



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 9TH JANUARY 2013 AT 6.00 P.M.

THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

MEMBERS: Councillors R. Hollingworth (Leader), Mrs. M. A. Sherrey JP (Deputy Leader), Dr. D. W. P. Booth JP, M. A. Bullivant, C. B. Taylor and M. J. A. Webb

AGENDA

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the accuracy of the minutes of the meeting of the Cabinet held on 5th December 2012 (Pages 1 - 6)
4. Minutes of the meeting of the Overview and Scrutiny Board held on 17th December 2012 (to follow)
 - (a) To receive and note the minutes
 - (b) To consider any recommendations contained within the minutes
5. Minutes of the meeting of the Audit Board held on 13th December 2012 (to follow)
 - (a) To receive and note the minutes
 - (b) To consider any recommendations contained within the minutes
6. Medium Term Financial Plan 2013/2014 - 2015/2016 (Pages 7 - 14)
7. Homelessness Grant Funding 2012/2013 and Proposed Use of Funding for 2013/2014 (Pages 15 - 22)
8. Council Tax Base and Business Rate Base 2013/2014 (Pages 23 - 28)

9. Emergency Care Grants/Crisis Loans Scheme (Pages 29 - 36)
10. Council Tax Benefit Support Scheme (Pages 37 - 44)
11. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting
12. To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-

"RESOLVED: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, being as set out below, and that it is in the public interest to do so:-

<u>Item No.</u>	<u>Paragraphs</u>	
13	3 and 4	"

13. Shared Services Review Business Case (Pages 45 - 76)

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

20th December 2012

Agenda Item 3

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 5TH DECEMBER 2012 AT 6.00 P.M.

PRESENT: Councillors Mrs. M. A. Sherrey JP (Deputy Leader in the Chair),
Dr. D. W. P. Booth JP, M. A. Bullivant, C. B. Taylor and M. J. A. Webb
(Minute nod. 88/12 to 92/12)

Observers: Councillor E. J. Murray.

Officers: Ms. J. Pickering, Mr. J. Godwin, Mrs S. Sellers and Ms. R. Cole.

83/12 APOLOGIES

An apology for absence was received from Councillor R. Hollingworth. An apology for late arrival was received from Councillor M. J. A. Webb.

84/12 DECLARATIONS OF INTEREST

No declarations of interest were received.

85/12 MINUTES

The minutes of the meeting of the Cabinet held on 7th November 2012 were submitted.

RESOLVED that the minutes be approved as a correct record.

86/12 OVERVIEW AND SCRUTINY BOARD

The minutes of the Overview and Scrutiny Board held on 19th November 2012 were submitted.

RESOLVED that the minutes be noted.

87/12 WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

The minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 22nd November 2012 were submitted.

RESOLVED that the minutes be noted.

88/12 **CROWN CLOSE OPEN SPACE - REPAIRS TO SURROUNDING ROADS AND FOOTPATHS**

The Cabinet considered a report on a proposal to undertake repairs and resurfacing work to the footpaths and road around Crown Close Public Open Space, Bromsgrove.

It was noted that the footpaths and road which lead to Amphlett Hall and St. John's Church and which were used by both pedestrians and vehicles had deteriorated and were in danger of becoming a liability in terms both the escalating costs of temporary repairs and a risk of claims resulting from possible accidents.

Officers had reviewed the position and had identified that the cost of up to £40,000 could be met from S.106 funds available for the provision of Public Open Space enhancement. As part of the proposed works, the provision of a trench would be undertaken to facilitate planned lighting replacement in a co-ordinated way.

Members noted the present unsatisfactory condition of the footpaths and roads together with the opportunity to improve the area through the use of S.106 funding. Following discussion it was

RECOMMENDED that the Capital Programme 2012/2013 be increased by £40,000 to enable the resurfacing of footpaths and the road at Crown Close Open Space, Bromsgrove to be undertaken and that this work be funded by way of S.106 monies.

89/12 **MEDIUM TERM FINANCIAL PLAN 2013/2014 - 2015/2016**

The Executive Director (Finance and Resources) gave a presentation on the current position in respect of the Medium Term Financial Plan 2013/2014 to 2015/2016, including reference to particular issues which would be likely to impact upon the Authority's financial position.

It was reported that a major uncertainty at this stage was that details of the financial settlement from central government had not been received and that it seemed likely that details would not be available until 19th December 2012.

A number of issues which would affect the budget were highlighted by the Executive Director (Finance and Resources), including a projected staff pay award of 1%, a rise in utility bills of 10% and additional fuel costs. In addition it was felt likely that the general economic situation would result in an increase in pressure from the public on Council services.

It was explained that if there was a further freeze on Council Tax, whilst there was likely to be a government grant to partially cover this, the freeze would have an adverse impact on the Council Tax Base in future years.

Other issues highlighted included the potential cost of Welfare Reform, the cost of the introduction of Universal Credit and the introduction of the Community Right to Challenge.

It was reported that officers were working to address a potential budget gap of around £1,000,000 and Heads of Service had been advised that no budget bids would be accepted without full funding plans. In addition a great deal of work was on-going in relation to the re-design of services to reduce costs whilst maintaining or improving service to the customer. Further reports would be submitted to Members in January 2013.

RESOLVED that the current situation be noted.

90/12 **FINANCE MONITORING - QUARTER 2 2012/2013**

Members considered a report on the Council's financial position for April to September 2012.

It was noted that in respect of the revenue budget, at the end of the financial year there was at present a projected overspend of £59,000. The Executive Director (Finance and Resources) referred to specific areas where there had either been an overspend or a failure to meet projected income targets and explained that Heads of Service would be working with their teams and Portfolio Holders in order to address these issues.

