Cabinet

Members of the Cabinet

Mr J Fuller 
Chairman

Mr M Wilby 
Vice-Chairman

Portfolio Holders

Mrs Y Bendle 
Housing and Public Health

Mr D Bills 
Innovation and Efficiency

Mr K Kiddie 
Environment and Regulation

Mr G Wheatley 
Finance and Resources

Group Meetings

Conservatives: 
Cabinet Office  8.00 am

Liberal Democrats: 
Kett Room  8.15 am

Agenda

Date
Monday 17 September 2012

Time
9.00 am

Place
Cavell and Colman Rooms
South Norfolk House
Swan Lane
Long Stratton Norwich
NR15 2XE

Contact
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If you have any special requirements in order to attend this meeting, please let us know in advance
Large print version can be made available
AGENDA

1. To report apologies for absence;

2. Any items of business which the Chairman decides should be considered as matters of urgency pursuant to Section 100 B (4) (b) of the Local Government Act, 1972; [Urgent business may only be taken if, “by reason of special circumstances” (which will be recorded in the minutes), the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency.]

3. To receive Declarations of Interest from Members;
   (Please see guidance form and flow chart attached - page 3)

4. Minutes of the meeting held on Monday 16 July; (attached – page 5)

5. Council Tax Support Scheme;
   (report attached – page 23)

   The purpose of this report is to obtain Cabinet approval to go forward to Council with a Council Tax Support scheme. The report outlines the legal requirements and features of the scheme, and, in response to the consultation, how we have responded to this feedback.

6. Technical Consultation on Business Rates Retention;
   (report attached – page 49)

   The Government launched its technical consultation on the Business Rates Retention Scheme in July, requesting responses by the 24 September 2012. This report assesses the implications for the Council of the scheme, based on the proposals within the consultation and provides a summary of the Council’s response which is provided in the appendix.

7. Response to Norwich City Council Regulation 19 (pre-submission stage) Consultation on Site Allocations and Development Management Development Plan Documents (DPDs);
   (report attached – page 83)

   This report looks at the consultation documents and assesses the extent to which our previous concerns have been addressed. It also recommends a response to Norwich City Council which identifies some potential amendments but does not raise soundness objections.

8. Cabinet Core Agenda;
   (attached – page 88)
The purpose of this report is to obtain Cabinet approval to go forward to Council with a Council Tax Support scheme. The report outlines the legal requirements and features of the scheme, and, in response to the consultation, how we have responded to this feedback.

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<tr>
<th>Cabinet member(s):</th>
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<tr>
<td>Yvonne Bendle</td>
<td>All</td>
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Contact Officer, telephone number, and e-mail: Amanda Adams 01508 533773 aadams@s-norfolk.gov.uk

1. **Background**

1.1. As part of the Government’s programme of Welfare Reform the current Council Tax Benefit scheme is going to be replaced by a new scheme called Council Tax Support. Council Tax Benefit is being withdrawn by the Government on 31 March 2013. In line with the Government’s approach to localism and passing greater control and financial risk to local authorities, from 1 April 2013 the Government requires each local Council to set up a local Council Tax Support scheme.

1.2. The Department for Communities and Local Government (CLG) are having to make a £500 million funding cut as part of the Government’s deficit reduction programme. As a result of this Councils will only receive 90% of current funding levels to run the new scheme. The effect of this is that Councils will only be able to afford a scheme which is less generous (saving at least £782,000), unless it can find the money from elsewhere within its budget or through raising council tax. Council Tax Benefit is currently fully funded by Central Government.

2. **Current Position and Issues**

2.1. A working group of elected members was set up to work with officers to develop our approach to the design of our local Council Tax Support scheme. A great deal of work was carried out modelling the effects of possible changes on our caseload of current Council Tax benefit recipients. Officers and members have also worked with other local authorities across Norfolk to share knowledge and
see where we could adopt a similarity of approach, and South Norfolk Council actively lobbied CLG to try and get the best deal possible for our residents and parishes.

2.2. In the spirit of localism, the Government gave little guidance on how they wanted Council Tax Support to operate and gave local authorities flexibility in setting up a scheme to best meet local priorities. However the CLG have made it clear that those claimants of pensionable age must be protected so that they are no worse off because of the change to Council Tax Support. As 56% of our current caseload for Council Tax Benefit are of pension age, managing the 10% overall reduction in funding is an issue at South Norfolk. Members recognised the importance of having a financially sustainable scheme that worked within the lower funding level and didn’t put a financial burden on our other Council Tax payers, or result in service cutbacks. To achieve this, while also meeting the requirement to keep funding support for pensioners at the present level, meant that we would have even less to fund support those of working age.

2.3. Over a series of meetings the member working group set a number of guiding principles. These are that our local scheme would be:

- as fair as possible within the budget constraints
- aligned with rules for other state benefits wherever practical in order for it to be more easily understood, but this will be reviewed on a regular basis
- protects as far as possible those working and with young families
- operationally efficient to manage

3. Proposal and Reasons

3.1. Many options for the new scheme were modelled over the current benefit caseload data and results analysed to see how each met with our guiding principles. After examining 16 different options members selected their preferred draft scheme design option. The proposal was that we consult on the chosen option set as this most closely matched the requirements of the overriding principles agreed in addition to making the necessary savings. Appendix 1 outlines that option with amendments as a response to the consultation.

4. Other Options

4.1. The modelling over the current caseload gave other options which would realise different levels of savings and have varying effects on different households. These were considered, but the preferred option was proposed as it is the option most closely aligned with following the principles of Universal Credit by supporting those in work in addition to our local preferences and needs.

4.2. The option to not implement a new scheme was considered but deemed not viable as that would mean SNC would have to adopt the ‘default scheme’ of operating the same scheme as that of current council tax benefit but with 10% less funding. This is considered unaffordable within the future budget.
5. **Consultation**

5.1. Officers have undertaken extensive consultation. In accordance with the legislation we consulted the major precepting bodies before publishing a draft scheme and then consulted others likely to have an interest in the operation of the scheme. Residents and stakeholders were invited to take part by attending focus groups, complete an online survey or contact us over the phone.

   a) We held a focus group for those who represent residents who may be affected; those invited were from Advice Agencies, Disability advocacy groups, Registered Social Landlords, Private Landlords and Town and Parish Councils. We also attended a Norfolk wide workshop focussing on disability ran jointly with other district authorities.

   b) This scheme has been publicised on our website. We invited around 5,000 people to respond over the period 19 July – 1 September 2012. We had a total of 649 responses which showed support for all of the characteristics of the proposed scheme.

5.2. Although the consultation identified support for all components of the proposed scheme, there were a small number of issues where the majority encouraged members and officers to reflect on the feedback. These issues relate to:

   a) A lack of clarity in respect of how Band restriction would work - so this has been amended to be clearer and fairer; 
   b) The contribution non-dependents can make to a household’s income - so this has been reduced; and
   c) The level of savings held, above which no support should be considered. Members considered this, but restated the wish to be aligned with DWP limits.

5.3. The results of the consultation show that more than 50% of those who responded agreed with the characteristics of the scheme design. Where there was not a significant majority in agreement, the scheme design has been reviewed. The scheme design was outlined and scenarios of how the scheme affected different households were given.

5.4. We have taken notice of the areas where people were unsure of the proposals and have responded by amending the scheme. The number of responses has given us the confidence that we have no need to consult again and can continue with implementation.

5.5. An in-depth analysis of the web consultation is available on the SNC intranet (eLink). Appendix 4 gives an Executive Summary.

5.6. The final scheme is attached at Appendix 1.

6. **Relevant Corporate Priorities**

6.1. Driving services through being businesslike, efficient and customer aware.
7. Implications and Risks

7.1. Financial

7.1.1. A new Council Tax Support Scheme is funded to 90% of the current level by central government. The 10% funding lost to local authorities would be borne by Norfolk County Council (74.6%), Norfolk Police Authority (12.8%), South Norfolk Council (8.6%) and parishes (4.0%). (However, the government is currently consulting on whether parishes should be protected from these changes). If South Norfolk Council decided not to make any changes to the current scheme, the impact on our partner authorities would be significant.

7.1.2. The funding of variations to the cost of the scheme in the future will be shared between the County Council, Police Authority, South Norfolk Council and parishes. It is critical that a new scheme is affordable to these authorities and that any volatility in costs can be absorbed by them.

7.1.3. The new scheme will result in a lower tax base for council tax purposes for major precepting authorities. The government is currently consulting on proposals that would mean that tax base for Town and Parish Councils would continue to be calculated as in previous years.

7.1.4. There is a financial risk if there is a rise in claimant numbers as any increase in the cost of the scheme would fall on SNC. We will need to review the scheme annually to ensure it continues to meet priorities and is affordable.

7.1.5. It is intended that we will have a discretionary fund available for help for those individuals and families for who the scheme has unintended consequences. The policy on use will outline how it will be used as short term help for those in financial crisis rather than long term support. Funding for this may come from additional revenues form reforms of Council Tax but it is envisaged that Norfolk County Council will support this. Adverse effects on residents will be monitored carefully and home visits will continue to give holistic and individual assessment for those requiring advice and support.

7.1.6. The Government is funding the software changes necessary for the implementation of the Council Tax Scheme and there will be the need for staff training, software testing and significant communication with our residents affected between October and the end of December 2012. We need to be operationally ready for the council tax annual billing exercise in January 2013.

7.2. Legal – there will be a legal requirement to make a scheme under the Local Government Finance Act (Section 8 and Schedule 4)
7.3. Equalities - We have assessed our scheme against an equality impact assessment in consultation with the Equalities Officer at Norfolk County Council. The purpose of the analysis within the assessment is to allow Members to make informed choices during the decision making process. Due to the reduction in funding for the scheme there is likely to be a significant impact on residents, some of whom will be vulnerable and the analysis clarifies where this will fall.

8. Conclusion

8.1. Local Authorities are required to design a Council Tax Support Scheme. Officers and Members have developed a scheme which supports this council’s priorities, supports families, incentivises work and is efficient to manage.

9. Recommendations

9.1. Cabinet is requested to recommend to Council the Council Tax Support Scheme as shown at Appendix 1

9.2. Any implications arising from legislation to be reviewed and implemented by the DCE in consultation with the Policy Panel.

10. Background Papers

10.1. Appendix 1 – SNC – Council Tax Support document

10.2. Appendix 2 - Equality Analysis Impact Assessment

10.3. Appendix 3 - Summary of current Council Tax Benefit Scheme

10.4. Appendix 4 - Analysis of Consultation response
South Norfolk Council

Council Tax Support Scheme

1 Background

Council Tax Support is a new scheme to replace the current Council Tax Benefit scheme. Council Tax Benefit is being withdrawn by the Government on 31 March 2013. Council Tax Benefit is currently fully funded by the Government. In South Norfolk we expect to receive nearly £8m for 2012/13 to pay for this.

