report.

4. Key Achievements/Issues

- 4.1 There are no significant issues to highlight at the end of this quarter with regards to actions as there are none that are overdue. Therefore no exception report features as an appendix.

Agenda Item No. 5

4.2 Measure LE080b - Amount of discretionary housing payments paid to date

The collection frequency of this measure has changed from monthly to quarterly in order to bring it in line with DWP reporting. The measure will now begin at this new frequency from Quarter 1 2018/19.

- 4.3 The business survival rate measures have zero percentages if no businesses hit a trigger point in that quarter (i.e. 6, 12 or 18 months after trading). The business tracker at appendix 3 provides more context for these measures.

5. Options

- 5.1 That the progress in performance for quarter 2 be noted.

6. Consultation

- 6.1 Leader of the Council
6.2 Corporate Leadership Team

7. Related Decisions

- 7.1 None.

8. Relevant Council Policies/Strategies

- 8.1 Wyre Forest District Council Corporate Plan 2014 – 2019.

9. Implications

- 9.1 Resources: No direct implications from this report.
9.2 Equalities: No direct implications from this report.
9.3 Partnership working: No direct implications from this report.
9.4 Human Rights: No direct implications from this report.
9.5 E-Government: No direct implications from this report.

10. Equality Impact Needs Assessment

- 10.1 An equality impact assessment has been undertaken and it is considered that there are no discernible impacts on the nine protected characteristics as set out by the Equality Act 2010.

11. Wards affected

- 11.1 None.

12. Appendices

- 12.1 Appendix 1 – Full ‘People’ report
- 12.2 Appendix 2 – Full ‘Business’ report
- 12.3 Appendix 3 – Business tracking report
- 12.4 Appendix 4 – Capital Projects report

13. Background Papers

Corporate Plan action information is available on the Council's Performance Management System, Pentana Performance. Alternatively, reports can be requested from the Business Improvement Officer.

Officer Contact Details:

Name:	Rhiannon Foxall
Title:	Business Improvement Officer
Contact Number:	Ext. 2786
Email:	rhiannon.foxall@wyreforestdc.gov.uk

HELP ME WITH MY FINANCIAL SITUATION

This report details the progress we have made against our purpose of 'help me with my financial situation'.

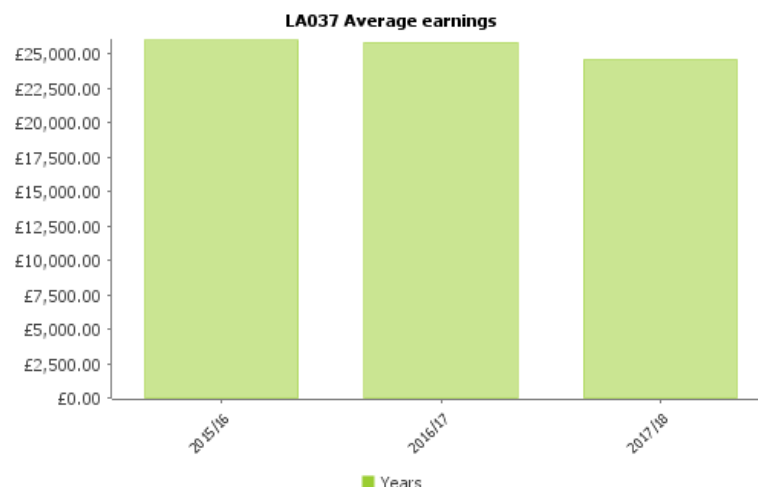


Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LA037 Average earnings

Aim to
Maximise

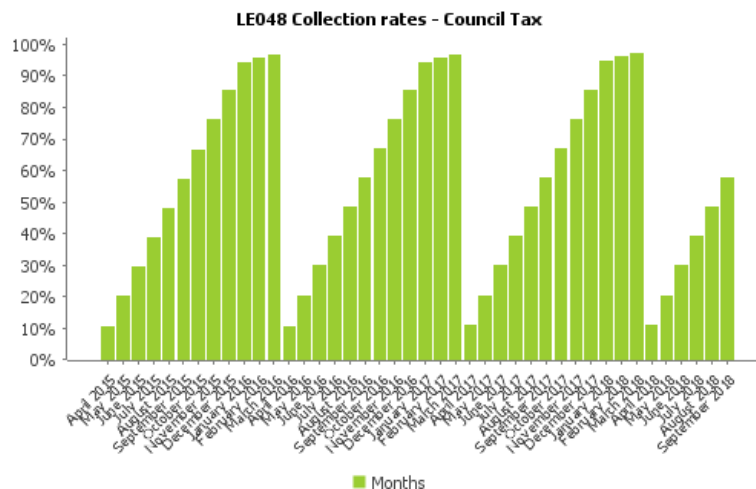


Current
Value £24,611.6
0



Managed By Kate Bailey

LE048 Collection rates – Council Tax Aim to Maximise

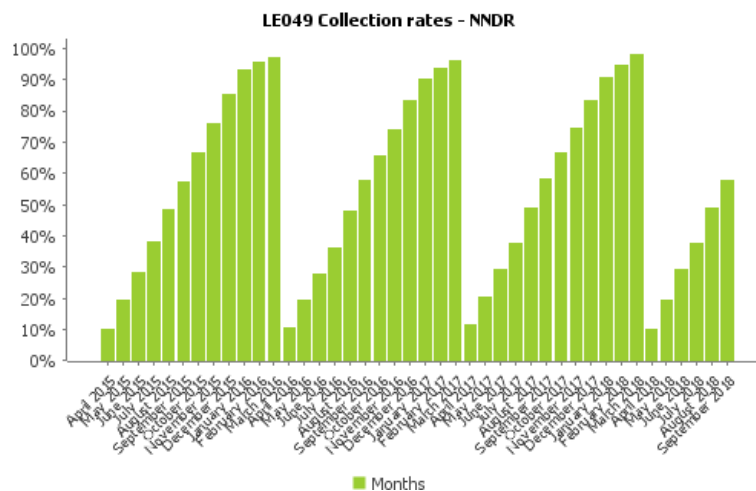


Current Value 57.66%



Managed By Lucy Wright

LE049 Collection rates – NNDR Aim to Maximise



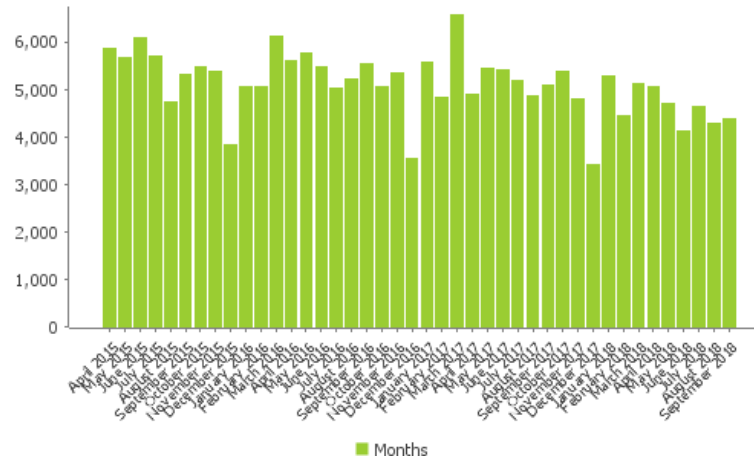
Current Value 57.89%



Managed By Lucy Wright

LE072 Total customer demand via all Goldilocks channels (Revenues, Benefits and Welfare)

LE072 Total customer demand via all channels (Revenues, Benefits and Welfare)



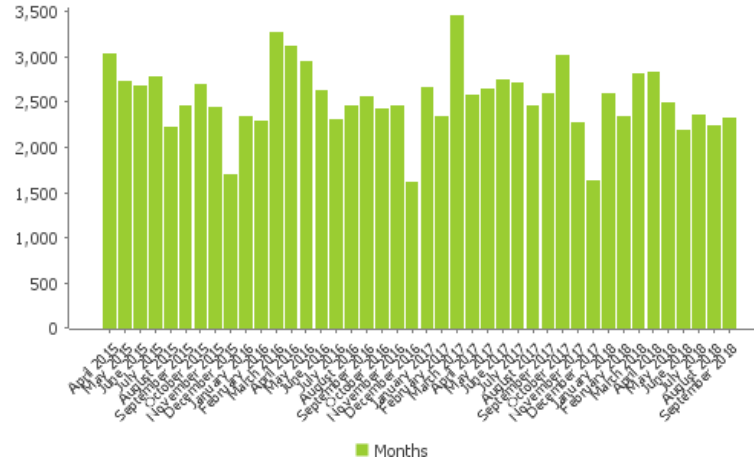
Current Value 4,372



Managed By Lucy Wright

LE072a Total customer demand via all Goldilocks channels (Revenues)

LE072a Total customer demand via all channels (Revenues)



Current Value 2,315

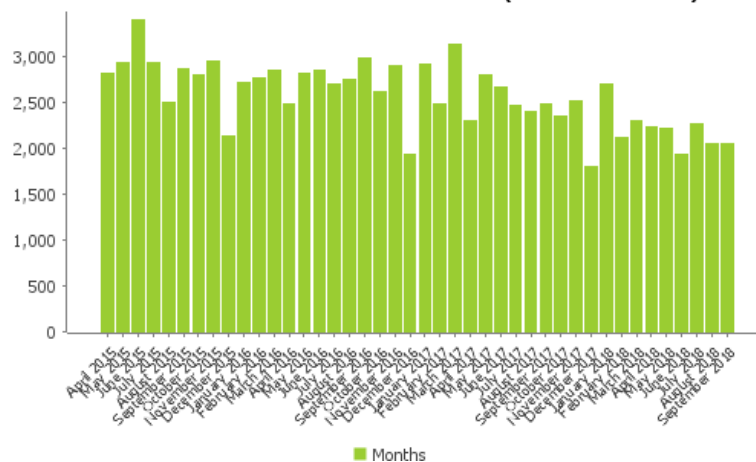


Managed By Lucy Wright

Agenda Item No. 5 Appendix 1

LE072a Total customer demand via all Goldilocks
1 channels (Welfare and Benefits)

LE072a1 Total customer demand via all channels (Welfare and Benefits)



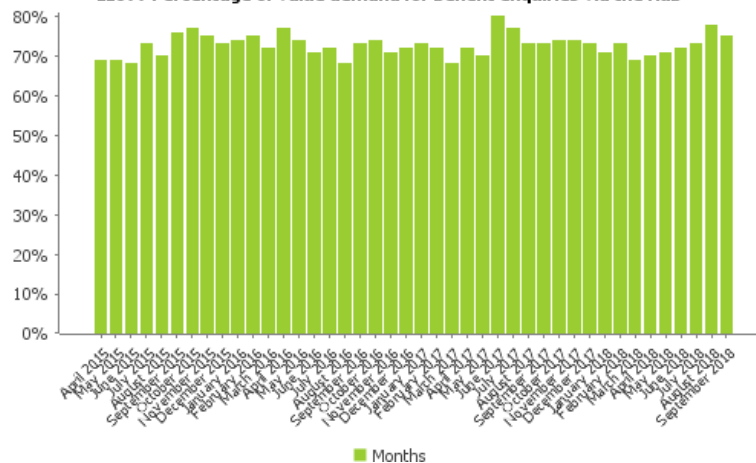
Current Value 2,057



Managed By Lucy Wright

LE077 Percentage of value demand for benefit enquiries via the Hub
Aim to Maximise

LE077 Percentage of value demand for benefit enquiries via the Hub



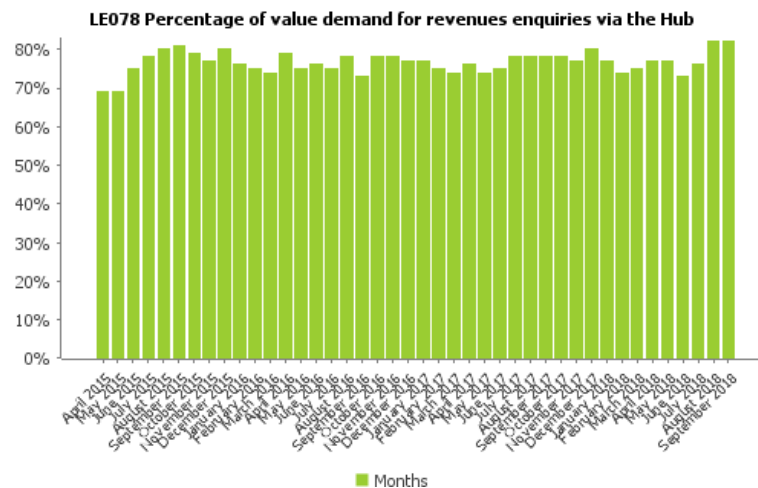
Current Value 75%



Managed By Lucy Wright

Agenda Item No. 5 Appendix 1

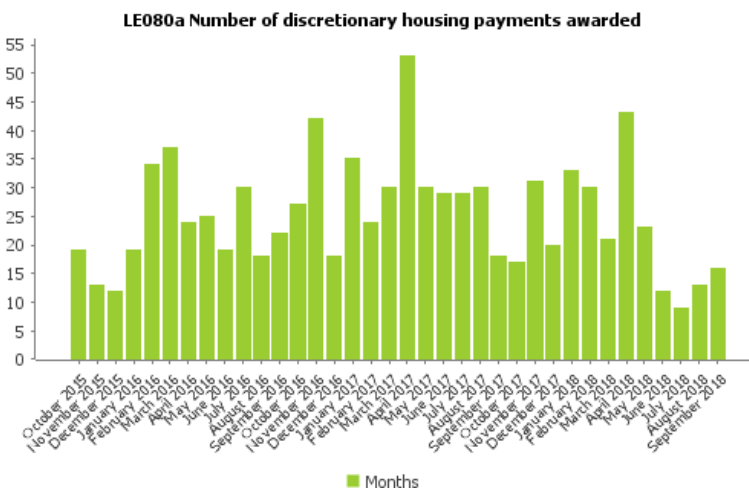
LE078 Percentage of value demand for revenues enquiries via the Hub
Aim to Maximise



Current Value 82%

Managed By Lucy Wright

LE080a Number of discretionary housing payments awarded
Goldilocks

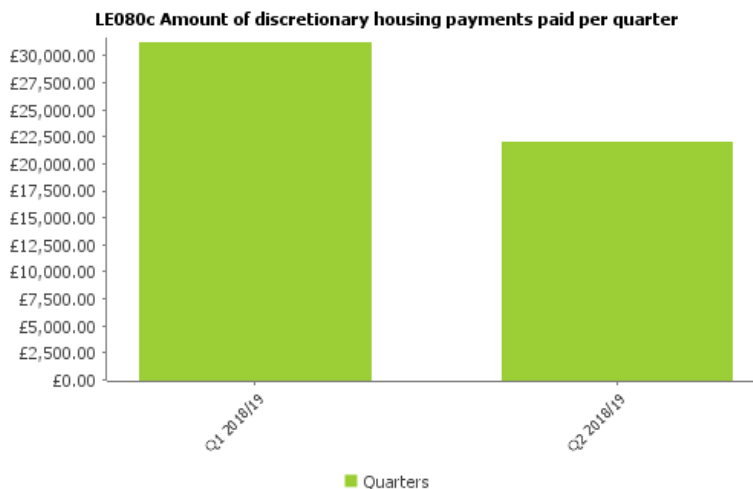


Current Value 16

Managed By Lucy Wright

LE080c Amount of discretionary housing payments paid per quarter

Goldilocks



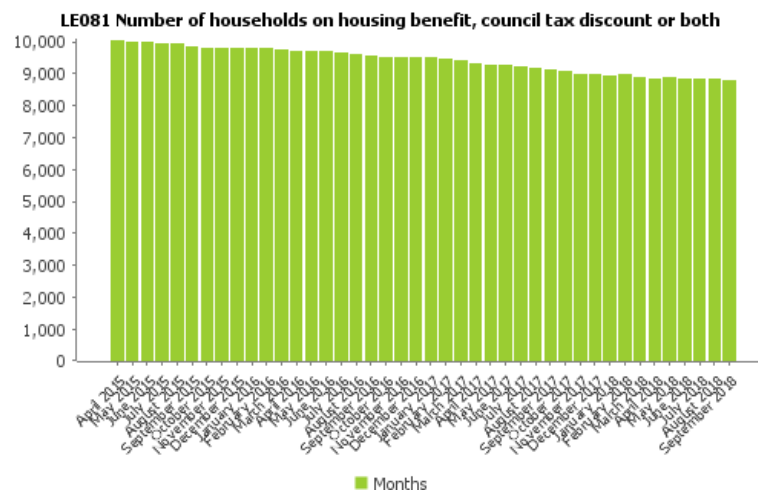
Current Value £21,998.15



Managed By Lucy Wright

LE081 Number of households on housing benefit, council tax discount or both

Aim to Minimise



Current Value 8,764

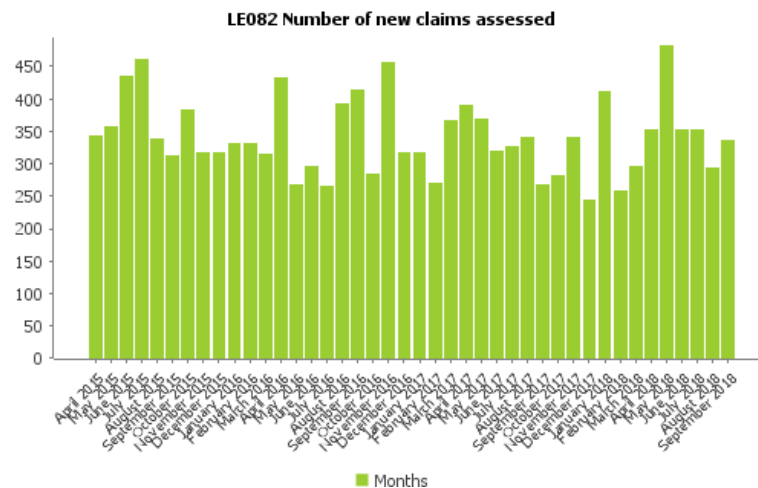


Managed By Lucy Wright

Agenda Item No. 5 Appendix 1

LE082 Number of new claims assessed

Goldilocks



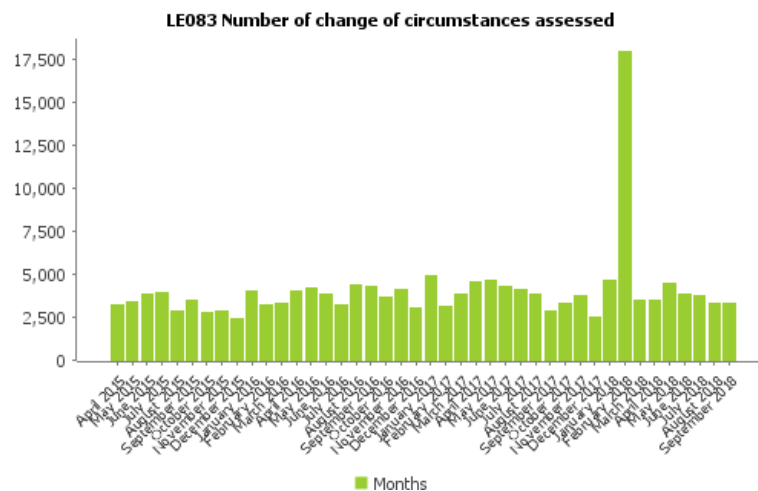
Current Value 336



Managed By Lucy Wright

LE083 Number of change of circumstances assessed

Goldilocks



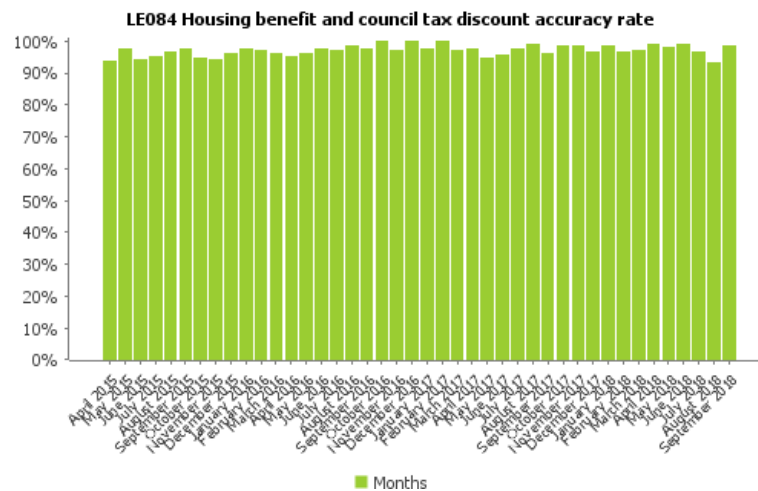
Current Value 3,362



Managed By Lucy Wright

LE084 Housing benefit and council
tax discount accuracy rate

Aim to
Maximise



Current
Value

98.31%



Managed By Lucy Wright

HELP ME IMPROVE MY HEALTH AND WELL-BEING

This report details the progress we have made against our purpose of 'help me improve my health and well-being'.