It was noted that there was a request for the release of funding from reserves held for specific purposes relating to the Town Centre and Clinical Commission Group funded projects. The Executive Director (Finance and Resources) undertook to circulate details of the Clinical Commission Group funded projects to Members.

It was also noted that additional capital funding had been received from the Football Foundation and from Stoke Parish Council in respect of sports and play schemes at Braces lane, Barnsley Hall and Stoke Heath.

It was reported that there would be a need to carry forward to the 2013/2014 Capital Programme expenditure on capital schemes in relation to the Parkside development and the Public Realm works in Bromsgrove Town Centre. In addition it was proposed that the capital expenditure on the IDOX system would be split over two years.

RESOLVED:

- (a) that the current financial position in respect of revenue and capital expenditure as set out in the report be noted;
- (b) that the following funding be released from approved reserves:
 - £52,000 in relation to the Town Centre Redevelopment
 - £65,000 in relation to Clinical Commissioning Group funded projects

RECOMMENDED:

- (a) that the 2012/2013 Capital Programme be increased by £108,000 to reflect additional funding received from the Football Foundation and Stoke Parish Council in respect of the following sports and play schemes:
- Braces Lane (Football Foundation) - £50,000
 - Barnsley Hall (Football Foundation) - £48,000
 - Stoke Heath (Stoke Parish Council) - £10,000
- (b) that the following capital funding be carried forward to 2013/2014 in respect of capital schemes which will not be undertaken in 2012/2014:
- Parkside development and Public Realm improvements - £1,400,000
 - Regulatory Services - £58,000

91/12 **QUARTERLY MONITORING OF WRITE OFF OF DEBTS - QUARTER 2 2012/2013**

The Cabinet considered a report on the action taken in respect of the write off of debts during April to September 2012 and noted the profile and level of outstanding debt.

Members received clarification on a number of points and requested that in future reports, in relation to Council Tax Arrears and NNDR Arrears, the previous quarter figures be included so a comparison could be made.

RESOLVED that the contents of the report be noted.

92/12 **KICKSTART PARTNERSHIP CLOSURE**

(The Deputy Leader agreed to the consideration of this item as a matter of urgency as a decision was required thereon prior to the next meeting of the Cabinet).

Members considered a report on the closure of the national Kickstart Programme together with the implications of the closure of the scheme for the Authority and for residents who had benefitted from the scheme.

It was reported that the national Kickstart Programme had been established by the Government in 2004 to provide loans to residents on low incomes who were otherwise unable to access finance for home improvements which would enable them to live independently. In the West Midlands region a Partnership of Local Authorities had been established with Birmingham City Council hosting a Programme Management Team and Bromsgrove had joined the partnership in 2009. Since that time five households in Bromsgrove had benefitted from the scheme.

It was noted that following the decision of the Government to cease financing the scheme the Partnership was in the process of winding up and there was a proposal for the remaining secured and unsecured loans to be assigned to the

relevant Local Authority. The loan portfolio would become the responsibility of the Local Authority to administer. It was noted that confirmation had been received that there would be no claw back of capital to the Government and the funds released as loans would not be ring fenced. Bromsgrove would therefore be taking responsibility for the administration of five secured loans with a value of £71,762.

There would be a number of tasks involved in administering the loans but in principle the Authority had the expertise to deal with these although the detailed arrangements would need to be agreed between the relevant officers. There would be no additional cost to the Authority other than the administrative costs.

It was noted that other Authorities in the West Midlands region had taken on the responsibility for administering the loans benefitting residents within their areas and in the circumstances it was felt to be appropriate that this Authority also undertook this.

Following discussion it was

RESOLVED:

- (a) that the position in respect of the closure of the Kickstart scheme be noted and the re-assignment to Bromsgrove District Council of the loans granted to Bromsgrove District Council residents (as set out in Appendix 1 to the report) be approved in order that the Authority is able to manage the loans in future; and
- (b) that delegated authority be granted to the Head of Legal, Equalities and Democratic Services to enter into a Deed of Assignment in this regard on behalf of the Authority.

The meeting closed at 7.15 p.m.

Chairman

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MEDIUM TERM FINANCIAL PLAN 2013/14 – 2014/15

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

1.1 To enable Members to consider the current financial position for the revenue budget 2013/14- 2015/16.

2. RECOMMENDATIONS

2.1 Cabinet is asked to recommend approval of the budget principles as detailed at 3.9.

2.2 Cabinet is asked to note the current position for 2013/14 – 2015/16 and to request that officers review the savings that can be delivered to achieve a balanced budget.

3. KEY ISSUES

Financial Implications

3.1 The Council’s Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made over a 3 year period. It is revised and updated on an annual basis to take into account any alterations that may be required as a result of changes that impact on the Councils services.

3.2 As part of the review officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next 3 years.

3.3 As Members are aware there are considerable additional cost pressures facing the Council over the next 3 years as a result of a number of issues including:

- Reduction in Council Tax Benefit Grant received
- Changes to welfare reform and the impact on the Council from residents service need
- Transfer from Housing Benefit to Universal Credit

