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To: Cllr Ron Hampson (Chairman)

Councillors: David Cox, Paul Cunningham, Peter Curtis, Ron Davies, Rosetta Dolphin, Ian Dunbar, Jim Falshaw, George Hardcastle, Ray Hughes, Hilary Isherwood, Sara Parker, Mike Reece, Gareth Roberts and David Roney

7 July 2016

Dear Councillor

You are invited to attend a meeting of the Community and Enterprise Overview & Scrutiny Committee which will be held at 2.00 pm on Wednesday, 13th July, 2016 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

A G E N D A

1 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Purpose: To receive any Declarations and advise Members accordingly.

3 MINUTES (Pages 3 - 8)

Purpose. To confirm as a correct record the minutes of the meeting held on 8 June 2016 (copy enclosed).

4 COUNCIL FUND REVENUE BUDGET 2017/18 (Pages 9 - 20)

Report of Chief Officer (Community and Enterprise) - Cabinet Member for Housing

Purpose: To update the Committee on the financial forecast for the 2017/18 financial year.

5 **STRATEGIC HOUSING AND REGENERATION PROGRAMME (SHARP)**
(Pages 21 - 42)

Report of Chief Officer (Community and Enterprise) - Cabinet Member for Housing

Purpose: To review progress on the Strategic Housing and Regeneration Project (SHARP).

6 **DISCRETIONARY RATE RELIEF POLICY** (Pages 43 - 54)

Report of Chief Officer (Community and Enterprise) - Cabinet Member for Corporate Management

Purpose: To consult with the Committee on the proposed new policy for 2017-18 and future years following the review of the affordability of the current policy of rate relief for charities, voluntary groups and not for profits organisations.

7 **HARDSHIP RATE RELIEF POLICY** (Pages 55 - 64)

Report of Chief Officer (Community and Enterprise) - Cabinet Member for Corporate Management

Purpose: To consult with the Committee on the proposed Hardship Rate Relief Policy for 2016 - 17 and future years.

8 **FORWARD WORK PROGRAMME** (Pages 65 - 74)

Report of Community and Enterprise Overview & Scrutiny Facilitator

Purpose: The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Community & Enterprise Overview & Scrutiny Committee.

Yours faithfully



Peter Evans
Democracy & Governance Manager

COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE **8 JUNE 2016**

Minutes of the meeting of the Community and Enterprise Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Wednesday, 8 June 2016

PRESENT: Councillor Ron Hampson (Chairman)

Councillors: Paul Cunningham, Peter Curtis, Ron Davies, Rosetta Dolphin, George Hardcastle, Sara Parker, Gareth Roberts and David Roney

SUBSTITUTES: Councillors: Glyn Banks (for Ian Dunbar) and Paul Shotton (for Mike Reece)

APOLOGIES: Councillors: David Cox and Alison Halford

CONTRIBUTORS: Councillor Helen Brown, Cabinet Member for Housing; Chief Officer (Community & Enterprise); Senior Manager (Customer Support); and Finance Manager

IN ATTENDANCE: Community and Enterprise Overview & Scrutiny Facilitator and Committee Officer

1. APPOINTMENT OF CHAIR

As Councillor Ron Hampson had been appointed to this role at the Council's Annual General Meeting on 10 May 2016, this decision was endorsed by the Committee.

RESOLVED:

That Councillor Ron Hampson be confirmed as the Chairman of the Committee.

2. APPOINTMENT OF VICE-CHAIR

Councillor Ron Hampson nominated Councillor George Hardcastle as Vice-Chair of the Committee. This was duly seconded and supported by the Committee.

RESOLVED:

That Councillor George Hardcastle be appointed Vice-Chair of the Committee.

3. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

There were no declarations of interest.

4. MINUTES

The minutes of the meetings of the Committee held on 13 April and 9 May 2016 had been circulated to Members with the agenda.

RESOLVED:

That both sets of minutes be approved as a correct record and signed by the Chairman.

5. WELFARE REFORM – INCLUDING UNIVERSAL CREDIT

The Senior Manager, Customer Support, presented an update on the implementation of Universal Credit (UC) and progress being made by the Council and its partners to manage the impact of welfare reforms. The report also highlighted some emerging issues from reforms to date and those yet to be introduced. The Council's proactive response to managing the reforms had been identified as good practice and Welsh Government had commissioned the Council to deliver training on welfare reforms across other Authorities in Wales (currently being undertaken by the Advice and Homelessness Manager). A workshop would be held on 8 July to brief Flintshire Council Members.

The Senior Manager gave an overview of the UC implementation programme where the phased rollout of the full service meant a rise in the number of claimants. To raise awareness and help prepare for the changes, the Neighbourhood Housing Service was engaging with tenants and providing training to Housing officers. The report detailed a range of issues experienced with elements of UC processes such as delayed housing costs within UC awards which could be viewed as a risk to private landlords. In addition, some low-paid workers would be subject to some level of in-work conditionality which required them to increase their working hours or income levels, to avoid having their UC award sanctioned. During an update on the effects of the Bedroom Tax in Flintshire, it was explained that pre-tenancy checks were being carried out as a safeguarding measure. Information was also shared on the potential significant impact of restricting Housing Benefit awards and the need for greater focus on alternative housing options for vulnerable people and single people under 35 who were at risk from the changes. In relation to the benefit cap, Council officers were working with Job Centre Plus and communicating with households for whom there could be severe financial consequences.

The Chairman spoke about the potential risk if there was a reduction in the number of private landlords willing to rent to UC claimants. The Senior Manager commented that delayed payments should not be an issue if the transition to UC was managed effectively.

Councillor Paul Shotton praised the work being done by the Council's Housing Solutions team and stressed the importance of all Members attending the forthcoming workshop. He raised concerns about delays in housing cost payments to UC claimants, particularly for those employed on zero hours contracts.

In response to concerns about the restricted Housing Benefit awards for single people under 35, the Chief Officer said that various options were being considered including house sharing and re-designating stock. She also highlighted the importance of outcomes from the national review of supported accommodation.

Following a query from Councillor Paul Cunningham on alternative payment arrangements, officers gave an explanation on the process for making direct payments to landlords.

Councillor Rosetta Dolphin suggested that the workshop could have been held at an earlier stage in the process. Her concerns were around housing provision for the under-35 single people group and the need to look at different approaches to house sharing to ensure the right mix of people.

Councillor Peter Curtis felt that the prospect of in-work conditionality to avoid sanctions on UC awards was unreasonable and that the reforms were a burden upon local authorities.

Councillor Glyn Banks agreed and said that landlords should be scrutinised as much as the low paid workers who would be subject to this. He added that more affordable one-bedroom units were needed for single people.

The Senior Manager stated that shared housing provision could not be ruled out in the current climate and would be considered in more detail as part of the Member workshop. Work had begun on identifying good practice examples elsewhere and how this could be best managed, however it was noted that unlike registered social landlords, the Council was unable to offer two separate tenancies.

Councillor Gareth Roberts said that shared accommodation worked well in some areas, and he took the opportunity to praise officers, and in particular the Advice & Homelessness Manager for his work on the report.

Councillor George Hardcastle welcomed the efforts of the team in seeking to mitigate the impact of welfare reforms at an early stage.

RESOLVED:

That the Committee note the report and continue to offer support to the ongoing work that is being undertaken by the Council, together with its partners, to manage the full impact of the present and future welfare reforms from falling upon Flintshire's most vulnerable households.

6. APPROVAL OF LENDING TO NEW HOMES TO FUND A DEVELOPMENT OF 62 AFFORDABLE NEW HOMES ON THE WALKS, FLINT

The Chief Officer (Community & Enterprise) presented an update on the development of 62 new affordable homes on The Walks, Flint and the agreement for the Council to lend capital finance to New Homes to facilitate the development. Following information shared at the previous meeting of the

Committee, this report dealt with the affordable housing element of the development which aimed to broaden the housing offer to individuals and meet the needs of the Council's housing market assessment. Members were also reminded that the development supported one of the key strategic priorities in the Council's Improvement Plan.

The Chief Officer spoke about the growth of NEW Homes and the cautious approach being taken to its first new build development. Whilst detailing the funding options available to the company, she referred to a range of factors such as the scale of the development, the need for flexibility and the restrictions on private sector leasing. The proposal for the Council to borrow from the market and lend to NEW Homes would benefit both parties and had been agreed in principle by Cabinet, subject to endorsement at full Council. Advice on this approach to funding had been taken from authorities in England and if agreed for Flintshire, would be the first example in a Welsh authority.