Cross cutting Actions

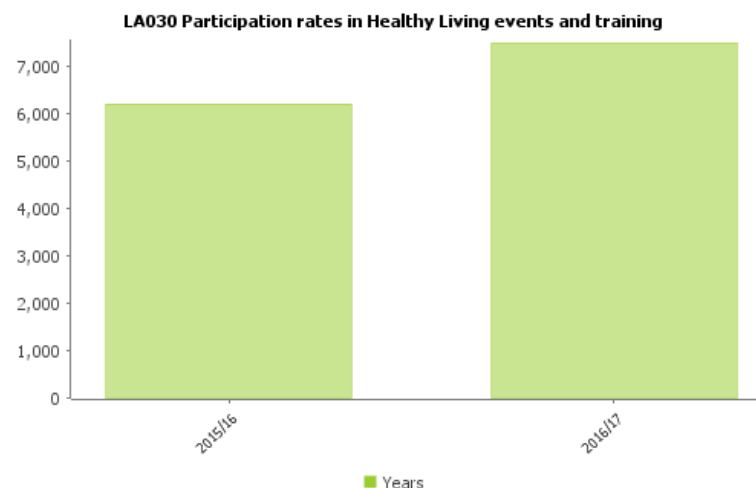
Listed below are primary actions for other purposes but also impact on this purpose:

Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LA030 Participation rates in Healthy Living events and training

Aim to
Maximise



Current
Value 7,506



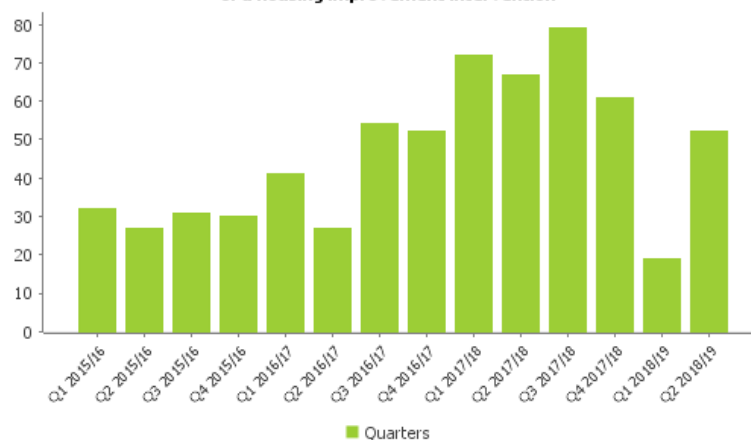
Managed By Kate Bailey

Agenda Item No. 5 Appendix 1

LA044 Number of residents who experience a positive health outcome as a consequence of a housing improvement intervention

Aim to
Maximise

LA044 Number of residents who experience a positive health outcome as a consequence of a housing improvement intervention



Current
Value

52

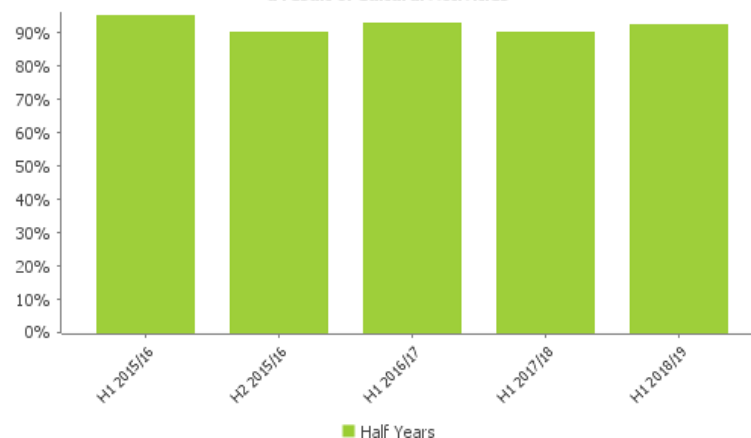


Managed By Kate Bailey

LA029 Percentage of people whose quality of life and sense of wellbeing has improved as a result of Cultural Activities

Aim to
Maximise

LA029 Percentage of people whose quality of life and sense of wellbeing has improved as a result of Cultural Activities



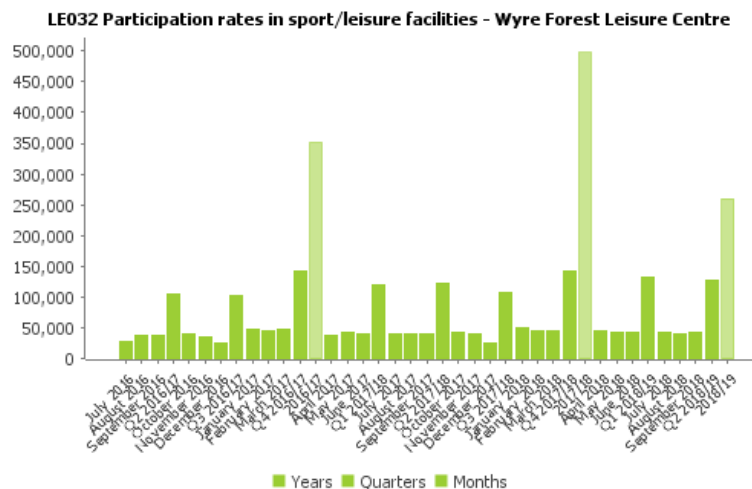
Current
Value

92.25%



Managed By Kay Higman

LE032 Participation rates in sport/leisure facilities – Wyre Forest Leisure Centre
Aim to Maximise



Current Value 43,003



Managed By Kay Higman

PROVIDE ME WITH THE INFORMATION THAT I NEED

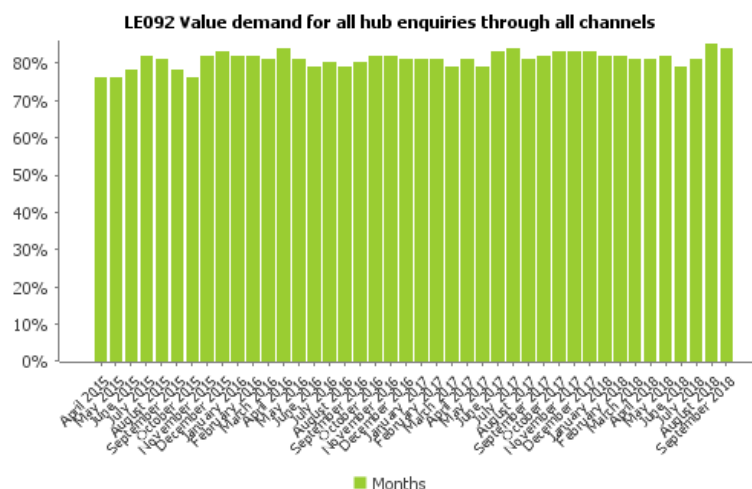
This report details the progress we have made against our purpose of 'provide me with the information that I need'.



Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LE092 Value demand for all hub enquiries through all channels Aim to Maximise

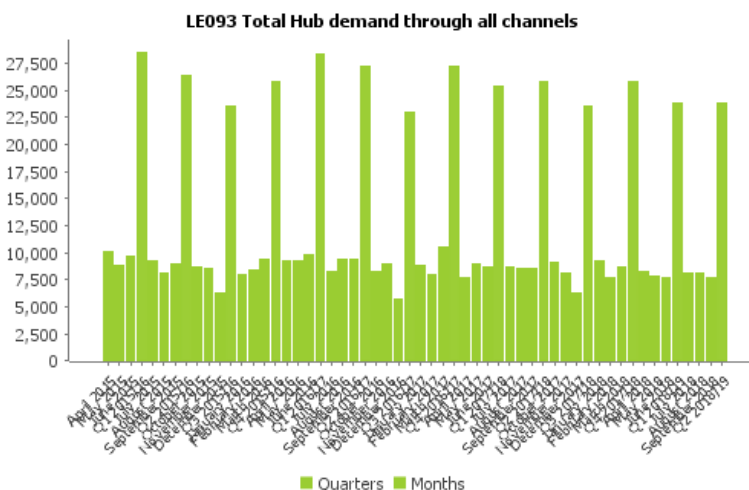


Current Value 84%



Managed By Lucy Wright

LE093 Total Hub demand through all Goldilocks channels



Managed By Lucy Wright

Cross cutting measures

Listed below are primary measures for other purposes but also impact on this purpose:

LA045 Number of people presenting themselves in need of housing advice

LE030 Number of followers on social media (WFDC Main Corporate Account)

LE030a Number of followers on Facebook (WFDC Main Corporate Account)

LE030b Number of followers on Twitter (WFDC Main Corporate Account)

LE091 Number of requests for adaptations

GIVE ME A VOICE

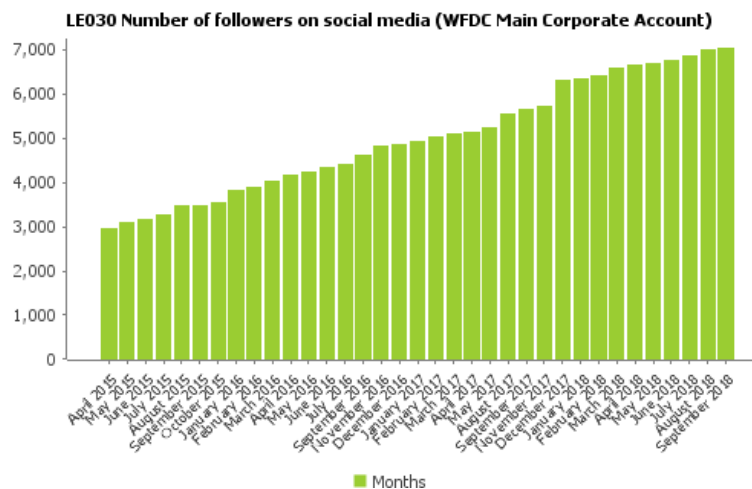
This report details the progress we have made against our purpose of 'give me a voice'.



Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LE030 Number of followers on social media (WFDC Main Corporate Account) Aim to Maximise



Current Value 7,032

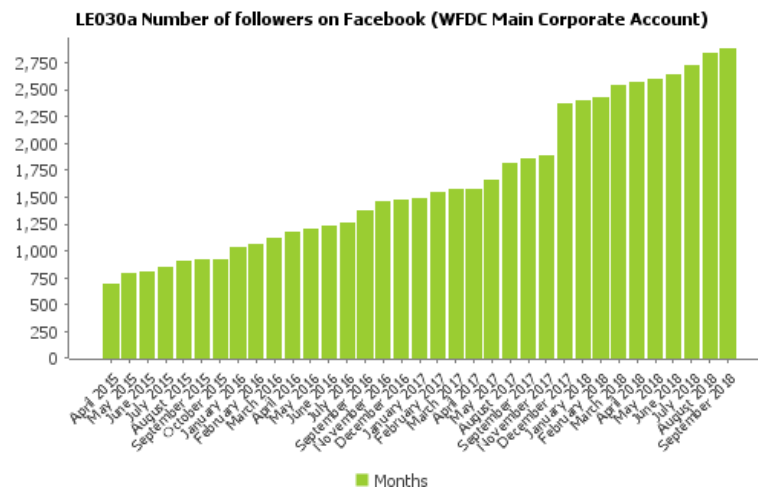


Managed By Kay Higman

Agenda Item No. 5 Appendix 1

LE030a Number of followers on Facebook (WFDC Main Corporate Account)

Aim to
Maximise



Current
Value

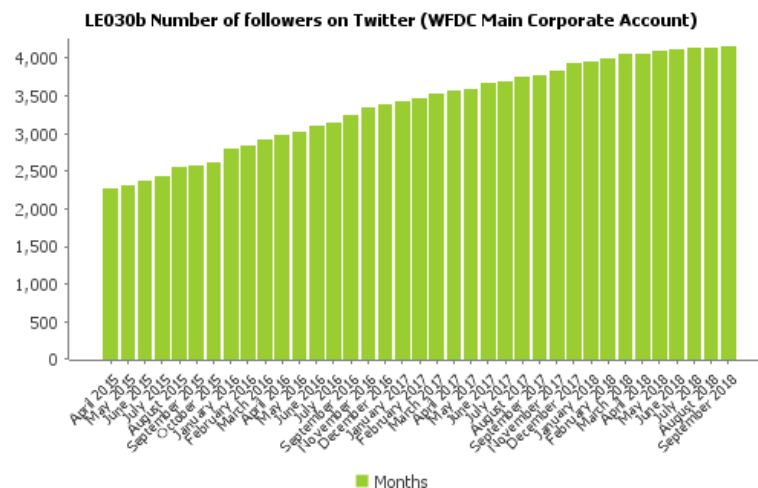
2,871



Managed By Kay Higman

LE030b Number of followers on Twitter (WFDC Main Corporate Account)

Aim to
Maximise



Current
Value

4,161



Managed By Kay Higman

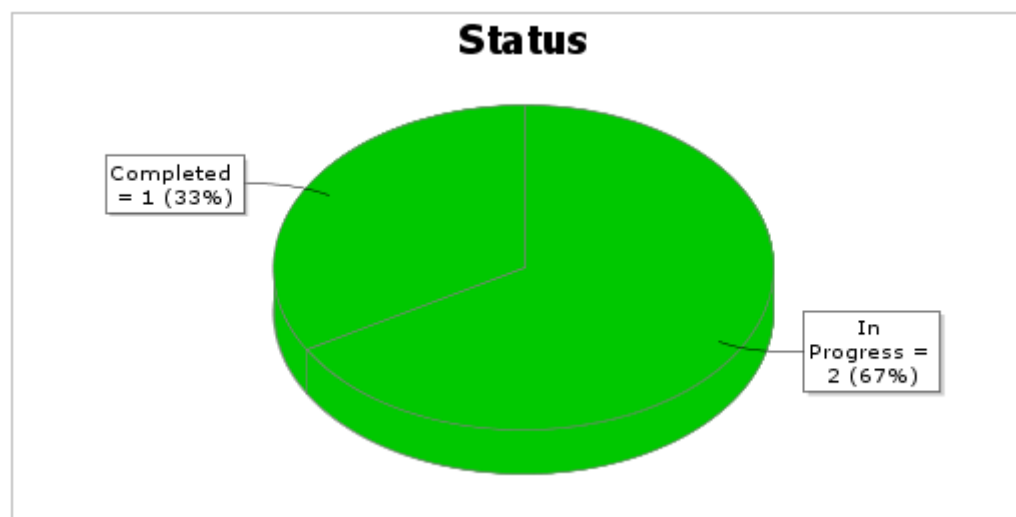
SUPPORT ME TO RUN A SUCCESSFUL BUSINESS

This report details the progress we have made against our purpose of 'support me to run a successful business'.



Actions

Listed below is the progress against our current major projects that support the delivery of our purpose of 'support me to run a successful business'



WFF 18/19 34

Vestia Employment and Skills Programme

100%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2018	Mike Parker	Quarter 2 Performance Tracker 2017/18 attached.	14-Nov-2017

WFF 18/19 58

Business Rates Retention Scheme

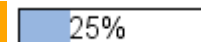
40%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2019	Tracey Southall	A pan pilot Business Rates pilot for Worcestershire was submitted in September and Pixel Consultants are advising the Worcestershire treasurers on the Business Rates reform together with LG futures.	11-Oct-2018

WFF 18/19 59

Apprenticeships Programme (Year 7)



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2019	Mike Parker	To date one level 3 AAT apprentice has been signed up under the scheme.	06-Sep-2018

Measures

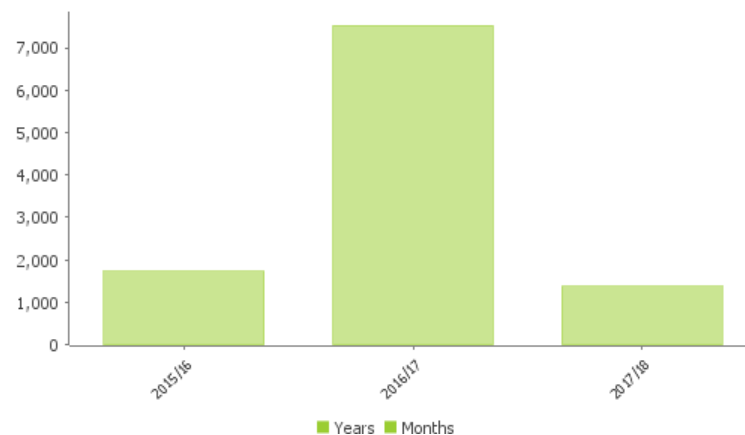
As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

Agenda Item No. 5 Appendix 2

LA048 Amount (m2) of new/extended business/commercial floorspace built as a result of the LDO

Aim to
Maximise

LA048 Amount (m2) of new/extended business/commercial floorspace built as a result of the LDO



Current
Value

1,375

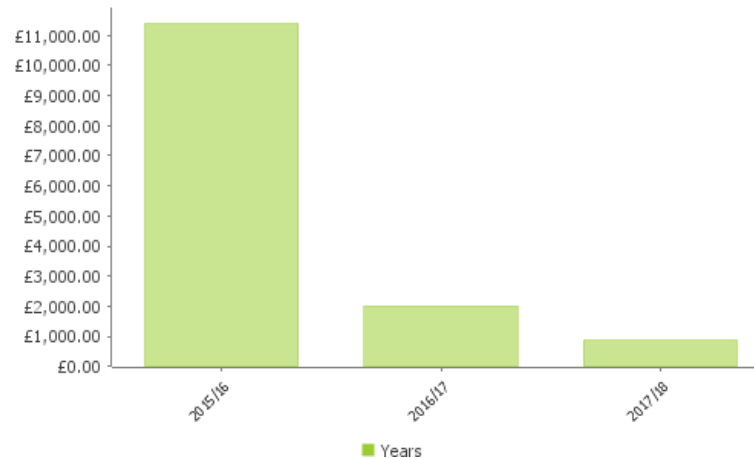


Managed By Jonathan
Elmer

LA010 Total value of start up grants to businesses provided

Aim to
Maximise

LA010 Total value of start up grants to businesses provided



Current
Value

£865.97

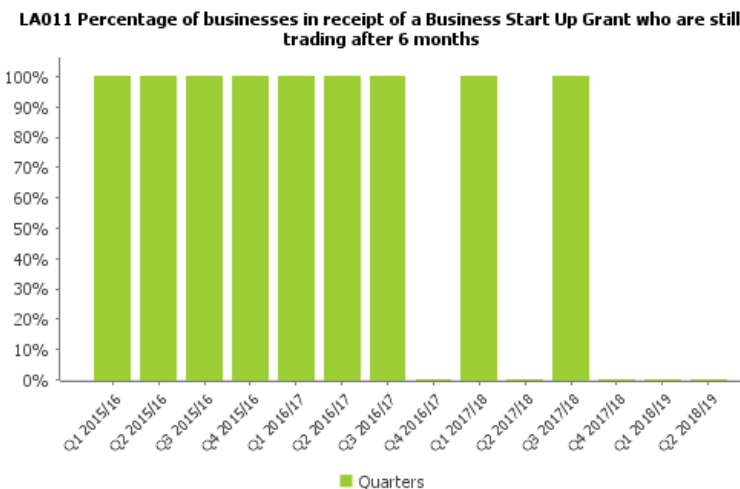


Managed By Steve
Singleton

Agenda Item No. 5 Appendix 2

LA011 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 6 months

Aim to Maximise

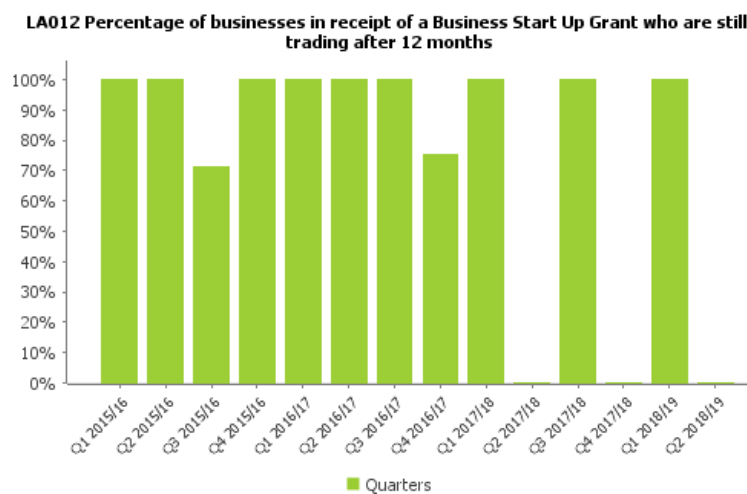


Current Value 0%

Managed By Steve Singleton

LA012 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 12 months

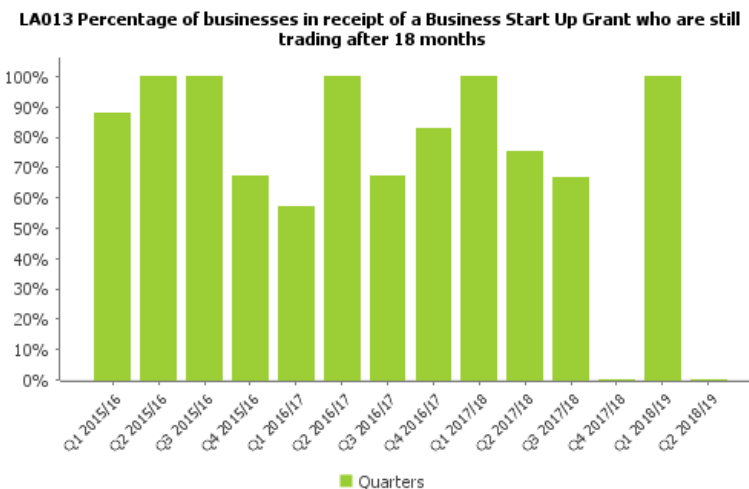
Aim to Maximise



Current Value 0%

Managed By Steve Singleton

LA013 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 18 months
Aim to Maximise