- Impact of the current national economy
- 3.4 Officers will continue to work with our partners to identify the costs that may be associated with some of these changes.
- 3.5 As Members are aware the services provided by the Council are undergoing a transformational change using a different approach to assessing the value provided by the service. It has become apparent through this work that officers are keen to address the purpose of a service rather than looking at provision in silos across the organisation.
- 3.6 A number of purposes have been developed which will be driving the future transformational activity and importantly are being considered alongside any funding requests from Heads of Service. To ensure we are working towards supporting the purposes, all additional requests for funds will have to demonstrate a clear link and improvement in support of the purpose. The strategic purposes used for the financial position are:
- Keep my place safe and looking good
 - Do sensible things to improve my locality
 - Help me run a successful business
 - Help me back to financial independence
 - Enable good implementable development
 - Help me find somewhere to live in my locality
 - Provide good things for me to see, do, visit
- 3.7 In addition to the development of the purposes the management team has spent a significant amount of time working in the teams and across services in both front line and back office sections. This has enabled a clear view of two main areas to address; firstly where issues arise that may prevent staff from actioning some of the innovative ways of working by finding areas of waste in the service that the Head of Service can request be stopped with no impact on delivery whilst saving money.
- 3.8 As a result of this work officers have managed the budget process within a framework of financial principles. These are:
- Reduce Waste in a system (Stop it now)
 - Design a new system to reduce waste and cost
 - Reduce the costs associated with enabling service provision rather than those that create the value to the customer.
- Officers will ensure that all savings identified do not impact negatively on the delivery of the Strategic Purposes as defined above as it is recognised that by considering savings to be delivered in this way it ensures that those services that create value to the customer are

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protected and where possible enhanced by realigning the budget allocation to these valuable areas.

- 3.9 Any additional income currently generated that delivers more than the target revenue has been built into the projections as a revised target to achieve.
- 3.10 As Members are aware it is hoped that the settlement for 2013/14 will be available on 19th December 2012. An update to this meeting will be reported once the allocation is made available.
- 3.11 The current summary position at 3.10 includes the financial impact of the above in addition to the following assumptions:
- 1% pay award in relation to inflationary increase. This will be subject to the national negotiation that the Council is signed up to.
 - Inclusion of the illustrative start up funding from Central Government.
 - 3% increase in fees and charges (where appropriate)
 - Zero Council Tax increase to be funded from grant received
 - Potential costs of the development of Parkside with the County Council
 - Potential costs of a new Leisure Centre of £12m from 2014/15 (this will be subject to formal feasibility appraisal and member agreement)

3.12 The revised position is shown below.

	2013/14 £'000 Opening Position	2013/14 £'000 Variations	2013/14 £'000 Projected Budget
Base cost of General Fund Services	11,720		11,720
Pressures –unavoidables	0	486	486
Savings (reduction waste, redesign systems, reduction in enabling costs)	0	-1,243	-1,243
Bids	0	176	176
Investment Income	-67		-67
Cost of Borrowing	204	-4	200
Net operating expenditure	11,857	-585	11,272
Government Grant (Including Homelessness Grant and Council Tax Freeze grant; excl Council Tax Support Grant shown separately)	-3,428	177	-3,251
New Homes Bonus	-366	-321	-687
Surplus from Collection Fund	0	-28	-28
Assumed Council Tax @ 0% (offset by 1%)	-7,269	173	-7,096

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Gov Grant) 2014/15 2015/16			
Reduction in Council Tax following LCTS adoption		580	580
Council Tax Support Grant (including 1 year transitional amount)	0	-572	-572
Funding Total	-11,063	9	-11,054
Overall Shortfall	794	-576	218

Savings currently identified include :

- General underspends offered up as future savings
- Extension of sharing for services currently not shared across the Bromsgrove and Redditch.
- Improved efficiencies within services and renegotiation of contracts
- Savings realised from transformation of services and driving out waste

Unavoidable pressures include

- Shortfall in income targets from car parking and planning income

3.11 The Council is to set a balanced budget for 2013/14 – 2015/16 and therefore will have to approve further savings, increase income or reduce high pressures for the 3 year period. Any additional spending, over and above the pressures identified above, would also need to be funded by additional savings.

3.12. Government Funding

3.13 Government funding for 2013/14 and beyond will be informed by the Local Government Resource Review and future Comprehensive Spending Reviews. This will be characterised by further large reductions in funding and a major transfer of risk from central to local government.

3.14 Government funding will be awarded in three distinct streams:

- Formula Grant
- Localised Business Rates
- New Homes Bonus

Formula Grant / Localised Business Rates

3.15 The Government grant we received for 2012/13 represented a cash decrease of 14% on the previous financial year.

- 3.16 The current mechanism of allocating formula grant will be replaced from April with a system of formula grant and localised business rates. As this effectively the same pot of money, they will be viewed as one funding stream for the purpose of the MTFP.
- 3.17 Localising business rates will transfer risk from central to local Government. As a billing authority we will be far more exposed to reductions in the local taxbase if businesses close or rates are revalued. This places far greater pressures on the cashflow and reserves of the Council as well as the risk of greater volatility in the future levels of expected funding.
- 3.18 The Council has supported the opportunity to pool business rates with other councils to mitigate against these risks. A final decision will be made in January following assessment of the impact of the settlement received on the pooling arrangements.
- 3.19 The Government are also transferring two specific grants into the formula grant funding from 2013/14. These are for 2011/12 Council Tax Freeze Grant (£176k) and Homelessness Grant (£100k).

New Homes Bonus

- 3.20 The Council received New Homes Bonus in the current year of £366k. It is prudent to assume that in future years that this figure will increase in line with the assumed increase in taxbase of 0.5% per annum. This would raise an estimated £300k additional grant per annum until the scheme matures in 2016/17.
- 3.21 As agreed in the current MTFP any income received from New Homes Bonus grant will be utilised to offset the pressures facing the Council over the medium term.

Council Tax

- 3.22 To ensure that necessary levels of funding are available given the large reductions in government grant highlighted above, Council Tax increases will have to be sufficient to ensure that funding is available for the services that create value to the customer have appropriate levels of financial resource.
- 3.23 The Council Tax freeze for the current financial year was funded by an additional one off government grant of £176k. It had been hoped that this would become an ongoing grant, however this grant was for

2012/13 only. Further savings and Council Tax increases have been identified as part of this MTFP to compensate in future years

- 3.24 The government have offered a grant equivalent to a 1% rise in Council Tax for 2013/14 and 2014/15 for councils who freeze their Council Tax in the next financial year. Acceptance of this freeze grant will cost the Council £140k pa once the grant ceases (assuming Council Tax would otherwise rise by 2% in 2013/14).