Councillor Peter Curtis referred to future uncertainty, particularly in light of the efficiency targets to be met by the Council, but welcomed the steady approach being taken by NEW Homes. The Chief Officer was confident that the proposal was the best arrangement for the Council, offering a new income stream and meeting the expectations of NEW Homes. The Finance Manager explained that planning work had involved projected figures, acknowledging that any future changes to interest rates may have an impact on costs of the development, depending on the start date of the housing scheme.

In welcoming the scheme, Councillor David Roney raised concerns about the impact on progress with other proposed developments. The Chief Officer gave a reminder that approval had been given to other developments as part of the Strategic Housing & Regeneration Programme which sought to deliver 500 new homes at a range of sites across the county. In respect of some of the smaller sites, investigations had identified a number of issues which had stalled progress and the agreed approach moving forward was to establish cluster developments. Following comments from Councillor Ron Davies on developing the Melrose Centre in Shotton, the Chief Officer agreed to provide all Members with a general update on all schemes.

In response to questions from Councillor Paul Shotton, the Finance Manager said that the business plan for NEW Homes included consideration of re-purchasing repossessed units and utilising gifted units. In respect of affordable housing at The Walks, rent would be set at 90% of the market rent at the time of the scheme build, thereafter predicted in line with market growth.

Councillor Gareth Roberts questioned the 125 year lease period as opposed to 99 years, and was advised that that this was dependent on the risk appetite of the external finance companies.

Councillor Glyn Banks highlighted the need for an early start on the scheme due to the potential for a rise in interest rates. The Chief Officer and Finance Manager pointed out the need to ensure that the Council met all State Aid requirements and that the Council on-lending would cover the Council's costs with an additional return. In response to further queries, it was confirmed that the

Council had applied to seek suspension of the Right to Buy and would seek assurance from the new Welsh Government on its intention to end that arrangement. In terms of architectural resources, explanation was given on the use of external architects in conjunction with in-house officers, with consideration being given to employing in-house architects as the development programme progressed. The Chief Officer suggested that the Finance Manager - Technical Accountancy would be able to advise on the Council's borrowing limitations at the forthcoming full Council meeting.

RESOLVED:

- (a) That the Committee notes Cabinet support for NEW Homes to develop 62 affordable properties on the Walks at Flint at a build cost of £7.397M and that its board has agreed to seek approval from the Council to provide capital finance to fund the development;
- (b) That the Committee supports the Cabinet decision to delegate responsibility to the Section 151 Officer and the Monitoring Officer:
 - Approval of the terms of the loan as described in paragraph 1.50 of this report
 - Approval of the terms of the loan agreement and any associated documents following satisfactory due diligence.
- (c) That the Committee supports the inclusion of the NEW Homes The Walks development costs in the Council's Fund capital programme in 2016/17 to be funded by prudential borrowing;
- (d) That the Committee notes the Cabinet recommendation to Council changes to necessary strategies and policies including; Treasury Management Strategy, Prudential Indicators, Minimum Revenue Provision Policy and Accounting Policies;
- (e) That the Committee notes the Cabinet recommendation to dispose of HRA land at the Walks to NEW Homes (subject to Welsh Government consent) for c£187K, subject to final valuation of abnormal costs; and
- (f) That the Committee notes that NEW Homes will develop a joint Marketing and Estate Management Strategy (including a Local Lettings Policy) with the Council for The Walks.

7. FORWARD WORK PROGRAMME

In presenting the current Forward Work Programme for consideration, the Facilitator advised that the Quarter 4/Year End Improvement Plan Monitoring Reports had been deferred to the next meeting in July. Due to the number of items scheduled for that meeting, it was agreed to move the item on Housing Regeneration Programmes to the following meeting in September.

The Facilitator would liaise with officers to schedule further items in the Forward Work Programme now that the meeting dates had been agreed.

RESOLVED:

- (a) That the Forward Work Programme be updated and noted; and
- (b) That the Facilitator, in consultation with the Chair and Vice-Chair, be authorised to vary the Forward Work Programme between meetings, as the need arises.

8. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the public and one member of the press in attendance.

(The meeting started at 2.00 pm and ended at 3.20 pm)

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Chairman



COMMUNITY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Wednesday, 13 TH July 2016
Report Subject	Council Fund Revenue Budget 2017/18
Cabinet Member	Cabinet Member for Housing Cabinet Member for Economic Development Cabinet Member for Corporate Resources
Report Author	Chief Officer (Community and Enterprise) Corporate Finance Manager
Report Type	Strategic

EXECUTIVE SUMMARY

This report updates the financial forecast for the 2017/18 financial year and presents the budget pressures and proposed efficiencies for Community and Enterprise portfolio for 2017/18 as the third and final year of the current portfolio business planning cycle.

The original forecast for the 2017/18 financial year, the third and final year of the current MTFs, set a likely 'gap' between the total spending requirement and anticipated income of £13.7M. The 'gap' is in effect the total which has to be found in efficiencies, service cost reductions, and income growth as part of annual budget planning. This forecast has been revised at regular intervals based on more recent budget developments at a national and a local level. The latest forecast presents, at this stage, a working 'gap' of £8.1M between the forecast 'gap' and the combined total of working corporate and service portfolio efficiency proposals of £6.3M. Cabinet has endorsed the developing portfolio business plans and corporate financial stewardship plans for early consultation with the Overview and Scrutiny Committees.

The Council has re-adopted a three part strategy of addressing the financial 'gap' each year:-

- Service Reform;
- Corporate Financial Stewardship; and
- Working with Welsh Government.

A presentation was made to Council on 14 June on the developing plans for the third part of the strategy *Working with Welsh Government*.

All Overview and Scrutiny Committees are being consulted on the development of the Council Fund Budget for 2017/18 throughout the June and July Committee

cycles. The Community and Enterprise Overview and Scrutiny Committee is also being consulted on the Housing Revenue Account.

The following tables and appendices are included within the report:-

- Table 1: Revised Financial Forecast for 2017/18-2018/19;
- Table 2: Service Portfolio Business Plan Projections 2017/18;
- Table 3a and 3b: Summary of Community and Enterprise Portfolio Cost Pressures and Proposed Efficiencies;
- Appendix 1: Detailed Community and Enterprise Business Plans Proposed Efficiencies.

RECOMMENDATIONS

1	Committee comments on the Community and Enterprise Business Plans cost pressures and proposed efficiencies for 2017/18, and indicates its level of support for the proposals.
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REPORT DETAILS

1.00	EXPLAINING THE MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2018/19
	The Revised Financial Forecast
1.01	The original forecast for the 2017/18 financial year, the third and final year of the current published MTFs, set a likely ‘gap’ between the total spending requirement and anticipated income of £13.7M. This forecast has been revised based on more recent budget developments at a national and a local level. Key variables within this initial forecast are the eventual local government financial settlement for 2017/18, local Council Tax levels, standard and non-standard inflation patterns, and emergent national and local cost pressures. The revised forecast as set out in Table 1 below shows a starting ‘gap’ between anticipated income and predicted cost pressures of £14.4m. A longer-term forecast has been added for the 2018/19 financial year to complete the three year picture.

1.02

Table 1: Revised Financial Forecast 2017/18-2018/19

	2017/18	2018/19
Expenditure	£m	£m
National Pressures	0.7	0.3
Local Pressures	6.2	1.6
Inflation	3.1	3.2
Workforce Pressures	4.1	0.7
Income		
Reduction in Revenue Support Grant	2.8	2.7
Council Tax increase	(2.5)	(2.3)
Projected Gap	14.40	6.20

Footnotes to Table 1:

Revenue Support Grant for 2017/18 and 2018/19 is modelled on an illustrative reduction of 1.5%.

National and local pressures are working estimates based on latest information. The latest revision includes initial estimates of the sizeable increase in care sector costs, and insurance costs.

Pay inflation is assumed at 1% for 2017/18 and 2018/19.

Limited provision is made for price inflation.

Workforce pressures include the ongoing impact of Single Status, Auto-enrolment, the Apprentice Tax Levy and the outcome of the Clwyd Pension Fund Actuarial Review.