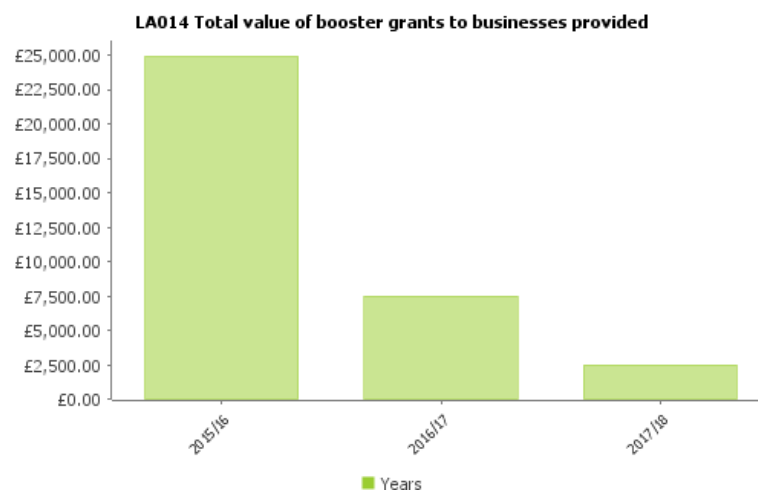


Current Value 0%



Managed By Steve Singleton

LA014 Total value of booster grants to businesses provided
Aim to Maximise



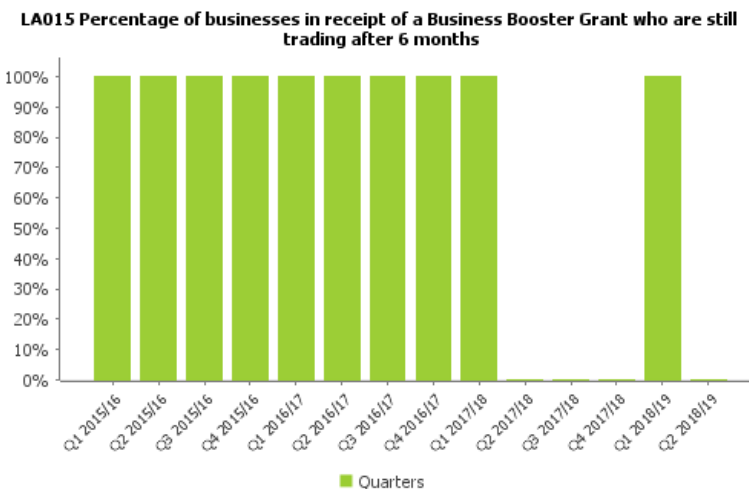
Current Value £2,499.58



Managed By Steve Singleton

LA015 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 6 months

Aim to
Maximise



Current
Value

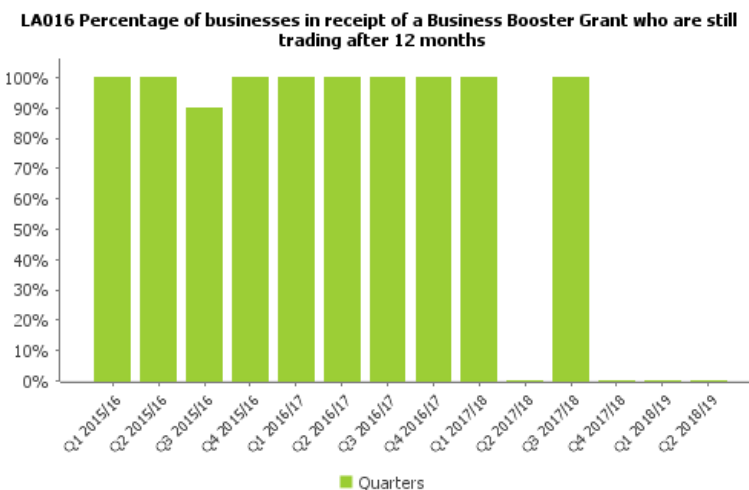
0%



Managed By Steve Singleton

LA016 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 12 months

Aim to
Maximise



Current
Value

0%

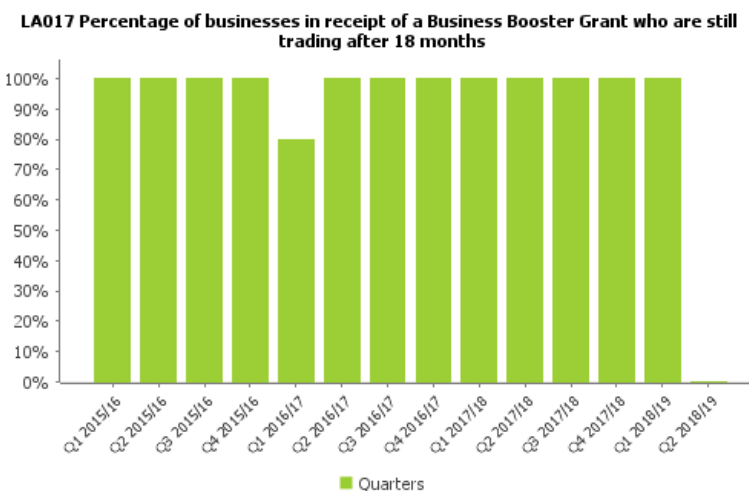


Managed By Steve Singleton

Agenda Item No. 5 Appendix 2

LA017 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 18 months

Aim to
Maximise



Current
Value

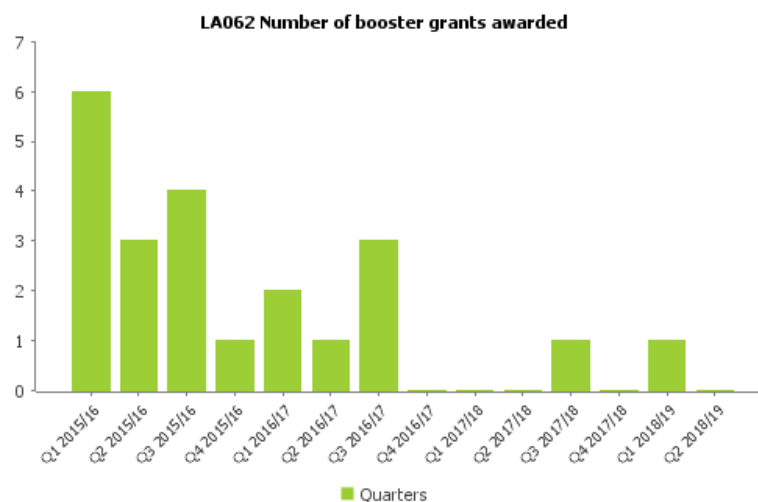
0%



Managed By Steve Singleton

LA062 Number of booster grants awarded

Aim to
Maximise



Current
Value

0

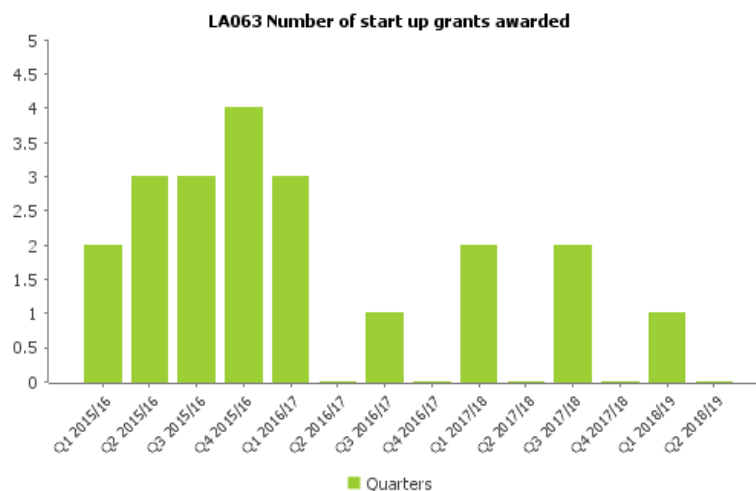


Managed By Steve Singleton

Agenda Item No. 5 Appendix 2

LA063 Number of start up grants awarded

Aim to
Maximise



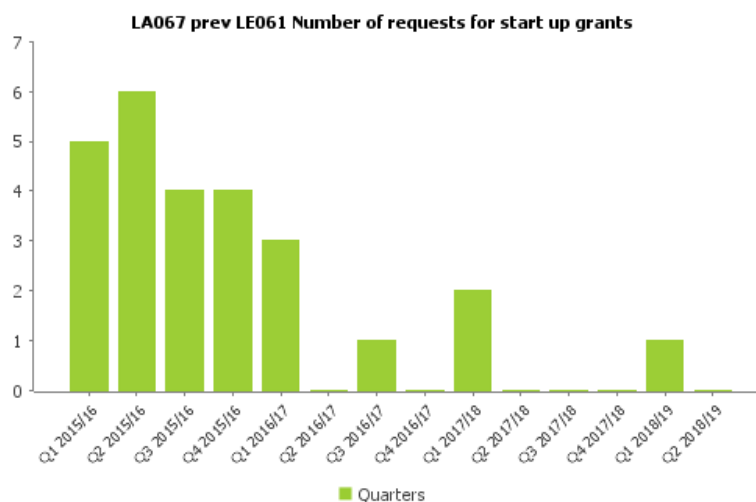
Current Value 0



Managed By Steve Singleton

LA067 prev LE061 Number of requests for start up grants

Aim to
Maximise



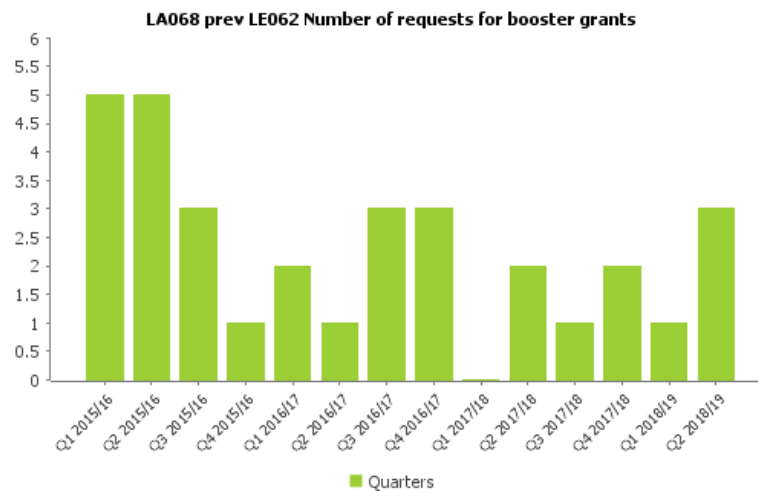
Current Value 0



Managed By Steve Singleton

LA068 Number of requests for
prev booster grants
LE062

Aim to
Maximise



Current
Value

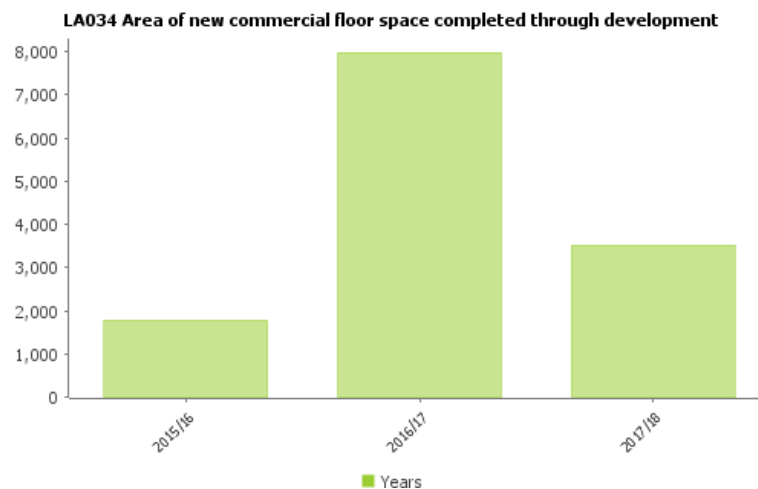
3



Managed By Steve
Singleton

LA034 Area of new commercial floor
space completed through
development

Aim to
Maximise



Current
Value

3,525



Managed By Heather Stone

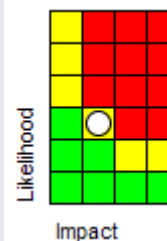
Risks

The below risk(s) has been identified as part of our Corporate Risk Register. All of the actions and measures detailed in this report aim to mitigate this risk(s) as well as drive forward our purpose of 'support me to run a successful business'.

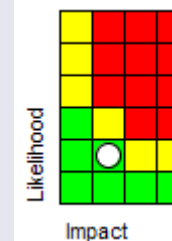
CORPRISK02

Unable to improve the economic prosperity of the district. Lack of vitality in the local economy – although the District is holding up reasonably well in the current economic conditions it still aims to stimulate growth to support the economic recovery and to support the recovery of the local economy. The Council is now in its seventh year of the State of the Area Programme which includes a number of projects to assist in the stimulation of economic recovery. The Council is host of the North Worcestershire Economic Development and Regeneration Service and a member of two Local Enterprise Partnerships and continues to maximise the benefit of that position. The Business Rates Retention Scheme introduced in 2013/14 increases the incentive to promote growth as there is significant financial risk to this Council if we are unable to sustain the baseline level of the business rates reflected in government projections. The detail in relation to reform of the Business Rates System towards 75% retention and Fair Funding Review is still evolving. We will continue to review our position as more information is released. Membership of the Worcestershire Business Rates Pool can only mitigate this risk to a certain extent and economic growth is key to the future financial sustainability of the Council, this may change following Business Rates Reform.

Current
Risk
Matrix



Target
Risk
Matrix



WYRE FOREST

		BUSINESS START-UP GRANTS				BUSINESS BOOSTER / GROWTH GRANTS			
		Grant Awarded	6 months Survival	12 months Survival	18 months Survival	Grant Awarded	6 months Survival	12 months Survival	18 months Survival
2011/12	Q1	1	-	-	-	0	-	-	-
	Q2	5	-	-	-	0	-	-	-
	Q3	5	1	-	-	0	-	-	-
	Q4	6	5	-	-	2	-	-	-
2012/13	Q1	7	5	1	-	1	-	-	-
	Q2	2	6	5	-	1	2	-	-
	Q3	5	7	5	1	5	1	-	-
	Q4	1	2	5	5	1	1	2	-
2013/14	Q1	1	5	6	5	1	5	1	-
	Q2	3	1	2	5	0	1	1	2
	Q3	8	1	4	4	2	1	5	1
	Q4	6	3	1	2	1	-	1	1
2014/15	Q1	4	8	1	4	6	2	1	5
	Q2	6	6	3	1	2	1	-	1
	Q3	7	4	8	1	10	6	2	1
	Q4	6	6	6	3	3	2	1	-
2015/16	Q1	6	7	4	7	4	10	6	2
	Q2	6	6	6	6	3	3	2	1
	Q3	3	6	5	4	5	4	9	6
	Q4	4	6	6	4	1	3	3	2
2016/17	Q1	3	3	6	5	2	5	4	8
	Q2	0	4	6	6	1	1	3	3
	Q3	1	3	3	4	3	2	5	4
	Q4	0	-	3	5	0	1	1	3
2017/18	Q1	2	1	3	3	0	3	2	5
	Q2	0	-	-	3	0	-	1	1
	Q3	0	2	1	3	1	-	3	2
	Q4	0	-	-	-	0	-	-	1
2018/19	Q1	1	-	2	1	1	1	-	3
	Q2		-	-	-	0	-	-	-

Capital Projects

This report details the progress of all of our capital projects



WFF 18/19 68

Green street depot 2020 improvement and investment plan

60%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2020	Steve Brant; Linda Draycott	Successful tenderer will start work end of October and new completion date is mid May 2019.	15-Oct-2018

WYRE FOREST DISTRICT COUNCIL

Overview and Scrutiny Committee

Thursday 1st November 2018

Recommendations from the PACT Review Panel

Draft Action Plan

In June, the Overview and Scrutiny Committee agreed the recommendations from the PACT Review Panel. It was agreed that PACT should continue but in an updated and more effective way.

The Community Safety and Partnerships Officer has met with Inspector Jake Wright from West Mercia Police and they have drafted an action plan.

It is proposed that the plan is reviewed in 12 months time to see if improvements have been made.

Issue	Action	Comments	Who
Publicity and organisation	Set dates for 12 months in advance	Inspector Jake Wright has assured that this is possible	Inspector Jake Wright
Publicity and organisation	Meeting dates to be publicised effectively through all partners' communication methods		Inspector Jake Wright and Community Safety & Partnerships Officer
Format of meetings	Develop and implement a new structure to the meetings Part One: Partners sharing information – include town centre issues at all PACT meetings Part Two: Issues being raised by the public		Inspector Jake Wright
	PACT Chairs to consider other methods of engagement, such as surgeries, drop ins etc, if these are felt to be more effective in comparison to a formal meeting	PACT can consist of various engagement methods	PACT Chairs supported by Inspector Jake Wright
	Police to facilitate live streaming of all meetings. To be trialled for at least 3 months		Inspector Jake Wright

Agenda Item No. 6

Issue	Action	Comments	Who
	All issues to be listened to (not the top 3) and action taken, if necessary. Contact cards for issues to be provided		Inspector Jake Wright
Kidderminster Town Centre	Explore where Kidderminster Town Centre sits within the PACT process and how it can be ensured that any issues are picked up and dealt with		Inspector Jake Wright and Community Safety & Partnerships Officer
Supporting PACT Chairs and PACT Panels	Practitioners guide to be produced		Community Safety & Partnerships Officer
Further Public engagement opportunities	Consideration to be given to a bi annual public meeting		Chief Inspector Jim Baker

Recommendation to the Overview and Scrutiny Committee:

That the draft action plan is approved and implemented by West Mercia Police and Wyre Forest District Council.

WYRE FOREST DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

1ST NOVEMBER 2018

**Treasury Management Strategy Statement and
Annual Investment Strategy Mid-year Review Report 2018-19**

OPEN	
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Corporate Director: Resources
CONTACT OFFICERS:	Tracey Southall - Ext. 2100 tracey.southall@wyreforestdc.gov.uk Helen Ogram - Ext. 2907 helen.ogram@wyreforestdc.gov.uk Lisa Hutchinson lisa.hutchinson@wyreforesdc.gov.uk
APPENDICES:	Appendix 1 - Prudential and Treasury Indicators Appendix 2 - Capital Portfolio Fund Prudential Indicators & Ratios

1. PURPOSE OF REPORT

- 1.1 To provide Members with a mid-year review of the Council's treasury management policies, practices and activities in accordance with the CIPFA Treasury Management Code of Practice.

2. RECOMMENDATION

Overview and Scrutiny Committee recommends to Council to:-

- 2.1 Approve this Treasury Management Mid-year Review and updated Prudential Indicators & Ratios.**

3. BACKGROUND

- 3.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending

operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

3.3 Accordingly, treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.4 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2017).

3.5 The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement that sets out the policies and objectives of the Council’s treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Full Council of an Annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Treasury Management Review Panel who considered and endorsed this report on 29th October 2018, and made recommendations to this Committee. Council approval will then be sought.

3.6 This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2018-19 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;

Agenda Item No. 7

- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2018-19;
- A review of the Council's borrowing strategy for 2018-19;
- A review of any debt rescheduling undertaken during 2018-19;
- A review of compliance with Treasury and Prudential Limits for 2018-19.

3.7 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019-20, all local authorities will be required to prepare a Capital Strategy (although this Council prepared a Capital Strategy for 2018-21 that was approved by Council in May 2018, ahead of the planned implementation date) that is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

A report setting out our revised Capital Strategy from 2019 will be taken to the full Council, in February 2019.

4. ECONOMIC UPDATE (as provided by Link Asset Services)

4.1 Economic performance to date and outlook

4.1.1 United Kingdom (UK)

The first half of 2018-19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase Bank Rate on 2nd August 2018 from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the United States (US) dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June 2018 to 2.7% in August 2018 due to increases in volatile components, but returned to 2.4% in September 2018. CPI is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

As for the labour market, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July 2018, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9%, (3 month average regular pay, excluding bonuses) and to a one month figure in July 2018 of 3.1%. This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%, near to the joint high of 0.5% since 2009. (The previous high point was in July 2015.) Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August 2018 as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.

In the political arena, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

4.1.2 United States of America (US)

President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Federal Bank (Fed) increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US, (China in particular), could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

4.1.3 Eurozone (EZ)

Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.

4.1.4 China and Japan

In China economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan has been struggling to stimulate consistent significant Gross Domestic Product (GDP) growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

4.2 Link's interest rate forecast:

4.2.1 The Council's treasury advisor, Link Asset Services (Link), provides the following forecast (the forecasts are for Public Works Loan Board (PWLB) certainty rates; ie, 20 basis points below the standard PWLB rates):

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

4.2.2 The flow of generally positive economic statistics after the end of the quarter ended 30th June meant that it came as no surprise that the MPC came to a decision on 2nd August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where

monetary policy is neither expansionary nor contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. Link currently do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. They also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

- 4.2.3 The overall balance of risks to economic growth in the UK is probably neutral. The balance of risks to increases in Bank Rate and shorter term PWLB rates, is probably also even and is broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than Link currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. This is likely to lead to friction with the EU when setting the target for the fiscal deficit in the national budget. Unsurprisingly, investors have taken a dim view of this and so Italian bond yields have been rising.
- Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the European Union (EU) while Italy, this year, has also elected a strongly anti-immigration government. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position as a result of the rise of the anti-immigration AfD party. To compound this, the result of the Swedish general election in September 2018 has left an anti-immigration party potentially holding the balance of power in forming a coalition government. The challenges from these political developments could put considerable pressure on the cohesion of the EU and could spill over into impacting the euro, EU financial policy and financial markets.
- The imposition of trade tariffs by President Trump could negatively impact world growth. President Trump's specific actions against Turkey pose a particular risk to its economy which could, in turn, negatively impact Spanish and French banks which have significant exposures to loans to Turkey.

- Weak capitalisation of some European banks.
- Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates include:

- President Trump's fiscal plans to stimulate economic expansion causing a significant increase in inflation in the US and causing further sell offs of government bonds in major western countries.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

5. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UPDATE

- 5.1 The Treasury Management Strategy Statement (TMSS) for 2018-19 was approved by this Council on 21st February 2018.
- 5.2 There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved. It should be noted that the Money Market Fund sector is now in the last stages of introducing new regulations. These will see existing non-government Constant Net Asset Value (CNAV) funds convert to Low Volatility Net Asset Value (LVNAV) pricing. Note that government-type funds will remain as "CNAV" funds under the new regulations.

This change is expected to occur in the very early stages of 2019, however the Council's current TMSS (2018-19) already incorporates the use of LVNAV funds, therefore no policy change is required.

Agenda Item No. 7

- 5.3 The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:
- Security of Capital
 - Liquidity
- 5.4 The Council will also aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term, and only invest with highly credit rated financial institutions, using Link's suggested creditworthiness approach and credit default swap (CDS) overlay information provided by Link. However, consideration is given to special tranche rates that are occasionally offered by those banks that are part-nationalised.
- 5.5 A breakdown of the Council's current investment portfolio as at 30th September 2018 is shown in Section 7 of this report.
- 5.6 Borrowing rates have risen slightly during the second quarter of the 2018-19 financial year. The Council will be required to undertake further external borrowing during the next six months and will monitor the market to secure the most advantageous rates. Investments during the first six months of the year have been in line with the strategy, and there have been no deviations from the strategy.
- 5.7 As outlined in Section 4 above, there is still considerable uncertainty and volatility in the financial and banking market, both globally and in the UK.

6. THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

- 6.1 This part of the report is structured to update:
- The Council's capital expenditure plans;
 - How these plans are being financed;
 - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
 - Compliance with the limits in place for borrowing activity.
- 6.2 Prudential Indicator for Capital Expenditure
- The table below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed for the Budget. The change in the totals is a result of slippage between years of the programme following a review of expected cash outflows and any amendments to the Capital Programme approved by Council in the first half of 2018-19.

Capital Expenditure by Service/Major Schemes	2018-19 Original Estimate £'000	2018-19 Mid Year Position £'000	2018-19 Latest Revised Estimate £'000
Chief Executive & Solicitor to the Council	424	-	424
Community Well-being and Environment	3,508	282	4,254
Economic Prosperity and Place	3,592	510	2,730
Capital Portfolio Fund/Development Loans Fund	13,750	7,304	26,000
Resources	706	135	710
Vehicle, Equipment and Systems Renewals	885	-	1,133
Total	22,865	8,231	35,251

6.3 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2018-19 Original Estimate £'000	2018-19 Mid Year Position £'000	2018-19 Latest Revised Estimate £'000
Total capital expenditure	22,865	8,231	35,251
Financed by:			
Capital receipts	1,268	-	1,361
Capital grants	1,408	519	1,316
Revenue	170	144	734
Total financing	2,846	663	3,411
Borrowing need	20,019	7,568	31,840

6.4 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

Agenda Item No. 7

The latest estimate of the Capital Financing Requirement is slightly reduced due to some capital programme slippage. In addition, the Capital Portfolio Fund and Development Loans Fund capital schemes have been, and will continue to be re-profiled once individual business cases are approved.

Prudential Indicator – External Debt / the Operational Boundary

	2018-19 Original Estimate	2018-19 Latest Revised Estimate
	£'000	£'000
CFR	49,458	49,299
External Debt/Operational Boundary	55,000	55,000

The External Debt/Operational Boundary prudential indicator allows for maximum flexibility should there be a suitable call on the Capital Portfolio/Development Loans Fund schemes.

6.5 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, gross borrowing will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018-19 and next two financial years. This allows some flexibility for limited borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent (TMSS Section 8.5).

Limits to Borrowing Activity	2018-19 Original Estimate	2018-19 Latest Revised Estimate
	£'000	£'000
Gross Borrowing	49,000	49,000
Less Investments	(14,000)	(14,000)
Less Icelandic Investments (currently frozen)	-	(20)
Net Borrowing	35,000	34,980
CFR (year end position)	49,458	49,300

The Corporate Director: Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

- 6.6 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members.

Agenda Item No. 7

It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2018-19 Original Indicator £'000	2018-19 Revised Indicator £'000
Borrowing	70,000	70,000

7. INVESTMENT PORTFOLIO 2018-19

- 7.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.
- 7.2 The investment portfolio yield for the first six months of the year against the benchmark (7 Day LIBID) is shown below:

Benchmark	Benchmark Return	Council Performance to 30/09/2018	Investment Interest Earned to 30/09/2018
7 day LIBID	0.436%	0.632%	£59,010

As illustrated, the authority out-performed the benchmark by approximately 20 bank basis points (bps). The Council's original budgeted investment return for 2018-19 was £85,000. The original budget assumed an average rate of return of 0.50%. The increase is mainly due to the continued use of some higher yielding notice accounts and fixed investments, along with the Bank Rate increase in August 2018.

The Council is also a member of the Link Benchmarking Club, the results of which are reported separately to the Treasury Management Review Panel at its September and January meetings.

Agenda Item No. 7

- 7.3 The tables below show investments held at 1st April 2018 compared to investments held at 30th September 2018, excluding Icelandic investments.