General Fund Balances

- 3.25 The level of the General Fund balance is currently £2.5m. As previously highlighted there will be greater risks on the cashflow and the funding of the Council in the medium term. Although the balances of the Council have improved over the past few years they still are less than the average for district councils in Worcestershire.
- 3.26 The current level of balances are sufficient to cover the increased risks that will be placed upon the Council in the short term. However a fuller assessment of the necessary level of balances will be required once the full impact of the Government's changes to local government funding are known.
- 3.27 The estimated level of government funding over the MTFP will reduce more rapidly than the increase in Council Tax revenues. Consequently, there will be a continuing focus on transforming service delivery to reduce waste and to ensure that the funding available is aligned to the services that create value to the residents of Bromsgrove.

Legal Implications

- 3.28 None as a direct result of this budget update.

Service / Operational Implications

- 3.29 The bids proposed will ensure that services to the community can be further developed and improved.

Customer / Equalities and Diversity Implications

- 3.30 The impact on the customer has been reduced due to the savings being realised by reduction of waste in the services and ensuring that all services that create value to the customer are resourced.

4. RISK MANAGEMENT

- 4.1 An impact assessment is undertaken of all Council bids to ensure that any impact and risk to the community is identified and addressed.

5. APPENDICES

N/A

AUTHOR OF REPORT

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OUTURN EXPENDITURE OF CLG HOMELESSNESS GRANT FUNDING FOR 2012/13 AND PROPOSED USE OF GRANT FOR HOMELESSNESS PREVENTATION OR TO HELP SUPPORT HOMELESS FAMILIES FOR 2013/14

Relevant Portfolio Holder	Cllr Del Booth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Sue Hanley – Director Of Leisure, Environment and Community Services/ Deputy Chief Executive
Wards Affected	All
Ward Councillor Consulted	No
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 Since the Homelessness Act 2002, the Government has allocated grant funding to local authorities to prevent and tackle homelessness.
- 1.2 The annual grant to BDC, allocated through Communities and Local Government (DCLG) has been used each year since 2002 to fund a range of homelessness support services and schemes that focus upon the prevention of homelessness and repeat homelessness.
- 1.3 In dealing with the national deficit, the coalition government is making significant changes to the way in which Welfare Benefits are awarded. In order to support local authorities to prevent or react to homelessness, DCLG has awarded BDC £112,830pa homelessness grant for the next two financial years.
- 1.4 This report provides members with information relating to spending on schemes in place funded by DCLG Grant during 2012/13 and seeks Member approval for the award of grant to specific schemes in 2013/14 that have been considered by the Homelessness Strategy Steering Group and are recommended by the Strategic Housing Manager.
- 1.5 In addition to Homelessness Grant mentioned above, in 2012 the Council received additional non tenure specific 'Economic Recovery Fund' of £30,000. This is intended to assist people who have suffered an income shock due to redundancy or short time working, whether they are home owners or tenants, and to facilitate mortgage rescue.
- 1.6 The Homelessness Grant and Economic Recovery Fund have been incorporated into a strategic fund for homelessness, which partner organisations have made requests to in order for them to provide services for homeless customers or to prevent homelessness.

2. RECOMMENDATIONS

- 2.1 That the update on the homelessness prevention and support schemes funded through DCLG Homelessness Grant during 2012/13 be noted.
- 2.2 That the submissions for the funding of schemes during 2013/14 considered by the Bromsgrove Homelessness Strategy Steering Group and recommended by the Strategic Housing Manager (table 5.4) be approved to receive funding from the Council's strategic fund for Homelessness for 2013/14.
- 2.3 That the Head of Community Services in consultation with the Portfolio Holder for Strategic Housing be granted delegated authority to allocate any under spend or make further adjustments necessary to ensure full utilisation of the strategic fund for homelessness for 2013/14 in support of existing or new schemes.
- 2.4 That officers refresh the policy and procedure for the allocation of DCLG Homelessness Grant funding for 2014/15 allocation.

3. KEY ISSUES

Financial Implications

- 3.1 On the 1st February 2012 the Executive Cabinet gave approval to the Homelessness grant funding for 2012/13 being used in accordance with the recommendations made. The Executive Cabinet also gave delegated authority to the Portfolio Holder and the Head of Communities to re-allocate any under spend or make further adjustments necessary to ensure full utilisation of the grant allocation for 2012/13.
- 3.2 The Council has received notification from the DCLG that its Homelessness Grant allocation for 2013/14 & 2014/15 is £112,830 each year.
- 3.3 The Council received £30,000 for non tenure specific economic recovery funding to continue to support home owners and mortgage rescue. A carry forward of £700 was brought forward from a previous allocation of this funding. £5,000 is anticipated to be required for 2012/13 to facilitate the mortgage rescue of a household facing repossession.

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3.4 The Homelessness grant funding and the remaining Economic Recovery fund has been utilised in allocations for projects in 2013/14.

Legal Implications

3.5 Prevention of homelessness through the initiatives and schemes developed and funded through CLG Grant assist the Council in meeting its statutory duties to homeless applicants under the Homeless provisions of the Housing Act 1996, and the requirements of the Homelessness Act 2002.