Council Tax is illustrated at a 3% annual increase for 2017/18 and 2018/19. The initial 2018/19 forecast does not include the impact of any changes in social care transition costs or the longer term impacts of the Living Wage on Council workforce costs.

1.03

Any forecast can only be predictive based on the most reliable available intelligence, and working assumptions, based on past experience. This latest forecast is subject to change through the decisions of decision-makers such as Governments, the impacts of national fiscal policies, economic trends, and changes in supply and demand markets for goods and services in a turbulent global economy. National fiscal policy is subject to change as demonstrated in the most recent budget of the Chancellor of the Exchequer and the authoritative economic forecasts of bodies such as the Office of Budget Responsibility and the Institute of Fiscal Studies; local government in Wales has not yet been given an indicative financial settlement to work with by the incoming Welsh Government; unfunded annual workforce cost pressures compound year on year; significant unfunded cost pressures continue to build in the social care sector. There is a high degree of unpredictability in planning due to external circumstances beyond the control of the Council.

	Meeting the Financial Challenge
1.04	<p>The Council has adopted an MTFs which took a principled but high risk approach to finding solutions to the unprecedented level of budget savings to be found in 2016/17. Flintshire, as a relatively low funded council under the local government funding formula, and one faced with a funding 'gap' of up to £20M in a single year, had limited options to find solutions without Welsh Government offering some reprieve from the scale of national funding reductions (for Revenue Support Grant and specific grants) first forecast. The Council adopted a three part strategy of:-</p> <ul style="list-style-type: none"> • Service Reform; • Corporate Financial Stewardship; and • Working with Welsh Government.
1.05	<p>Without some reprieve over the level of national funding reductions the Council would have faced a position of having to withdraw key services (such as economic development and business support), closing local facilities some of which were at a mid-point of transition to alternative delivery models (such as leisure centres) and reducing funding support to mandatory services (such as education and social services). Such decisions would not only have been unsupportable by councillors and local communities alike but would have compromised the achievement of the Council's Improvement Priorities. Such funding reductions could possibly have undermined the ability of the Council to meet its mandatory duties in full. The Council was eventually able to set a balanced budget for 2016/17 through following this three part strategy, and with a higher level of risk-taking than in previous years. As is shown in this report support will be needed from Welsh Government for Flintshire in 2017/18 due to the size of the working gap between the forecast financial 'gap' and the combined total of corporate and service portfolio efficiency proposals. Other councils will be in a similar position particularly those with low funding per capita under the current Local Government Funding Formula.</p>
1.06	<p>Cabinet has since readopted this three part strategy. This will involve:-</p> <ul style="list-style-type: none"> • continuing to reduce costs and increase income through service reform as a central theme of the service portfolio business plans; • continuing to control and reduce corporate costs through careful planning and stewardship; and • working with Welsh Government to maintain sufficient levels of national funding for local government and for Flintshire, reforming the local government funding system to give councils greater financial freedom and flexibility, and properly funding nationally set policies for services and welfare benefits which councils have to administer. A presentation was made to Council on 14 June on this ongoing work as part of the response to the report and recommendations of the Independent Commission on Local Government Finance in Wales.
1.07	Portfolio Business Planning

	Service Portfolio Business Plans																																			
1.08	<p>The service portfolio business plans have been developed with options for the period 2015/16-2017/18. Based on current work there are supportable options with potential for a further round of annualised efficiencies, service cost reductions and income growth in the region of £6.3M as shown in Table 2 below. The total value of these proposals has reduced by £1.6M since the report made to Committee in April. This is a result of a detailed review of a challenge process on the acceptability and the workability of proposals, and their likely efficiency yield, and also through early engagement with Overview and Scrutiny Committees on specific service change options.</p>																																			
1.09	<p>Table 2: Service Portfolio Business Plan Projections 2017/18</p> <table border="1"> <thead> <tr> <th></th> <th>2016/17</th> <th>2017/18</th> </tr> <tr> <th>Portfolio</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Planning & Environment</td> <td>0.413</td> <td>0.205</td> </tr> <tr> <td>Street-scene & Transportation</td> <td>2.158</td> <td>1.900</td> </tr> <tr> <td>Social Care</td> <td>0.838</td> <td>0.690</td> </tr> <tr> <td>Education & Youth</td> <td>0.710</td> <td>0.873</td> </tr> <tr> <td>Organisational Change</td> <td>1.272</td> <td>0.943</td> </tr> <tr> <td>Community & Enterprise</td> <td>1.509</td> <td>0.807</td> </tr> <tr> <td>Corporate Services</td> <td>0.855</td> <td>0.903</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>7.755</td> <td>6.321</td> </tr> </tbody> </table> <p><u>Footnotes to Table 2:</u></p> <p>2016/17, column shows approved budgeted efficiencies.</p> <p>2016/17 efficiencies are budgeted as approved by Council. These are subject to in-year variation which will be reported as part of in year monitoring.</p> <p>The projected efficiencies for 2017/18 are subject to ongoing review and refinement.</p>				2016/17	2017/18	Portfolio	£m	£m	Planning & Environment	0.413	0.205	Street-scene & Transportation	2.158	1.900	Social Care	0.838	0.690	Education & Youth	0.710	0.873	Organisational Change	1.272	0.943	Community & Enterprise	1.509	0.807	Corporate Services	0.855	0.903				Total	7.755	6.321
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1.10	<p>The majority of budget reductions continue to be made through organisational change, overhead and workforce cost reduction, and service modernisation and productivity. The ongoing service changes where there are impacts for the public, and consultation and engagement will be needed include:-</p> <ul style="list-style-type: none"> • the programme of school modernisation and reviews of primary and secondary provision; • the school funding formula and levels of annual funding; • changes to social care models; cost recovery through charging and 																																			

	<p>partnership contributions; entitlement and non-statutory service provision;</p> <ul style="list-style-type: none"> • waste policy including household recycling centre provision and side waste enforcement; subsidised transport routes; the review of transport entitlement and operational policies e.g. school transport; • charging and cost recovery for services; and • minimum service provision and the ‘core service offer’ to local communities which could be supplemented by local community action and local income e.g. through town and community council contributions.
1.11	The Business Plan proposals are being shared with Overview and Scrutiny Committees for consultation through June and July. The proposals, both those which are internalised and have no direct impact on the public and those which affect service provision and do impact on the public will be shared in full with Committees for consultation. The latter only will be presented for public consultation.
1.12	As in previous years there will be risk to the achievement of proposed budget efficiencies, either because certain proposals prove to be unacceptable to the Council or the public in their recommended form or because of complexities in their practical implementation. The scope to achieve savings through collaboration with neighbouring councils is limited during a period of uncertainty over the probability of a reorganisation of local government. These limitations are both political and practical. Some of the business plans include pragmatic and beneficial service integration proposals for which support cannot be realised with neighbouring councils. This is a limiting factor beyond the control of Flintshire.
1.13	The portfolio business plans will continue to be reviewed and developed for future years including 2018/19 as the third and final year of the current MTFs period. The options for identifying further savings at this level, beyond 2017/18, are very limited. The scope for further savings through organisational change, efficiency, and charging within current legislative and national policy limitations, is reducing year on year.
	Community and Enterprise Business Plan
1.14	The proposals for the Community and Enterprise Portfolio are set out in Appendix 1. These are summarised in Table 3 below.

1.15

Table 3a: Summary of Community and Enterprise Cost Pressures

	2017/18
Community and Enterprise Cost Pressures	£m
Revenues and Benefits	
Council Tax Reduction Scheme	0.314
Total Community and Enterprise Cost Pressures	0.314

Table 3b: Summary of Community and Enterprise Efficiencies

	2017/18
Community and Enterprise Efficiencies	£m
Community Support Services	
Supporting People restructure	0.015
Galw Gofal Contract Fees	0.020
Review of Financial Assessments	0.030
Revenues and Benefits	
Staff restructure to match staff costs to Department of Works and Pensions grant for benefits	0.100
In-house bailiff service	0.010
150% charge on long term empty properties	0.500
Reduction in NNDR charitable reliefs	0.080
Business Development	
Supplies and Services Reduction	0.003
Regeneration (Places)	
Reduce community environmental projects	0.009
Earned Income recharge of management costs to Regeneration Projects	0.013
Senior Management Restructure	
Senior Management Restructure	0.027
Total Community and Enterprise Efficiencies	0.807

1.16

The Community and Enterprise portfolio has two business plans for its council fund activities. These are; the Customer Business plan which includes the Revenues and Benefits Services, Homelessness, Supporting People, Registrars, Customer Services and Housing Register. The second plan is the Regeneration Business plan which includes the Business Support service, Private sector Housing improvement, the Disabled Facility Grant Service and town and rural regeneration programmes.