Investments Held With	1 st April 2018 £	Average Rate of Return	Duration
Lloyds	45,000	0.40%	Instant Access
Svenska Handelsbanken	115,000	0.30%	Instant Access
Santander	525,000	0.40%	Instant Access
Standard Life Money Market Fund	1,200,000	0.41%	Instant Access
Black Rock Money Market Fund	2,560,000	0.39%	Instant Access
Federated Prime Money Market Fund	250,000	0.40%	Instant Access
Federated Prime Short Term Cash Fund	2,000,000	0.68%	Trade Plus 1 Day
Goldman Sachs	1,000,000	0.555%	180 Day Notice
Lloyds	1,000,000	0.70%	95 Day Notice
Lloyds	1,000,000	0.75%	175 Day Notice
RBS	1,000,000	0.80%	Fixed to 12/07/18
RBS	1,000,000	0.57%	Fixed to 03/09/18
Nordea Bank	1,000,000	0.71%	Fixed to 1707/18
Total	12,695,000		

Agenda Item No. 7

Investments Held With	30 th September 2018 £	Average Rate of Return	Duration
Lloyds	330,000	0.65%	Instant Access
Standard Life Money Market Fund	1,670,000	0.62%	Instant Access
Black Rock Money Market Fund	2,180,000	0.67%	Instant Access
Federated Prime Money Market Fund	2,035,000	0.65%	Instant Access
Goldman Sachs	1,000,000	0.745%	180 Day Notice
Lloyds	1,000,000	0.80%	95 Day Notice
Lloyds	1,000,000	1.00%	175 Day Notice
Santander	1,000,000	0.75%	35 Days Notice
Santander	1,000,000	1.00%	180 Day Notice
Lloyds	1,000,000	1.00%	Fixed to 02/07/19
Santander	1,000,000	0.80%	Fixed to 02/01/19
Nat West	1,000,000	0.86%	Fixed to 30/01/19
Nat West	1,000,000	0.87%	Fixed to 04/03/19
Nat West	1,000,000	0.93%	Fixed to 30/04/19
Total	16,215,000		

7.4 As illustrated in the economic background section above, investment rates available in the market remain at historically low levels. The average level of funds available for investment purposes in the first six months of 2018-19 was £18,680,301. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme, including the timing of prudential borrowing. As detailed in 7.3, the Council has protected its budgetary position to some extent by fixing out some deposits for longer periods, i.e. 6 months to 1 year, therefore protecting an element of the portfolio from any further potential drop in rates.

7.5 Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function. However, yields continue to be low whilst the Council adheres to the low risk strategy due to the current economic climate.

The investment counterparty criteria continue to be very sensitive to any changes in the banking sector; this is particularly true for changes in the Credit Default Swap (CDS) overlay.

8. EXTERNAL BORROWING

8.1 The Council's capital financing requirement (CFR) – as at 1st April 2018 was £18.067m, projected to rise to £58.475m by 31st March 2022. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council's external borrowing totalled £18m at 1st April 2018. The Council repaid one PWLB loan that matured on 2nd April 2018 and has taken a further three PWLB loans as at 30th September 2018.

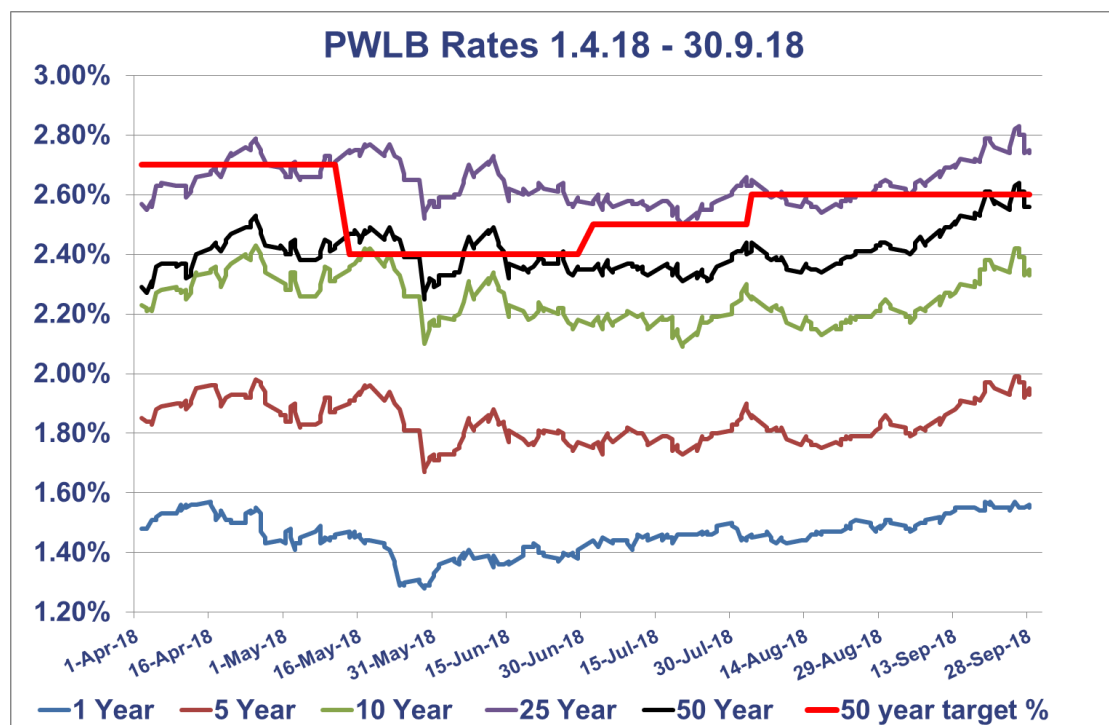
8.2 The table below shows the Council's external borrowing as at 30th September 2018.

Lender	Principal	Date	Type	Interest Rate	Maturity
PWLB	£1m	15/03/13	Fixed interest rate	2.62%	15/03/22 (9 years)
PWLB	£1m	29/07/14	Fixed interest rate	3.99%	29/07/33 (19 years)
PWLB	£1m	20/10/14	Fixed interest rate	3.54%	20/10/56 (42 years)
PWLB	£1m	02/12/14	Fixed interest rate	3.44%	02/12/39 (25 years)
PWLB	£1m	20/01/15	Fixed interest rate	2.99%	20/01/39 (24 years)
PWLB	£1m	04/02/15	Fixed interest rate	2.87%	04/02/41 (26 years)
PWLB	£1m	04/02/15	Fixed interest rate	2.80%	04/02/37 (22 years)
PWLB	£1m	08/04/15	Fixed interest rate	2.96%	08/04/35 (20 years)
PWLB	£1m	02/07/15	Fixed interest rate	3.35%	02/07/32 (17 years)
PWLB	£1m	20/07/15	Fixed interest rate	3.40%	20/07/31 (16 years)
PWLB	£1m	29/07/15	Fixed interest rate	3.13%	29/07/30 (15 years)
PWLB	£1m	06/08/15	Fixed interest rate	2.96%	06/08/28 (13 years)
PWLB	£1m	02/02/16	Fixed interest rate	2.99%	02/02/63 (48 years)
PWLB	£1m	24/06/16	Fixed interest rate	2.21%	24/06/26 (10 years)
PWLB	£1m	03/03/17	Fixed interest rate	2.42%	03/03/62 (45 years)
Derbyshire County Council	£1m	31/03/17	Fixed interest rate	0.80%	29/03/19 (2 years)

Agenda Item No. 7

Lender	Principal	Date	Type	Interest Rate	Maturity
PWLB	£1m	14/09/18	Fixed interest rate	2.49%	14/09/68 (50 years)
PWLB	£1m	14/09/18	Fixed interest rate	2.53%	14/09/60 (42 years)
PWLB	£1m	25/09/18	Fixed interest rate	2.59%	25/03/62 (43.5 years)
Total	£20m				

- 8.3 Further borrowing is scheduled in 2018-19 as, at the time of writing, the Council has acquired three properties utilising the Capital Portfolio Fund (two within the first half year and the third falling outside this Mid-year Report). Borrowing will be secured at the most appropriate time relating to the Council's cash flow and the borrowing rates. The Corporate Director: Resources is monitoring the rates closely, along with our treasury advisors, Link, to seek the most advantageous rates when the cash flow is required.
- 8.4 The graph below shows the movement in PWLB certainty rates for the first six months of the year.



	1 Year	5 Year	10 Year	25 Year	50 Year
3.4.18	1.48%	1.84%	2.22%	2.55%	2.27%
30.9.18	1.55%	1.93%	2.33%	2.74%	2.56%
Low	1.28%	1.67%	2.09%	2.50%	2.25%
Date	01/06/2018	29/05/2018	20/07/2018	20/07/2018	29/05/2018
High	1.57%	1.99%	2.43%	2.83%	2.64%
Date	17/04/2018	25/09/2018	25/04/2018	25/09/2018	25/09/2018
Average	1.46%	1.84%	2.25%	2.64%	2.41%

9. DEBT RESCHEDULING

- 9.1 Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

10. COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

- 10.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. Council’s approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Policy and Strategy Report.
- 10.2 During the financial year to date the Corporate Director: Resources confirms that the Council has operated within the treasury limits and Prudential Indicators set out in the Council’s Treasury Management Strategy Statement and in compliance with the Council’s Treasury Management Practices.
- 10.3 The Prudential and Treasury Indicators are shown in Appendix 1. These have been updated for the slippage in the Capital Programme and the associated requirements to undertake external borrowing.
- 10.4 New prudential indicators in respect of the first completed schemes up to 30th September 2018 (Worcester Street/High Street retail parade, Kidderminster and Stratford Court, Solihull) are reported in Appendix 2, in advance of the statutory requirement to report these from 2019-20 onwards. More information on the performance of the Capital Portfolio Fund will be reported separately in future property focussed reports.

11. LOCAL ISSUES

- 11.1 The table below details the Council’s remaining Icelandic investments as at 30th September 2018.

Bank	Original Investment £	Interest Claimed £	Total Claim £	Dividends Received £	Balance Outstanding including Interest Due £	Balance Outstanding Principal Only £
Kaupthing Singer & Friedlander	5,000,000	156,378	5,156,378	4,421,594	734,784	712,500
Heritable Bank	1,000,000	31,110	1,031,110	1,010,488	20,622	20,357
Total	6,000,000	187,488	6,187,488	5,432,082	755,406	732,857

- 11.2 As the capital programme expenditure progresses and balances of reserves that contribute to the make-up of the cash reserves available for investment reduce, external borrowing will be used as an affordable means of funding for approved projects. The timing of this borrowing is crucial, particularly given the continuing volatility in borrowing interest rates. Advice will be sought, as usual from Link and appropriate market information referenced. The Corporate Director: Resources currently considers that cash balances should be held at no less than £5m for a Council of our size (including the Council's Working Balance of £1m). This forecast reduction in daily cash balances, together with the current limitations on the counterparty list, that are highly likely to continue, will make longer term investments more challenging to manage.
- 11.3 The most significant issue facing the Council remains its financial position. The net revenue budget will have reduced from £16.4m in 2009-10 to £10.9m in 2020-21 based upon current plans. This represents a fall of around 34% in absolute terms, and more in real terms. The Wyre Forest Forward Programme, the Commercial Activity Programme and the Capital Portfolio fund acquisitions contribute towards closing the gap between what we are spending and our income.
- 11.4 Significant funding challenges will continue for local government; it seems unlikely that the fair funding formula and other changes to the local government finance system are going to improve the Council's position dramatically in 2020. Indeed, the prospect is that district councils generally might suffer if resources are diverted away to fund the spiralling cost of social care and children's services.
- 11.5 The Chartered Institute of Public Finance and Accountancy, (CIPFA), revised the Treasury Management Code and the Prudential Code in December 2017. The Ministry for Housing, Communities and Local Government (MHCLG) issued new statutory Guidance on Local Government Investments in early February 2018. One of the key requirements of this guidance is that from 2019-20 local authorities are required to produce a Capital Strategy (although this Council produced a Capital Strategy for 2018-19 in advance of this date, in preparation for the purchases of properties utilising the Capital Portfolio Fund scheme). The aim of this approach is to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, an overview of how the associated risk is managed and the implications for future financial sustainability.
- 11.6 Following the introduction of regulations under The Markets in Financial Instruments Directive 2 (MIFID II) on 3rd January 2018 this Council has successfully elected up to professional status for investment purposes. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions have with local authorities. As previously reported, this has had little

effect on this Council as we met criteria to elect to opt up to professional status that allows us to continue to use the range of investment options within our Treasury Management Service Strategy.

- 11.7 The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others taking advice from Link and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

- 11.8 The IFRS9 accounting standard came into effect from 1st April 2018. This means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted. It is not anticipated that this will have a material impact upon this Council.

The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Members will be updated when the result of this consultation is known.

- 11.9 The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change

in risk appetite and policy should be brought to members' attention in treasury management update reports. There are no such changes to treasury risk management to report at this mid-year stage.

- 11.10 Council on the 22nd February 2017 approved £25m Capital Portfolio Fund, funded by prudential borrowing. The detailed Strategy for the Capital Portfolio Fund was initially approved by Cabinet on 14th June 2017 (subsequently updated in Appendix 2 of the Council's Capital Strategy; approved by Council on 23rd May 2018); this sets out the types of property investment to be considered. The MCHLG recommend we report a suite of ratios in respect of this scheme. A number of other quantitative indicators to provide additional transparency and a better indicator of the potential risk of this policy are also to be included. The new prudential indicators in respect of the first completed schemes up to 30th September 2018 (Worcester Street/High Street retail parade, Kidderminster and Stratford Court, Solihull) are reported in Appendix 2, in advance of the statutory reporting requirement.
- 11.11 The legal agreement for the external fund management of the £10m Development Loans Fund has proven complex but is now nearing completion.

12. KEY ISSUES

- 12.1 The Key issues are contained in sections 3 to 11 of this report.
- 12.2 As reported previously, the returns the Council is currently receiving from investments are significantly lower than those achieved during years up to 2007-08. Although we are forecasting increases in interest rates in later years, increases are expected to be modest and implemented over a long period and funds available for investment are forecast to decrease.

13. FINANCIAL IMPLICATIONS

- 13.1 The Financial Implications of the treasury management function will be included in the Council's Medium Term Financial Strategy and Budget and Policy Framework, currently being prepared.

14. LEGAL AND POLICY IMPLICATIONS

- 14.1 The Local Government Act 2003 supplemented by Regulations set out a new framework for a prudential system for local authority capital finance. This Act, together with CIPFA's Prudential Code for Capital Finance in Local Authorities, came into effect on 1st April 2004. This code together with recent revised editions, guides decisions on what Local Authorities can afford to borrow and has statutory backing under Regulations issued in accordance with the Local Government Act 2003.

- 14.2 Adoption of the CIPFA Code of Practice on Treasury Management in the Public Services as part of the Authority's Standing Orders and Financial Regulations, gives it the status of a "code of practice made or approved by or under any enactment", and hence proper practice under the provisions of the Local Government and Housing Act 1989.
- 14.3 The new Treasury Management Code and Prudential Code were issued in December 2017. The February 2018 MHCLG Guidance on investments that should be read in conjunction with the new Prudential Code introduces the requirement for regard to additional disclosures with increased emphasis on transparency, accountability, proportionality and the risk management framework. The impact of these changes is reflected in the Treasury Management Service Strategy for 2018-19 and a Capital Strategy was approved by Council in May 2018, ahead of it's statutory deadline to provide one from 2019-20 onwards.

15. RISK MANAGEMENT

- 15.1 The Council is aware of the risks of passive management of the treasury portfolio. With the support of its external consultants we continue to proactively manage our investments. Link Asset Services (formerly Capita Asset Services – Treasury Solutions) are the Council's advisors. The current contract for Treasury Services was secured from 1st September 2015 for 3 years with the option to extend for a further 2 years on favourable terms; this option has now been exercised and the contract extended to September 2020.
- 15.2 Shorter-term variable rates and likely future movement in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the lending list, accurately forecasting returns can be difficult.
- 15.3 The Council continues to progress its most significant capital investment proposals in many years as well as major injections of finance in its key priority of securing the economic prosperity of the district. The affordability of capital has been helped by historically low interest rates keeping the costs of borrowing relatively low. However this is an issue we continue to monitor closely.
- 15.4 The Chancellor's anticipated Autumn Budget and the Government's continuing intention to fundamentally review local government finance including changes to Business Rates retention and the phasing out of Revenue Support Grant means there is further uncertainty over funding. The lack of detailed information on future funding represents a risk to the ensuing budget cycle as we are planning against many unknowns and have little/no ability to influence future funding levels going into the future. These macro-economic issues will have a knock-on effect to treasury management for all councils.

- 15.5 The risks associated with property acquisitions that the February MHCLG Guidance allies to treasury management are well documented in the approved Capital Strategy 2018-21 report at http://www.wyreforest.gov.uk/council/docs/doc53006_20180327_cabinet_agenda.pdf

16. EQUALITY IMPACT ASSESSMENT

- 16.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

17. CONCLUSION

- 17.1 See Recommendations.

18. CONSULTEES

- 18.1 Link Asset Services (Treasury Advisors).
18.2 Leader of the Council.
18.3 Cabinet Member for Resources.
18.4 Corporate Leadership Team.

19. BACKGROUND PAPERS

- 19.1 Local Government Act 2003.
19.2 CIPFA's Revised Prudential Code for Capital Finance in Local Authorities, 2017.
19.3 CIPFA's Revised Code of Practice on Treasury Management in the Public Services, 2017.
19.4 Local Government and Housing Act 1989.
19.5 Council 21/02/18 – Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and updated Prudential Indicators 2018-19.
19.6 Council 26/09/178- Annual Report on Treasury Management Service and Actual Prudential Indicators 2017-18.
19.7 Cabinet 27th March 2018 and May 2018 Council – Capital Strategy 2018-21
http://www.wyreforest.gov.uk/council/docs/doc53006_20180327_cabinet_agenda.pdf

APPENDIX 1 Prudential and Treasury Indicators

PRUDENTIAL INDICATORS	2017-18	2018-19	2019-20	2020-21	2021-22
	actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	3,452	35,251	14,610	1,995	1,936
Ratio of financing costs to net revenue stream	7.02%	11.31%	22.04%	25.16%	25.54%
Local Indicator - Ratio of financing costs to net revenue stream including Capital Portfolio Income (2018-19 onwards)	N/A	5.92%	9.27%	10.86%	11.46%
Gross Borrowing					
brought forward 1 April	17,004	18,001	49,000	60,000	59,000
carried forward 31 March	18,001	49,000	60,000	59,000	58,000
Capital Financing Requirement as at 31 March	18,067	49,300	60,082	59,308	58,475
Annual change in Capital Financing Requirement	522	31,233	10,782	(774)	(833)
Incremental impact of capital investment decisions		£ p	£ p	£ p	£ p
Increase in council tax (band D) per annum		0.21	3.94	6.79	6.79

Agenda Item No. 7

TREASURY MANAGEMENT INDICATORS	2017-18	2018-19	2019-20	2020-21	2021-22
	actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt -					
borrowing	65,000	70,000	75,000	75,000	75,000
other long term liabilities	0	0	0	0	0
TOTAL	65,000	70,000	75,000	75,000	75,000
Operational Boundary for external debt -					
borrowing	35,000	55,000	65,000	65,000	65,000
other long term liabilities	0	0	0	0	0
TOTAL	35,000	55,000	65,000	65,000	65,000
Actual/Forecast external debt	18,001	49,000	60,000	59,000	58,000
Upper limit for fixed interest rate exposure					
Net principal re fixed rate investments	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	100%	100%	100%	100%	100%
Upper limit for total principal sums invested for over 364 days	£	£	£	£	£
(per maturity date)	2m	2m	2m	2m	2m

Maturity structure of fixed rate borrowing	upper limit	lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Agenda Item No. 7

APPENDIX 2 Capital Portfolio Fund Prudential Indicators & Ratios reported in advance of MHCLG Guidance requirement for information. Note that the performance of the Property Portfolio fund will be separately reported in property focused reports.

Calculated for acquisitions up to 30th September 2018

Capital Portfolio Fund as at 30th September 2018		2018-19	2019-20	2020-21
DEBT TO GROSS SERVICE EXPENDITURE RATIOS				
Non treasury property investments debt to gross service expenditure (GSE) ratio	<i>Gross debt of non treasury property investments as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.</i>	14.77%	14.73%	14.81%
DEBT TO NET SERVICE EXPENDITURE RATIOS				
Non treasury property investments debt to net service expenditure (NSE) ratio	<i>Gross debt of non treasury property investments as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	62.69%	63.17%	64.19%
LOAN TO VALUE RATIOS				
Loan to PPE value ratio (property)	<i>The amount of non treasury property investment debt compared to the total asset value (Long term assets - PPE).</i>	12.68%	12.68%	12.68%
Loan to value ratio (property only)	<i>The amount of property debt compared to the total property asset value (property portfolio only).</i>	98.67%	98.67%	98.67%
CFR RATIOS				
CFR - Property	<i>Property CFR as a proportion of the gross CFR</i>	15.27%	12.53%	12.69%
FINANCING COSTS TO NET SERVICE EXPENDITURE RATIOS				
Property investments financing costs to net service expenditure (NSE) ratio	<i>Non treasury property investments financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	0.79%	3.06%	3.11%
INCOME/INVESTMENT COVER RATIOS				
Property investment cover ratio	<i>The total net income from property investments, compared to the interest expense.</i>	142.03%	67.88%	58.97%
Property target income returns (excluding financing costs)	<i>Net revenue income (excluding financing costs) compared to equity. This is a measure of achievement of the portfolio of properties.</i>	2.99%	6.82%	6.55%
Property target income returns (including financing costs)	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>	1.77%	2.04%	1.77%
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>	0.68%	1.26%	1.28%
TRENDS				
Gross income	<i>The income received from the investment portfolio at a gross level over time.</i>	(£303,720)	(£554,360)	(£554,360)
Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i>	£76,560	£41,380	£61,480
Financing costs	<i>The trend in financing costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i>	£94,020	£359,800	£359,800
Net income	<i>The income received from the investment portfolio at a net level (less costs) over time.</i>	(£133,140)	(£153,180)	(£133,080)



Overview & Scrutiny Committee

Briefing Paper

Report of: Kate Bailey
Date: 1st November 2018
Open

Housing Assistance Policy

1. Summary

- 1.1 The purpose of this report is to agree the policy that will determine how the Disabled Facilities Grant (DFG) funding from central government will be spent. In 2018/19 the Council received £1.192m of capital funding via the Better Care Fund (BCF) to deliver its DFG programme and related services.

2. Background

- 2.1 Local Housing Authorities have a duty to provide Disabled Facilities Grants (DFGs) under the Housing Grants (Construction and Regeneration) Act 1996. DFGs are a mechanism to provide financial assistance to applicants who require an aid or adaptation to be able to remain living independently at home where they fall below an income threshold (unless the DFG is for a child).
- 2.2 Wyre Forest District Council discharges this duty through the use of a Home Improvement Agency (Care and Repair Worcestershire (CRW)) who are commissioned jointly by all the Local Authorities in the County. The current providers, Fortis Living have the contract to provide the service until September 2019. The Council currently pay CRW an annual sum for this service of approximately £130k.
- 2.3 All Local Housing Authorities are required, by the Regulatory Reform Order 2002, to have a Housing Assistance Policy (HAP) where they wish to provide discretionary grants and services in addition to the mandatory DFGs. Accordingly the Council has had its HAP in place since that date and has amended it on a number of occasions to account for changing circumstances. The latest proposed HAP is shown at Appendix One. Discretionary grants and services are provided for a number of reasons but primarily where they would support the Better Care Fund (BCF) metrics (please see Appendix Two) or support applicants requiring DFGs in other more cost effective ways. It is also possible to use the capital funding to contribute towards revenue costs e.g. staffing incurred in the provision of the service. To provide consistency to Worcestershire residents and to CRW the Housing Assistance Policy is replicated across the county where possible. The DFG element within the BCF is ringfenced so that the County Council must passport it through to Local Housing Authorities for the purpose of DFGs but within that spending there is some ability to use the funding for capital grants and related services providing that the overall need for mandatory DFGs is met, the spending is in

line with the BCF and the Council has a Housing Assistance Policy in place.