Service / Operational Implications

3.6 The table below shows the allocation awarded for 2012/13 projects

Allocation of CLG Homeless Grant 2012/13		
Amount Carried Forward from 11/12	18,531	
Homelessness Grant for 12/13	114,000	
Total	132,531	
Homelessness Grant for 2012/13	Bid allocation	Actual SPEND IN YEAR
CAB Mortgage Rescue Adviser allocated 08/08	17,600	17,600
Housing Options Service	15,000	15,000
Floating Homelessness Prevention Officers	24,000	24,000
Rent Deposit Scheme for under 25's	21,500	21,500
Newstart Furniture Project	8,500	8,500
Homelessness Coordinator	2,500	4,500
Night Assessment Centre	3,000	5,375
Step Up - salary	21,000	21,000
St Basils – exp approved in 11/12 inc in carry forward	0	15,000
Total	113,100	132,475

3.7 The number of people presenting as homeless, those accepted and the outcome of homelessness prevention services are monitored by the Strategic Housing Team on a quarterly basis. The table below forecasts an increase across all areas for 2013 and this trend is likely to be exacerbated by a raft of Welfare Reforms from April 2013.

Performance	Total	Total	Total	Total	Projected
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info 2009/10	2008/9	2009/10	2010/11	2011/12	2012/13
Presentations	119	123	115	127	144
Acceptances	69	63	66	67	78
No of people in temp accommodation	13 on 31/3/09	14 on 31/3/10	31 on 31/3/11	26 on 31/3/12	50 estimate for 31/3/13
Preventions	172	155	198	204	220
Housing advice (BDHT)	695	766	756	787	832

- 3.8 Officers identified a number of strategically relevant funding requirements for the authority and utilised this funding to ensure continued provision of service. These are identified in the table below.
- 3.9 A total of 8 bids were received for the remaining funding of £111,776. These bids were considered by the Homelessness Strategy Steering Group and were evaluated by the Housing Strategy Manager following a scoring methodology.
- 3.10 Two bids were rejected as they were considered to be of a low strategic priority and could achieve funding through other means. The organisations were asked to consider whether the scheme/initiative could be delivered for less than the initial bid and as a consequence one bid was more than halved.
- 3.11 The table below shows bids recommended for approval for 2013/14 by the Strategic Housing Manager as they are able to demonstrate that they are strategically relevant to Bromsgrove District, help reduce the risk associated with homelessness and the Council's Statutory Duty, and provide value for money outcomes.

Allocation of Homelessness Budget 2013/14	£
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Homelessness Budget	138,530
Committed continuation funding of existing schemes or initiatives: <ul style="list-style-type: none">• Home Visits £15,000• Step Up Officer £6,254• Homelessness Co-ordinator £2,500• Night Assessment Centre £3,000• Mortgage Rescue Facilitation Fund £6,676	33,430
CAB Owner Occupation Debt Adviser – Offers free, impartial specialist advice for owner occupiers to prevent repossession and homelessness and assists clients at risk of mortgage repossession. In April 2013 debt and welfare benefits will fall outside the scope of legal aid and therefore it is anticipated that casework for this adviser at CAB will increase.	17,600
Homelessness Prevention Support Officers – Supports clients to maintain their accommodation and prevent them from becoming homeless. Also supports applicants to obtain accommodation and prevent repeat homelessness. During 2013/14 the officers will focus efforts on those affected by the Benefit Cap.	25,000
St Basils Rent Deposit Scheme and Education Initiative for under 25's – The rent deposit scheme sources safe, affordable accommodation for young people in the Private Rented Sector. St Basils provide financial support to ensure affordability and support with independent living skills. The education initiative carry out workshops in schools and colleges to educate young people on issues relating to homelessness and what might be the triggers for young people becoming homeless.	25,500
NewStarts Furniture Project – is the only provider of quality, reusable household goods, donated to homeless families, free of charge. In addition NewStarts provide emergency food parcels for individuals and families in need.	10,000
St Pauls Personalisation Fund – The Worcestershire Homeless Intervention Team provide effective outreach support services to	2,000

Rough Sleepers and resettlement support for those who have succeeded in gaining their own accommodation. As part of developing the service and adopting the Government's No Second Night Out standard they will be adopting a personalisation approach to working with clients in Bromsgrove District and require access to a personalisation budget to provide a more tailored service.	
Basement Drop in Service – The Drop-In Service is a place where young people can access one-to-one support, workshops and practical help to address any issues they are facing, including homelessness, issues that arise when moving away from home for the first time (e.g. managing money, debt, benefits), unemployment and health issues (e.g. mental health issues, drug and alcohol misuse). In the last year, they have supported 200 young people to: secure/maintain accommodation; develop independent living skills; improve their physical and mental health; and investigate/take up education and employment opportunities.	25,000
Total Requirement for Projects/Services	138,530

Customer / Equalities and Diversity Implications

- 3.12 This grant will benefit the Council's customer, by offering household's more options to prevent their homelessness and where possible to enable them to remain in their own homes. The Council will be encouraging them to be more independent and take responsibility for their housing situation.
- 3.13 The grant will also benefit the larger community as opportunities to prevent homelessness will be maximised.
- 3.14 Welfare and Housing Benefit changes are anticipated to impact on certain ethnic groups more adversely than others. The above initiatives will help the Council to ensure that anyone disadvantaged by these changes is supported to sustain their accommodation in the short term so that they can seek more suitable accommodation in the future and avoid becoming homeless.

4. RISK MANAGEMENT

4.1 If the recommended schemes are not approved there is a risk that more households who are threatened with homelessness or who are in housing need will have limited alternative options. There is the risk that they may have to make a homeless approach and this could consequently lead to the following risks:

- Inability by the Council to meet the statutory duty to provide temporary accommodation in the District thus necessitating placement in B&B accommodation outside of the District.
- Increased B&B costs.
- Increased Rough Sleeping in the District

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

7. **KEY**

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COUNCIL TAX BASE & NNDR BASE 2013/14

Relevant Portfolio Holder	Cllr Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All Wards
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To enable Members to set the Council Tax Base for 2013/14 and approve the NNDR1.