The savings achieved to date have been as a result of a combination of service restructuring and remodelling, introduction of charging, and identifying new potential income streams.

The total savings and efficiencies achieved to date and planned for next year are as follows:

- 15/16 Savings: £1.565m

	<ul style="list-style-type: none"> • 16/17 Savings: £1.509m • 17/18 Proposed Savings £0.807m <p>Total percentage saving equate to 29.0% of 14/15 budget.</p>
1.17	<p>Efficiency and resilience statements have been completed for each service area to explore the opportunity to make further savings.</p> <p>For the Regeneration Business Plan the main cost area is staffing and 30% staff savings have been made to-date. All capital schemes involve charging staff to those programmes (wherever possible) therefore there is very little potential for any further savings. The Business Support service has made savings of some 40% in the last few years and is now the smallest team in North Wales, with only 4 staff members including the Manager. Further savings in this area could have a severe detrimental impact on the Councils ability to encourage and support inward investment, and business growth and development with a negative impact on the local economy. This would also reduce the council's capacity to contribute to the MDA and North Wales growth deal opportunities.</p> <p>For the Customer Service Business Plan, independent research work by CIPFA and KPMG shows that Flintshire retains an upper quartile position for its costs in providing the Revenues service. The service also has one of the lowest staffing levels across North Wales when measured against number of households liable to pay. Collection levels were the highest level in Wales at 98% in 2015/16.</p> <p>The Housing Benefit service has made savings in staff costs of £200k in the last 2 years whilst also managing reduced administration grants of £130k. Service performance is validated externally each year. Further efficiencies over and above those identified for 2017/18 will have a detrimental impact on the council's ability to process claims within acceptable time frames.</p> <p>The Homeless service has managed the implementation of new legislation well; however it faces significant cost risk going forward as Welsh Government has provided transition funding for 3 years to handle this change which is due to end after 2017/18. Changes to restrict Housing Benefit for social sector tenancies to Local Housing Allowance Levels from 2017 for single people and 2018 for supported housing are forecast to increase levels of homelessness with no additional resources to meet this need.</p> <p>Savings have been identified and delivered for the running of the Connects service. If further savings need to be provided then the opening times and number of centres will need to be reduced.</p>
1.18	<p>Given that all portfolios have been expected to fundamentally review their priorities, operations, efficiency and cost within the three year business planning process, the Council has become acutely aware of the risks of change proposals, the public acceptability of major change, and the impacts on maintaining services which are sustainable and resilient. In support of the business plans, and as evidence for our case for the need for national funding support and relief as a 'low funded Council', each</p>

	portfolio is producing an evidential resilience statement and an efficiency statement as twin documents.
1.19	The resilience statements will cover the risks to Council priorities, mandatory duties, service quality and service sustainability should the Council have no option but to go beyond the efficiency targets within its current portfolio business plans. The efficiency statements will demonstrate the actual and comparative cost bases of services and their value for money.
1.20	The resilience and efficiency statements for the Community and Enterprise Portfolio will be presented to the Committee at its September meeting.

2.00	RESOURCE IMPLICATIONS
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2.01	The resource implications of financial are significant. The Medium Term Financial Strategy will continue to carry many risks. Careful risk assessment in planning and decision-making will continue to be a central feature of review and debate.
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3.00	CONSULTATIONS REQUIRED / CARRIED OUT
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3.01	Consultation with Group Leaders, Overview and Scrutiny Committees, external partners, external advisors and representative bodies, and eventually the communities of Flintshire will follow. The strategic approach advocated for the MTFs builds on the current approach which had majority member and public support in planning the 2016/17 annual budget.
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4.00	RISK MANAGEMENT
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4.01	All parts of the financial forecast, and all budget solutions, are risk assessed stage by stage. An overall risk assessment and risk management statement will be produced both for the revised MTFs and the draft annual budget for 2017/18. The appendix which sets out the specific portfolio business plan proposals for the corporate services includes commentary on risk.
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5.00	APPENDICES
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5.01	Appendix 1: Detailed Community and Enterprise Business Plan Proposed Efficiencies
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
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6.01	MTFS Parts 1 and 2 http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy-Part-1.pdf http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy-Part-2-September-2015.pdf
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	<p>2016/17 Council Fund Budget Report http://cyfarfodyddpwyllgor.sirymfflint.gov.uk/documents/g3508/Public%20reports%20pack%2016th-Feb-2016%2014.00%20Flintshire%20County%20Council.pdf?T=10&LLL=undefined</p> <p>MTFS Cabinet Report, April 2016 http://cyfarfodyddpwyllgor.sirymfflint.gov.uk/documents/g3574/Public%20reports%20pack%2019th-Apr-2016%2009.30%20Cabinet.pdf?T=10&LLL=undefined</p> <p>Contact Officers: Clare Budden and Rachael Corbelli Telephone: 01352 703800 E-mail: clare.budden@flintshire.gov.uk</p>
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7.00	GLOSSARY OF TERMS
7.01	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Office of Budget Responsibility: created in 2010 to provide independent and authoritative analysis of the UK public finances.</p> <p>Institute of Fiscal Studies: formed in 1969 and established as an independent research institute with the principal aim of informing public debate on economics in order to promote the development of effective fiscal policy.</p> <p>Independent Commission on Local Government Finance in Wales: established to examine how local government funding can be made more sustainable with a view to providing specific recommendations for improvement and reform.</p> <p>Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p>