From 1 April 2013 the Government requires each local Council to set up a local Council Tax Support scheme. Councils will receive only 90% of current funding to run the new scheme. The effect of this is that the overall level of support will have to be reduced, unless Councils decide to find the money from elsewhere in their budgets, or from Council Tax charged to other residents.

Local Councils will also need to budget for any increased amount of Council Tax Support it may have to pay out during the year if more people claim, and for any other knock-on effects.

Localisation of Council Tax Support is part of a wider set of reforms of the welfare system which the Government sees as:

- improving the incentives to work, and
- ensuring resources are used more effectively,
- so reducing worklessness, and
- ending a culture of benefit dependency.

This document has been prepared by South Norfolk Council to explain how our local Council Tax Support scheme for South Norfolk will work.

2 Our approach at South Norfolk

A working group of elected Members was set up to create a scheme that reduces council tax bills for those on low income, without placing an unreasonable burden on our other Council Tax payers. A scheme was designed which went out to consultation from 19 July – 01 September 2012.

The Group believes that our scheme should:

- Be means-tested, with most income taken into account and most outgoings not taken into account
- Provide support for those who work so that they are better off than if they had relied on public funds
- Protect those of pension age and other residents who we consider could not be expected to work

The Group was also keen that our local scheme should:

- Be seen to be a fair and reasonable use of public funds
• Feature rules that are similar to those for other state benefits, to make the scheme easier to understand (although it is appreciated that we will need to review this on a regular basis)
• Be operationally efficient

Evaluation of the consultation results showed a positive response to the design in general and where there was concern or confusion the scheme was amended in response to the consultation.

3 Legal requirements

The Government has set rules which affect how certain groups of people are to be treated under any local authority’s Council Tax Support scheme. These will result in there being no reduction in the level of Support received by many people. However, those whose support level is protected in this way represent a high proportion of all those currently in receipt of Council Tax Benefit. This inevitably means that those who are not protected will receive, overall, more than a 10% cut in support.

Pensioners

In order to protect pensioners on low incomes, the scheme at South Norfolk Council is required to replicate as far as possible the existing provisions under which pensioner eligibility for council tax benefit is assessed.

Under the existing council tax benefit system a person becomes eligible for pensioner-related council tax benefit at the age at which they can qualify for state pension credit (the pensionable age for a woman). Initially South Norfolk Council will follow this rule and adapt accordingly where there are further welfare reform changes.

Other vulnerable people

While making it clear that, in developing Council Tax Support schemes, vulnerable groups should be protected the Government has decided not to prescribe the protection for other vulnerable groups. However, Councils must have regard to the responsibilities defined under:

• The Equality Act 2010 which introduced the Equality Duty. Protected characteristics covered by the Equality Duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
• The Child Poverty Act 2010 – in particular the duty to reduce and mitigate the effect of child poverty in the local area.
• The Housing Act 1996 – in particular the duty to prevent homelessness.
• The Armed Forces covenant

People from abroad

The scheme at South Norfolk Council will apply the same restrictions as exist under the current benefit rules, to exclude foreign nationals with limited immigration status from receiving Council Tax Support.
Appendix 1

Refugees

The scheme at South Norfolk Council will apply the same restrictions as exist under the Council Tax Benefit system to restrict access to Council Tax Support for foreign nationals with limited immigration status (see above). However, South Norfolk Council will continue the practice already established of allowing those who have recognised refugee status, humanitarian protection, discretionary leave or exceptional leave to remain granted outside the immigration rules to be entitled to apply for Council Tax Support as long as their status has not been revoked.

4 The Council Tax Support scheme at SNC

The council has responded to the consultation and amended the scheme as a result. The following is the final scheme.

4.1 Making a claim for support

A claim must be made in respect of a person who is resident in the dwelling concerned, and liable for payment of Council Tax. A valid claim can be made by the resident or by their appointed representative.

Residents will be able to express an interest in claiming via telephone, email, the Council website, in writing or in person at South Norfolk Council offices, or to the Department of Work and Pensions (DWP). A valid claim must then be submitted to South Norfolk Council on an approved form, and be accompanied by the necessary supporting evidence.

If supporting evidence is not available at the time of the claim, it must be supplied within 30 days - otherwise Council Tax support cannot be paid.

At the outset of South Norfolk Council’s local Council Tax Support scheme we do not envisage current Council Tax Benefit recipients needing to make a claim for Council Tax Support. The Government will be putting in place rules for how those cases will transfer into a claim for Council Tax Support. However, as the rules on calculating support will be different under the Council Tax Support scheme a claimant who transfers may then find that they have less or no eligibility to help with their Council Tax bill under the new scheme.

4.2 Date of claim

Council Tax Support will normally be paid in respect of all days from the Monday after contact confirming intention to claim to South Norfolk Council or DWP, or from the start date of liability if the resident contacts us during the week that they become liable.

4.3 Claimant’s household

All residents with their sole or main residence in the dwelling will need to be declared, and information relating to them may be taken into account for the purposes of calculating Council Tax Support.
Council Tax Support can continue to be paid in certain circumstances if:

- The claimant/partner is temporarily absent (but still intends to return), or
- The claimant/partner is fleeing violence

### 4.4 Calculating the claim for support

South Norfolk Council’s Council Tax Support scheme will be a means-tested scheme similar to the current rules for calculating Council Tax Benefit. The key part of this is an assessment of the income and savings compared with the needs of the household.

The following sections deal with how the South Norfolk Support scheme will vary from those Council Tax Benefit rules:

#### 4.4.1 Protect lone parents with children under the age of 5 years

In order to protect lone parents who have children under the age of 5 years, the Council Tax Support scheme at South Norfolk Council will replicate as far as possible the existing provisions under which their eligibility for Council Tax Benefit is assessed.

This means that, in calculating Council Tax Support for claimants with children under 5 years, a more generous scheme will operate to give them greater financial protection. This will ensure that those persons receive the same level of help with their Council Tax bill under the Council Tax Support scheme, as they would have done under Council Tax Benefit. The scheme will be more generous in how it treats parents with children under 5 years compared with most other residents (other than pensioners).

#### 4.4.2 Align ‘working hours’ rules with those for DWP benefits

In order to align South Norfolk Council rules for Council Tax Support with those of DWP, people will qualify for an ‘extra earnings disregard’ if they work 24 hours or more.

This means that somebody working more than 24 hours will have a higher level of income ignored in the assessment of their Council Tax Support. This follows the welfare reform principle of making work pay so that people retain more income for working extra hours.

#### 4.4.3 Treat all maintenance payments as income

Maintenance payments are subject to certain disregards under Council Tax Benefit rules. This will not be the case under our local Council Tax Support scheme. It is the intention of South Norfolk Council that as this is income to the household, those same maintenance payments should be treated as income in the calculation of the Council Tax Support.

#### 4.4.4 Restrict eligible Council Tax

For the purposes of the calculation of Council Tax Support, eligible Council Tax will be restricted as follows:
• those in each of the bands E to H will be treated as living in a band D property
• in all cases the amount of Council Tax eligible for support will be restricted to 85%

4.4.5 Remove entitlement to backdated support

Currently, Council Tax Benefit rules allow up to 26 weeks backdating if there is ‘good cause’ why the claim for benefit was not made sooner.

The Council Tax Support scheme for South Norfolk will not include an option to backdate claims beyond the date of first enquiry for Council Tax Support in respect of that address.

4.4.6 Remove ‘Second Adult Rebate’/Alternative Council Tax Benefit

Currently, Council Tax Benefit rules allow benefit to be awarded to the liable person where a second adult shares their household and this person is on a low income. This second person must not be a partner, joint tenant or a lodger.

The Council Tax Support scheme for South Norfolk in all cases will reflect the income of the claimant(s), and will not be based on the income of any another adult.

4.4.7 Reduction in support for those in receipt of ‘passported’ benefits

For those on ‘passported’ benefits the Council Tax Support scheme for South Norfolk will cap the maximum eligible Council Tax at 80% (after the restriction of eligible Council Tax as above).

Passported benefits for the purposes of the scheme from April 2013 will be: Income Support, Job Seekers Allowance (Income Based), Employment & Support Allowance (Income Related). We anticipate that some recipients of Universal Credit from October 2013 will fall into this category.

In most cases this will mean that working claimants are given greater support. Without this measure the scheme would unfairly disadvantage those who work, which would undermine the principles of Universal Credit. This means that when people return to work on a slightly increased income they are clearly better off.

4.4.8 Adjustment to support levels for non-dependants

Under Council Tax Benefit rules, adjustments are made for non-dependants who share the household. The amount under Council Tax Benefit varies depending upon the level of income of the non-dependant. These adjustments are to reflect an expectation that those non-dependants should be contributing financially to the household, and claimants have a lower eligible Council Tax for Council Tax Benefit as a result.
In this respect the Council Tax Support scheme for South Norfolk will be simpler in its operation, applying only one rate of deduction, at a level of £7.50 for each and every non-dependant, regardless of the income of the non-dependant. This means that if there are two non-dependants the deduction will be £15 per week, for three non-dependants £22.50 per week etc.

As their income will not be taken into account in the calculation, no income details will be requested for non-dependants. Non-dependants for the local Council Tax Support will be persons over 18 years of age for whom child benefit is not paid.

4.4.9 Assessing income for individuals who are self employed

We will need self-employed claimants to evidence that they are self-employed, and provide proof of their income in the form of trading accounts, and balance sheet where possible.

To avoid unnecessary expense to the claimant audited accounts are not mandatory, and a profit and loss form can be supplied by SNC.

Failure to provide a complete record of the income and expenditure of the business will mean that we will treat the claimant as being in receipt of the minimum wage for the number of hours worked.

Where the self-employed claimant demonstrates that they are earning less than the minimum wage from their self-employment the Council Tax Support scheme for South Norfolk will treat their income as being at the level of the minimum wage for the number of hours worked.

4.5 Where the calculation is unchanged

Many aspects of the Council Tax Support scheme for South Norfolk will operate similarly to Council Tax benefit.

4.5.1 Income rules for assessment of income

Unless specified as otherwise in the sections above, all current rules for the assessment of income for Council Tax Benefit will apply to the assessment of income for Council Tax Support. However, these rules may be adapted to reflect further welfare reform, or as South Norfolk Council refines the scheme for future years after 2013/14.

South Norfolk Council considered treating Child Benefit as income for the purposes of the calculation of Council Tax Support. Modelling showed that a scheme that treated Child Benefit in this way would reduce help for families with children to an extent felt to be unacceptable. It was decided to continue to disregard Child Benefit in the assessment of income.

4.5.2 Capital and Savings rules for assessment of income

Unless specified as otherwise in the sections above, all current rules for the assessment of capital and savings for Council Tax Benefit will apply to the assessment of capital and savings for Council Tax Support. However, these
rules may be adapted to reflect further welfare reform, or as South Norfolk Council refines the scheme for future years after 2013/14.