2. RECOMMENDATIONS

2.1 The Committee is asked to RECOMMEND that

- 1) the calculation of the Council's Tax Base for the whole and parts of the area for 2013/14, as detailed in the Appendices to the report, be approved; and
- 2) in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the figures calculated by the Bromsgrove District Council as its tax base for the whole area for the year 2013/14 be 33,784.51 and for the parts of the area listed below be:
- 3) the Calculation of the NNDR1 return as detailed in Appendix 2 to this report
- 4) grants to Parish Councils totalling £40,020.

3. KEY ISSUES

Financial Implications

- 3.1 With the introduction of the Council Tax Support Scheme the base has been calculated and adjusted by the estimated amount of Council Tax Support discounts awardable.
- 3.2 The Council Tax support is estimated using data as at 30th November 2012. Any changes to the amount payable will have a direct impact on the chargeable amount of Council Tax. The authority will receive a grant for the financial year for an estimated 90% of Council Tax

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Support payable; this will be set and not varied with changes in the number of discounts awarded under the Council Tax Support.

- 3.3 Appendix 1 shows a more detailed breakdown of the calculation for the whole area.
- 3.4 It is also recommended that Members agree grants to Parish Councils to the sum of £40,020 this will be payable on top of their precept to ensure residents are not affected by the reduction in the Council Tax Base in the parish area. The amount of grant for each Parish is detailed in Appendix 1.
- 3.5 Members are also asked to approve the NNDR1 return for 2013/14; any likely changes to the base have been estimated by Officers. Local Authorities will now benefit from improved collection and prompt billing and any variation to the NNDR base will directly affect the cash flow of the authority.

Legal Implications

- 3.7 The Local Authorities (Calculation of Tax Base) Regulations 1992 require a billing authority to notify its major precepting bodies (and its Parishes, if required) of the Tax Base, for the whole or part of the area for the following financial year. The precepting bodies - Worcestershire County Council, West Mercia Police Authority and Hereford & Worcester Fire & Rescue Authority - need this information in order to calculate and notify the District Council of their precept requirements for 2013/14. This will enable tax setting resolutions to be finalised and bills to be produced early in March 2013.
- 3.8 The legislation also requires a billing authority to calculate the tax base for any "special areas" within its boundary. There are no such areas in the Bromsgrove District.
- 3.9 It is necessary to outline the method by which these calculations have been carried out so that the Council can formally adopt them for the purposes of the 1992 Regulations.

Service/Operational Implications

- 3.10 In October 2012, form CTB1 was submitted to the Department for Communities and Local Government. This analyses the draft Valuation List of properties into the various bands and then provides further details of those properties which are subject to the full charge, those entitled to discounts and those which are exempt.

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- 3.11 This report is a summary of that return updated to include any known changes since November. It also makes provision for anticipated changes which could arise for a variety of reasons such as appeals, new properties or properties falling off the list. An allowance of 1.00% has been made for non-collection of the tax.
- 3.12 The Council is required to set a Council Tax Base each year, this forms part of the process of setting the following year budget. Failure to do so will result in the Council not being a Well Managed Organisation.
- 3.13 Members are also asked to approve the NNDR1 return to Central Government; this is a new requirement of the Local Government Finance Bill 2012.

Customer / Equalities and Diversity Implications

- 3.14 The Tax Base for 2013/14 has been calculated to be 33,784.51. Once this has been agreed, the County Council, Police Authority and Fire Authority will be notified and the figures will be used in the setting of the Council Tax to be presented to the Cabinet Committee and approved by the Council on 20th February 2013.

4. RISK MANAGEMENT

There is no identified risk associated with the proposal contained in this report.

5. APPENDICES

- Appendix 1 - Council Tax Base for each area
Appendix 2 - NNDR 1 (to follow)

6. BACKGROUND PAPERS

CTB1 (October 2012) Return.

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Council Tax Base 2013/14

	Council Tax Base	Grant Payable to Parish £
Whole Area	33,784.51	
Unparished	12,611.56	
Barnt Green	901.60	1,840.00
Bournheath	209.65	490.00
Catshill & Marlbrook	2,195.35	2,530.00
Finstall	282.69	360.00
Lickey & Blackwell	2,046.28	680.00
Alvechurch	2,166.94	8,580.00
Belbroughton	1,140.27	3,800.00
Bentley		
Pauncefoot	181.94	140.00
Beoley	445.97	700.00
Clent	1,175.82	1,880.00
Cofton Hackett	718.72	730.00
Dodford with Grafton	390.15	150.00
Frankley	48.57	100.00
Hagley	2,025.95	3,170.00
Hunnington	221.63	660.00
Romsley	629.97	2,300.00
Stoke	1,637.82	3,650.00
Tutnall & Cobley	349.03	310.00
Wythall	4,404.63	7,950.00
	<u>33,784.51</u>	<u>40,020.00</u>

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COMMUNITY CARE GRANTS AND CRISIS LOANS

Relevant Portfolio Holder	Cllr Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider the proposed new arrangements for the administration of Community Care Grants and Crisis Loans.

2. RECOMMENDATIONS

- 2.1 **Cabinet is asked to RECOMMEND approval of the request for delegation of this scheme from the County Council to the District.**
- 2.2 **Cabinet is asked to RESOLVE that officers develop a detailed scheme for individuals to access the scheme and that this be reported to be Members in March.**
- 2.3 **Cabinet is asked to RESOLVE that officers report the level of funding available to Members once the final allocation is made available.**

3. KEY ISSUES

Financial Implications

- 3.1 As part of the Welfare Reform Act 2012 the Government have replaced elements of the discretionary Social Fund with "local assistance schemes".
- 3.2 The Social Fund is a scheme currently administered by the Department of Works and Pensions (DWP) to help people with needs that are difficult to meet from regular income. It is made up of two distinct parts:
- a **Regulated** scheme which provides entitlement to maternity, funeral, cold weather and winter fuel payments for people who satisfy certain qualifying conditions.
 - a **Discretionary** scheme under which people may be eligible in certain circumstances for a budgeting loan, a community care grant or a crisis loan to meet, or help to meet an immediate short term need.