**Business Planning Efficiencies for
Community and Enterprise Portfolio**

Specific 2016/17 Proposals and 2017/18 Options	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	17-18 Outline OPTIONS £m	17-18 MANDATORY duties	17-18 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation
CUSTOMER SERVICES									
Close the personal answering service for main switchboard telephone calls	Structural Review	0.065	NM		-	-	-	1	Full year effect of 15/16 saving
Review of Fees and Charges for Registration Service	Income Generation	0.010	NM		-	-	-	1	Increased fees for weddings
Telephone Contact Centre savings	Structural Review	0.100	NM		-	-	-	2	Range of options under consideration to deliver savings - Part Year Effect
Customer Services Team Restructure	Service Efficiency	0.014	NM		-	-	-	1	Reduction in team costs
Review of Flintshire Connects budgets	Service Efficiency	0.040	NM		-	-	-	1	Reduction in office costs
Total Customer Services		0.229							
HOUSING REGENERATION									
Energy Efficiency Framework	Income Generation	0.050	NM		-	-	-	2	Charge partners for use of councils framework
Housing Regen and Strategy further Capitalisation	Service Efficiency	0.030	NM		-	-	-	1	Capitalisation of staff costs
SHARP Framework	Income Generation	0.020	NM		-	-	-	1	Charge partners for use of councils framework
Total Housing Strategy		0.100							
COMMUNITY SUPPORT SERVICES									
Welfare Rights Team Review	Structural Review	0.048	NM		-	-	-	2	Consider model of service delivery to safeguard provision of welfare rights service and deliver savings
Community Support Services - Management Restructure	Structural Review	0.012	NM		-	-	-	1	Full year effect of reduction of 1 Manager post
Community Centres	Income Generation	0.048	NM		-	-	-	1	Charge Housing Revenue Account for usage
Community Based Accommodation Support Service	Structural Review	0.062	NM		-	-	-	1	Reduction of 3 posts over 2 years through voluntary redundancy and vacancy management. Service supplemented by volunteers providing good neighbour service
Increased use of leased properties to reduce B&B expenditure	service efficiency	0.060	M This proposal does not compromise our mandatory duty to support people who are homeless		-	-	-	1	Maximising Housing Benefit income through property leasing. Reduce B&B expenditure
Response Service for Older People	service efficiency	0.020	NM		-	-	-	2	Alternative model for out of hours response service
Bed & Breakfast Charging	Income Generation	0.005	M This proposal does not compromise our mandatory duty to support people who are homeless		-	-	-	1	Year 2 of charging to partially offset service cost
Supporting People restructure	Structural Review	0.015	NM		0.015	NM		1	Reduce staff costs to reflect grant reductions
Galw Gofal Contract Fees	Service Efficiency	0.030	NM		0.020	NM		1	Reduction in fee paid to Galw Gofal
Review of Financial Assessments	Structural Review	-	-	-	0.030	M		2	Joined up financial assessment service to deliver improved customer experience. 1 post saved
Out of Hours	Service Efficiency	-	-	-	-	-	-		Consideration of options around joint working with Streetscene
Total Community Support Services		0.300			0.065				
REVENUES AND BENEFITS									
e billing / administration / budget costs	Service Efficiency	0.039	M This proposal does not compromise our mandatory duty to administer or collect local taxes		-	-	-	2	Saving in admin costs as more people receive e bills together with proposals to reduce revenue budget in specific budget lines
Staff restructure to match staff costs to Department of Works and Pensions grant for benefits	Structural Review	0.100	M This proposal does not compromise our mandatory duty to administer Housing Benefit		0.100	M		1	Reduction in posts could pose a financial risk through potential subsidy loss. There is also a further financial risk due to an ever decreasing subsidy administration grant from DWP
In-house bailiff service	Income Generation	0.060	NM		0.010	NM		1	Income target already agreed by Cabinet - summer '14. Second year of trading should produce additional surplus as stated, especially with potential joint working with other local authorities
150% charge on long term empty properties	Income Generation	-	-	-	0.500	M		2	Utilisation of new powers for empty and second homes
Reduction in NNDR charitable reliefs	Service Efficiency	-	-	-	0.080	NM		2	Reduction in scale of support provided with enhanced hardship fund
Fraud expenditure budget reduction	Service Efficiency	0.045	NM		-	-	-	1	Service outsourced. Budget saving identified
Council Tax Reduction Scheme	Service Efficiency	0.329	M This proposal does not compromise our mandatory duty to provide people with support for a Ctax reduction		-	-	-	2	Match budget to recent spend. Liable to in year risk
Total Revenues and Benefits		0.573			0.690				
BUSINESS DEVELOPMENT									
Supplies and Services reduction	Service Efficiency	0.003	NM		0.003	NM		1	Admin cost saving
Business Development Restructure	Structural Review	0.020	NM		-	-	-	1	Service restructure
Total Business Development		0.023			0.003				
SUPPORT SERVICES									
Reduction in Training Admin	Structural Review	0.010	NM		-	-	-	1	Service restructure
Total Support Services		0.010							
REGENERATION (PLACES)									
Reduction in scale of service	Structural Review	0.045	NM		-	-	-	2	Service restructure
Reduce community environmental projects	Voluntary Sector	0.009	NM		0.009	NM		1	Reduced budget for third sector commissioning of environmental projects
Earned Income recharge of management costs to Regeneration Projects	Service Efficiency	0.012	NM		0.013	NM		1	Capitalise or recharge staff costs to project income
Total Regeneration (Places)		0.066			0.022				
SENIOR MANAGEMENT RESTRUCTURE									
20% Recharge of Wardens Service to HRA	Service Efficiency	0.153	NM		-	-	-	2	Charging for Housing Management Service carried out by support staff
Total Senior Management Restructure		0.208			0.027				
TOTAL COMMUNITY AND ENTERPRISE		1.509			0.807				

Community & Enterprise	
Total value of Business Plan proposals	2.316

CATEGORISATION KEY	Count Number	Total 16-17	Total 17-18
1 = Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	22	0.725	0.197
2= Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	11	0.784	0.610
3= High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.	0	0.000	0.000

1.509 0.807

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COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Wednesday, 13 th July 2016
Report Subject	Strategic Housing And Regeneration Programme (SHARP)
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer, (Community and Enterprise)
Type of Report	Strategic

EXECUTIVE SUMMARY

This report seeks Scrutiny support to progress the next key stages of the Council's Strategic Housing And Regeneration Programme (SHARP) and sets out proposals to develop council housing at the following sites:

Ysgol Delyn, Mold;
 Heol y Goron, Leeswood;
 Maes Y Meilion, Leeswood;
 Redhall, Connah's Quay;
 The Dairy, Connahs Quay.

This report provides detailed information on each proposed scheme, including location, proposed property types, design and layout and projected build costs.

The report also identifies prudential borrowing as the preferred funding option and details the Development Scheme Assumptions against which the viability of each scheme will be measured and assessed.

RECOMMENDATIONS

1	To seek Scrutiny support for the development of 40 new Council homes on the 5 identified sites in Mold, Leeswood and Connah's Quay at a projected total cost of £6,376,931M.
2	To seek Scrutiny support for the Council to approve the prudential borrowing to the value of £6,376,931M (subject to final approval and verification) is used to fund the proposed development of 40 new Council

homes.

REPORT DETAILS

1.00	EXPLAINING THE STRATEGIC HOUSING AND REGENERATION PROGRAMME (SHARP)
1.01	At Cabinet in June 2015, approval was given to appoint Wates Living Space as the Council's development partner for five years with the aim of developing 500 homes, (200 social rented and 300 affordable), at a range of sites across the county, alongside commissioning a range of linked regeneration initiatives and community benefits.
1.02	Following Cabinet approval in January 2016, work on the first SHARP scheme to build 12 Council homes at Custom House School, Connah's Quay has commenced. More recently, following Cabinet approval in May 2016, enabling works on The Walks, Flint have also now commenced, with construction work beginning in September 2016 to build 92 new homes (30 for social rent and 62 affordable).
1.03	Work has also been undertaken to develop detailed proposals for the following schemes: Ysgol Delyn, Mold; Heol y Goron, Leeswood; Maes Y Meilion, Leeswood; Redhall, Connah's Quay; The Dairy, Connahs Quay.
1.04	It is proposed that all of these schemes will be Council properties managed within the Council's Housing Revenue Account (HRA).
	Considerations
1.05	Details for each of the proposed schemes are listed below.
1.06	Ysgol Delyn, Mold
1.07	The site is located to the south of Mold town centre on Alexandra Road off the B5444 named Wrexham Road. The site is within a predominately residential area. The site is currently vacant having been declared as being surplus by Education following the closure of Ysgol Delyn which was relocated to the new SEN School in Flint in September 2009.
1.08	Appendix 1 shows there will be 16 two storey houses on the site arranged into 5 terraced blocks. Ten units will be 2 bedroom properties identified as Type 1. Six units are 3 bedroom properties identified as Type 2. The site is 0.74 acres and with 16 properties proposed on the site, gives a site density of approximately 22 properties per acre.
1.09	Maes Y Meilion, Leeswood
1.10	The site is located to the west of Leeswood village on Maes Y Meilion

	Road off the A5104 named Corwen Road. The site is within a predominately residential area. The site is currently a HRA garage site. Appendix 2 shows there will be 8 properties on the site arranged into 3 semi-detached blocks. Four units will be 2 bedroom apartments identified as Type 1. Four units are 2 bedroom bungalows identified as Type 2. The site is 0.62 acres and with 8 properties proposed on the site, gives a site density of approximately 13 properties per acre.
1.11	Heol Y Goron, Leeswood
1.12	The site is located to the west of Leeswood village on Heol Y Goron Road off the A5104 named Corwen Road. The site is within a predominately residential area. The site is currently a HRA garage area. A number of the garages are in poor condition or empty and the site is subject to on-going incidents of anti-social behaviour.
1.13	Appendix 3 shows there will be 5 two storey houses on the site arranged into 1 terraced block and 1 semi-detached block. Three units will be 2 bedroom properties identified as Type 1. Two units are 3 bedroom properties identified as Type 2. The site is 0.42 acres and with 15 properties proposed on the site, gives a site density of approximately 12 properties per acre.
1.14	A Public Information Event was held on the 6 th April at Leeswood Community Centre to provide local people with the opportunity to attend. In total 45 people attended the event and their comments have been incorporated into both schemes.
1.15	Redhall, Connah's Quay
1.16	The site is a HRA garage area located to the south west of Connah's Quay on St. Mark's Avenue off Mold Road. The site is within a predominately residential area. Appendix 4 shows there will be 5 two storey houses on the site arranged into 1 terraced block and 1 semi-detached block. Five units will be 2 bedroom properties identified as Type 1. The site is 0.35 acres and with 5 properties proposed on the site, gives a site density of approximately 14 properties per acre.
1.17	A Public Information Event was held on the 28 th April at to provide local people with the opportunity to attend. In total 8 members of the public attended the event and their comments have been incorporated into both schemes.
1.18	The Dairy, Connah's Quay
1.19	The site is located to the east of Connah's Quay on the junction of High Street (B5129) and Mold Road (B5126). The site is within a predominately residential area. The demolition of the former dairy and adjoining row of terraced housing has been funded through Renewal area and Vibrant and Viable Places (VVP) Funding from the Welsh Government.
1.20	Appendix 4 shows there will be 6 two storey houses on the site arranged into 2 terraced blocks. Three units will be 2 bedroom properties identified as Type 1. Three units are 3 bedroom properties identified as Type 2. The