South Norfolk Council considered reducing the capital limit above which a person would be ineligible to claim, and reducing the level at which capital is treated as generating an income for the purposes of the Council Tax Support Scheme. It was decided to work to the same capital rules as apply to Council Tax benefit in order to be in alignment with DWP.

4.6 Decisions, Notifying and payment of support

South Norfolk Council will make a decision on a claim within a reasonable timescale of receiving all required information.

We will send the claimant a decision letter containing a detailed breakdown of the calculation. The decision letter will include further information including appeal rights and details of how to apply for further discretionary help.

The claimant can elect to receive their decision letter (and bill) by post or by email.

All Council Tax Support will be ‘paid’ for the remainder of the financial year by crediting the amount of entitlement against the claimant’s Council Tax liability to reduce the bill. If as a result a claimant’s Council Tax is in credit, a refund will be made or the credit will be used to reduce future bills.

4.7 Discretionary Payments

South Norfolk Council’s Council Tax Support scheme will include the provision for any claimant experiencing significant hardship to apply for a discretionary payment. The award of such a payment is purely discretionary; a claimant does not have a statutory right to a payment. Awards of discretionary payment will be made from a budget which will be limited. Once this budget has been spent for the financial year no further awards will be available.

Each case will be treated strictly on its merits and all customers will be treated equally and fairly when the scheme is administered. South Norfolk Council considers that a discretionary payment should be seen as a short-term emergency payment. It is not and should not be considered as a way around any current or future entitlement restrictions and will not be a long term support mechanism.

South Norfolk Council will treat all applications on their individual merits and will seek through the operation of this policy to:

- alleviate poverty
- support vulnerable young people in the transition to adult life
- encourage South Norfolk residents to obtain and sustain employment
- safeguard South Norfolk residents in their homes
- help those who are trying to help themselves
- keep families together
- support the vulnerable in the local community
- help claimants through personal crises and difficult events
A person will be eligible to apply if they have a Council Tax liability which they are unable to pay.

A claim for a discretionary payment must be made in writing and signed by the applicant. The applicant will be required to return the form to the Council within one month of its issue and will be encouraged to include any relevant supporting evidence. In all cases the South Norfolk Council will decide the length of time for which a discretionary payment will be awarded on the basis of the evidence supplied and the facts known.

In deciding whether to award a discretionary payment South Norfolk Council will take into account:

- the medical circumstances (i.e. ill health or disabilities*) of the applicant, their partner and any dependants and any other occupants of the applicant’s home;
- the income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant’s home;
- any savings or capital that might be held by the applicant or their family;
- the level of indebtedness of the applicant and their family;
- the exceptional nature of the applicant and their family’s circumstances;
- whether a positive outcome for the applicant can be attained by discretionary help;
- the amount available in the discretionary payment budget at the time of the application;
- the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation;
- any other special circumstances brought to the attention of the Council.

*The definition of disability is that as defined in the Equality Act 2012 Schedule 1

An award of a discretionary payment does not guarantee that a further award will be made at a later date, even if the applicant’s circumstances have not changed.

Where the evidence provided indicates that the applicant is not claiming another state benefit they may be entitled to, South Norfolk Council will advise them to make such a claim and provide details of other agencies in the District who may be able to help with such a claim.

4.8 Changes to entitlement

The applicant must notify South Norfolk Council of any change to their household circumstances, income or capital that may affect the amount of Council Tax Support they are entitled to. Any change of circumstances must be reported within one calendar month of the change happening.

Any change may be reported to South Norfolk Council by telephone, email, fax, via website or in writing. Supporting information will be required.

Each change will result in a recalculation of entitlement, an updated decision letter, and a revised bill if appropriate.
If a claimant household moves home, South Norfolk Council will require a new application for Council Tax Support to be completed. We require this as household composition often changes at the point of moving home.

4.9 Overpaid Council Tax support

Where circumstances change which mean that more Council Tax Support has initially been awarded than should now be the case, the resulting overpayment will result in an adjusted Council Tax charge. The exception to this would be where it would be unreasonable for the claimant to be aware that they had been overpaid.

A revised Council Tax bill will be issued, and if any sums payable are not paid the overpayment will in all cases be recoverable simply as unpaid Council Tax.

4.10 Appeals

A claimant will have a right initially to request that the decision is reconsidered, by an officer not involved in the original decision.

If the claimant is still aggrieved with the decision of the Council they will have the right to submit an appeal in writing to an independent tribunal.

Any appeal against a decision regarding Council Tax Support will not mean that payments of Council Tax may be withheld – payments must be made as they fall due and if an appeal is successful any overpayment will be refunded as appropriate.

4.11 Fraud

The Council will investigate any case where it has reason to believe that an amount of Council Tax Support has been awarded as a result of a claim which is fraudulent in any respect.

This will include any incidence of a claimant not notifying the Council of any change in household circumstances, income or capital that results in an overpayment.
Appendix 2

Equality Analysis: Council Tax Support Scheme

Contact Officer, telephone number, and e-mail: Amanda Adams, 01508 533773, aadams@s-norfolk.gov.uk

1. Introduction

1.1. Council Tax Support is a new scheme to replace the current Council Tax Benefits Scheme, which is being withdrawn on 31st March 2013. The current scheme is fully funded by the Government. Under the new rules Councils will only receive 90% of funding to run the new scheme.

1.2. When developing policy, procedures, practices or services we will need to consider any potential impact on protected groups in relation to the three aims of the duty which are to:

   1.2.1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act

   1.2.2. Advance equality of opportunity between people who share a protected characteristic and those who do not

   1.2.3. Foster good relations between people who share a protected characteristic and those who do not

2. Background

2.1. Over the last two years there have been a number of changes in spending which have impacted on those who have protected characteristics as defined in the Equality Act 2010.

2.2. The UK is facing a set of serious, interlocking challenges. The economy is stagnating, unemployment is increasing, prices are rising, incomes are falling, and spending on public services is being cut back rapidly. These changes disproportionately affect those who are vulnerable and in the lowest income brackets, many of which rely on benefits.

2.3. In June 2010 the UK Women’s Budget Group published a report ‘A Gender Impact Assessment of the Coalition Government Budget’ which showed that 72% of the cuts detailed in that budget would be borne by women.

2.4. In October 2010 Scope published the ‘Destination Unknown’ report detailing the likely impact of the welfare benefit reforms on disabled people. The UK’s 7 million disabled people experience entrenched inequality and disadvantage, in the form of poorer educational attainment, lower employment and earnings potential, and restricted access to good and services. Far more disabled people live in poverty than the rest of the population and as a result they are more reliant on benefits for their income.

2.5. In June 2012, Oxfam published a paper called ‘The Perfect Storm: Economic stagnation, the rising cost of living, public spending cuts, and the impact on
UK poverty’, which showed there is a rising gap in the UK between its richest and poorest citizens.

2.6. Historic funding arrangements (Council Tax Benefit)

2.7. New funding arrangements (Council Tax Support)

2.8. The funding for Council Tax Support will be 10% less than we received in the financial year 2012/2013. This does not account for any increase we may have in our caseload over the coming year. During the early part of the recession our caseload grew at 6% per year and continues to grow now at 1.75% annually. This in real terms has meant an increase in cases of 1,302 since 2008.

2.9. In order to protect pensioners on low incomes, the scheme at South Norfolk Council is required to replicate as far as possible the existing provisions under which pensioner eligibility for council tax benefit is assessed. Under the existing council tax benefit system a person becomes eligible for pensioner-related council tax benefit at the age at which they can qualify for state pension credit (the pensionable age for a woman). Initially South Norfolk Council will follow this rule and adapt accordingly where there are further welfare reform changes.

3. Statistics

3.1. This section details those in protected groups in our current caseload (where information is available)

<table>
<thead>
<tr>
<th>Current Caseload: Primary claimant by age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 18 - 59</td>
</tr>
<tr>
<td>47%</td>
</tr>
<tr>
<td>60+</td>
</tr>
<tr>
<td>53%</td>
</tr>
</tbody>
</table>

3.2. Of the total caseload 2% (153) are single persons aged between 17 and 25.
3.4. Current Caseload: Primary claimant by sex

- Men: 41%
- Women: 59%

3.5. Current Caseload: Disability Related Premiums & Carers

- Disability Related Premiums: 6%
- Carers Premium: 3%

3.6. Ethnic Origin (only disclosed in 36% of cases)

<table>
<thead>
<tr>
<th>Ethnic Origin</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian/Asian British/Bangladesi</td>
<td>0.07%</td>
</tr>
<tr>
<td>Asian/Asian British/Indian</td>
<td>0.10%</td>
</tr>
<tr>
<td>Asian British/Other</td>
<td>0.07%</td>
</tr>
<tr>
<td>Black British/Other</td>
<td>0.13%</td>
</tr>
<tr>
<td>Black/British African</td>
<td>0.20%</td>
</tr>
<tr>
<td>Black British/Caribbean</td>
<td>0.07%</td>
</tr>
</tbody>
</table>
### Appendix 2

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White British</td>
<td>91.67%</td>
</tr>
<tr>
<td>Chinese</td>
<td>0.07%</td>
</tr>
<tr>
<td>Mixed Other</td>
<td>0.23%</td>
</tr>
<tr>
<td>Not disclosed by customer</td>
<td>1.69%</td>
</tr>
<tr>
<td>Refused</td>
<td>3.35%</td>
</tr>
<tr>
<td>Mixed White and Black African</td>
<td>0.03%</td>
</tr>
<tr>
<td>Mixed White and Black Caribbean</td>
<td>0.07%</td>
</tr>
<tr>
<td>Missed White and Asian)</td>
<td>0.03%</td>
</tr>
<tr>
<td>White Irish</td>
<td>0.33%</td>
</tr>
<tr>
<td>White Other</td>
<td>1.89%</td>
</tr>
</tbody>
</table>

#### 3.7.

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Caseload</td>
<td>9263</td>
</tr>
<tr>
<td>Age 18 – 59</td>
<td>4332</td>
</tr>
<tr>
<td>60+</td>
<td>4931</td>
</tr>
<tr>
<td>Men</td>
<td>3775</td>
</tr>
<tr>
<td>Women</td>
<td>5488</td>
</tr>
<tr>
<td>Disability Related Premium</td>
<td>582</td>
</tr>
<tr>
<td>Carers Premium</td>
<td>289</td>
</tr>
<tr>
<td>Lone Parents</td>
<td>1571</td>
</tr>
<tr>
<td>Lone Parent with child under 5</td>
<td>533</td>
</tr>
</tbody>
</table>

#### 3.8.
3.9. The two largest groups in our caseload are single females over 60 years old (28%) and families (25%). Our smallest group is the under 25’s (2%)

4. Impact Analysis

4.1. The average reduction in Council Tax Support under the current proposal is £223 per year for someone who is working and £282 per year for someone who is not working.