- 3.3 The Act abolishes community care grants and crisis loans for living expenses from 1 April 2013. Instead a non-ringfenced grant is to be paid to unitary and upper-tier local authorities in England to enable them (under existing powers in the Local Government Act 2000) to provide new locally-administered assistance to vulnerable groups.
- 3.4 The expectation is that local authorities will be able to manage the funds available and "take into account local knowledge and target the most vulnerable individuals". The grant for administering the scheme will be paid to County Councils.
- 3.5 It is proposed that the District requests delegation from the County Council for the provision of this service to be undertaken by District officers and that the funding be allocated to meet the requirements for those accessing the grants and loans. It is understood that the North Worcestershire Councils are requesting this delegation to provide a local service. The benefits of a local provision are :
- The District defines local policy on how the money is spent, within the broad principles
 - All decision making on spend taken by the District
 - The District manage the budget
 - Application, decision making/assessment, payment and monitoring carried out by the District
 - Gives the District total independence and flexibility on how any support is provided, in line with the policy principles
 - Allows the District to reflect local needs and integrate with existing current local arrangements such as hardship funds, housing support, Care & Repair agencies, food voucher schemes, furniture schemes etc
 - Allows the District to consider flexible use of resources

3.6 Purpose of Community Care Grants and Crisis Loans for Living Expenses

Community Care Grants

- 3.6.1 Community Care Grants (CCGs) were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means tested benefits.

Crisis Loans

- 3.6.2 Crisis Loans (CLs) were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living

expenses in order to avoid serious damage or serious risk to the health or safety of the applicant or a member of the family.

3.7 Funding for Scheme

3.7.1. It is anticipated that the exact level of funding to be allocated from the DWP for the scheme will be available in late December 2012. The funding is to be available for 2 years (ending March 2015) and therefore any delegation to the District will be on the basis of this period. An indicative allocation has been advised to the County Council and this represents a 11% reduction on the levels of expenditure in 2011/12. It is anticipated that the final allocation will reflect a similar reduction.

3.7.2. To obtain an estimate of the funding that could be passed to the District for the scheme the levels of expenditure have been analysed for 2011/12.

2011/12 ACTIVITY FOR WORCESTERSHIRE

Crisis Loans (Items & Living Expenses)	Number of applications	Successful applications	Expenditure 2011/12
Bromsgrove	720	540	£30,800
Redditch	2,020	1,540	£100,800
Malvern Hills	600	490	£31,100
Worcester City	2,270	1,780	£95,500
Wychavon	770	590	£35,200
Wyre Forest	1,980	1,490	£86,300
TOTAL	8,360	6,430	£379,700
Community Care Grants	Number of applications	Successful applications	Expenditure 2011/12
Bromsgrove	370	180	£82,500
Redditch	570	270	£127,300
Malvern Hills	320	150	£68,500
Worcester City	840	390	£175,000
Wychavon	460	190	£95,000
Wyre Forest	730	300	£137,000
TOTAL	3,290	1,480	£685,300

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TOTAL	Number of applications	Successful applications	Expenditure 2011/12
Bromsgrove	1,090	720	£113,300
Redditch	2,590	1,810	£228,100
Malvern Hills	920	640	£99,600
Worcester City	3,110	2,170	£270,500
Wychavon	1,230	780	£130,200
Wyre Forest	2,710	1,790	£223,300
TOTAL	11,650	7,910	£1,065,000

3.7.3. It is proposed that the scheme funding be allocated pro-rata to the 2011/12 expenditure, and that it is all allocated to the District Councils (ie none is left with the County Council). This is on the basis that the Districts would be incurring all the programme expenditure and that there would be no additional costs to the County Council. The indicative funding allocation, based on the 2011/12 expenditure levels, would be as follows:

ALLOCATION OF REDUCED FUNDING BASED ON 11/12 ACTIVITY

2013/14 Indicative Funding Allocation	% based on expenditure 2011/12	Programme Funding Allocation
Bromsgrove	10.64%	£100,786
Redditch	21.42%	£202,906
Malvern Hills	9.35%	£88,599
Worcester City	25.40%	£240,624
Wychavon	12.23%	£115,820
Wyre Forest	20.96%	£198,637
TOTAL	100.00%	£947,372

3.7.4. In addition to the scheme funding as detailed above there is an element of Administrative Funding which will be made available. It is proposed that this grant will be allocated to the Districts to enable them to administer the scheme using internal resources funded by the grant available. The final details of this grant will be available in late December and will be for 2 years.

3.7.5. It is proposed that the administrative grant be allocated to the Districts on the basis of the number of applications less £5,000 to be retained by the County.

ALLOCATION OF INDICATIVE ADMINISTRATIVE FUNDING

2013/14 Indicative Funding Allocation	% based on number of applications	Administrative Funding Allocation
Bromsgrove	9.36%	£18,260
Redditch	22.23%	£43,390
Malvern Hills	7.90%	£15,420
Worcester City	26.70%	£52,107
Wychavon	10.56%	£20,610
Wyre Forest	23.25%	£45,400
TOTAL	100.00%	£195,187

- 3.7.6. Officers will ensure that the maximum resource can be funded from the allocation in accessing support within the shared service across Redditch and Bromsgrove Councils.

Legal Implications

- 3.8 As referred to at para 3.1 above changes are being introduced through the 2012 Welfare Reform Act to end the previous practice of crisis loans administered through the DWP and replace them with a locally administered system of Community Care Grants and Crisis Loans. From a governance point of view, as Worcestershire is a two tier authority the starting point would be for the new scheme to be administered by the County Council. However, it is being proposed that this function be delegated by the County Council to the District. This will be a decision for Full Council as set out in recommendation 2.1.