	site is 0.36 acres and with 6 properties proposed on the site, gives a site density of approximately 17 properties per acre.
1.21	Appendix 6 details key milestone dates for the construction programme for each of the proposed sites, including target dates for submitting for planning approval and projected start and completion dates for each scheme. Public Information Events for the schemes at Glanrafon, Ysgol Delyn, Mold and the former Dairy site, Connah's Quay will be held prior to both schemes being submitted for planning approval.
1.22	Projected Build Costs
1.23	The scheme costs have been subject to on-going verification and challenge by the Council to ensure the schemes delivers value-for-money. [See Appendix 7 which provides details on the overall scheme costs and financial assumptions].
1.24	Flintshire House Standard
1.25	Properties and land associated with each property will be designed to comply with the Council's Flintshire House Standard. The standard complies with the Welsh Government's (WG) Design Quality Requirements (DQR) and will inform the design and specification of all the new housing delivered through the SHARP and form a benchmark to ensure consistent, good quality of internal layout, and fixtures and fittings, high standards of energy efficiency and external appearance in keeping with local circumstance, low maintenance product specifications, adequate parking and a public realm designed to promote cohesive and inclusive communities.
1.26	Local Lettings Policy
1.27	A Local Lettings Policy will be developed for each of the proposed schemes to ensure the opportunities to house local people are maximized.
1.28	Funding
1.29	The option of self-financing funding solutions has been explored for the new Council homes to be built. These solutions range from private borrowing; lease back; buy back options or Council borrowing which will be then recouped through rental incomes (which are predicted through robust models making agreed allowances for voids; maintenance costs; rental income levels (including CPI etc.)).
1.30	For public-finance routes, the Council's position is strong given the voluntary agreement for Housing Revenue Account (HRA) self-financing. This option offers routes to long-term debt which remain the most cost effective and most stable funding product available to the Council. Alongside completion of the Welsh Housing Quality Standard (WHQS) for the existing stock, the Council has been successful in securing an additional allocation of borrowing headroom for a HRA new build programme and the HRA is likely to generate further revenue and borrowing headroom during the life of this programme.

1.31	With this in mind, it is considered appropriate for prudential borrowing to be utilised by the Council (as the preferred option) for the provision of new Council Housing within the Programme. Whilst this approach will be reviewed on a site by site basis, this option is cost effective and considered appropriate for the schemes as the Council properties will remain in the ownership of the Council and the anticipated level of expenditure is sustainable within the context of HRA self-financing.
1.32	Now that Local Authorities throughout Wales are developing proposals to build new homes, WG is developing a new grant funding regime known as Housing Finance Grant II (HFG II). This will provide access to grant and loan funding to support new development for Local Authorities, in the same way that Housing Associations do through the Social Housing Grant (SHG) programme.
1.33	Flintshire's proposed housing programme is well advanced compared to other areas in Wales and the Council has shared detailed information on its proposed schemes, proposing to WG that a 25% grant rate is made available for each of its proposed schemes. Whilst it is likely HFG II will not become available until 2017/18, WG has encouragingly advised it will be flexible in its funding approach to support the house building programme. In addition to HFG II, Flintshire will explore all potential grant funding schemes to supplement its house building programme.
1.34	Development Scheme Assumptions
1.35	The Development Scheme Assumptions detailed below have been applied to the schemes at Custom House School, Connah's Quay and The Walks, Flint and make agreed allowances for voids; maintenance costs; rental income levels (including CPI etc.) and will be used to assess all potential future development schemes to determine scheme feasibility and viability with a minimum requirement for all Cabinet approved schemes to pay back the scheme costs within 50 years.
1.36	<p>For the proposed schemes, the following assumptions have been made:</p> <p>Management costs - £400 per annum</p> <p>Maintenance - Year 1 - £100 (defects liability should cover anything apart from gas servicing) Years 2/3 - £200, yr 4+ £400 (graded rate to reflect reality with new stock)</p> <p>Major repairs - As per capital replacement schedule deferred for 10 years</p> <p>Voids/bad debts - 2.5%</p>
1.37	It is proposed to review the Development Scheme Assumptions periodically to ensure these remain prudent, but also that they do not become so demanding that genuine value for money schemes are deemed unviable.

1.38	Future SHARP Schemes
1.39	Moving forward, SHARP housing schemes at: Melrose Centre, Aston; The Police Station, Flint; and Maes Gwern, Mold will be presented to Cabinet in August 2016 for approval.

3.00	RESOURCE IMPLICATIONS
3.01	£14,757m borrowing approval is available for a council house building programme. Each scheme or batched schemes will require individual cabinet approval and each scheme or batched schemes will be assessed against the scheme development criteria identified in 1.36 of this report. The process for doing this will provide for total scheme costs plus financing costs and management costs to be offset against rental income over 50 years.
3.02	The Financial Appraisal is attached at Appendix 7. This shows the total scheme cost of £6,376,931 and how the schemes perform against Development Scheme Assumptions. Collectively, the schemes achieve pay back in year 49 and exclude any Welsh Government grants or Section 106 contributions.
3.03	The scheme has been assessed as providing best value for the council by The Council's Design and Consultancy and Finance Teams.

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	There has been significant community consultation through Flintshire County Council for the sites prior to this application.

5.00	RISK MANAGEMENT
5.01	The Operational Risk Register is in place for the SHARP Housing Programme which is regularly updated in relation to emerging and changing risks. This is in addition to Project specific Risks and Strategic Risks.
5.02	The SHARP team continues to develop a framework for managing risk and opportunities the programme generates. Further work is on-going in order to improve the robustness in risk identification and management as part of the new CAMMS system which will contain Development Framework procedures.

5.00	APPENDICES
5.01	Appendix 1 - Site Plan Ysgol Delyn, Mold
5.02	Appendix 2 - Heol y Goron, Leeswood

5.03	Appendix 3 - Maes y Meilion, Leeswood
5.04	Appendix 4 - Redhall, Connah's Quay
5.05	Appendix 5 - Former Dairy Site, Connah's Quay
5.06	Appendix 6 - SHARP Construction Programme
5.07	Appendix 7 - SHARP Scheme Financial Appraisal

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Office: Clare Budden Job Title: Chief Officer Community and Enterprise Telephone: 01352 703800 E-mail: clare.budden@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Strategic Housing And Regeneration Programme (SHARP) – Flintshire County Council House Building Programme which will build 500 new homes (200 Council) and 300 (affordable).
7.02	Welsh Housing Quality Standard (WHQS) - Flintshire County Council will be spending £111 million over six years on a major refurbishment and maintenance programme of works bring its 7,200 Council homes up to the Welsh Government's Welsh Housing Quality Standard (WHQS) new properties across the Council during the next five years.
7.03	Standard Development Scheme Assumptions - agreed allowances for voids; maintenance costs; rental income levels (including CPI etc.) and will be used to assess all potential future development schemes to determine scheme feasibility and viability.
7.04	Housing Finance Grant II - The Welsh Government (WG) has made available additional revenue funding of approximately £8 million each year, over a 30 year period for the second phase of the Housing Finance Grant (HFG) scheme. For this second phase of the HFG funding, delivery partners have now been extended to not only include Registered Social Landlords but also Local Housing Authorities due to the recent exit of the Housing Revenue Account System.