4.2. The highest reduction in support for a working age person is over £780 per year and affects 87 (5%) people. The lowest reduction in support for a working age person is less than £156 per year and affects 815 (42%) people. 589 (28%) people are not affected and will see no change in their support level.

5. Mitigation

5.1. The protected groups most vulnerable to reductions in benefit are those who may have more difficulty in gaining employment such as lone parents with young children, older people and disabled people. Older people are protected from any reductions under the new scheme by the legislation and therefore the reduction in benefit will be borne by the remainder of those in receipt of Council Tax Benefit.

5.2. Of those who chose to tell us about their ethnic origin, the ethnic profile of the benefits caseload is predominately ‘white’ (94%) with 31 people describing themselves as either Chinese, Mixed white and Asian, mixed white and black Caribbean, Mixed white and black African, mixed other, black British/Caribbean, black British/African, black British other, Asian British/other, British Indian or British/Bangladeshi. The changes at national level to the benefits system is likely to have a cumulative effect and these people, if working age, will be impacted by changes to council tax support alongside other working age people and may have to pay more council tax. We will offer support through the discretionary fund available for applications from those who have a shortfall in their council tax liability.

5.3. Lone parents with children under 5 years are protected as it is considered that they may have more difficulty in obtaining employment due to child care issues.

5.4. We considered carefully how we would decide on protection for disabled people as not all those with disabilities receive entitlement to a qualifying benefit. However, it would not be appropriate for us to introduce a scoring system locally to decide if a claimant had entitlement to disabled person protection as we do not have the appropriate skills or expertise. We have therefore decided to base any help we give disabled people around Schedule 1 of the Equality Act 2010 and will offer support through the discretionary fund available for applications from those who have a shortfall in their council tax liability.

5.5. Disabled people often find it much harder to secure employment than non-disabled people so employment incentivisation could impact on this group who find it more difficult to access the labour market. In addition, many national changes to disability benefits are happening simultaneously which will have a cumulative effect.
6. **Conclusion**

6.1. Any scheme that leads to a reduction in support for those on means-tested benefits will have a negative impact, leading to difficult decisions to be made as to where such cuts should fall.

6.2. As part of our considerations we have been mindful of those who are protected under the Equality Act 2010 when reaching our proposal for the new Council Tax Scheme.

6.3. We believe that by introducing the Council Tax Support Scheme where we disregard certain incomes, offer Lone Parents with children under 5 full protection and discretionary protection for disabled people who may or may not have qualifying benefits, alongside the Discretionary Fund for all who suffer hardship we are offering the best fit scheme for the resources that we have available to us.
Council Tax Benefit (CTB) Rules – A Summary

What does CTB pay for?
CTB is only payable to a person who has a liability to pay council tax at the property they live in.

There are sometimes joint and several liabilities where more than one occupier is treated as liable, for example friends who share a house but are not a couple. These claims would be based upon a percentage of the charge (eg 50%, 33.3% etc).

Paying CTB
CTB is paid directly to the council tax account and a reduced bill produced.

Second Adult Rebate (2AR)
This is an alternative type of CTB claimed by the liable person, where there is another person living in the property who is on a low income. If this person were not there, the customer would be entitled to a 25% single person discount (SPD) on the council tax bill.

As this ‘second adult’ is on a low income, they may have difficulty in paying the 25% difference, so the council tax payer can claim 2AR on their behalf. The council tax payer’s income and capital are not taken into account.

Calculating CTB
Several elements are taken into account when working out benefit entitlement. This includes:

- Personal and family circumstances
- Income and capital of the claimant and his household
- Eligible council tax
- Anyone else living in the property
- The applicable amount (how much the Government says that the household needs to live on each week).

Eligible Council Tax

Main Scheme Council Tax
The maximum eligible council tax is 100% of the council tax liability. To calculate entitlement, the annual charge is converted to a weekly figure. There are various discounts and disregards that will reduce the annual council tax charge. These are not benefits but are reductions in the charge and are either 25% or 50%. Entitlement to CTB will be based upon the net eligible council tax figure.

Second Adult Rebate (2AR)
(Also known as Alternative Council Tax Benefit)
The maximum 2AR payable is 25% of the charge, again converted to a weekly figure. The rates are as follows:
- 25% - second adult on Income Support, Job Seekers Allowance (Income Based) or Pension Credit.
- 15% - second adult’s income is up to £179.00
- 7.5% - second adult’s income is between £180.00 and £234.99
This is paid directly to the council tax account.

**Non Dependants**
A non dependant is anyone aged over 18 living in the customer’s household as part of their family – this can be a relative or a friend.
Non dependant couples are linked and count as one.
Any non dependent on JSA(IB), IS or in some ESA(IR) cases has no deduction.
If the customer or partner receives AA or DLA (care) there is no deduction.

**Capital**
Capital means any monies held in any accounts (current and savings), stocks and shares, bonds, cash etc. It also includes any other property or timeshare owned by the customer/ partner, apart from the dwelling that they live in.

If the total capital is above £16000, there is no entitlement to CTB unless they are in receipt of Pension Credit (Guarantee) when all capital and income is ignored.

The value of stocks/ shares and other property is calculated net of any mortgage and after deducting 10% selling costs. Evidence will always be needed of any encumbrances before a decision is made.

A weekly ‘tariff income’ is applied to the total amount of capital held by a customer/ partner. This income is then added to their other income figure when calculating benefit entitlement.

The first £6000 is ignored in all cases for tariff income purposes.

For customers aged under 60, £1 income is assumed for every £250 (or part thereof) above £6000. For example if a customer has £8500, the weekly tariff income is £10 (£8500 minus £6000 divided by £250 equals £10.00).

For customers aged 60 or over, £1 of income is assumed for every £500 (or part thereof) above £6000. For example if a customer has £8500, the weekly tariff income is £5 (£8500 minus £6000 divided by £500 equals £5.00).

**Income**
Income means any money that the customer and partner have coming into the household, whether in the form of earned income, unearned income, benefits or tariff income via capital.

If a customer or partner is in receipt of any of the following, all other income is disregarded and maximum HB/ CTB is payable, less any ndep deductions:

- Pension Credit (Guarantee)
- Income Support
- Job Seekers Allowance (Income Based)

Any claims made where no ‘passported’ benefits are in payment (as above) are known as ‘standard’ claims because the calculation is the responsibility of the LA. There are complex rules regarding the calculation of income.

Some income is disregarded totally:
Appendix 3

DLA; AA; War Pensions; Maintenance for Children

Some income is partly disregarded:
- Earnings (depending upon the household and the number of hours worked).
- Income from rent, eg boarders and sub-tenants.

All other income is taken into account in full.

**Applicable Amount**

This is made up of Personal Allowances and Premiums. The applicable amount is also known as ‘needs allowance’ and is a figure based on the amount of money that Government says an individual or family will need to live on.

**The basic calculation is:**

\[ \text{Income} - \text{Applicable Amount} = \text{Excess Income} \]

\[ \text{Eligible Council Tax} - 20\% \text{ of Excess Income Figure} = \text{CTB} \]

**Changes of Circumstance**

A change in circumstances means that benefit entitlement will change.

The customer has a duty to inform the LA immediately in writing of any change that they think might affect their benefit claim.

If the customer delays reporting a change that may increase their benefit, they will lose benefit if there is no good cause to backdate that change. The general time limit is 1 month.

If the change however reduces benefit and causes an overpayment, the claim will be amended as far back as necessary.

Pensioners who receive PC (either component) must report any changes in income, capital or their household to the Pension Service who will re-assess PC entitlement and inform us once that change has been made.

Different changes affect claims from different dates. For example, if a customer moves to an address within the LA area, the change takes effect from the date of vacation. If the customer moves outside the LA area CTB ends on the day of vacation.

Death of a customer – CTB ends on the day before the date of death, to match council tax liability.

**Extended Payments**

These are administered by the LA and consist of 4 weeks extra benefit at the current rate when a customer starts work **and**
- they have been in receipt of IS, JSA, incapacity benefit or Severe Disablement Allowance (SDA) continuously for at least 26 weeks **and**
- the job is expected to last for at least 5 weeks **and**
- the job is for at least 16 hours per week.

Extended payments are made even if there is no entitlement once starting work.
Evidence
Customers are required to provide evidence in support of their claim. The evidence must be what is 'reasonably required' to assess entitlement. The onus is on the customer to provide this evidence within the time limit required.

Verification Framework (VF)
This is the standard to which all evidence must conform and all Councils comply with this framework. It sets out the level of evidence required and also the number of checks that must be made throughout the life of a claim.

The identity of every new customer and partner must be checked for authenticity; a holistic approach is taken.

The LA must carry out reviews of its caseload to make sure that the customer is still entitled to CTB.

A list is sent to the LA every month from the DWP so that checks can be made to find mismatches in data held.

The LA must visit a selection of customers in their homes to ensure residency and that there is still entitlement to CTB.

Section 19 – Verification of NINO and Identity
Section 19 of the Social Security Administration (Fraud) Act 1997 requires LAs to verify NINOs of the claimant and partner and to prove that they 'own' that NINO; this only applies to new claims.

Identity
Two forms of identity are required for both the customer and partner.

Other Evidence
Supporting evidence is needed for all income and capital, residency and membership of the household.
Analysis of Council Tax Support Scheme Consultation

Executive Summary

The legal position required that SNC consulted the major precepting bodies before publishing a draft scheme and then consulted others likely to have an interest in the operation of the scheme.

SNC initially consulted Norfolk County Council and the Police Authority prior to public consultation who were in agreement with the broad principles of the scheme.

The scheme went through a public consultation exercise for the period 19/07/12 until 01/09/12. The scheme design was outlined and scenarios of how the scheme affected different households were given.

We asked a series of questions relating to the characteristics of the scheme design (17 questions specifically geared toward each characteristic). This process included:

- Holding a focus group for those who represent residents who may be affected; those invited were from Advice Agencies, Disability advocacy groups, Registered Social Landlords, Private Landlords and Town and Parish Councils. We had 17 people attend representing 15 organisations.

- Attending a workshop for those who were disabled (and/or their carers) or specifically representing disability groups. This was a joint consultation exercise with the other Norfolk authorities.

- We invited approximately 5000 people to complete an online survey from which we had a total of 649 responses (There were hard copy surveys available for those unable to complete online).

The results of the consultation process show that in principle more than 50% of those who responded agreed with the characteristics of the scheme design. Where there was not a significant majority in agreement, the scheme design was changed to reflect this.

Specifically we amended to following:

- The proposal to use a maximum level of Council Tax Support based on the Council Tax Band charge immediately below the actual band occupied was viewed as confusing. We have amended this to a flat rate maximum level to use for the calculation of Council Tax Support; there will be a maximum of eligible liability for support of 85%.