2.4 The Council's allocation has increased from £557k in 2015/16 to £1.192m in 2018/19 as a result of the government's support of DFG as a way of improving wider health objectives and is likely to remain at this level until 2020. The increase has enabled the Council to better meet increasing demand and enable more creativity and flexibility to identify new, more cost effective ways of delivering grants and services.

2.5 The proposed increase in DFG budget has resulted in an increased workload for the Council and CRW and to meet this rise in demand the Council agreed to fund the contract providers at Year Two levels rather than diminish the expenditure in years three and four (as per the original contract) and this enabled the delivery of DFG and other grants to increase in line with demand and availability of funding. Please see table below;

YEAR	BCF AWARD TO WFDC	No DFG BY CRW	NO OF DFG BY COUNCIL
2015/16	556,000	74	N/A
2016/17	1,002,000	102	N/A
2017/18	1.097,000	127	34
2018/19	1.192,000	65 (Q1 and Q2)	11 (Q1 and Q2)

Please note that only a percentage of the BCF award is passported through to CRW and this is spent on a variety of services and grants including DFGs.

2.6 In addition to this the Council also recruited a DFG officer directly to identify small DFGs such as heating works that could be done quickly outside of the mandatory DFG process. The Council's DFG Officer awarded the following grants;

WFDC Grants	Number in 2017/18	£	Q 1 & 2 2018/19	£
DFG Direct Applications	17	52,021.00	9	30,197
TCHG Direct Applications	17	30,000.00	2	22,000
Home Repairs Assistance Direct Applications	4	6,509.00	3	17,110
Landlords Assistance Grants	52	66,797.00	13	17,350
Total		155,327		86,657

2.7 Throughout the last four years there has been some concern regarding the number of referrals through to CRW from the Occupational Therapists who are employed by Health and Care Trust and the consequent waiting times for customers. To support the resolution of these issues the CRW has been given resources by the six Housing Authorities to employ two part time County

Occupational Therapist (OT) posts and then some further funding by the Council (this financial year) to employ another OT just for Wyre Forest.

- 2.8 The new funding has enabled the Council to offer a wider range of grants that support households to remain living independently in their home. Included in the new grants is the Dementia Dwelling Grant (DDG). For those people living with a diagnosis of dementia small items of equipment or works can support them to remain living safely and independently at home. In 2017 / 18 89 DDG were provided in Wyre Forest and over £20,000 in grants spent. The six Worcestershire Councils and CRW received national recognition for this grant when they were given an award for innovation by the national home improvement agency body Foundations earlier this year.

3. Key Issues

- 3.1 There are some amendments now required to the Housing Assistance Policy to support the better utilisation of the funding. The County Council has requested some financial additional assistance from the Local Housing Authorities in two specific areas, which officers support subject to the availability of resources;
- 3.1.1 Ceiling Track Hoists (CTH): for provision of CTH to extend to existing buildings as well as extensions. This funding will be paid directly to the Integrated Community Equipment Service to enable speedier deployment of resources. This is likely to be less than £10k per annum.
- 3.1.2 Minor Adaptations: to fund the minor adaptations grants, provided by CRW, in full (previously the Council has provided additional resources for overspend and top ups). This is likely to be up to £100k per annum.
- 3.2 In South Worcestershire the Councils have piloted using some of their DFG funding for discretionary DFGs without having a means test. The benefit of this system is it speeds up the process and reduces the drop out rate of customers. This is most common where people are slightly above the means testing limit and have a small contribution to pay but can't fund it. It is proposed the Council allocate a small amount of the overall budget to pilot this approach for discretionary grants of up to £5k for a year and then review it

4. Options

- 4.1 To recommend to Cabinet that:
- 4.1.1 The Housing Assistance Policy 2018 be approved.
- 4.1.2 Delegated authority be given to Corporate Director: Economic Prosperity and Place, in consultation with the Corporate Director: Resources and Cabinet Member for Housing, Health and Wellbeing to agree the split of funding and eligibility criteria on an annual basis or as may otherwise be required.

5. Consultation

- 5.1 CLT
- 5.2 Worcestershire County Council
- 5.3 All Local Housing Authorities in Worcestershire
- 5.4 Care & Repair Worcestershire

6. Related Decisions

- 6.1 Not applicable

7. Relevant Council Policies/Strategies

- 7.1 Not applicable

8. Implications

- 8.1 Resources: All spending proposals are within the existing budget / funding.
- 8.2 Equalities: Not applicable
- 8.3 Partnership working: The Home Improvement Agency is jointly commissioned by the six Local Housing Authorities and the County Council in Worcestershire.
- 8.4 Human Rights: Not applicable
- 8.5 E-Government: Not applicable
- 8.6 Transformation: Not applicable

9. Equality Needs Impact Assessment

- 9.1 An Equalities Impact Screening Assessment has been undertaken. The policy gives consideration to and has a positive impact for those with health needs including those with disabilities and to children and young people. There are no other implications identified for other groups with a protected characteristic.

10. Wards affected

- 10.1 All wards within the district are affected.

11. Appendices

- 11.1 Appendix One: Housing Assistance Policy
- 11.2 Appendix Two: Better Care Fund Metrics

12. Background papers

- 12.1 Not applicable

Officer Contact Details:

Name: Richard Osborne

Title: Principal Environmental Health Officer (Housing and Water Management)

Contact Number: 01562 732564

Wyre Forest District Council

Housing Assistance

Policy

2018

Contents

1 Introduction	3
The Reform Order	3
The purpose of this document	3
The aims of this policy	3
2 Purpose and Form of Housing Assistance	5
3 Persons Eligible for Housing Assistance	6
4 Types of Assistance Available	7
5 Making a Formal Application	8
6 Restrictions on Assistance	9
7 Supervision of Works	11
8 Payment of Assistance	11
9 Types of Grant and Financial Assistance	12
Private Sector Measures	15
Better Care Fund Metric Supporting Measures	15
10. Repayment of Assistance	17
General	17
Breach of Undertakings	17
Death of Applicant	17
Additional Conditions	17
Security and Repayment	18
11. Enquiries and Applying for Assistance	19
Decision and Notification	19
Re-determination of Amount of Grant	19
12 Appeals Against Decisions	20

1 Introduction

The Reform Order

In July 2002 the Government issued legislation, the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, which requires all Councils to adopt and publish a policy as to how they intend to use the powers set out in this legislation.

The purpose of this document

This Housing Assistance Policy, which will commence on 1st January 2019, sets out the basis on which Wyre Forest District Council will offer financial assistance ("Housing Assistance") for works of adaption, repair or renewal in the private housing sector.

All housing assistance approved under this policy is either discretionary and are therefore subject to the District Council having sufficient funds or mandatory Disabled Facility Grants.

The District Council will review this policy on a regular basis to take into account changing policies at national and regional level and all available information on the condition of private sector housing in the District.

The document outlines a range of financial assistance that is client and thematic based services that are particularly focused at vulnerable people.

This document sets the principles for how the Council responds to the limited flexibility to use the Government provided Disabled Facilities Grant (DFG) fund, channelled through the Better Care Fund (BCF), in order to meet the metrics of the BCF. This policy and the outcomes of measures taken to support those metrics will be reported back through the Better Care Fund to Government.

The aims of this policy

This policy has been produced following consideration of the Housing Assistance Policies of other Worcestershire authorities and is in line with those policies.

This policy supports the Council's overall aim to secure health and community well-being. It supports the Council's Housing Strategy and is set in response to both local identified needs and issues and national housing strategies.

Government provide funds for Disabled Facilities Grants that are ring-fenced to the District Council and Passported via the Better Care Fund. This fund is to be used for providing mandatory DFGs, activities to support the efficient and effective provision of DFGs and other work to support the Better Care Fund Metrics. Apart from the mandatory DFG response, the remaining funding is split across schemes and activities for theses purposes and deemed priority through delegated decision of the relevant Director, Corporate Director: Resources and lead Cabinet Member. This funding split is reviewed annually according to available budget.

The Housing Assistance Policy also includes discretionary financial assistance for private rented properties and homeowners. This was originally a capital fund for private sector

housing improvement provided through the Regional Government but was discontinued some years ago. The remaining and recycled funding is specifically aimed at tackling poor conditions (i.e. non-decent) housing in the private sector (both owner occupied and private rented sector) where the housing is occupied by vulnerable households (e.g. recipients of benefits). This funding is split across schemes deemed priority through delegated decision of the relevant Director, Corporate Director: Resources and lead Cabinet Member. This funding split is reviewed annually according to remaining budget and any repayment of financial assistance received.

The Council has signed up to the Worcestershire Partnership Plan which has three priorities;

- Drive the growth of the right type of homes to promote opportunity
- Improve homes and, “transform places”
- Create a partnership approach to enable people to live as independently as possible (prevention/early intervention)

and this policy supports the deliver of the second and third of these priorities.

The key objective is to assist vulnerable people achieve decent, suitable and affordable homes in sustainable communities and in particular will aim to;

- Provide for an efficient and effective response to need for property adaptation for disabled persons.
- Provide for alternatives and support mechanisms for disabled persons, meeting the national Better Care Fund Metrics.
- Reduce the number of people living in homes in the private sector that have category one hazards.
- Reduce the number of households in fuel poverty.
- Increase the number of people who are able to live independently at home.
- Reduce the number of victims of domestic violence who are forced to leave their own accommodation because of a lack of alternative options.
- Increase the number of empty properties that are brought into to use particularly where that accommodation can then be used to reduce homelessness or the use of temporary accommodation.

At the current time the Council has contracted with a Home Improvement Agency acting as an Agency in the administration of mandatory grants and discretionary financial assistance. They are also able to investigate and provide other mechanisms of funding and assistance to meet the aims of this policy and its functions. This may include third party grants, loans, equity release etc.

The provision of mandatory grants and discretionary financial assistance will be subject to internal auditing and external auditing to ensure adequate procedures are in place and followed and that there is an appropriate use of public funds.

The Council will continue to work with the voluntary sector in order to facilitate their roles in helping vulnerable people.

2 Purpose and Form of Housing Assistance

Housing Assistance may be offered by Wyre Forest District Council in accordance with this policy towards the cost of:

- (i) the improvement, repair or adaptation of existing living accommodation including permanent residential caravans and houseboats
- (ii) any other initiatives which are consistent with the aims and objectives of the District Council in relation to housing.

Housing Assistance may be offered in any form including but not restricted to financial assistance, advice, provision of materials, carrying out of works, loans. The Council may enter into partnership with other organisations or agencies to deliver financial assistance.

The specific types of Housing Assistance available at the time of this policy and the conditions for eligibility are specified in Part 9 of this policy. For the most current details of assistance available members of the public can also view the annual delegated decisions which are published on the council website.

The Council will pay reasonable costs of associated fees and charges for financial assistance.

Financial Assistance will be given upon condition of repayment where applicable and appropriate and any recycled funds to be used for the same aims as set out in the policy.

The assistance will be focused primarily on particular clients e.g. disabled, elderly and vulnerable households across the District and on particular themes, for example to improve energy efficiency and eradicate fuel poverty.

Assistance and enforcement are both used by the Council when considered appropriate to ensure standards in relation to housing matters. The provision of financial and other assistance will be considered as an alternative to enforcement when considered appropriate and the relevant parts of this policy apply. Factors that will affect the decision to assist or enforce include the response of the property owner, individual's capabilities, personal circumstances and responsibilities and the legal and social responsibilities of the Council.

3 Persons Eligible for Housing Assistance

Any person who makes an application for Housing Assistance must:-

- (i) be over 18 years of age at the date of the application, and
- (ii) live in the dwelling as his/her only main residence (except where the applicant is a landlord who intends to let the dwelling or where the housing assistance is in relation to an empty property), and
- (iii) have an owner's interest in the dwelling (other than an interest by virtue of being a Registered Social Landlord under Part 1 of the Housing Act 1996 or being eligible for such registration), or be a tenant or licensee of the dwelling, alone or jointly with others but not being a member of the landlord's family, with a tenancy or license permitting occupation of the dwelling for a minimum period of 12 months after approval of the housing assistance, and
- (iv) have the power or duty to carry out the works and where appropriate have the owner's consent in writing to carrying out the works, and
- (v) satisfy such test(s) of resources as the Council may from time to time have in place
- (vi) not be ineligible, by virtue of the Housing, Grants, Construction and Regeneration Act 1996, regulations made under the Act or any other enactment.
- (vii) homeowners have the primary responsibility for ensuring their homes are properly maintained but we will assist vulnerable homeowners to make sure they have the opportunity for achieving safe, healthy and appropriately adapted homes.

4 Types of Assistance Available

The provision of assistance or schemes for works and other activities other than mandatory disabled facilities grants is subject to the availability of funding.

The type of assistance available to home owners and tenants will be based on a mixture of advice, private finance and public finance (if available) to priority cases. This is a hierarchy of assistance based on the need and circumstances of the applicant.

The basic information, advice and “sign posting” service currently provided with the Home Improvement Agency will cover repairs, maintenance and improvements including information on builders, energy efficiency, other re-housing options, etc. This information is available to all regardless of financial circumstances.

Other services, including grant aided assistance and access to the Agency Service (for which a fee will be charged) is available to households to whom we have a mandatory duty and where they meet the means testing criteria.

In addition discretionary grant awards are also made, outlined in the annual delegated decision, subject to the availability of funds.

5 Making a Formal Application

All applications must be on a form approved by the Council and must include the following original documentation:-

- (i) Where the estimated cost of the works exceeds £10,000, three quotations are required to be set out on the schedule of grant works/housing assistance provided by the Council. If the estimated works is below £10,000 then there can be either two quotes or one if a comparable costed schedule exists to ensure value for money.
- (ii) Particulars of the work to be carried out including where appropriate plans, specifications and specialist reports.
- (iii) Details of any professional fees or charges relating to the work and for which assistance is being sought.
- (iv) Confirmation of planning and/or building control approval where appropriate.
- (v) Where relevant proof of ownership from a solicitor or mortgagee, or copies of the title deeds/land registry certificate, or copy of the tenancy agreement or licence to occupy.
- (vi) Where the application is the owner or landlord, a signed undertaking to repay the assistance if the conditions imposed are not met or complied with.

The application will only be considered complete when the Council has all the information it needs to be able to make a decision on the application.

The Home Improvement Agency will have their own procurement process where they act in an Agency role, as outlined in the Service Level Agreement. The Council will accept single quotes for costs where provided through such a procurement process.

6 Restrictions on Assistance

No assistance will normally be given for work started before formal approval of an application, except that:

- (i) The Council may in exceptional circumstances exempt an application from this condition for example where a defect may present a serious risk to health and safety.
- (ii) The Council may, with consent of the applicant, treat the application as varied so exclude any works that have been started before approval.

The Council will not consider an application for assistance in respect of premises built or converted less than 10 years from the date of the application, except in the case of an application for a disabled facility grant or sanctuary grant.

The Council will assess whether the scope of works are reasonable, practicable and eligible, in particular having regard to the age and condition of the property.

The Council will assess whether prices given by contractors meet value for money. In determining this, the Officer will give consideration to similar jobs priced within the last year.

In the event that the Officer believes the price for contracts are too high and identifies an appropriate price for this work (which is lower), then they will advise the client that the total eligible grant or assistance will be the lower amount. The client is under no obligation to use the cheaper priced contractor but must be aware that the Council will only make a grant or assistance payment up to the value of the lower price.

Grant assistance will not normally be provided for works covered by insurance. Where, before a grant or assistance is approved, it is found that an applicant can make an insurance claim, the insurance company will be requested to confirm in writing the level of their liability, if any. The level of grant or assistance will be reduced by an amount equivalent to the insurance company's liability. Where a grant or assistance is approved, a condition will be imposed requiring the applicant to pursue any relevant claim against an insurance company or third party for: -

- a) claims for personal injuries where the applicant is in respect of works required under a Mandatory Disabled Facilities Grant:
- b) claims on the applicant's property insurance or on a third party where the application is in respect of works for which financial assistance has been given and to repay the financial assistance provided out of the proceeds of such a claim.

The provision of grants/assistance is allowed for caravans and houseboats used and allowed to be used as main residence, subject to meeting other eligibility requirements. It will not normally be allowed for in the case of 'shacks' and chalet type structures. Shack properties are those that are identified in the Wyre Forest District Council Shack Site Survey carried out in 1979. Holiday residences, caravans on holiday sites or those with restricted occupancy and second homes (as defined by Council Tax) will not be provided with grants/assistance.

The Council recognises that these policies cannot cover every likely situation and there will be people who genuinely are in need of some form of urgent support that are precluded from accessing them due to a certain aspect. In these situations the Council may consider offering assistance in exceptional circumstances, in particular where support would help the Council meet its strategic objectives, as determined by the Head of Strategic Growth or Director for Economic Prosperity and Place.

Financial Assistance will not be paid for maintenance of existing facilities.

Mandatory Disabled Facilities Grants will only be paid for works that are eligible in accordance with the list of eligible works in the Housing Grants, Construction and Regeneration Act 1996 and the Council's local list.

7 Supervision of Works

In the absence of any agency agreement with the Home Improvement Agency or alternative service provider,, the responsibility for supervision of the works rests with the applicant or with any suitably qualified and indemnified building professional or agent acting on the applicant's behalf and not with the Council.

The council will not pay fees in relation to the applicant supervising the works in place of the Home Improvement Agency.

8 Payment of Assistance

A Grant or Financial Assistance will only be paid if

- (i) the assisted works are completed within twelve months from the date of approval unless the delay was not the fault of the applicant and deemed reasonable, and
- (ii) the assisted works are carried out in accordance with the specifications set out in the formal approval or as varied with the agreement of the Council, and
- (iii) the assisted works are carried out to the satisfaction of the Council and the applicant (or just the Council if the applicant appears to be unreasonably withholding approval), and
- (iv) the Council are provided with an invoice, demand or receipt for payment in an acceptable format. Any such invoice must contain sufficient detail for the Council to identify in full the works carried out, by whom and the price charged and must not be provided by the applicant or a member of his/her family.

The Council may pay the Grant or Financial Assistance to the applicant, however it will be normal practice to pay direct to the builder or contractor engaged by the applicant. The Financial Assistance may be paid in one lump sum on satisfactory completion of the works or in instalments ("stage payments") as the work proceeds. Stage payments will only be made where the Council is satisfied the value of the work completed exceeds the value claimed. A maximum of three stage payments will be considered, normally for 25%, 50% and then 100%.

No Grant or Financial Assistance will be given until binding agreements appropriate to the form of assistance have been formally executed.

The Council will not enter into any Form of Contract with a builder or contractor and, in the absence of any agency agreement with the applicant, it is a matter for the applicant to agree any contract with the builder or contractor.

Although not governed by Council Standing Orders in relation to procurement, as the payment of any assistance given is due principally to the applicant and not the builder but Standing Orders do act as a useful reference for determining the administration of procedures regarding obtaining quotes etc.

9 Types of Grant and Financial Assistance

The types of Financial Assistance offered, and the conditions applicable, are as follows and will remain so until a further Housing Assistance Policy is published. All are discretionary (except in the case of a Disabled Facilities Grant) and are subject to the Council having sufficient resources. As already stated there is discretion to extend the eligibility criteria, level of grant or assistance and scope of works where the situation is exceptional and, in the opinion of the Head of Strategic Growth or Director for Economic Prosperity and Place, assistance would help the Council meet its strategic housing objectives. These objectives include supporting the Better Care Fund Metrics.

Mandatory Disabled Facility Grants

These grants are mandatory under the Housing Grants, Construction and Regeneration Act 1996 and are subject to statutory means test.

These grants are awarded to enable applicants to have access to and around their homes, or to use essential facilities in the home to enable them to live independently. Mandatory DFGs can only be given for purposes set out in this Act. Ongoing maintenance and repair of adaptations and equipment provided under the grant will become the responsibility of the applicant, third party (such as the County Council) or landlord as relevant. The council will maintain a more detailed list of examples of what will or will not be considered for a mandatory DFG. This can include fixed items of equipment that facilitate safety and movement e.g. hoists subject to funds being available.

Whilst it is recognised that a DFG is a mandatory grant it is the Council's intention where possible to investigate all housing options which could include moving to more suitable accommodation.

A disabled housing need can be met in a number of different ways and all options will be investigated to identify which will meet the needs of the applicant in the most cost effective and suitable way, whilst acknowledging that DFGs are a mandatory grant.

Discretionary DFG Disabled Facilities Grants for costs above £30,000 will be made available up to £10,000 (subject to funding being available) where the Council agrees the works are eligible, and practicable and represent the most satisfactory course of action. However the Council will expect the applicant to look for alternatives to the discretionary top up first. Some alternatives might include;

- a) Referral to Social Services or the landlord for their consideration of providing additional resources.
- b) Alternative schemes of work, including modular buildings.
- c) Provision of reasonable funding to enable a move to alternative, more suitable accommodation with funding for adaptations to the new accommodation.
- d) Referral for consideration of Equity Release funding if applicable.

Disabled Facilities Grant	
Eligible applicants	Any applicant registered or capable of being registered under the Chronically Sick and Disabled Persons Act 1970 and requires adaptations to be provided.
Qualifying criteria	<p>Details of works requested</p> <p>An assessment confirming that the works are 'necessary and appropriate' is required. This is normally undertaken by an Occupational Therapist or other trained person such as a Trusted Assessor.</p> <p>Entitlement to a Disabled Facility Grant is mandatory but, before approval, the Council has to be satisfied that the relevant works are both necessary and appropriate for the Disabled Person, and also that it is reasonable and practicable to carry out the works.</p> <p>Works eligible are only those that are eligible in the legislation and deemed to be required to meet the needs of the disabled person.</p>
Conditions	<p>Subject to a financial assessment of resources.</p> <p>The Council will use its powers to place a limited charge against the property where the DFG grant exceeds £5,000 up to a ceiling of £10,000. Repayment of the grant up to a maximum of £10,000 will be required if the property is sold within 10 years of the grant being awarded.</p> <p>A means test will not be applied to parents where adaptations are required for a disabled child.</p> <p>Proof of title is required.</p> <p>Landlord consent is required where applicable.</p> <p>Conditions relating to the recovery of equipment in specified circumstances are applied.</p>
Maximum grant	<p>£30,000 mandatory grant</p> <p>Up to £10,000 discretionary top up where applicable, subject to determination by the Head of Strategic Growth or Director for Economic Prosperity and Place.</p>
Prioritisation and Timescale	<p>The Council will endeavour to respond to all valid applications as soon as possible. This will normally be within 2 weeks unless further information is required to enable that decision.</p> <p>In exceptional circumstances where further enquiries are necessary and other options may need to be investigated or determination may be reliant on third party information, the Council will respond within the Statutory timescales of a decision within 6 months of a valid application.</p>

Home Repair Assistance

This is discretionary financial assistance and subject to available resources. A charge is placed on a property receiving Home Repair Assistance. If demand for assistance exceeds the budget available, the Council does not undertake to maintain a waiting list. This discretionary financial assistance will be considered after other avenues of funding have been considered and found not to be available.