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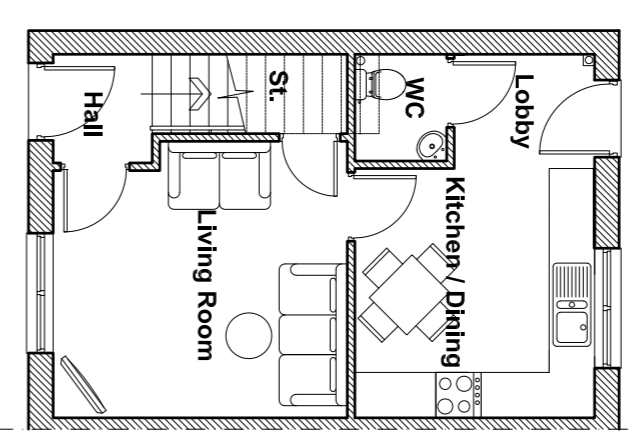
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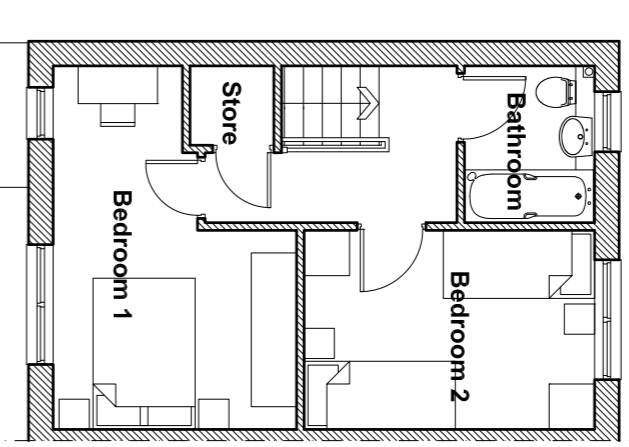
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 ANY DISCREPANCIES TO BE REFERRED TO THE ARCHITECT.
SITE AREA
 0.74 ACRES
HOUSING
 Type 1 - 284P 100%
 Type 2 - 482D 100%
 Total dwellings 16 No.



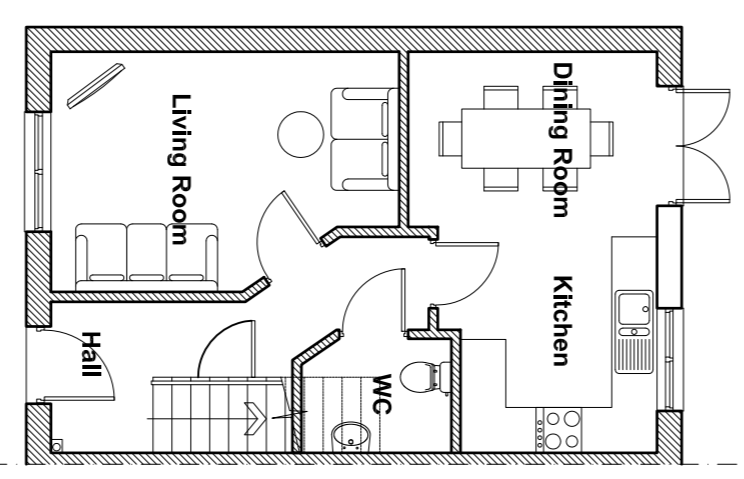
Proposed Site Layout



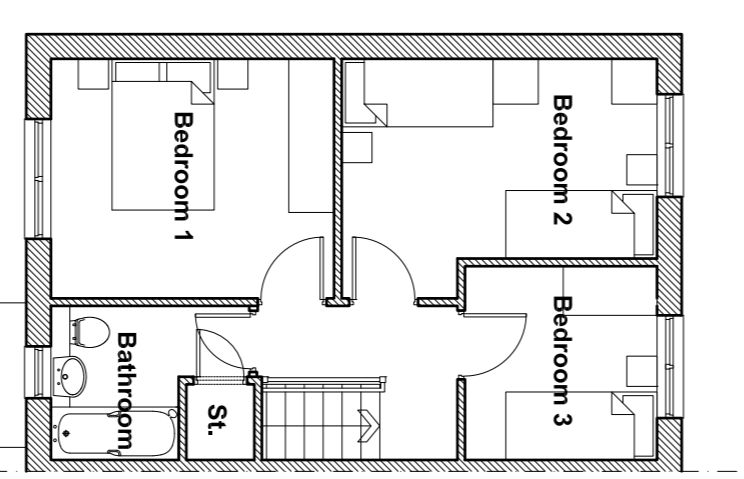
Ground Floor Layout Type 1



First Floor Layout



Ground Floor Layout Type 2



First Floor Layout

REVISION - DATE	REVISION - DATE	REVISION - DATE	REVISION - DATE
D - 08/03/2016	SI	DOH	
Scheme revised to have 16 units not 18 as per last submission			
C - 07/01/2016	SE	DOH	
Block 1 moved away from boundary & paths changed			
B - 23/12/2015	SE	DOH	
TOPO ADDED			
A - 07/12/2015	SE	DOH	
DRAUGHTING STARTED FROM BLOCK 2			
- - 01/OCT/2015	SE	DOH	
INITIAL ISSUE			
REVISION - DATE		DRWN	CHKD

FOR COMMENT

Ysgol Delyn School
 Alexandra Road
 Glanrhyon

FOR WATERS LIVING SPACE

PROPOSED SITE LAYOUT
SCHEME 1
 Scale 1:200 & 1:100 @ A1

HALLIDAY CLARK ARCHITECTS
 Halliday Clark Limited
 Sales Wharf
 Shipley Road
 Wetherby West Yorkshire LS23 7DB
 T 01274 589 888
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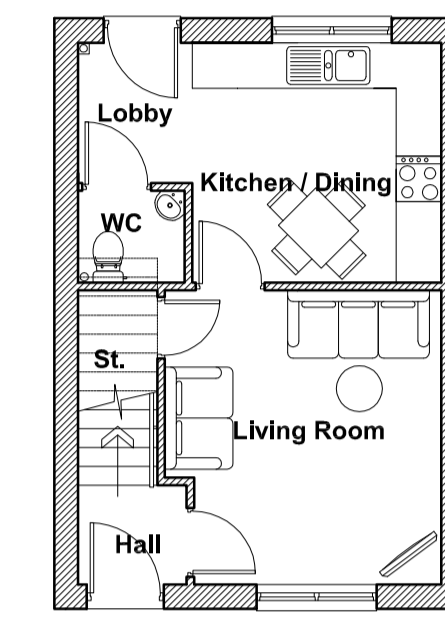
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LAYOUT AND LEVELS ARE BASED ON A PROMAP SURVEY & ARE SUBJECT TO A FULL MEASURED TOPOGRAPHICAL SURVEY. ANY DISCREPANCIES TO BE REPORTED TO THE ARCHITECT.

SITE AREA
0.17HA
0.42 ACRES

HOUSES

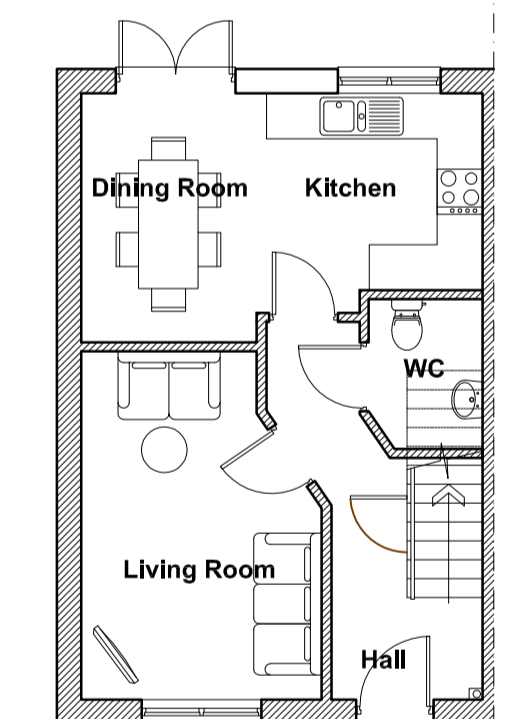
Type 1	2Bed 4P	69 sq.m / 742sq.ft	3 No.
Type 2	3Bed 5P	85 sq.m / 915sq.ft	2 No.
Total dwellings			5 No.