- There was a high positive response as to the assumption that non-dependants should contribute to the household and that it should be a flat rate. However, although there was a majority in favour of that rate
being £10, it was less than 50% so we made the decision to reduce that rate to £7.50.

- On the question of how much people should have in savings before they were unable to claim support, the response was not clear cut either way so the decision was made to follow the slight majority and leave the capital limits at £16k. This aligns with the current DWP rules.

Although the consultation gave broad consensus for the proposals we have taken notice of the areas where people were unsure of certain characteristics and have responded by amending the scheme. The number of responses has given us the confidence that we have no need to re-consult and can continue with implementation.
Technical Consultation on Business Rates Retention

Head of Finance & Principal Policy Officer

The Government launched its technical consultation on the Business Rates Retention Scheme in July, requesting responses by the 24 September 2012. This report assesses the implications for the Council of the scheme, based on the proposals within the consultation and provides a summary of the Council’s response which is provided in the appendix.

1. Background

1.1. The Government published its proposals for the introduction of a business rates retention scheme in December 2011. At the same time a Local Government Finance Bill was launched to provide the legislation necessary for the schemes introduction. The Bill is still progressing through parliament.

1.2. The intention of the Business Rates Retention Scheme is to provide an incentive for local authorities to promote growth and replace the currently highly centralised funding system with a simple, transparent scheme from April 2013. Moving from the current system involves a degree of complexity in the set-up of the new scheme.

1.3. The Government launched a technical consultation on the 17 July 2012 with a closing date for responses of the 24 September 2012. The three principal areas within the consultation are:

- Establishing the start up funding allocations and baseline funding levels,
- Setting up the business rates retentions system,
- The operation of the rates retention scheme.
2. The National Context for Business Rates

2.1. Business rates have been an increasing source of District Council funding, and in recent years have overtaken the level of the revenue support grant. In the past, the Government forecasts for business rate growth has been consistently over optimistic, however this risk has been borne by the Treasury and not through reductions in local authority funding, if this continues under the new scheme it will reduce the benefit local authorities would achieve. The incentive would be greater for local authorities if growth was retained on a “real terms” basis.

2.2. The Government is proposing to take up to £350 million out of the current system to provide funding for the safety net and capitalisation. (Capitalisation is when exceptionally, the Government permits local authorities to treat revenue expenditure as capital to provide financial flexibility in managing unavoidable costs e.g. high redundancy costs.)

2.3. The overall design of the scheme remains as previously indicated in past consultation papers.

   Local authorities will be set individual baseline funding levels and business rate baselines. As a district authority, South Norfolk Council will have a higher business rate baseline compared to its baseline funding level and will have to pay over the difference as a tariff.

   The Business rate baseline for the Council will be based on 40% of the rates collected, with 50% going to the Government and the remaining 10% to the County Council.

   To ensure authorities do not benefit from excessive growth in business rates a 1:1 levy will be applied. For each 1% growth in business rates the authority can retain the equivalent of 1% of the baseline funding level. This levy will be used to fund the safety net system for those authorities who suffer a significant fall in their business rate income.

   Local authorities will still receive a Revenue Support Grant. A local authority’s baseline funding level together with its 2013-14 Revenue Support Grant comprises its start up funding allocation.

3. Consultation Paper

3.1. The Government is proposing to make a number of technical updates to the relative needs formulae which would be used to establish a local authority’s baseline funding level.

3.2. The consultation paper confirms the funding allocation will be contained within the spending control totals from the Comprehensive Spending Review in 2010 and reduced further to take into account:

   - The assumption that public sector pay will go up by 1% in both 2013/14 and 2014/15.
• £120 million which will be used to fund New Deals in Newcastle, Sheffield and Nottingham.
• Fire grants which were to be rolled into the formula grant will be retained separately as will funding for neighbourhood planning.
• £100 million will be retained to pay for capitalisation.
• £250 million will be retained for the safety net, which will eventually be paid from the levy.
• £2 billion will be removed each year, up to 2020 to fund the New Homes Bonus; however any money not used will be returned to local authorities.

The effect of these changes means a decrease in the control total for local government spending of 10.8% in 2013/14 and 7.7% in 2014/15 which are significantly lower than the Comprehensive Spending Review 2010 figures which were a 0.8% reduction in 2013/14 and 5.8% in 2014/15. It should be noted that the control total for local government includes spending on Police and Fire Services. Individually these services will receive a smaller reduction in funding than local authorities. In reality spending on local authorities will reduce by 12.2% in 2013/14 and 8.7% in 2014/15.

The reduction in the overall spending control total on local government is reflected in the relative needs formulae for services such as children’s and adult services.

3.3. Relative Needs Formulae

The Government are proposing possible changes to the calculation of the relative needs formulae in the following areas with indicative figures of the effect of these changes for individual authorities:

• Concessionary Travel – use new department for transport figures for bus boardings. Following the transfer of Concessionary Travel to the County Council, the indicative figures illustrate this change would be beneficial to Norfolk County Council.

• Rural Services – a number of changes to weightings for sparsity to various relative needs formulae as proposed by the Rural Services Partnership. The Council has supported the work of the Rural Services Partnership and would benefit by around £1,200,000 before floor damping. However the damping mechanism removes most of this additional funding and therefore the proposed consultation response requests that the Government looks to allow the adjustment for rural services to be reflected in cash terms and excluded from the damping calculation.

• Relative resources element – The formula grant provided to local authorities is broken down and distributed in three ways; Relative Needs Amount, Relative Resources Amount and Central Allocation. The Relative Resource Amount is designed to allocate more grant to those authorities with a low council tax base compared to other authorities. As the amount of council tax raised by authorities has remained fairly constant since 2010-11 despite reductions in the revenue support grant the government is proposing
returning the amount to its 2010-11 level and compensate by increasing the amount allocated through the central allocation. The figures indicate that this would not be beneficial to the Council before damping but that after damping it would have a minimal effect.

- Indicative figures show the combined effect for South Norfolk council after damping would be an increase in the formula grant of £200,000 based on the 2012-13 settlement. This formula grant will be used in the calculation of the baseline funding level under the localisation of business rates.

3.4. Other Government Grants

The Government rolled a number of grants into the formula grant in 2011-12 using the same allocation method as when they had previously been separate grants. The proposal that this remains unchanged has a negligible effect for South Norfolk Council.

The consultation contains further details around the grants which it proposes to include in the business rates retention scheme, those relevant to the Council include the 2011-12 Council Tax Freeze Grant, Council Tax Support Grant and Homelessness Prevention Grant. The proposals around the Council Tax Freeze Grant and Homelessness Prevention Grant are to use the same distribution as in previous years.

The proposed distribution for the Council Tax Support Grant is as consulted upon in the recent consultation on Council Tax Support Grant which closed on 12 July. The Council’s consultation response suggests that the grant should not be rolled into the new scheme but kept separately for transparency. Following the Government’s recent consultation on Council Tax Support and the taxbase calculation for Parish/Town Councils the response to this consultation concludes that if the grant was not rolled into the business rates retention scheme the total grant for all precepting bodies could be paid to the billing authority and it could then be adjusted through the Collection Fund negating the requirement to make adjustments to the taxbase for the Council Tax Support scheme.

3.5. Population Data

The Government proposes a number of options on population data but the preference is to use the interim 2011 sub-national population projections, due to be published in September/October 2012. The Government is also proposing updating data indicators to the most recent available where possible or offers alternatives. For example using the Inter-Departmental Business Register to ascertain the number of enterprises and local units rather than the out of date Annual Business Inquiry data which was last updated in 2008.

The proposal to use the 2011 population data would reflect the growth South Norfolk has experienced in recent year and be a favourable decision when compared to population growth experienced elsewhere. In the event that there are problems with the availability of this data, the consultation proposes a hierarchy of alternatives in chronological order.
The Government proposes in the consultation paper to continue to use projections for the Council Tax base in the relative resources element of the formula grant distribution. This is in line with the proposal to use the interim 2011 sub-national population projections. However the consultation paper acknowledges that should there be a need to switch to an alternative population estimate other than the 2011 sub-national population projections then the November 2012 Council Tax base date would be instead.

3.6. Revenue Support Grant

The consultation paper confirms that the new revenue support grant (RSG) will be funded through the central share of business rates and will be the difference between the control total for local government spending and the local share baseline. It is proposed that the 2014-15 RSG will be based on the 2013-14 figures reduced in line with the control total for that financial year. It is proposed that the Council supports the suggested response by SPARSE that the RSG should be used as the vehicle to phase-in the additional financial support for rural authorities over a period of time.

3.7. Damping

The consultation paper proposes to calculate floor damping at service-tier level; this means they would include the lower tier services provided by unitary authorities with the shire districts in one damping block. As no indicative figures are provided it is not possible to judge what effect this would have for individual authorities. It also proposes to freeze the floor damping bands used in 2011-12 and 2012-13 in which authorities were separated into quartiles depending on their 2010-11 grant dependency. There appears to be no justification provided for this proposal.

3.8. New Homes Bonus

As described above in 3.2 the Government are proposing making an adjustment to fund the New Homes Bonus Scheme. The Government will provide provisional New Homes Bonus figures with the provisional Local Government Finance Settlement to assist authorities with setting their budgets. Any of the funds set aside for New Homes Bonus which are not utilised will be returned to authorities as a non-ring fenced grant, distributed in proportion to authorities’ baseline funding levels. Since the consultation was released the Department of Communities and Local Government have issued a further question around the funding of the New Homes Bonus. This proposes that instead of removing the full amount for all seven years initially only removing sufficient money in each year to fund the cost of the New Homes Bonus within that year.

3.9. Other Precepting Bodies

The consultation paper confirms that funding for the Police will not be included in the business rates baseline as the will be funded through the central share of business rates.
The consultation paper includes a number of questions relating to services provided by County Councils for instance funding for academies. Officers do not propose to respond in these instances.

4. Setting up the business rates retention scheme

4.1. The Government sets out their proposals for a series of calculations at a national level to the "notional gross yield" which go towards ultimately determining individual authority business rates baselines. The notional gross yield is an estimate of the amount of business rates that English local authorities will collect in 2013.

4.2. The notional gross yield will be adjusted to take account of a variety of issues that would otherwise not be reflected in the estimate, such as cost of and losses in collection. The effect of these adjustments produces the estimated business rates aggregate for England.

4.3. The local share (50%) of the estimated business rates aggregate is then shared out between all billing authorities in England on the basis of each authority's proportionate share. Broadly speaking this is a percentage figure that represents an authority's contribution to the national business rates total (subject to certain adjustments which are detailed in the paper). The proportionate share is calculated as an average over a five year period from 2007/8 to 2011/12.

4.4. In a two-tier area such as Norfolk this is then split between billing authorities and Norfolk County Council, on an 80/20 basis.