Service / Operational Implications

3.9 Localised Support Scheme

- 3.9.1. The purpose of the scheme is to assist vulnerable people in meeting their needs for subsistence or financial support where they are unable to meet their immediate short term needs or where they require assistance to maintain their independence or re-integrate within the community. The scheme will replace those elements of the Social Fund which will no longer be administered by the DWP.
- 3.9.2. The formal notification from the DWP states that Local Authorities "*need to be able to flex the provision in a way that is suitable and appropriate to meet the needs of your local communities... we expect funding to be concentrated on those facing greatest difficulty in managing their income, to enable a more flexible response to unavoidable need, perhaps through a mixture of cash or goods and aligning with the wider*

range of local support local authorities/devolved administrations already offer. In short, the funding is to allow you to give flexible help to those in genuine need." This will be taken into account when considering potential options for localised support.

- 3.9.3. Officers within the Housing and Benefits Services are working together to ensure that the final scheme will meet the needs and requirements of our community. It is anticipated that this be presented to Cabinet in March 2013.
- 3.9.4. There is a risk that the grant will not be enough to manage the demand. This will be a challenge given that the indicative level of grant available is lower than expenditure under the current scheme. However, it is clear that the budget needs to be managed to a limit of the grant available to avoid impacting on other areas of Councils' budgets. Given that the funding is only clear for the first two years, it is proposed that any scheme only covers this period.
- 3.9.5. It is proposed that broad principles be adopted when considering a local scheme to include:
- Be Clear
 - Be Responsive
 - Target the most vulnerable and those in need of immediate support
 - Issue vouchers rather than cash, where appropriate
 - Minimise cost of administration (Avoids loans)
 - Separate application/decision making from face to face customer contact, subject to local requirements
 - Have one single route of appeal/review
 - Have a system for Monitoring and Review use of the grant
 - Have effective budgetary control
 - Be resilient
- 3.9.6. Officers will continue to work together and with the community to develop a scheme that suits local needs with local knowledge and support.

Customer / Equalities and Diversity Implications

- 3.10 It is proposed that by receiving delegation to provide the scheme locally the community will benefit from the internal officers support and knowledge. Any proposed scheme will be subject to a period of consultation with the community.

4. RISK MANAGEMENT

- 4.1 There is a risk that funding levels will not meet demand however officers will work to ensure that the resource available is maximised to support those in need whilst managing the prescribed level of budget.

5. APPENDICES

N/A

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from current 100% to 60%		
2b. Short term (up to 6 months) empty property Class C exemption - reduce from current 100% to 50%	As an alternative to 2a. Council tax is based on 50% property and 50% persons, so there is some logic for this proposal.	£250,000
3. Reduce discount on second homes to nil	Currently second homes qualify for a 10% discount.	£44,000

3.7 Similar proposals and consultation are being undertaken in the other Worcestershire billing authorities with the exception of Wyre Forest District Council who are proposing wider changes to Council Tax and Council Tax support from 2013/14.

3.8 The Council's consultation period ended on the 30/11/2012 and there were only 2 responses

3.9 During the consultation period the Department of Communities and Local Government (DCLG) announced that additional funding of £100 million was available for 2013/14 to help mitigate the impact on working age claims. The grant has to be applied for after 31/01/2013 and will only be payable to authorities that implement local schemes that meet certain criteria.

3.10 The criteria are:

Working age claims that are currently entitled to 100% support under the Council Tax Benefit pay no more than 8.5% of their net Council Tax liability.

The taper rate does not exceed 25%

There is no sharp reduction in support for those entering work.

3.11 If Bromsgrove District Council meets the above criteria a grant of £16,113 can be claimed, with additional grant, as below, available for the precepting authorities.

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	Worcestershire County Council	West Mercia Police Authority	Hereford and Worcester Fire and Rescue Service
BDC			
£16,113	£79,290	£13,638	£5,619

- 3.12 It is understood that the current proposals to restrict Council Tax support to Band D will not meet the criteria and therefore the extra grant could not be claimed. Therefore the Council needs to support an alternative approach to secure the funding available.

Financial Implications

- 3.13. The Council needs to decide to either reduce the funding gap by way of the proposals consulted on or to adopt the default scheme to qualify for the additional grant. A new scheme could also be designed to meet the criteria to qualify for the additional grant, however it is likely that a separate consultation will be required.
- 3.14 The impact for Bromsgrove and the collection fund as a whole is shown below.

Implementing original proposals (BAND D Limit)	Financial impact for Collection fund (£000)	Financial impact on BDC (£000)
Estimated cost of Government cut to funding	478	61
<u>LESS</u>		
Council Tax exemption changes (based on 50% Class C and 0% for second homes)	294	38
Restriction of support to Band D	20	3
Total financial impact based on consultation changes	164	21

Implementing original proposals (BAND D Limit)	Financial impact for Collection fund (£000)	Financial impact on BDC (£000)
Estimated cost of Government cut to funding	478	61
<u>LESS</u>		
Council Tax exemption changes (based on 50% Class C and 0% for second homes)	294	38

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Additional Grant	115	16
Total financial impact with extra grant but no Band D restriction	69	7

3.15. Bad debt provision has not been increased. There is a potential increase in bad debts due to the recovery of the debts but this would be shared across all preceptors and a 5% increase to reflect the gap of £478k is £24k across all agencies.

3.16 The Government has granted financial support of £84k to implement revised schemes which will be utilised to fund software changes and staff training.

Legal Implications

3.17 The Council is required to have a new scheme in place before the 31/01/2013 or the Government designed default scheme is applied.

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6. BACKGROUND PAPERS

Various consultation documents issued by the DCLG available from the DCLG website.

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