Home Repair Assistance	
Eligible applicants	<p>Available to carry out works to allow persons to remain in their home. Owner-occupiers or private tenants with a repairing responsibility having savings of less than £16,000 and in receipt of one or more of a means tested benefits</p> <p>OR:</p> <p>owner-occupiers assessed as having low income, have undergone a financial assessment to demonstrate this and are not able to access funding from a high street bank loan or able to affordably take or extend a mortgage or access an appropriate equity release.</p>
Qualifying criteria	<p>Property in need of essential repairs as determined by the Housing Act 2004 as a 'Category 1 Hazard' or significant category 2 hazard, in order to make the property healthy, safe, wind and weatherproof. Assistance may be prioritised based upon the hazard score or circumstances of the applicant.</p> <p>Works to bring the property up to the Decent Homes Standard will be aimed for if practical, reasonable and sufficient funds are available.</p>
Conditions	<p>Only one application for assistance will be considered up to a maximum of £10,000 within any 5-year period. (this condition is at the discretion of the Head of Strategic Growth or Director and only in exceptional circumstances). Financial Assistance repayable in full to the Council should the property be disposed of or sold. The charge will be registered as a local land charge.</p> <p>The applicant must have lived at the relevant property for at least 12 months. Once approval has been given, the applicant has until 12 months from the date of approval to complete the works.</p>
Maximum financial assistance	<p>£10,000.00 for works.</p> <p>In exceptional circumstances the Head of Strategic Growth or Director may consider works above this amount where it is considered the most satisfactory course of action and meets strategic housing objectives.</p>

Private Sector Measures

The Government Regional Initiatives Capital fund for private sector initiatives towards decent homes has been delegated to the relevant Cabinet Member and Director for determination of which projects are to be allocated the funds. Part of this funding is allocated to the Home Repair Assistance and the rest is allocated to various projects.

Projects are agreed on an annual basis and typically include measures to improve conditions in the private rented sector where the works are above what can be reasonably expected of a landlord and are of benefit to the tenants, for example improved insulation, efficient heating systems and ventilation.

In particular, funding will be prioritised to improving properties where landlords are accepting tenants in receipt of benefits and where landlords are assisting the council to find accommodation for persons identified as being in need.

Other examples of schemes include the provision of gating to entries to improve security, sanctuary schemes for vulnerable individuals, fire safety improvements, flood defence property protection, heating and insulation measures.

Any money received in repayment of financial assistance is recycled into this funding stream for the same overarching purposes.

Better Care Fund Metric Supporting Measures

Government funding through the Better Care Fund to the District Council is able to be used for activities other than provision of mandatory Disabled Facilities Grants if those activities support the national aims or 'metrics' for the fund. This includes for the staffing and resource costs associated with delivering this policy. Although any demand for DFGs must first be addressed, any remaining funding will be used to support the metrics through a variety of activities.

The Better Care Fund can be used for the following schemes for example:

Non means-tested, low cost DFGs: The provision of level access showers and/or stairlifts to any person with relevant needs without the requirement to assess their means and require contribution where due under the means-test process. Work up to the value of £5,000. Not to be used in combination with other works or as part of a larger scheme.

Hospital Discharge scheme: fast tracked and non-means tested works to the home to enable earlier hospital discharge where problems in the home are identified as a possible reason for delayed discharge.

Dementia Friendly Dwelling Grant: to offer financial assistance to make homes more dementia friendly to help people manage their surroundings, retain their independence and reduce feelings of anxiety and confusion. Non means-tested.

Financial assistance for building, adapting and improving properties: to offer financial assistance for costs associated with moving to a more suitable home and/or purchasing / building / improving properties (in conjunction with a Registered Provider or County Council).

Housing options: funding to facilitate the delivery of a housing options service where DFGs and care / support costs can be avoided through the move to more appropriate housing at an earlier stage.

Independent Living Centre: funding to facilitate the development of an innovation centre, with multi-agency / disciplinary staff co-located that enable applicants for a DFG and self-funders to test out potential aids and adaptations and make effective choices.

County Council identified minor aids and adaptation work: funding to cover the costs of minor adaptations and provision of aids for persons in order to reduce or delay the need for provision of a mandatory disabled facilities grant.

Non-means-tested, discretionary Disabled Facilities Grants: funding for works normally undertaken as disabled facilities grants in a fast-track, non means-tested mechanism for specific small scale works as defined in the scheme.

10. Repayment of Assistance

General

Repaid money will be recycled into provision of future financial assistance.

If an applicant is approved but it subsequently appears to the Council that the applicant (or one of two or more joint applicants) was not, at the time the application was approved, entitled to the assistance approved, then no payment shall be made (or no further instalments paid) and the Council may seek to recover immediately any payments made together with interest accruing from the date of payment.

If the applicant is the owner of a dwelling in respect of which Assistance has been approved and ceases to be the owner before the works are completed he/she shall repay to the Council on demand the total amount of Assistance that has been paid.

Breach of Undertakings

Where an owner occupier has given a signed undertaking to occupy a property as his/her principal residence after completion of the assisted works for a period of time, and if they cease to do so during that time, they shall repay on demand to the Council the total amount of assistance paid out.

Where a landlord (or owner) has given a signed undertaking that the property will be available for letting for a period specified after completion of the assisted works, and if the landlord ceases to make the relevant property available for letting during the specified period then the landlord shall repay on demand to the Council the total amount of Financial Assistance paid out.

Where the Council has the right to demand repayment but extenuating circumstances exist, the Council may determine to waive the right to repayment or to demand a sum less than the full amount of Assistance.

Death of Applicant

If the applicant should die before the Housing Assistance is approved, the application will be treated as withdrawn.

If the applicant should die after approval of the Housing Assistance or whilst the approved works are in progress, the Council may at its discretion agree to completion or making good of the works and pay the Housing Assistance in full or, if the works originally agreed are not completed in full, an appropriate proportion of the Housing Assistance.

Where an applicant dies after completion of the works but before the expiry of the ten year undertaking, the Council will seek repayment of the Housing Assistance from the applicant's estate if a disposal by sale or a change in ownership / tenure takes place.

Additional Conditions

The Council reserves the right to impose additional conditions when making a grant approval. These may include but are not restricted to:

- (i) A contribution to the cost of the assisted works by the applicant
- (ii) The right to nominate tenants to housing accommodation available for rent
- (iii) Housing accommodation being maintained in repair after completion of the assisted works.
- (iv) The right of the Council to recover specialised equipment when no longer needed.

Breach of any additional conditions gives the Council the rights to seek repayment of the Housing Assistance on demand.

Security and Repayment

Where a grant condition imposes a liability to repay the Housing Assistance, the condition will be registered by the Council either as a local land charge or on the national land charge register.

The Council may at its discretion determine to require repayment of a lesser sum than the full amount of Housing Assistance

11. Enquiries and Applying for Assistance

Persons wishing to pursue a grant where a test of resources applies will be asked to provide all relevant financial information.

The Council will include in any housing assistance provided an Agency a fee for the Home Improvement Agency who assist eligible persons with their applications etc.

The applicant can either through the Agency (or successor organisation) or directly submit a formal application along with a priced schedule and any other document required (such as plans, building and planning consents, etc).

Once approval has been given, the applicant has until 12 months from the date of approval to complete the works unless otherwise stated.

For disabled facilities grants and financial assistance, the applicant has the right to apply direct to the Council rather than through an Agency. However the Council would not assist the application process in the manner of an Agency in such circumstances and the Council may take up to the full legal timescale to consider and determine approval or refusal of an application.

Decision and Notification

The Council will notify applicants (normally through the Agency) in writing whether their application has been approved or refused. The decision will be notified as soon as reasonably practicable and in any event no later than six months after receipt of a valid application which includes all required supporting documentation.

If the application is approved, the notification will specify the works that are eligible for assistance, the value of the assistance, the form the assistance will take, any conditions applicable and the builder/contractor who will carry out the works

If the application is refused, the Council will give the reasons for the refusal and also confirm the procedure for appealing against the decision.

Re-determination of Amount of Grant

Where the Council is satisfied that because of circumstances beyond the control of the applicant which could not have reasonably been foreseen, the cost of the assisted works has either increased or decreased, the Council may at its discretion re-determine the assistance given in accordance with grant framework set out in this document and notify the applicant accordingly.

Additional works carried out without prior approval of the Council will not result in increased financial assistance being provided and would be the responsibility of the applicant to fund.

12 Appeals Against Decisions

Any person who is aggrieved by a decision not to give financial assistance as a consequence of this policy may seek a review of the decision.

The request for a review should first be made in writing to the Head of Strategic Growth. If the person remains dissatisfied they have the right to go through the Council's Corporate Complaints procedure or approach the Local Government Ombudsman.

Any possible departure from Policy will only be considered where the applicant can demonstrate both wholly exceptional circumstances to justify such a departure and also that the applicant has not means by which he or she could reasonably be expected to undertake the work.

Complaints about service delivery rather than policy should also be made in writing to the Head of Strategic Growth and will be investigated in accordance with the Council's Corporate Complaints procedure, a copy of which is available on the Council's website.

Better Care Fund Metrics

The BCF Policy Framework establishes that the national metrics for measuring progress of integration through the BCF. In summary these are:

- A reduction in the number of unplanned acute admissions to hospital.
- Reducing inappropriate admissions of older people (65+) in to residential care
- Increase in effectiveness of reablement and rehabilitation services
- Effective joint working of hospital services and community-based care in facilitating timely and appropriate transfer from all hospitals (Reduction in DToC)



Overview & Scrutiny Committee

Briefing Paper

Report of: Lucy Wright, Revenues, Benefits & Customer Services
Manager
Date: 1st November 2018
Open

Council Tax Reduction Scheme Review 2019/20

1. Summary

- 1.1 This report provides the results of the consultation exercise that the Council is required to undertake if there are any proposed changes to the Council Tax Reduction Scheme; and invites the Overview and Scrutiny Committee to provide recommendations to the Cabinet.

2. Background

- 2.1 Universal Credit is being rolled out for new claimants in Wyre Forest on 14th November 2018 and will replace the following benefits:
- Child Tax Credit
 - Working Tax Credit
 - Housing Benefit
 - Income Support
 - Income based Jobseeker's Allowance (JSA)
 - Income related Employment and Support Allowance (ESA)
- 2.2 Although new working age claimants will claim their housing costs through Universal Credit, the Local Authority will retain responsibility for housing benefit for all pension age claimants, working age claimants living in temporary accommodation and those living in supported accommodation. Until February 2019, new working age claims for households with 2 or more children will stay with local authorities too. Migration of the existing working age caseload will commence at a later date which is yet to be determined.
- 2.3 In December 2015, Council agreed not to increase the minimum council tax contribution from working age claimants and the proposals set out in this report recommends this percentage remain at 20% for the lowest income households.

Council Tax Reduction and the Full Service Roll Out of Universal Credit

- 2.4 The introduction of Universal Credit within the Wyre Forest district will, as experienced in all other areas, bring a number of challenges to both the

administration of Council Tax Reduction and also the collection of Council Tax generally. Sites within Universal Credit full service areas have experienced the following:

- a. The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to loss of entitlement;
- b. A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and
- c. The increased costs of administration through multiple changes resulting in the need for additional staff resource.

- 2.5 It is clear that the existing means tested Council Tax Reduction scheme, which is too reactive to change, will not be viable once Universal Credit has been rolled out fully within the district. The move to a new more efficient scheme from 2019 is now imperative to avoid additional staffing costs and simplify the administration scheme for both the Council and applicants.

The proposed 2019/20 Council Tax Reduction Scheme

- 2.6 In view of the problems being experienced with Universal Credit, it is proposed that the Council Tax Reduction scheme is fundamentally redesigned to address;
- a. The problems with the introduction of full service Universal Credit; and
 - b. The inevitable increase in administration costs due to the high level of changes received in respect of Universal Credit.
- 2.7 A consultation has taken place which proposes that the current means tested scheme is replaced by a simple income grid model. Test profiling has been carried out on the existing Council Tax Reduction Scheme caseload with income bands which allows a greater tolerance of income levels.
- 2.8 Any change to the scheme will inevitably result in both winners and losers and the aim is to design a scheme that minimises both the number of losers and any financial loss incurred. As set out in paragraph 2.13 below, the Exceptional Hardship scheme will be available to minimise the impact and protect individuals where appropriate.

How the new scheme will address the problems of full service Universal Credit

2.9 Due to the simplicity of the proposed new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with Universal Credit as follows:

- a. **The scheme will require a simplified claiming process.** In the case of Universal Credit applicants *any* Universal Credit data received from the Department for Work and Pensions (DWP) will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed without the need to request further information from the taxpayer. This will have the following distinct advantages namely:
 - i. **Speed of processing** – claims will be able to be calculated simply and promptly without the need to request further information which inevitably leads to delays;
 - ii. **Maximising entitlement to every applicant.** As there will be no requirement for Universal Credit applicants to apply, entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;
 - iii. **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved.
- b. **The income bands will be wide avoiding constant changes in discount.** The current Council Tax Reduction scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach, will have the following advantages:
 - i. Only significant changes in income will affect the level of discount awarded;
 - ii. Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments
- c. **A modern approach to changes in entitlement.** The current Council Tax Reduction scheme is based on a traditional but rather old-fashioned benefit approach which alters entitlement on a weekly basis when there is a variation in income. The amount households are asked to contribute to their council tax from their income is calculated by comparing their income with their 'applicable amount'. This is the

minimum income set by Government which a household sharing the same circumstances is expected to live on. A taper is then applied for every additional £1 earned resulting in frequent changes every time a household income varies. The new scheme is designed to reflect a more modern approach, notwithstanding that the number of changes will be reduced. Where discount changes it will be effective from the day of the change rather than the Monday of the following week;

- d. **A simpler scheme** – the current Council Tax Reduction Scheme document is large, benefits based and will become unduly complex once Universal Credit is rolled out. The intention is to make the new scheme document simpler, reducing the level of complexity and making it more understandable to applicants.

2.10 Following recommendations from Overview and Scrutiny, on 17th July 2018 the Cabinet agreed to undertake a public consultation to obtain feedback on the proposed changes in 2.11. Consultation ran from 23rd July to 28th September 2018 and a total of 90 responses were received although not every respondent answered all questions.

2.11 The consultation asked respondents whether they agreed to various proposed changes listed below. The results of the consultation can be found in paragraph 2.15 and additional comments received against the proposed changes can be found in Appendix One.

- The highest level of discount will remain at 80% and will be awarded to those in Band 1 of the table shown in 2.16. This will automatically apply to claimants that are in receipt of a passported benefit such as Income Support, Jobseeker's Allowance (income based) and Employment Support Allowance (income related) or the maximum award of Universal Credit. The scheme allows for variation in the size of the household as the levels of income per band increase when an applicant has a partner and/or dependants.
- The current scheme applies a deduction for non-dependants living in the household whereas the proposed scheme does not. This is a significant change which will benefit those with non-dependants living in the household while simplifying the scheme for administration purposes such as low income households with adult children living at home.
- The proposed scheme will fall in line with Housing Benefit, Universal Credit, Tax Credits and Council Tax Reduction for pension age claimants and limit the number of dependant children within the calculation for Council Tax Reduction to two for all applicants.
- Make claiming Council Tax Reduction as easy as possible for Universal Credit claimants by accepting data received from the DWP as a claim for Council Tax Reduction automatically without the need to complete an application form.

- To encourage work the current income disregards which vary depending on circumstances, will be replaced with a standard £25 per week earnings disregard for all claimants. The current range of earnings disregards is between £5.00 and £25.00 depending on the householder's circumstances.
- The current disability benefits such as Disability Living Allowance and Personal Independence Payment will continue to be disregarded for income purposes as well as Employment Support Allowance (support component) and Carer's Allowance. An additional disregard will also be applied for disabled claimants to replace the premiums that are in the current scheme.
- War pensions and war disablement pensions will continue to be disregarded.
- Child benefit and child maintenance payments will continue to be disregarded.
- The capital limit will be set at £6,000. Any capital below this amount will not affect a claimant's entitlement to Council Tax Reduction.
- Extended payment and student provisions will be removed.
- Changes will be effective from the date of change rather than the Monday of the following week.

2.12 Test profiling shows that there will be some existing claimants that will benefit from an income banded scheme and some who will see a reduction in their award. Further details of how existing claimants may be affected can be found in Appendix Two.

Exceptional Hardship Scheme

2.13 The current Council Tax Reduction scheme also contains provision for taxpayers to make an application for additional discounts where they experience exceptional hardship. It is proposed that the new scheme will contain the same provisions to protect individuals who experience exceptional hardship. Where any group of person is likely to experience hardship, this will be addressed as part of the overall scheme design. The Exceptional Hardship scheme will continue to be an integral part of the scheme for the foreseeable future.

2.14 The consultation provided explanatory text for the changes proposed and asked respondents for their views. The majority of respondents were in favour of each of the options proposed.

2.15 A summary of the responses to the consultation is outlined as follows.

Table 1 Summary of consultation responses

Number of responses received via the consultation portal: 90 <i>(not all people answered every question)</i> Organisations that provided a named response: 2 Worcestershire County Council support changes as recommended. Hereford & Worcester Fire and Rescue Service support changes as recommended					
Q1. Introduce an income grid scheme for all working age applicants – Do you agree with this change to the scheme? <i>90 answers</i>					
Yes	50%	No	19%	Don't know	31%
Q2. Limit the number of dependant children within the calculation for Council Tax Reduction Do you agree with this change to the scheme? <i>75 answers</i>					
Yes	67%	No	17%	Don't know	16%
Q3. Remove non dependant deductions Do you agree with this change to the scheme? <i>68 answers</i>					
Yes	54%	No	24%	Don't know	15%
Q4. Change the claim process for Universal Credit claimants Do you agree with this change to the scheme? <i>63 answers</i>					
Yes	81%	No	9.5%	Don't know	9.5%
Q5. Introduce a standard earnings disregard Do you agree with this change to the scheme? <i>60 answers</i>					
Yes	75%	No	15%	Don't know	10%
Q6. Disregard carers allowance Do you agree with this change to the scheme? <i>59 answers</i>					
Yes	83%	No	10%	Don't know	7%
Q7. Make it easier for students to claim Do you agree with this change to the scheme? <i>59 answers</i>					
Yes	83%	No	3%	Don't know	14%

Q8. Remove the Extended Payments provision Do you agree with this change to the scheme? <i>59 answers</i>					
Yes	75%	No	17%	Don't know	8%
Q9. Use date of claim/change for changes to entitlement Do you agree with this change to the scheme? <i>58 answers</i>					
Yes	91%	No	4%	Don't know	5%
Q10. Simplify the capital rules Do you agree with this change to the scheme? <i>57 answers</i>					
Yes	72%	No	19%	Don't know	9%
Q11. Protect disabled claimants with an additional disregard Do you agree with this change to the scheme? <i>55 answers</i>					
Yes	95%	No	2%	Don't know	3%
Q12. Alternatives to funding extra administration costs of the scheme <i>52 answers</i>					
Increase the level of Council Tax to cover costs of extra administration of the scheme		Yes	25%	No	75%
Find additional administration costs from cutting other Council Services		Yes	25%	No	75%
Use the Council's limited reserves (savings)		Yes	33%	No	67%
Are you in receipt of Council Tax Reduction Scheme?					
Yes	15%	No	81%	Don't Know	4%

2.16 The Overview and Scrutiny report dated 5th July 2018 and consultation document stated that further profiling would be carried out before agreeing the final income bands. This has been undertaken and it is proposed that the income bands stay as suggested as follows.

Agenda Item No. 9

Discount Level		Single (Weekly net income level)	Couples (Weekly net income level)	Family +1 child (Weekly net income level)	Family +2 (or more) children (Weekly net income level)
Band 1 (<i>inc. passported legacy benefits</i>)	80%	£0 - £89.99	£0 - £124.99	£0 - £199.99	£0 - £269.99
Band 2	60%	£90 - £119.99	£125 - £154.99	£200 - £249.99	£270 - £304.99
Band 3	40%	£120 - £149.99	£155 - £184.99	£250 - £274.99	£305 - £334.99
Band 4	20%	£150 - £179.99	£185 - £214.99	£275 - £299.99	£335 - £364.99

3. Key Issues

3.1 In order to make alterations to local council tax schemes, legislation requires any changes are approved by full Council by 11th March prior to implementation on 1st April each year. Key dates in the timeline are as follows:

- 1st November 2018 – Overview and Scrutiny receive consultation responses and make recommendations to Cabinet
- 13th November 2018 -Cabinet receive consultation responses including recommendations from Overview and Scrutiny Committee and make final recommendations to Council.
- 12th December 2018 – Council approve changes to the scheme
- 1st April 2019 – Changes to Council Tax Reduction Scheme are implemented

3.2 The responses to the consultation show the following:

- The majority of responders agreed to the proposed changes to the scheme

3.3 The recommendations outlined in this report comply with the original principles of the scheme that was set up in 2013 as follows:

Principle 1 Every household with working age claimants should pay something;

Principle 2 The scheme should incentivise people into work;

Principle 3 People with greater amounts of savings receive less support;

Principle 4 Protection will be provided through a Hardship Fund to those who are least able to pay; and

Principle 5 The scheme will support residents to contribute to a successful local economy as outlined in the Council's Corporate Plan priorities.

- 3.4 Universal Credit uses real time earnings to calculate Universal Credit awards so claimants do not have to report fluctuating wages. This results in frequent changes in Universal Credit entitlement which presents a challenge in terms of Council Tax Reduction.
- 3.5 If Council Tax entitlement is adjusted every month, customers could receive monthly Council Tax bills. Not only is this likely to cause confusion for customers but it could detrimentally impact the Council's collection rates as well as increase administration costs.
- 3.6 Profiling of the current caseload suggests that up to around 22% of current claimants may be better off and around 11% may be worse off. Continuing with the Exceptional Hardship Policy will be available to minimise the impact and protect individuals where appropriate.

Summary of consultation

- 3.7 The responses to the consultation show the majority of respondents agreed to the proposed changes to the scheme.

4. Options

- 4.1 There are options on each of the issues raised in the consultation, including making no change to current arrangements or implementing the proposed changes. If the changes are implemented they would reduce the need to increase administration costs when Universal Credit is rolled out in the district. The following recommendations take account of the responses to the consultation and reflect the administration's position, which will be considered by the Cabinet on 13th November 2018. The committee is invited to consider endorsing that the following points are incorporated into the Council Tax Reduction Scheme from 1st April 2019:
 - a) Retention of the hardship fund, to ensure that people who face genuine difficulty in meeting their commitments can be assisted. This support is not available to people who have savings, for example;
 - b) Implement the proposed changes outlined in paragraph 2.11;
 - c) To make such other recommendations to Cabinet as it considers appropriate.

5. Consultation

- 5.1 A public consultation was undertaken for 13 weeks between 23rd July and 28th September 2018.
- 5.2 Recommendations arising from this Overview and Scrutiny Committee will be reported to Cabinet on 13th November for its subsequent recommendation to Council. The final decisions will be taken by full Council in December.

6. Related Decisions

- 6.1 None

7. Relevant Council Policies/Strategies

- 7.1 Corporate Plan 2014/19
- 7.2 Equality and Diversity Policy

8. Implications

- 8.1 **Resources:** The Council and all preceptors continue to face significant financial challenges to meet savings targets in order to meet the impact of continued reductions in government grants.
- 8.2 Profiling of the existing Council Tax Reduction caseload has been undertaken using a forecasting module and the proposed changes suggest that the overall cost of the scheme will be broadly in line with current expenditure.
- 8.3 The estimated current Council Tax Reduction Scheme expenditure is £6.7m with a caseload of 8,821. There are 3,999 pension age claimants and the total pension age expenditure is £3.6m. There are 4,822 working age claimants and the total working age expenditure is £3.1m. The income changes for working age claimants migrating to Universal Credit are unknown and therefore the profiling that has been carried out is based on existing legacy benefits across the current working age caseload. The predicted expenditure is therefore subject to change when claimants migrate from legacy benefits to Universal Credit. Based on the existing caseload, these proposed changes could increase expenditure by £34,661. Any increase or reduction would be shared amongst all Major Preceptors. The estimated cost to Wyre Forest District Council (13%) would be £4,505.
- 8.4 It is not possible to determine how much Government funding is received as the funding for local schemes is now included in the Revenue Support Grant, that will be completely phased out by 2020/21. It is therefore essential that the cost of the scheme is kept as low as possible to avoid the burden of additional costs on this Council that will widen the already significant funding gap.