4.5. The detail going into the calculations above are in line with the overall policy objectives set out in previous documents from Government. These are as anticipated and do not cause any additional concerns for South Norfolk Council, but we have put forward a further minor adjustment to acknowledge the recent move towards academy schools.

5. The operation of the business rates retention scheme

5.1. The Government have set out how the business rates retention scheme will affect statistical returns to Government and their timing. The NNDR1 return is a next year rating estimate currently submitted in January/February each year based on rateable values in the local rating list at 31 December. This return will next be issued in early November 2012, with a requirement to submit a provisional form by mid-December, and to formally confirm that it is correct by 30 January 2013. It will be based on rateable values in the local rating list at 30 September 2012.

5.2. It will in future operate more like Council tax base in that local authorities will need to be able to use their local intelligence about growth and possible changes to the rating list, estimated losses on appeals and on collection. At the moment the NNDR1 simply calculates the next year level of charges on existing database of properties.
5.3. An end of year out-turn form NNDR3 will calculate variance from the estimated income in the NNDR1 and will determine how any deficit or surplus is distributed between central Government, Norfolk County Council and ourselves. It will also be used to calculate any levy payment we need to pay on growth in business rates, and how much growth we will get to retain (or indeed whether the safety net may apply if we have seen a significant drop in income).

5.4. As South Norfolk will be a tariff authority the NNDR1 will be used to determine a schedule of payments from us to central Government and we will need to agree a schedule of payments from us to Norfolk County Council. Payments to Government are likely to be in 24 fortnightly payments as at present.

5.5. In setting the Council’s budget for future years we will need to have regard to the income we can expect to receive under the business rates retention scheme. In doing so we will need to have take account of:

- The central share to be paid to government (including their share of surpluses/deficits on the collection fund)
- The sums due to Norfolk County Council (including their share of surpluses/deficits on the collection fund)
- Separate payment from Government for transitional protection for ratepayers from changes on revaluations
- The authority’s forecast of any safety net or levy payments.
- Our own share of any surpluses/deficits on the collection fund

5.6. The paper sets out which payments will be made to or from an authority’s collection fund or general fund.

5.7. Receipts from business ratepayers, together with payments:

- To central Government in respect of the central share
- To/from central Government in respect of transitional protection payments
- To Norfolk County Council in respect of their share of rating income

Will all be paid to/from South Norfolk Council’s collection fund.

5.8. Tariff, top-up payments, levy and safety net payments will be made to/from the general fund.

5.9. The Government will provide in regulations for a sum to be transferred from an authority’s collection fund to its general fund in respect of income due to the billing authority, broadly on the basis of the NNDR1 forecast.

5.10. The consultation sets out the formula that will be used to calculate the levy rate and the safety net threshold that will apply for each authority. Levy payments will be made at the end of a financial year rather than in-year.
6. **Overview of the implications for South Norfolk Council**

6.1. Most of the proposals contained within the consultation follow the responses provided to the original consultation last year and have therefore already been taken into account in preparing the figures for the Council’s medium term plan.

6.2. However, as above, the Government is making a number of adjustments to the local government spending control total such as top slicing to fund the New Homes Bonus, New Deals and capitalisation which will reduce the total amount available for distribution.

The other major impact is the recognition of the funding for rural services which would increase the council’s funding levels by £1.2 million. However due to the way the damping mechanism works this benefit would be dramatically reduced to only £200,000 of additional funding.

It is therefore important to lobby the Government for the rural services adjustment to be a cash adjustment separate to the damping mechanism.

6.3. Overall it is anticipated that the adjustments as proposed in the consultation net each other off and the prediction for the funding levels remain as per the MTP, with savings to be found of:

- 2013/14 £335k
- 2014/15 £646k
- 2015/16 £597k

Total £1.578 million

Draft allocations are anticipated in December along with the New Homes Bonus.

6.4. Directorate planning work has commenced, which will set objectives and resource levels. Officers are confident this work will meet the budgeted deficit of £335,000 in 2013/14. However future years are more challenging and work is commencing on how to tackle this.

6.5. The Council has a healthy level of reserves, and members in the past have been advised to use them to fund one-off costs and emergencies. In the future the Council will need to ensure that reserves are adequate to manage the volatility in business rates income and demand for Council Tax Support.

In order to enable long term financial and service planning, it was agreed in the medium term financial strategy that the Financial Year 2013/14 budget is based on projected levels of Business Rates, Revenue Support Grant, and Council Tax Support Grant etc. Should the final allocations vary from these projections; reserves will be used to offset any impact on the directorate planning work. This, in effect will enable the Council to continue to reduce its cost base in a managed way, using its reserves to remove any sudden impact of financial volatility out of its control.

This is a shift from the previous reserve policy, but reserves have been built up to enable the Council to plan and implement a measured approach to service cost reductions. They could be used in the future, if the pace of savings or level of
income in 2014/15 and beyond is not maintained or if the reduction in government funding is greater than assumed.

7. **Relevant Corporate Priorities**

7.1. Promoting a thriving local economy.

7.2. Driving services through being businesslike, efficient and customer aware.

8. **Implications and Risks**

8.1. There are no further risks than those described above.

9. **Conclusion**

9.1. The consultation paper follows the Government responses to the original proposals. There is recognition of the cost of providing services in a rural area but any increase is virtually removed through the damping mechanism. The new funding regime retains much of the complexity of the existing one and it is difficult to predict with certainty individual authorities funding levels as a lot of the funding is allocated on the basis of proportionate shares.

At this moment in time there is no further information which would change the funding assumptions provided in the medium term plan presented to Cabinet in July.

10. **Recommendations**

10.1. Cabinet are asked to note the contents of the report and to agree the responses to the consultation as contained in the appendix.
Technical Consultation on Business Rates Retention
July 2012

Response Form

The Government would like your views on whether you agree with the options presented in the Technical Consultation on Business Rates Retention. This paper was published on the 17 July 2012, and can be found at the following address:


For convenience, this preformatted response form contains all the questions in the main consultation document. Please click on the relevant check boxes to activate the ‘X’ that will indicate your preference. Space is available after each question if you wish to include any additional comments to support your choice. There is no limit on the size of these spaces and the boxes will resize themselves. We also welcome any additional comments and alternative proposals, and these can be made in the section available at the end.

All responses, whether using this preformatted response form, or otherwise should reach us by 5pm on 24th September 2012.

We particularly welcome responses submitted electronically. Please e-mail responses to BRRtechnicalconsultation@communities.gsi.gov.uk

If you are not able to respond by e-mail, please post your response to

Andrew Lock
Settlement Distribution and Policy Team
Communities and Local Government
Zone 5/J2
Eland House
Bressenden Place
London SW1E 5DU

Alternatively, they may be faxed to 0303 4443294.

Confidentiality

All information in responses, including personal information, may be subject to publication or disclosure under freedom of information legislation. If a correspondent requests confidentiality, this cannot be guaranteed and will only be possible if considered appropriate under the legislation. Any such request should explain why confidentiality is necessary. Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

I would like my response to remain confidential □

Please say why in the box below. 
Section 2 – Establishing the start up funding allocation and baseline funding levels

Chapter 3: Local Government Spending Control Total

Q1: Do you agree with the methodology set out above for calculating the local government spending control total?

Agree ☐
Disagree ☒

Any further comments

The overall reduction for local authorities of 12.2% in 2013-14 is severe, and the existing £250m funding for New Homes Bonus in the current settlement appears to have disappeared from the spending control total.

There is no justification for the RNF figures provided and why the fixed costs allowance, which effects the small rural authorities, has been cut by 32% over the period.

Q2: Do you agree with the methodology set out above for calculating Revenue Support Grant?

Agree ☐
Disagree ☒
The decision to include assumed growth from rates within the spending review total undermines the incentive for growth.

Chapter 4: Concessionary Travel

Q3: Do you agree with the proposed approach of updating the Concessionary Travel Relative Needs Formula to use modelled boardings data?

Agree

Disagree

Any further comments

Q4: Or, do you think it would be preferable to keep using the existing formula?

Agree

Disagree

Any further comments

Chapter 5: Rural Services

Q5: Do you agree that we should increase the population sparsity weighting of super-sparse to sparse areas from 2:1 to 3:1 for non-police services?

Agree

Disagree

Any further comments

As a rural authority we are pleased that the government recognise the increased cost pressures of running vital services.
Q6: Do you agree that we should double the existing Older People’s Personal Social Services (PSS) sparsity adjustment from 0.43% to 0.86%?

- Agree [ ]
- Disagree [ ]

Any further comments

The Council is pleased that the demands of social services in a rural area is recognised.

Q7: Do you agree that the proportion of the Relative Needs Formula accounted for by the population sparsity indicator under the District Level Environmental, Protective and Cultural Services block should be increased from 3.7% to 5.5%?

- Agree [ ]
- Disagree [ ]

Any further comments

As above the Council is pleased that the additional costs of running services in rural areas has been finally acknowledged.

Q8: Should the County level Environmental, Protective and Cultural Services indicator be reinstated at 1.25%?

- Agree [ ]
- Disagree [ ]

Any further comments

Q9: Do you agree that we should introduce a Fire & Rescue sparsity adjustment at 1%?

- Agree [ ]
- Disagree [ ]

Any further comments

Chapter 6: Taking account of Relative Needs and Relative Resources
Q10: Do you agree that we should restore the level of the Relative Resource Amount in 2013-14 to that for 2010-11?

Agree  
Disagree

Any further comments

Q11: Do you agree that we should compensate for restoring the level of the Relative Resource Amount in 2013-14 to that for 2010-11 by increasing the level of the Central Allocation only?

Agree  
Disagree

Any further comments

Chapter 7: Grants Rolled In Using Tailored Distributions

Q12: Do you agree that we should continue to distribute funding for the Grants Rolled In Using Tailored Distributions according to the methodology used in 2012-13?

Agree  
Disagree

Any further comments

Chapter 8: Transfers and Adjustments

Q13: Do you agree that the October 2012 pupil census should be used in the final settlement for removing these services?

Agree  
Disagree

Any further comments
Q14: If not, what methodology would you prefer to use?

Preference
Q15: Do you agree with the proposed methodology for removing funding for the education services currently in the Local Authority Central Spend Equivalent Grant?

Agree  
Disagree  

Any further comments

Q16: If not, what methodology would you prefer to use?

Preference

Q17: Do you agree that funding for Local Authority Central Spend Equivalent Grant should be removed after floor damping?

Agree  
Disagree  

Any further comments

Q18: Do you agree with the proposed methodology for rolling in the 2011-12 Council Tax Freeze Grant?

Agree  ☒
Disagree  

Any further comments

Q19: Do you agree with the proposed methodology for rolling in the Council Tax Support Grant?

Agree  
Disagree  ☒

Any further comments

The grant should be retain separately for transparency reasons. Following the recent consultation on the taxbase and funding for local precepting authorities the proposed methodology included within this paper could also be applied to the major precepting bodies. The
Council Tax Support Grant should be paid to the billing authority and managed through the Collection Fund negating the requirement to make adjustments to the taxbase for Council Tax Support.

Q20: Do you agree with the proposed approach to continue to apply a damping floor to Early Intervention Grant allocations after the removal of the 2 year old funding and the top slice?

Agree ☐
Disagree ☐

Any further comments

Q21: Do you agree with the proposed methodology for rolling in the Early Intervention Grant excluding funding for free early education for two years olds?

Agree ☐
Disagree ☐

Any further comments

Q22: Do you agree with the proposed methodology for rolling in Greater London Authority General Grant?

Agree ☐
Disagree ☐

Any further comments

Q23: Do you agree with the proposed methodology for rolling in a proportion of the Greater London Authority Transport Grant?

Agree ☐
Disagree ☐

Any further comments
Q24: Do you agree with the proposed methodology for rolling in Homelessness Prevention Grant?

Agree ☒
Disagree ☐

Any further comments

Q25: Do you agree with the proposed methodology for rolling in a proportion of the Lead Local Flood Authorities Grant?

Agree ☐
Disagree ☐

Any further comments

Q26: Do you agree with the proposed methodology for rolling in the Department of Health Learning Disability and Health Reform Grant?

Agree ☐
Disagree ☐

Any further comments

Chapter 9: Population Data

Q27: Do you agree that the preferred population measure to use is the Interim 2011-based sub-national population projections?

Agree ☒
Disagree ☐

Any further comments

Q28: Do you agree with the hierarchy of alternative datasets which would be used if there are problems with availability of any of the data?

Agree ☒
Chapter 10: Taxbase data

Q29: Do you agree that we should use aim to use the council tax base projections as the council tax base measure in order to be consistent with our proposed approach to the population?

Agree ☒
Disagree ☐

Any further comments

Q30: Do you agree that we should switch to the November 2012 council tax base data should population estimates have to be used?

Agree ☒
Disagree ☐

Any further comments

Chapter 11: Other Data Indicators

Q31: Do you agree that we should use data from the Inter-Departmental Business Register in the Log of Weighted Bars indicator?

Agree ☒
Disagree ☐

Any further comments

Chapter 12: Distribution of Revenue Support Grant

Q32: Do you agree with the proposed methodology for distributing Revenue Support Grant in 2014-15 by scaling the 2013-14 authority-level
allocations of Revenue Support Grant to the level of the 2014-15 control total for services funded through the rates retention system?

Agree ☐
Disagree ☒
Any further comments
The under-funding of rural authorities which has now been recognised by the Government could be rectified by passing in the necessary support on a gradual basis through the RSG which would avoid a sudden reduction in the urban authorities' level of funding.

Chapter 13: Floor Damping

Q33: Do you agree with the proposed approach for calculating floor damping in 2013-14?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Disagree</th>
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Any further comments
There is no justification for this change and without exemplified figures it is impossible to see how this affects individual authorities.

Q34: Do you agree with the proposed approach for allocating floor damping bands in 2013-14?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Disagree</th>
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Any further comments

Q35: Do you agree with the proposed approach to splitting 2012-13 formula grant between the service tiers?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Disagree</th>
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Any further comments
This is an additional complexity

Q36: If not, what methodology do you think we should use?

Preference
Retain the existing system
Chapter 14: New Homes Bonus

Q37: Do you agree that the funding for capitalisation and the safety net should be held back from the surplus New Homes Bonus funding rather than as a separate top-slice?

Agree ☒
Disagree ☐

Any further comments

Q38: Do you agree that the remaining funding should be distributed back to local authorities prorata to the start-up funding allocation?

Agree ☒
Disagree ☐

Any further comments

Chapter 15: Police Funding

Q39: Do you agree with the proposal for setting out the method of calculation of the 2013-14 formula grant element of police funding allocations in a separate document?

Agree ☒
Disagree ☐

Any further comments

Q40: Do you agree with the proposed methodology for funding local policing bodies in 2014-15?

Agree ☒
Disagree ☐

Any further comments
Section 3 – Setting up the business rates retention system

Chapter 2: Determining the estimated business rates aggregate

Q41: Do you agree with our proposal not to adjust the estimated business rates aggregate (England) to take into account transitional arrangements?

 Agree ☒
 Disagree ☐

Any further comments

Q42: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account small business rate relief?

 Agree ☒
 Disagree ☐

Any further comments

We agree but we really need certainty at this stage that the Government will not decide at a late stage to extend the increased level of small business rate relief that has been in place in recent years.

Q43: Do you agree with our proposal to adjust estimated business rates aggregate (England) to take into account mandatory reliefs in this way?

 Agree ☒
 Disagree ☐

Any further comments

Yes we agree, but we feel that a further adjustment should be made to reflect the increase in the amount of mandatory relief from 2010/11 to 2011/12 - this will have increased due to the increased take-up of academy school status, and a further anticipated increase should be built into the adjustments.

Q44: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account discretionary reliefs in this way?
Q45: Do you agree with our proposal to adjust the notional gross yield figure to take account of Enterprise Zones, New Development Deals and renewable energy schemes in this way?

Agree  ☒
Disagree  ☐

Any further comments

Q46: Do you agree with our proposal to adjust the notional gross yield figure to take account of costs and losses in collection in this way?

Agree  ☒
Disagree  ☐

Any further comments

Q47: Do you agree with our proposal not to adjust the estimated business rates aggregate (England) to reflect the deferral scheme?

Agree  ☒
Disagree  ☐

Any further comments

Q48: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account losses on appeal in this way?

Agree  ☒
Disagree  ☐

Any further comments
Chapter 3: Determining proportionate shares

Q49: Do you agree with our proposal to determine billing authorities’ average contribution to the rating pool using NNDR3 forms between 2007-08 and 2011-12 (subject to a number of adjustments)?

Agree ☒
Disagree ☐

Any further comments

Q50: Do you agree with our proposal to adjust the incomes for 2007-08 to 2009-10 using a local revaluation factor calculated using the methodology set out?

Agree ☒
Disagree ☐

Any further comments

Q51: Do you agree with our proposal not to make an adjustment in the five year average for inflation?

Agree ☒
Disagree ☐

Any further comments

Q52: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of the transitional arrangements in this way?

Agree ☒
Disagree ☐

Any further comments
Q53: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for either mandatory rate relief, or for the small business rate relief scheme when calculating the proportionate shares?

- Agree [X]
- Disagree [ ]

Any further comments

Yes we agree in respect of setting the initial proportionate shares, but we feel that a further adjustment should be made to reflect the increase in the amount of mandatory relief from 2010/11 to 2011/12 - this will have increased due to the increased take-up of academy school status, and a further anticipated increase should be built into the adjustments.

Q54: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for reductions for empty property rates when calculating the proportionate shares?

- Agree [X]
- Disagree [ ]

Any further comments

Q55: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for discretionary rate relief when calculating the proportionate shares?

- Agree [X]
- Disagree [ ]

Any further comments

Q56: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for costs of collection when calculating the proportionate shares?

- Agree [X]
- Disagree [ ]

Any further comments
Q57: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of losses in collection in this way?

Agree ☒
Disagree ☐

Any further comments
While we do support the approach, it should be noted though that debts can be written off due to businesses going into insolvency, and they do not necessarily reflect poor performance in the collection of debt.

Q58: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of deferral in this way?

Agree ☒
Disagree ☐

Any further comments

Q59: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum charges on property when calculating the proportionate shares?

Agree ☒
Disagree ☐

Any further comments

Q60: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for prior year adjustments and interest on repayments when calculating the proportionate shares?

Agree ☒
Disagree ☐

Any further comments
Chapter 4: Major precepting authority shares

Q61: Do you agree with our proposal to confirm the county share at 20% - less the percentage share that will be paid to single purpose fire authorities where the county does not carry out that function?

Agree ☒
Disagree ☐

Any further comments

Yes, we feel strongly that billing authorities in two-tier areas are best placed to promote growth as we take the vast majority of planning decisions that deliver growth, and so should be given the greatest incentives.

Q62: Do you agree with our proposal to set the single purpose fire authority share at 2%?

Agree ☒
Disagree ☐

Any further comments

Q63: Do you agree that county councils carrying our fire and rescue functions should receive the full 20% county share?

Agree ☒
Disagree ☐

Any further comments

Chapter 5: Treatment of City Offset and the City Premium

Q64: Do you agree with the Government’s proposal to reflect the current arrangements for the City Offset by making an adjustment to the City of London’s individual authority business rate baseline?

Agree ☒
Disagree ☐

Any further comments
Q65: Do you agree with the proposal to take account of the City Offset when calculating proportionate shares?

Agree ☒
Disagree ☐

Any further comments

Q66: Do you agree with the proposal to calculate the City of London’s levy ratio by using its revised individual authority business rate baseline?

Agree ☒
Disagree ☐

Any further comments

Q67: Do you agree with the proposal to calculate the City of London’s eligibility for the safety net by using its business rates income after the deduction of the City Offset?

Agree ☒
Disagree ☐

Any further comments

Q68: Do you agree that the City Premium should be disregarded in the definition of business rates income used in the rates retention scheme?

Agree ☒
Disagree ☐

Any further comments
Section 4 – The operation of the rates retention scheme

Chapter 2: Information Requirements

Q69: Do you agree with our proposals for information requirements before the start of the financial year?

Agree ☒
Disagree ☐

Any further comments

Q70: Do you agree with our proposals for information requirements at the end of the financial year?

Agree ☒
Disagree ☐

Any further comments

Chapter 3: Schedules of Payment

Q71: Do you agree with our proposals for the way in which a schedule of payment will operate for billing authorities?

Agree ☒
Disagree ☐

Any further comments

We are happy that the schedule of payments remains as currently for NNDR - 24 fortnightly instalments

Q72: Do you agree with our proposals for the way in which a schedule of payment will operate for major precepting authorities?

Agree ☒
Disagree ☐
Any further comments

In the interests of consistency the instalments should again be over 24 fortnightly instalments.

Q73: Do you agree with our proposals for the way in which a schedule of payment will operate between billing and relevant major precepting authorities?

Agree ☒
Disagree ☐

Any further comments

Chapter 5: Collection and general funds

Q74: Do you agree with our proposals for the operation of the collection fund?

Agree ☒
Disagree ☐

Any further comments

Q75: And do you agree that the reconciliation payment due in respect of transitional protection payments, should be built in to the calculation of collection fund surpluses & deficits only once, when outturn figures are available?

Agree ☒
Disagree ☐

Any further comments

Q76: Do you agree with our description of the way in which the general fund will operate?