- 8.5 Where an individual may suffer exceptional hardship, the scheme will include provisions to allow for additional support to be given.
- 8.6 There is a cost to upgrade the computer system in order to administer an income banded scheme. This includes a one off cost of approximately £40,000 and annual maintenance of approximately £8,000. The initial cost would be paid for from existing reserves.
- 8.7 **Equalities:** An initial equality impact assessment has been undertaken and, due to the negative impact on age, people with disabilities and poverty within the district, a full equality impact assessment has been undertaken. The negative equality impacts have been identified and can be mitigated by the continuation of the exceptional hardship fund for those affected. Disabled claimants will be protected by ensuring an additional disregard is applied. The full equality impact assessment can be found in Appendix Two.
- 8.8 **Partnership working:** No direct implications from this report
- 8.9 **Human Rights:** No direct implications from this report
- 8.10 **E-Government:** No direct implications from this report
- 8.11 **Transformation:** No direct implications from this report
- 8.12 **Risk Management:** Universal Credit will create more work to administer the Council Tax Reduction Scheme. The proposed changes have been suggested to reduce the need for more resource to accommodate this additional workload.
- 8.13 The profiling has been carried out on the existing Council Tax Reduction Scheme caseload which only has a very small number of claimants who are in receipt of Universal Credit. Until Full Service Universal Credit is rolled out from 14th November 2018, will the Council be in a position to realise fully what the impact on administration and Council Tax collection rates will be.
- 8.14 These risks can be mitigated by closely monitoring the collection rates, particularly against those in receipt of Council Tax Reduction. The Council's exceptional hardship fund will also mitigate the impact for working age people in severe financial hardship and this will be actively promoted across all front line teams to support claimants to apply for help when needed.

9. Equality Impact Needs Assessment

- 9.1 A full equality impact assessment has been undertaken and there is deemed to be a negative impact on age, people with disabilities and poverty within the district. These negative equality impacts that have been identified can be mitigated by the continuation of the exceptional hardship fund for those affected as well as the proposed disregard applied to disabled claimants.

10. Wards affected

10.1 All wards.

11. Appendices

- 11.1 Appendix One – consultation comments
- 11.2 Appendix Two – profiling data and possible impacts
- 11.3 Appendix Three – Equality Impact Assessment (full)

12. Background Papers

Council Tax Benefit Reform, Overview and Scrutiny Committee 8th November 2012
Council Tax Benefit Reform, Cabinet 12th November 2012
Council Tax Benefit Reform, Council 21st November 2012
Welfare Support Fund, Cabinet 23rd June 2015
Review of Council Tax Reduction Scheme, Cabinet 10th November 2015
Council Tax Reduction Scheme Review 2016-17, Council 9th December 2015
Council Tax Reduction Scheme Review 2017/18, Cabinet 4th October 2016
Council Tax Reduction Scheme Review 2017/18, Overview and Scrutiny Committee 3rd November 2016
Council Tax Reduction Scheme Review 2017/18, Cabinet 22nd November 2016
Council Tax Reduction Scheme Review 2017/18, Council 14th December 2016
Council Tax Reduction Scheme Review 2019/20, Overview and Scrutiny Committee 5th July 2018
Council Tax Reduction Scheme Review 2019/20, Cabinet 17th July 2018

Officer Contact Details:

Name	Lucy Wright
Title	Revenues, Benefits and Customer Services Manager
Contact Number	Ext 2948
Email	lucy.wright@wyreforestdc.gov.uk

APPENDIX ONE

Additional comments received against each proposed change:

<p>Q1. Introduce an income grid scheme for all working age applicants</p> <ul style="list-style-type: none"> <i>A fair system where people on benefits are treated just the same as working class individuals and families. Why should working class people have to foot the bill more?</i> <i>Increase council tax for properties to pay for this</i> <i>Forcing too many claimants into debt</i> <i>Agreed but protection of severe disability premium for vulnerable disabled claimants must be adhered to. The loss of this premium is already forcing claimants into debt. There must be safeguards in place.</i> <i>Agree in principle but income would still have to be verified so calculations still applicable; what about capital? Not everyone will be in receipt of Universal Credit so income calculations will still have to be made.</i> <i>Not sure but people with more children should not suffer</i> <i>I think all income and benefits should be taken into account no matter what they are. All income should be taken into account. Some people on benefits get full council tax reduction and housing benefit when they have more non taxable income than people in full time work and who are struggling to pay rent and council tax every month.</i> <i>There should be more protection for people on a low income</i> <i>I would like to see 100% discount for people for the lowest income households</i> <i>Don't fix something that isn't broke</i> <i>No reduction unless properly disabled or have served in the forces. I pay full, so should every other able bodied person</i>
<p>Q2. Limit the number of dependant children within the calculation for Council Tax Reduction</p> <ul style="list-style-type: none"> <i>Take on more staff for administration thus increasing employment.</i> <i>Forcing too many claimants into debt. Penalties imposed will not help those in debt.</i> <i>Stop picking on the worst off in society. Larger families, single parents etc. If necessary put up the council tax for the rest of us.</i> <i>I am mindful of child poverty and its associated problems. We have county council money set to improve the County's situation but would limiting council tax discount to larger families create more problems in other areas where the council are trying to tackle this and the associated problems?</i> <i>As long as it isn't too difficult to apply for above</i>

- *All dependants should be included*
- *There needs to be a cut off point like there was with tax credits, say babies born after 1st April 2019 or so onto suddenly cut a families entitlement will cause more hardship if they don't meet the criteria for the hardship help.*
- *Penalising a family with more than 2 children is wrong. Especially if a family has twins.*

Q3. Remove non dependant deductions

- *If they are adults they should pay a contribution*
- *Do not agree that working non-dependants do not contribute*
- *Household adults should make a contribution*
- *Don't stop taking money from residents that can afford it*
- *Agree in principle with this, especially as the government is promoting schemes for up to 25 year olds to stay at family home (i.e relief on council tax annexes. There are also disadvantages of under 25s living on their own (with current shared accommodation rate etc) so this in principle would support government's schemes and current directives.*
- *Working non dependants should contribute.*
- *Non dependant person should be looking for jobs.*
- *Why reduce money for more than 2 children but withdraw charge for non dependants.*
- *The whole thing needs to be income/means tested. Number of people in a property doesn't always mean higher income.*
- *Great to remove it but as long as it doesn't increase costs to every family.*
- *Don't know but families should not be penalised for having more than 2 children.*

Q4. Change the claim process for Universal Credit claimants

- *Short form for them to claim. What will you do when they say they didn't know they were claiming? How do you know UC is correct?*
- *If people don't apply that's their fault. People need to take responsibility for their own financial circumstances.*
- *DWP gets claims wrong frequently, stick with the old system and publish the need to claim separately.*
- *Universal Credit has been shown to be unsuccessful to some of the most vulnerable people. It needs to be scrapped.*
- *But adding costs is wrong – I'd much rather do a simple form than be charged for my information being passed on.*

Q5. Introduce a standard earnings disregard

- *Again penalising those with children who could be forced into child poverty the people with more children probably don't have the time to fill*

<p><i>in additional support forms.</i></p> <ul style="list-style-type: none"> • <i>Agree in principle as £25 disregard is the high end of the disregard scale so yes, couples, singles and lone parents will all benefit but unsure regarding child care costs not being assisted. This may mean the difference in a lone parent going out to work or not as child care will become an impossible option and the 'catch 22' scenario may hinder some families in this situation. We must at all costs encourage parents to work to better themselves.</i> • <i>Keep the existing one</i> • <i>People with children under 3 who are in work often have high child care costs. Removing this disregard will make it no longer beneficial to work. They receive the child care money as an element of their tax credits specifically to be used for child care costs. It should not be considered income.</i> • <i>Larger families being penalised...especially when both parents working and extra help with child care.</i> • <i>Will these mean families with more children lose out?</i>
<p>Q6. Disregard carer's allowance</p>
<ul style="list-style-type: none"> • <i>All income no matter what type should be taken into account</i> • <i>Adding costs is not necessary</i>
<p>Q7. Make it easier for students to claim</p>
<ul style="list-style-type: none"> • <i>Adding costs is not necessary</i> • <i>Students do not have funds to pay out when on loans etc., they should have no council tax to pay.</i>
<p>Q8. Remove the Extended Payments provision</p>
<ul style="list-style-type: none"> • <i>Can put off people moving into work or make it harder for them we should be supporting as much as we can tax businesses.</i> • <i>Forcing people into debt.</i> • <i>When customers have found work after 26 week period on passported benefit, their financial situation has obviously worsened whilst not in work, so to stop this extended payment period would hinder our customers getting back on their feet, and their ability to pay off debts and bills whilst on benefit. I understand there have been problems on the system for administering Extended Payments, but for the sake of a simple check for being on benefit for 26 weeks, the administration to put Extended Payments into play is quite straightforward. If the customer is eligible for the extended payment, certain criteria have to be met, i.e. for the job to last 5 weeks etc., so there is good chance that no council tax discount would be necessary once in full time employment anyway.</i>

<ul style="list-style-type: none"> <i>It enables people to sort out their finances when starting a job. If people think they're going to be in debt from the start, why would they do it.</i>
Q9. Use date of claim/change for changes to entitlement
<i>No comments received</i>
Q10. Simplify the capital rules
<ul style="list-style-type: none"> <i>Should be lower - £3k</i> <i>Someone with under £12k savings is not exactly a millionaire.</i> <i>To establish if capital falls within £6k - £12k will still take some administration/ assessment time but less council tax reduction paid out in the end if over the £6k so I am undecided on this point.</i> <i>The capital limit of £6k is too low. Should either stay as it is an taper it from £12k to £6k or raise the limit to £12k.</i> <i>Someone should not be penalised for being responsible with their money.</i>
Q11. Protect disabled claimants with an additional disregard
<ul style="list-style-type: none"> <i>Providing financial support to people with long term health conditions or disabilities must be paramount.</i>
Any other comments to add?
<ul style="list-style-type: none"> <i>A fair system for all</i> <i>The introduction of Universal Credit has received poor reviews in areas implemented. We must provide for disabled and vulnerable people in our society and remove the stigma that has been attached to those who rely on benefit payments.</i> <i>Whatever system you introduce is unfair to shift the cost onto the least well off in the community</i> <i>I think generally the scheme should be amended</i> <i>Need to be overall fair on people with kids, disabilities, retired and working people</i> <i>Council tax is ridiculous. I am a single parent, I work 20 hours a week, I pay full rent and full council tax because my daughter's dad lives here (we are not a couple) he doesn't work and because I was previously on housing benefit before he moved in, I signed off that and decided to pay full rent so we were covered legally. I pay £135 council tax a month when I only earn £666 a month. My rent is £435 a month also this leaves very little spare for bills and to make ends meet. A reduction in council tax would benefit me and my child massively.</i> <i>I would like to see a 100% category for those least well off. Some of our youngest customers live on just over £50 a week. Expecting them to pay anything is unrealistic. They are usually very young and vulnerable and should be given special consideration.</i>

- *Don't penalise people for actually saving their money. Majority need £6k for if a boiler or major household problem happens. Savings should not be spent on costs when someone should be entitled for help especially singles with dependants.*
- *Simple and effective. Brilliant idea.*
- *Transferring to Universal Credit should be a choice for claimants who are unable to work.*
- *People with a dependant under 16 should pay maybe half the council tax for their band. I would be comfortable with this proposal if considered.*
- *Current changes being implemented by the DWP are already forcing claimants into debt often reductions taking place with no explanation.*
- *I personally would see council tax scrapped as there is little loopholes around not paying it but because I have severe anxiety I just pay it for a quiet life as receiving debt letters sets me over the edge. However we shouldn't have to pay for council services when many of us don't even use them in the first place. Bin collections and such should come as standard and be included as part of your rent along with other services.*

APPENDIX TWO

Profiling data and possible impacts

The current cost of the Council Tax Reduction Scheme for working age claimants is £3,087,623.

Moving to an income grid scheme based on the information detailed in the report estimates expenditure for working age claimants would be £3,122,284 meaning overall increase in expenditure of £34,661 which is a 1.1% increase. Any increase (or reduction) in expenditure will be shared amongst all preceptors. It is important to note that profiling has been undertaken on the current caseload and is based on existing income and circumstances which is subject to constant change. The effect on household income when Universal Credit is rolled out is not yet known so these numbers are subject to change as and when a household income or circumstance changes, including the transition to Universal Credit from legacy benefits.

The table below shows the estimated number of current Council Tax Reduction Scheme claimants that may be affected by the proposed redesigned income grid scheme together with the financial impact against each criteria. Families have been broken down into couples and lone parents.

	Estimated number of increased awards	Estimated number of reduced awards
Total number of cases	1,059	533
Total value	£ 172,924	£ -138,263
Single people – number of cases	336	116
Single people - value	£ 58,497	£ -25,075
Couples - number of cases	61	40
Couples - value	£ 6,970	£ -10,507
Couples +1 child – number of cases	65	29
Couples + 1 child – value	£ 8,552	£ -2,764
Couples 2+ children – number of cases	141	185
Couples 2+ children - value	£ 12,551	£ -62,741
Lone Parent +1 child – number of cases	235	26
Lone Parent +1 child - value	£ 45,830	£ -5,374
Lone Parent 2+ children – number of cases	221	137
Lone Parent 2+ children - value	£ 40,524	£ -31,802

There are currently 4,822 working age households in receipt of Council Tax Reduction Scheme.

1,059 of these (22%) may benefit from moving to an income grid scheme and 533 (11%) may have a reduction in their award. This does not mean they will not be entitled to any reduction, but that their entitlement may be less. The group most likely to be affected by a reduction is couples with 2 or more children and

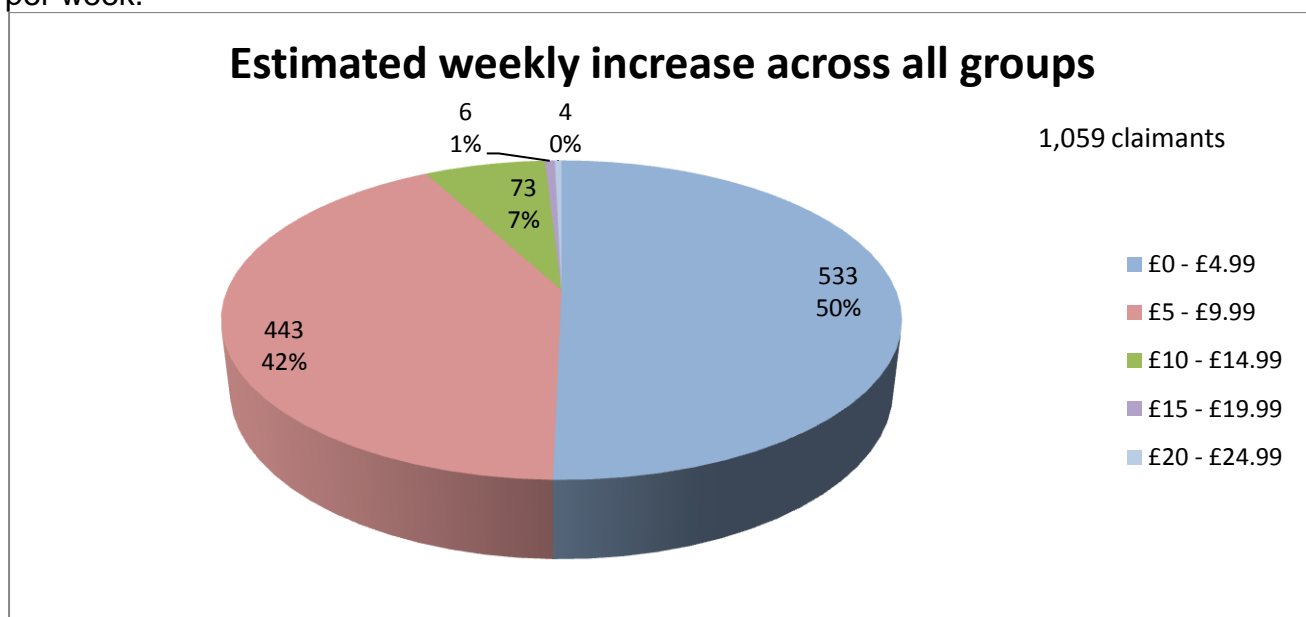
the group who are likely to benefit because of an increase in award are single people as shown in the following charts.

The following table breaks the profiling down further and estimates what level of Council Tax reduction existing claimants may receive based on the income grid outlined in the body of the Cabinet report. This shows that the vast majority (78%) of low income households are likely to continue to receive an 80% reduction in their Council Tax.

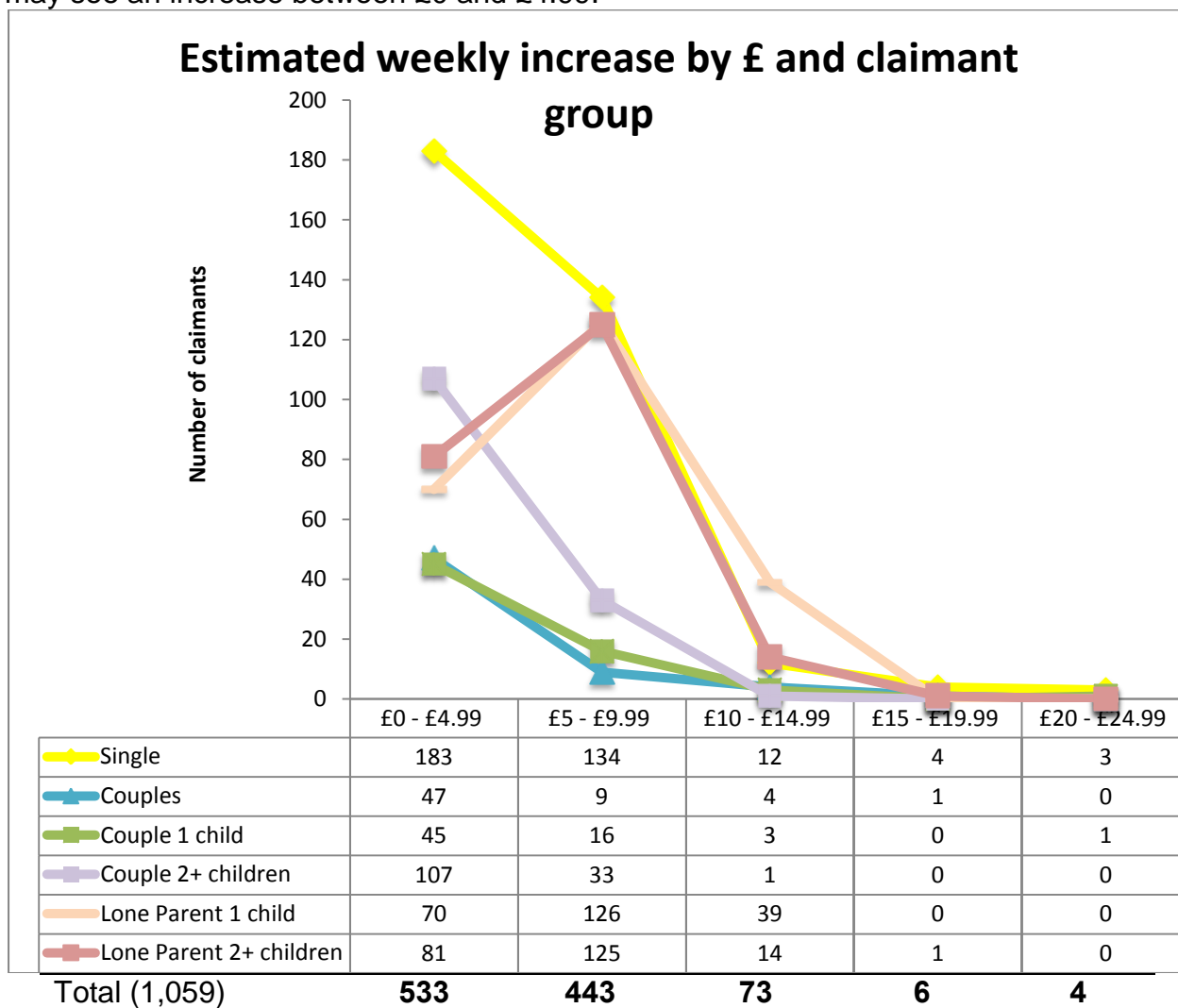
INCOME GRID BANDS	BAND 1 (80%)	BAND 2 (60%)	BAND 3 (40%)	BAND 4 (20%)	Will no longer qualify	Total
Cases	3,785	430	231	145	231	4,822
% of caseload	78%	9%	5%	3%	5%	
Expenditure	£ 2,829,722	£ 195,680	£ 73,420	£ 21,464	£ 1,997	£ 3,122,284
Single	1,827	131	50	31	50	2,089
Couples no children	361	13	28	12	12	426
Couple +1 child	132	24	16	13	13	198
Couple 2+ children	311	44	60	42	92	549
Lone parent +1 child	535	127	27	13	15	717
Lone parent 2+ children	619	91	50	34	49	843

Estimated increase in awards:

The following charts show a breakdown of how the 1,059 claimants might see an increase in their level of council tax support. This has been broken down in financial ranges which show that 50% may get an increase in their award between £0 and £4.99 per week and a further 42% might see an increase of between £5 and £5.99 per week.



The chart below shows the largest client group that may see an increase in award if moving to the proposed income grid scheme are single claimants. 533 people may see an increase in their award of between £5 and £9.99 followed by 443 people who may see an increase between £0 and £4.99.

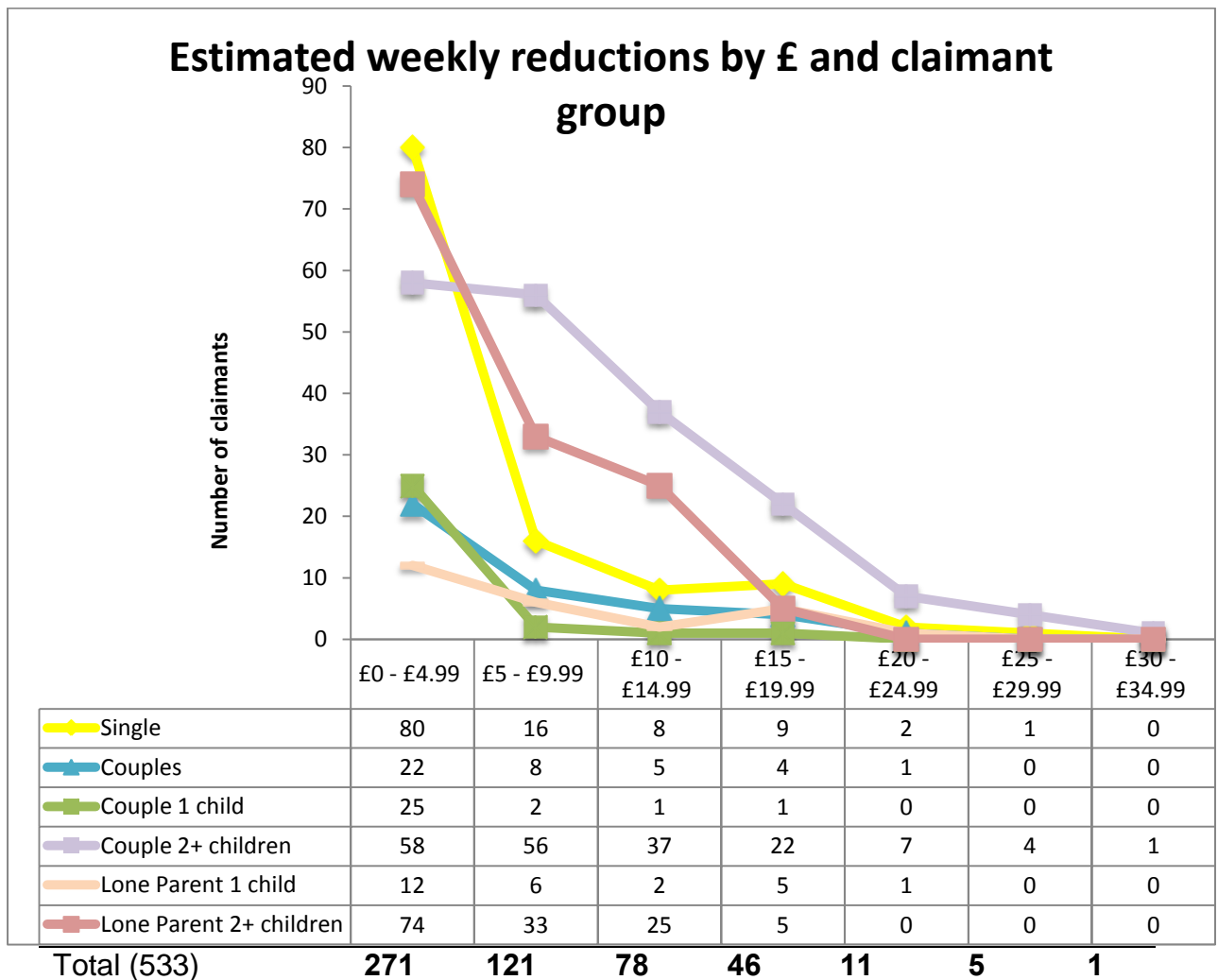
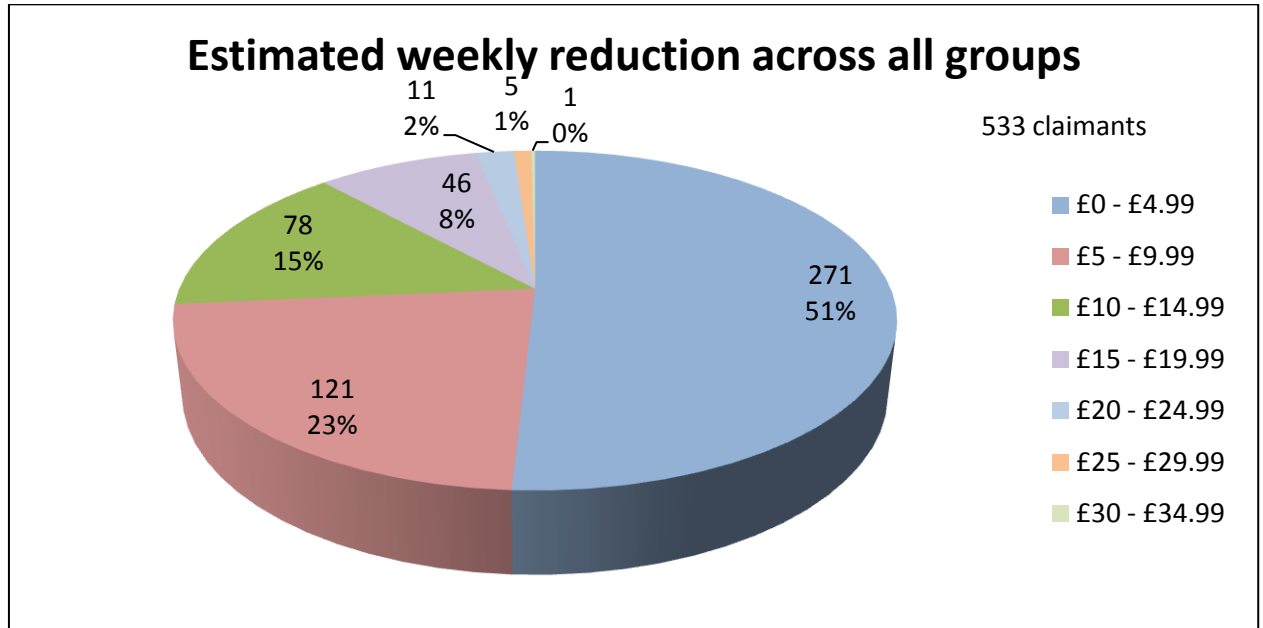


This has been broken down further by Council Tax band and claimant group as shown below:

Council Tax Band	Single	Couples	Couple +1 child	Couples 2+ children	Lone parent +1 child	Lone parent 2+ children	Total	As %
A	184	33	18	53	87	74	449	42%
B	108	20	32	61	107	103	432	41%
C	28	6	8	21	28	37	128	12%
D	8	2	3	5	10	5	33	3%
E	4	0	2	0	3	0	9	1%
F	4	0	1	0	0	2	7	1%
G	0	0	0	1	0	0	1	0%
Total	336	61	65	142	235	221	1,059	

Estimated reduction in awards:

The following data shows a breakdown of how the 533 claimants might see a reduction in the level of council tax support received and has been broken down into financial ranges:

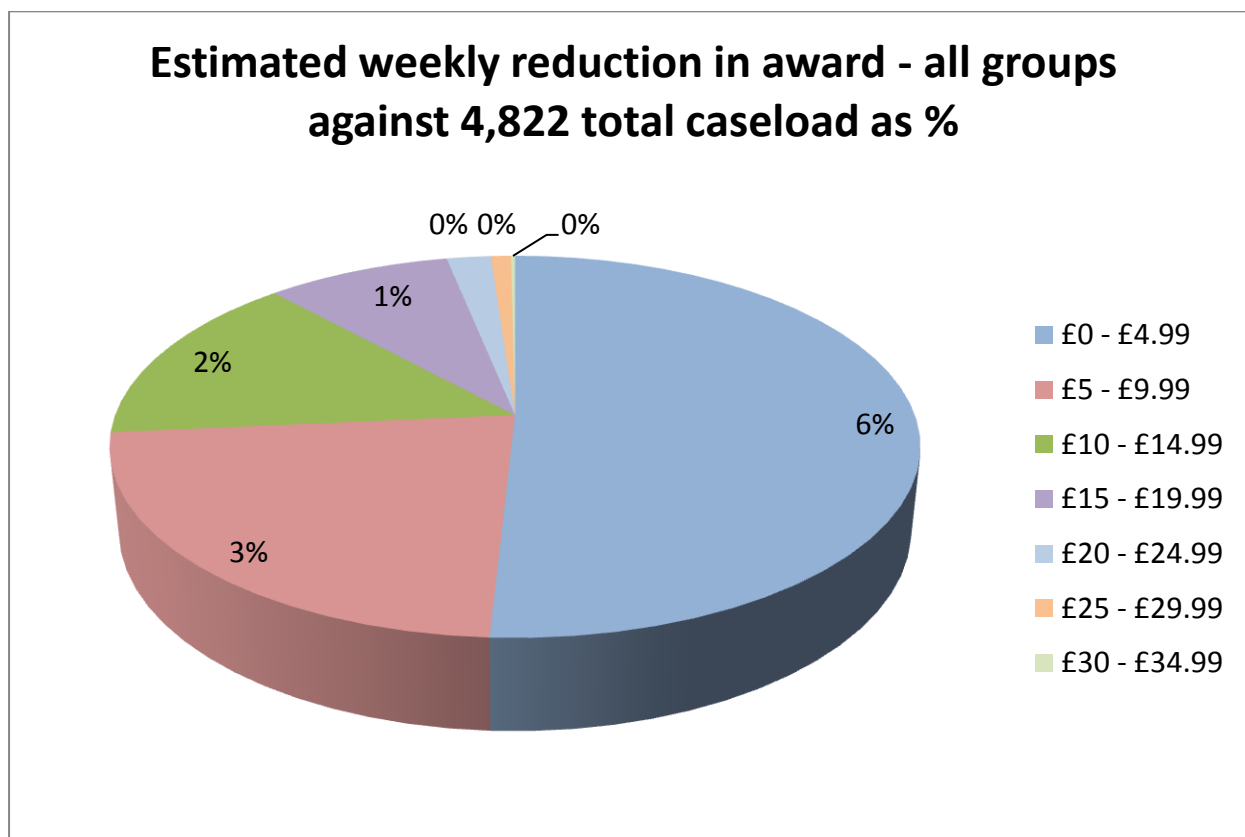


The previous chart shows the client group most affected by moving to a proposed income grid scheme that may see a reduction in their award would be couples with 2 or more children. The majority of couples (58) may see a reduction of between £0 and £4.99 a week closely followed by 56 couples who may see a reduction between £5 and £9.99 a week.

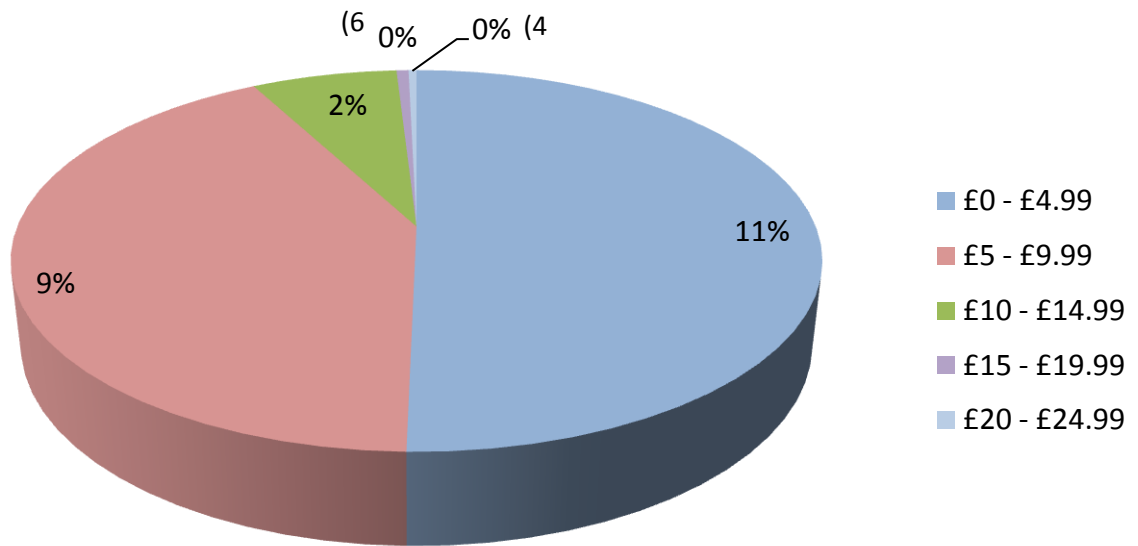
This has been broken down further by Council Tax band and claimant group as shown below:

Council Tax Band	Single	Couples	Couple +1 child	Couples 2+ children	Lone parent +1 child	Lone parent 2+ children	Total	As %
A	65	19	5	52	13	49	203	38%
B	28	10	16	72	11	65	202	38%
C	11	8	5	45	0	20	89	17%
D	8	2	1	10	1	1	23	4%
E	0	0	1	4	1	0	6	1%
F	1	1	1	1	0	2	6	1%
G	3	0	0	1	0	0	4	1%
Total	116	40	29	185	26	137	533	

The following charts summarise how existing claimants are likely to be affected as a percentage of the overall working age caseload:



**Estimated weekly increase in award - all groups
against 4,822 total caseload as %**



Full Equality Impact Assessment- EIA

An EIA is a way of finding out if:

- Our services are accessible to service users and employees.

An EIA helps us to make sure that:

- Our functions and policies do not have a negative impact or discriminate in any way against any members of our local community.

A Full EIA needs to work through the following stages:

- ↓ **Establish clear aims & objectives-** What is the purpose? Who will benefit? What are the intended outcomes?
- ↓ **Consideration of data & information-** National & local data; service data; satisfaction/feedback data; complaints; research
- ↓ **Assessing the impact-** Who does/does not use service? Have you consulted? Does it reflect varied needs of community?
- ↓ **Reviewing/Scrutinising the impact-** Is there a differential impact on different groups? Is it adverse? Is it directly or indirectly discriminatory? *Show justification if applicable*
- ↓ **Addressing the issues-** Measures to alleviate impact; alteration to policy; action plans
- ↓ **Formal consultation-** Use appropriate methods; consult those affected or with legitimate interest; consult widely; ensure consultation is open, inclusive & accessible
- ↓ **Making a decision-** Explain decision & intended effects/benefits; monitor any actions
- ⇒ **Publication of results-** Accessible & user friendly; add website & intranet; notify consultees

Name of service or policy being assessed	Proposals to make changes to the Council Tax Reduction Scheme to move from a means tested assessment to an income banded reduction scheme from 2019/20.		
Directorate	Resources	Is this a new or existing service or policy?	New/ Existing
Officers completing the assessment	Lucy Wright-Revenues, Benefits & Customer Services Manager	Director	Tracey Southall – Director of Resources
Date	October 2018	Relevant Cabinet Member	Cllr Nathan Desmond - Cabinet Member for Resources

<p>Establish clear aims & objectives</p> <p>What is the purpose and expected outcomes?</p>	<p>The Council Tax Reduction Scheme (CTRS) provides assistance to people on low incomes to help them pay their council tax.</p> <p>When council tax benefit was abolished and replaced by localised council tax schemes in 2013, central government protected pensioners with a view that they are unable to take advantage of employment and unable to alter their financial situation.</p> <p>The proposed alterations to the scheme will continue to protect pensioners who will get the same level of council tax support as they do now. The proposals to change the CTRS from 2019/20 are as follows:</p> <ul style="list-style-type: none"> • Move to an income banded scheme instead of a means tested benefit. Claimants will fall into one of 4 bands depending on their household income. The grid has been developed to include single people, couples, families with 1 child and families with 2 or more children. Each band has 4 income brackets which entitles the claimant to either a 80%, 60%, 40% or 20% reduction in their Council Tax. • The scheme allows for variation in the size of the household as the levels of income per band increase when an applicant has a partner and/or dependants. • The proposed scheme does not apply a deduction for non-dependants living in the household. This is a significant change which will benefit those with non-dependants living in the household while simplifying the scheme for administration purposes such as low income households with adult children who live at home. • A standard earnings disregard will be applied across all claimants of £25. This will encourage people to move into work. • Current income disregards will continue such as Disability Living Allowance, Personal Independence Payments, the support component of Employment Support Allowance, Carer's Allowance, war pensions, war disablement pensions, child benefit and child maintenance payments. • The capital limits before entitlement is stopped will be £6,000. • Extended payments and student provisions will be removed.
---	--

Will there be any effect on other council procedures or strategies e.g. Corporate Plan or the <u>council's workforce</u> ?	None
Are there any statutory requirements or implications?	The Local Government Finance Act prescribes details of the scheme to be used for pension age applicants under the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012. Certain aspects of the scheme for working age applicants are also included within those regulations.
Are there any other organisations / bodies involved?	None
Consideration of data & information National & local data; service data; satisfaction/feedback data; complaints; research that is being used	<p>Due to changes made by central government from 2013 all local authorities were required to create a local scheme to replace council tax benefit. If the Council wish to consider making any changes to the scheme, there is a legal requirement to undertake a consultation.</p> <p>A public consultation was carried out between 23rd July and 28th September 2018. All comments are included in the Cabinet report dated 13th November. There were no comments that required inclusion in the equality impact assessment. 95% of respondents agreed to protect disabled claimants with an additional disregard.</p>
Assessing the impact Who does/does not use service? Have you consulted? Does it reflect varied needs of community?	<p>All households are liable to pay council tax. However the level of financial support they receive is up to the Council to decide under their local scheme regulations.</p> <p>The current scheme provides 100% support for low income pension age claimants and 80% support for low income working age claimants, meaning all working age households have to pay a minimum of 20% of their council tax bill.</p> <p>The Cabinet stated that they were not minded to change the level of support for working age claimants before 2019/20 however central Government have made changes to housing benefit, tax credits and universal credit. The proposed changes will affect some claimants – 22% of households may see an increase in their entitlement while 11% may see a reduction due to their income levels.</p> <p>The current Council Tax Reduction Scheme working age caseload is approximately 4,822.</p>

What impact does the service / policy / project have on the nine protected characteristics as defined by the Public Sector Equality Duty 2010 – for definitions, please see overleaf.	
Reviewing/Scrutinising the impact	
Is there a differential impact on different groups? Is it adverse? Is it directly or indirectly discriminatory? Show justification if applicable	
1. Age	<p>Negative/Positive</p> <p><u>Evidence:</u></p> <p>While the changes will impact negatively on some new working age claimants the majority will be affected positively as they will receive more entitlement whereas pensioners are protected so the impact is not considered to be significant. The retention of a discretionary exceptional hardship fund that will support low income working age claimants will mitigate the impact on working age households that are unable to pay the liability or who are detrimentally affected.</p> <p>Current caseload shows that 50% of our caseload is working age and 50% are pensioners.</p>
2. Disability	<p>Positive/Negative</p> <p><u>Evidence:</u></p> <p>The proposed changes to the scheme ensures disabled claimants will be protected by continuing to disregard disability income in addition to increasing claimants' income bands.</p> <p>There are 285 disabled claimants within the caseload profiled. 186 claimants should see no impact as they will continue to be protected. 67 claimants will benefit from the proposed changes and 32 claimants could see a reduction in the support they receive. Any increases/reductions in levels of support will not be due to disability but due to other changes proposed that will apply to all claimants.</p>
3. Gender Reassignment	<p>Positive/Negative</p> <p><u>Evidence:</u></p> <p>No impact</p>
4. Marriage and Civil Partnership	<p>Positive/Negative</p> <p><u>Evidence:</u></p> <p>No impact</p>
5. Pregnancy and Maternity	<p>Positive/Negative</p> <p><u>Evidence:</u></p> <p>No impact</p>
6. Race	<p>Positive/Negative</p> <p><u>Evidence:</u></p> <p>No impact</p>
7. Religion or belief	<p>Positive/Negative</p> <p><u>Evidence:</u></p> <p>No impact</p>

8. Sex	Positive/Negative <u>Evidence:</u> No impact		
9. Sexual orientation	Positive/Negative <u>Evidence:</u> No impact		
Other e.g. Deprivation, health inequalities, urban/rural divide, community safety.	Negative <u>Evidence:</u> Council Tax Reduction is a discount that is available to low income households. It is on this basis that all working age recipients would be at a socio-economic disadvantage in particular lone parents, part-time workers and carers. The retention of a discretionary exceptional hardship fund that will support low income working age claimants will mitigate the impact on working age households that are unable to pay the liability or who are detrimentally affected by the proposed changes.		
Can any differential impact be justified? (e.g. promoting equality of opportunity)	Y	N	<u>Evidence</u> When creating the local scheme, the Council have given due regard to central government's stipulation that people of pension age must be protected. In a public consultation undertaken in 2012, the principle of 'Every household with working age claimants should pay something' was agreed by 84% of respondents and this became a principle embedded into our scheme. A further consultation was undertaken in 2015 and there were no objections raised to this principle which ensures a degree of fairness as it applies across all groups who are of working age. The scheme is devised to incentivise working age people to seek employment. For those who are in severe hardship or unable to increase their income, the Council manages a discretionary hardship fund to support them following a detailed review of the individual's and household's circumstances.
Does any adverse impact amount to unlawful discrimination?	Y	N	<u>Evidence</u> Any adverse impact can be mitigated through the use of the discretionary hardship fund.
What alternative actions could be taken to mitigate any adverse impact? <i>(add these to the action plan)</i>	Continuation of the exceptional hardship fund to support those in financial need.		

Addressing the issues

Measures to alleviate impact; alteration to policy; action plans

ACTION PLAN

Impact	Action required	Lead Officer	Timescale	Comments
Financial pressure applied to low income families	Ensure all staff promote applications for the exceptional hardship fund to provide support to those in financial need	Lucy Wright	Ongoing	
	Continuously monitor the impact of the changes together with take up of the exceptional hardship fund.	Lucy Wright	Monthly	Monthly analysis of collection rates for CTRS caseload
	Report the number of applications/awards made against the exceptional hardship fund	Lucy Wright	Monthly	Data to include expenditure to date to ensure adequate financial provision is made
Action Plan to be reviewed:	Date November 2019			

Formal Consultation

What formal consultation has been undertaken?	Public consultation held in 2012, 2015, 2016 and 2018 as detailed above.
---	--

Making a Decision

Explain decision & intended effects/benefits; Can the service/policy proceed?	The Council was required to replace council tax benefit with a local scheme with the requirement that pensioners are to be protected. It is inevitable that there will be negative equality impacts. As a result however this is mitigated by the creation and continued use of an exceptional hardship fund
How will the service/policy / actions be monitored and reviewed? (please give timescale)	Continuous and ongoing monitoring of council tax collection rates with specific reference to CTRS claimants, numbers of reminders & summonses issued and number of exceptional hardship applications

Publication of results		
Accessible & user friendly; add website & intranet; notify consultees	To be published following full Council decision in December 2018	
Signed Lucy Wright – Revenues, Benefits & Customer Services Manager	Date 8 th October 2018	
Agreed by Director of Service Tracey Southall	Date 8 th October 2018	

Prior to the Equality Act 2010, there were 3 separate public sector equality duties covering race, disability and gender. The Equality Act 2010 replaced these with a new single equality duty covering the following protected characteristics:

Protected characteristics: definitions

Age - where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Disability - a person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Gender reassignment - The process of transitioning from one gender to another.

Marriage and civil partnership - marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters.

Pregnancy and maternity - pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Race - It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Religion and belief - religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism).

Sex - a man or a woman.

Sexual orientation - whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes

2018-2019 Work Programme

June 2018

“How are we doing?” Q4 update (Housing and Planning)
Wyre Forest District Local Plan Review: Revised Local Development Scheme (Project Plan 2018-2020)
Recommendations from the PACT Review Panel
Tracking Recommendations 2017/2018

July 2018

The Environmental Offences (Fixed Penalties) (England) Regulations 2017
Affordable Housing Review Panel – Conclusions and Recommendations
Domestic Abuse Pledge “Make a Stand”
Lion Fields Future Phases Development
South Kidderminster Enterprise Park: Revised Local Development Order, August 2018
Council Tax Reduction Scheme Review 2019/20
Acquisition of Land in Market Street, Kidderminster (Appendix 2 EXEMPT)
Nominations for the Treasury Management Review Panel
EXEMPT Industrial Unit Investment Business Case

September 2018

“How are we doing?” Performance update
Homelessness Strategy Refresh
Annual Report on Treasury Management Service and Actual Prudential Indicators 2017-18
Cookley and Caunsall Neighbourhood Plan Area Designation
Asset Transfer of Spennells Changing Rooms and Adjacent Parcel of Public Open Space
EXEMPT Depot 2020 Masterplan – Improve and Invest

October 2018

4th

Climate Change Action Plan Update
Health and Wellbeing Action Plan Update

25th (Special Meeting)

Local Plan Pre Submission Consultation

November 2018

“How are we doing?” Performance update
Recommendations from the PACT Review Panel – Draft Action Plan
Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2018-19
Housing Assistance Policy
Council Tax Reduction Scheme Review 2019/20

December 2018

Future catering arrangements at Wyre Forest House
Lion Fields Parcel 4 - Delivery Options
North Worcestershire Economic Development & Regeneration Service

February 2019

“How are we doing?” Performance update
Treasury Management Report for 2019/20
Annual Review of the North Worcestershire Community Safety Partnership 2018/19
Capital Strategy

Review Panels

June – July 2018: Review of service standards for highways maintenance inc grass cutting / weed control

September – November 2018: Review of civil enforcement issues - PSPO

October – December 2018: Review of civil enforcement issues - Parking

November 2018: Re-convened Affordable Housing Review Panel