Agree ☒
Disagree ☐

Any further comments

We do not agree that the costs of collection should only be recouped at the end of the financial year via an adjustment to the surplus/deficit.
Chapter 6: The safety net and the levy

Q77: Bearing in mind the need to balance protection, incentive and affordability, and the associated impact on the amount of contingency that will need to be held back, in the early years where, within the range 7.5% - 10%, should the safety net threshold be set?

Agree [ ]
Disagree [ ]

Any further comments
The safety net should be set at 10%

Q78: Bearing in mind the need to balance protection, incentive and affordability, and the associated impact on the amount of contingency that will need to be held back, do you agree with the Government’s proposal to set the levy ratio at 1:1?

Agree [ ]
Disagree [ ]

Any further comments
We can see why this would be an appropriate ratio, but would point out that the combined effect of this and the size of the central share fails to deliver a strong incentive for growth.

Q79: Do you agree with the approach set out in paragraphs [16 to 19] for defining a billing authority’s net retained rates income for the purposes of the levy and safety net calculations?

Agree [ ]
Disagree [ ]

Any further comments
No we do not agree with the proposal in paragraph 17 that discretionary relief granted under the Localism Act 2011 should be added back in for the purposes of the calculation of the levy as this further disadvantages billing authorities should they award such relief - it is bad enough that the full cost already falls on billing authorities, let alone to then potentially have to pay a levy on rates income we were presumed to have.

Q80: Do you agree with the approach set out in paragraphs [20 to 22] for defining a major precepting authority’s net retained rates income for the purposes of the levy and safety net calculations?
Q81: Do you agree with the approach set out in paragraphs [23 to 28] for safety net calculations and payments?

Agree ✗
Disagree ☐

Any further comments

Q82: Do you agree with the approach set out in paragraphs [29 to 32] for levy calculations and payments?

Agree ✗
Disagree ☐

Any further comments

Section 5: Reconciliation payments in respect of financial year 2012/13

Q83: Do you agree with our proposals for closing the 2012-13 national non domestic rating account?

Agree ✗
Disagree ☐

Any further comments

Any Other Comments

Do you have any alternative proposals?
Do you have any other comments?

Thank you for completing this response form.
Response to Norwich City Council Regulation 19 (pre-submission stage) Consultation on Site Allocations and Development Management Development Plan Documents (DPDs)

Head of Localism and Growth

This report looks at the consultation documents and assesses the extent to which our previous concerns have been addressed. It also recommends a response to Norwich City Council which identifies some potential amendments but does not raise soundness objections.

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<thead>
<tr>
<th>Cabinet member(s): John Fuller</th>
<th>Ward(s) affected:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anita Ragan 01508 533848</td>
<td>All</td>
</tr>
<tr>
<td><a href="mailto:aragan@s-norfolk.gov.uk">aragan@s-norfolk.gov.uk</a></td>
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1. Background

1.1. The Site Allocations and Development Management DPDs are part of Norwich City Council’s Local Plan (formerly LDF). The documents will identify sites for future housing, employment, retail development, etc and set out the criteria by which planning applications will be judged. As a neighbouring authority and partner in GNDP, it is important South Norfolk Council has a chance to state its views on these documents. Each document has been through previous consultations and the Council has made comments during the development of these reports. Cabinet confirmed the last response in March 2011. This response raised concerns over two issues: it highlighted the potential adverse impact on traffic in Trowse of the proposals at the Deal Ground and Utility Site; it sought assurances that the lack of any proposals for a permanent Gypsy and Travellers site was not an indication of the City Council’s lack of commitment to ensuring it makes adequate provision. Full copies of the current consultation documents can be found on Norwich City Council’s website (www.norwich.gov.uk).

2. Current Position and Issues

2.1. The current publication is made under Regulation 19 of the Town and Country Planning (Local Development) (England) Regulations 2012, which is the pre-submission stage. This is therefore our last opportunity to influence the plan.
While Norwich City Council will not amend the content of the documents prior to submission, the Inspector will be shown any representations made at this stage, and can decide whether to ask for the plan to be amended. The issues raised by the Council in the last consultation have been addressed in the documents as follows.

2.2. Deal Ground: the Council was concerned about the potential adverse impact on traffic in Trowse of the proposals at the Deal Ground and Utility Site. The Site Allocations and Site Specific Policies DPD Policy R10 states the development of the site is conditional on the resolution of access issues, including via the May & Gurney site to The Street. It also states that any ‘local centre’ within the scheme will be managed to avoid increases in traffic movements (via a new bridge over the River Yare) to/from the site. The supporting text highlights the need to manage the transport impact of the development on the strategic highway network. Neither the policy nor the supporting text mention Trowse specifically, but it is felt that this issue has been addressed in general.

2.3. Gypsies & Travellers Provision: the Council was concerned at the lack of any proposals for a permanent Gypsy and Travellers site, and sought assurance that this was not an indication of the City Council’s lack of commitment to making adequate provision. The Site Allocations and Site Specific Policies DPD Paragraph 2.10 states that a Traveller Accommodation Assessment has not been finalised, so the level of need is unclear (but see later comment). Paragraph 2.11 refers to Development Management Policy DM14 (a criteria-based policy, for assessing applications to increase the existing site at Swanton Road) and states the Council will work with partners to provide pitches in line with the needs identified in the accommodation assessment mentioned above. Paragraph 14.3 of the Development Management DPD states that no additional sites were considered suitable. Paragraph 14.4 states (contrary to the Site Allocations document) that the draft Greater Norwich Gypsies and Travellers Accommodation Assessment 2011 suggests an immediate requirement in Norwich over the first five years of the plan period for a maximum of 11 additional pitches (reduced figure from that given in the RSS and JCS) and no additional need for travelling showpeople. Paragraph 14.5 proposes to accommodate this immediate need by extending the existing site at Swanton Road, subject to Homes and Communities Agency agreement.

3. Proposal and Reasons

3.1. The proposed response is based on an officer assessment of the level of impact the proposals may have on South Norfolk. The proposed response (set out in appendix one) covers three main topics:

a) South Norfolk Council welcomes the fact that site allocations for housing fully meet the requirements of the Joint Core Strategy (JCS).

b) The Council broadly welcomes the commitment Norwich City Council is making to provision for Gypsies and Travellers, in line with the Planning Policy for Traveller Sites (2012), following our previously-raised concerns.
c) The Council acknowledges the fact that Deal Ground traffic impacts on the highway network have been addressed, but suggests the document will be improved by mention of Trowse as the nearest settlement.

3.2. It is not proposed to raise a soundness objection on either document.

3.3. The City Council’s allocations (3,373 dwellings and 7ha employment land) exceed the housing allocation requirements in the Joint Core Strategy. This is particularly important as South Norfolk Council could come under pressure to meet any potential shortfall in meeting the JCS requirements (employment land was not expressed as a requirement in the JCS). It is, therefore, recommended that South Norfolk Council’s response welcomes the progress Norwich City Council is making in preparing its site allocation and development management development plan documents.

3.4. The government’s Planning Policy for Travellers Sites requires local planning authorities to set pitch targets for gypsies and travellers, and plot targets for travelling showpeople, and identify a five year supply against these targets. The JCS set a target of 15 permanent pitches in Norwich City between 2006 and 2011. However, the draft Greater Norwich Gypsies and Travellers Accommodation Assessment 2011 (GTAA) suggests an immediate requirement in Norwich over the first five years of the plan period for a maximum of 11 additional pitches (reduced figure from that given in the RSS and JCS). The draft site allocations plan does not include a specific allocation for a Gypsy and Travellers site. However, to date 3 new pitches have been provided (at Swanton Road). According to the Development Management Policies DPD, the remaining 8 pitches (from the GTAA requirement) can also be accommodated at Swanton Road.

3.5. Both the Deal Ground and Utilities sites have a long planning history, and the officers of the City Council have kept South Norfolk officers up to date on progress on the sites’ development. Recently, Norwich City Council have received an ‘in principle’ offer of funding from the Local Enterprise Partnership to help provide infrastructure, which is conditional on plans for the development progressing in the short term. The Site Allocations DPD allocates the Deal Ground for in the region of 600 dwellings. This contributes a significant proportion of the total dwellings allocated by Norwich. The impact of additional traffic is highlighted by Norwich City Council as a particular consideration. However, the report would benefit from specific mention of where the capacity constraints of the strategic highway network are. As the nearest settlement, it would also be preferable for the traffic impact on Trowse to be explicitly mentioned, and our response addresses this omission.

4. Other Options

4.1. Cabinet can decide not to respond to the consultation document. This could result in our concerns not being taken into account as the City Council progresses its site specific proposals.

4.2. Cabinet can agree to make changes to the proposed response set out in appendix one.
4.3. Cabinet can decide to make a soundness objection on grounds that the provision for Gypsy and Traveller pitches falls short of the JCS requirement. However, this could be seen as disproportionate, given the City Council’s efforts to meet the needs recently identified. It could also require attendance at the Examination in Public to justify our objection.

5. Relevant Corporate Priorities

5.1. Enhancing our quality of life and the environment we live in.

6. Implications and Risks

6.1. Legal – the Localism Act 2011 imposes a Duty to Co-operate on local authorities for the plan making process.

7. Conclusion

7.1. It is important to ensure our views are represented for these important documents, and this is our final opportunity to amend the plans. Overall, the City Council documents address the requirements of the NPPF, the Planning Policy for Traveller Sites and (other than the JCS Gypsy and Traveller requirement) meet the requirements of the Joint Core Strategy. The current documents also seem to have gone some way to addressing our previous concerns.

8. Recommendations

8.1. Cabinet is recommended to agree the response set out in appendix one of this report, and delegate authority to the Head of Localism and Growth to submit the appendix as South Norfolk Council’s formal response to the consultation on Norwich City Council’s consultation documents for its site allocations and development management development plan documents.
Appendix 1


Norwich City Council is making good progress in its preparation of its Site Allocations Development Plan Document. The City Council’s housing allocations (3,373 dwellings) exceed the housing allocation requirements in the Joint Core Strategy. The submission documents are therefore, in the opinion of South Norfolk Council, a clear indication that Norwich City Council is able to accommodate the level of housing and employment growth set out in the Joint Core Strategy. This is of particular importance to South Norfolk Council as it could come under pressure to meet any potential shortfall in meeting the Joint Core Strategy’s targets.

South Norfolk Council has previously raised serious concerns over the lack of specific provision for Gypsies and Travellers. We now welcome the commitment Norwich City Council is making to provision for Gypsies and Travellers, in line with the Planning Policy for Traveller Sites (2012) and the Gypsy and Traveller Accommodation Assessment.

The Council also welcomes the acknowledgement that the impact of additional traffic on the highway network from development at Deal Ground needs to be managed. We would like to suggest that the document would be improved by mention of Trowse as the nearest settlement which could be affected by increased traffic, and also further details about where on the strategic highway network the capacity issues might arise. However, it is not proposed to raise a soundness objection on this topic.