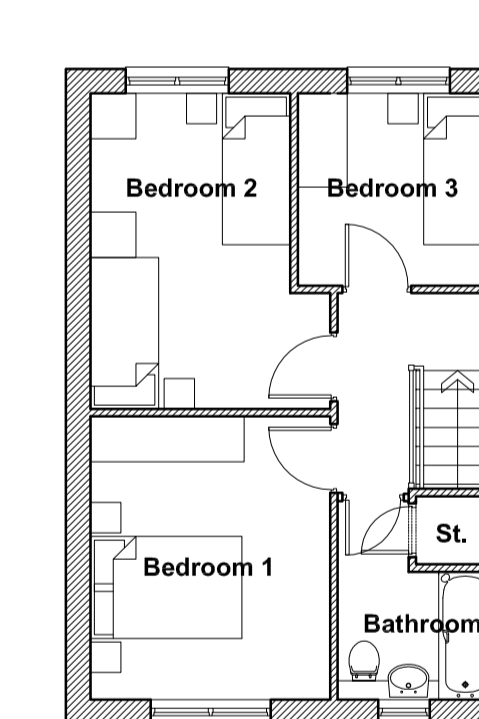
Ground Floor Layout
Type 1



First Floor Layout



Ground Floor Layout
Type 2



First Floor Layout



Proposed Site Layout

E - 03.02.2016	SE	DCH
Existing vehicle access increased in width to North of site		
D - 02.02.2016	SE	DCH
Existing vehicle access maintained to North of site		
C - 07.01.2016	SE	DCH
Furniture layout added and amendments to site plan		
B - 22.12.2015	SE	DCH
General information added		
A - 12.11.2015	SJ	
Visitor spaces and rear access path added		
- NOV 2015	SE	DCH
INITIAL ISSUE		
REVISION - DATE	DRWN	CHKD

FOR COMMENT

**HEOL Y GORAN
LEESWOOD
FLINT**

**FOR
WATES LIVING SPACE**

**PROPOSED SITE LAYOUT
SCHEME 3**
Scale 1:200 & 1:100 @ A1



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Shipley BD17 7DB W hallidayclark.co.uk

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NOTES

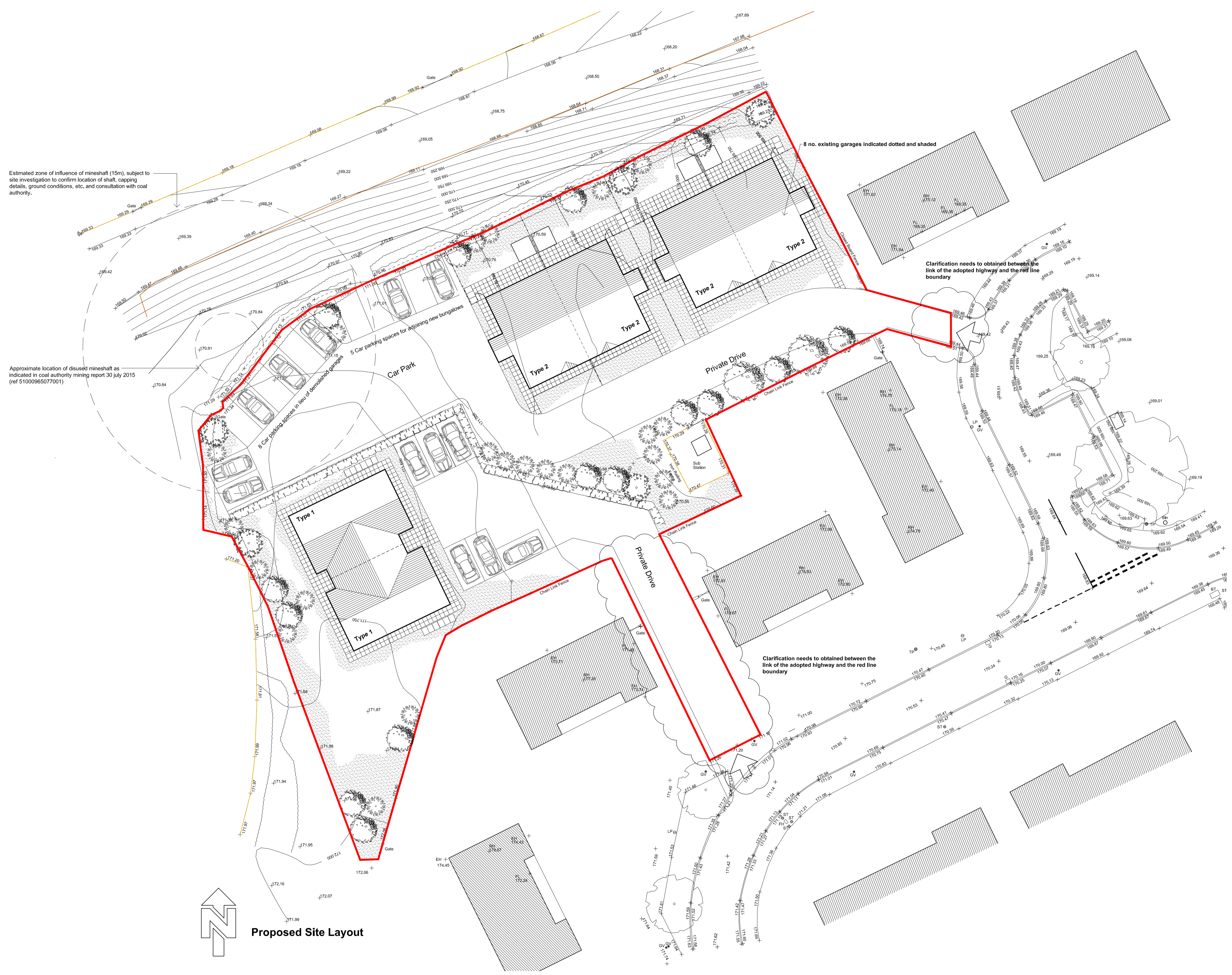
NOTES:
DO NOT SCALE FROM DRAWING.

AREA SCHEDULE
SITE 1 AREA - 2540m²
- 0.25 Hectares
- 0.62 Acres

APARTMENTS
Type 1
2Bed 3P 62 sq.m / 667sq.ft 4 No.

BUNGALOWS
Type 2
2Bed 3P 62 sq.m / 667sq.ft 4 No.

Total 8 No.



Proposed Site Layout

A - 29.12.2015	SE
BUNGALOWS REDUCED IN SIZE AND EXTRA INFORMATION ADDED	
OCTOBER 2015	SE DCH
INITIAL ISSUE	
REVISION - DATE	DRWN CHKD

FOR COMMENT

**MAES Y MEILLION
LEESWOOD**

**FOR
WATES LIVING SPACE**

**PROPOSED SITE LAYOUT
SCHEME 7**

Scale 1:100 & 1:200 @ A1

**HALLIDAY CLARK
ARCHITECTS**

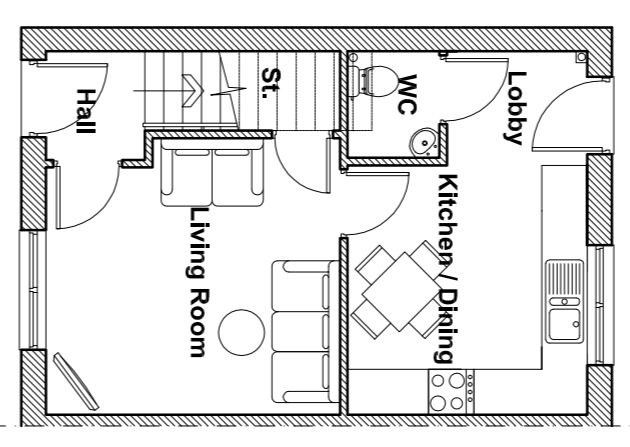
Halliday Clark Limited T 01274 589 888
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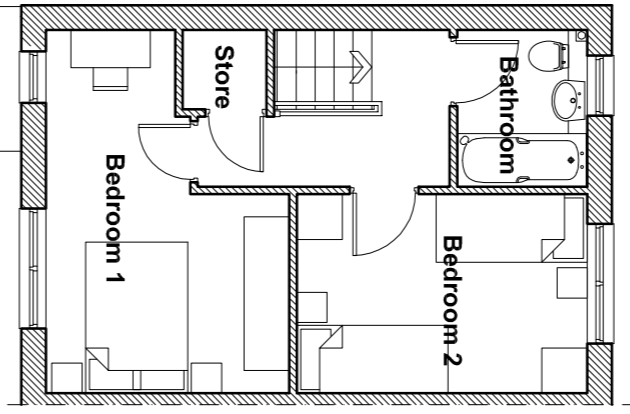
NOTES

SITE AREA	- 0.14 Hectares		
	- 0.35 Acres		
HOUSING			
Type 1 - 2B4P	69m ² / 742ft ²	5 No	
Total dwellings		5 No.	

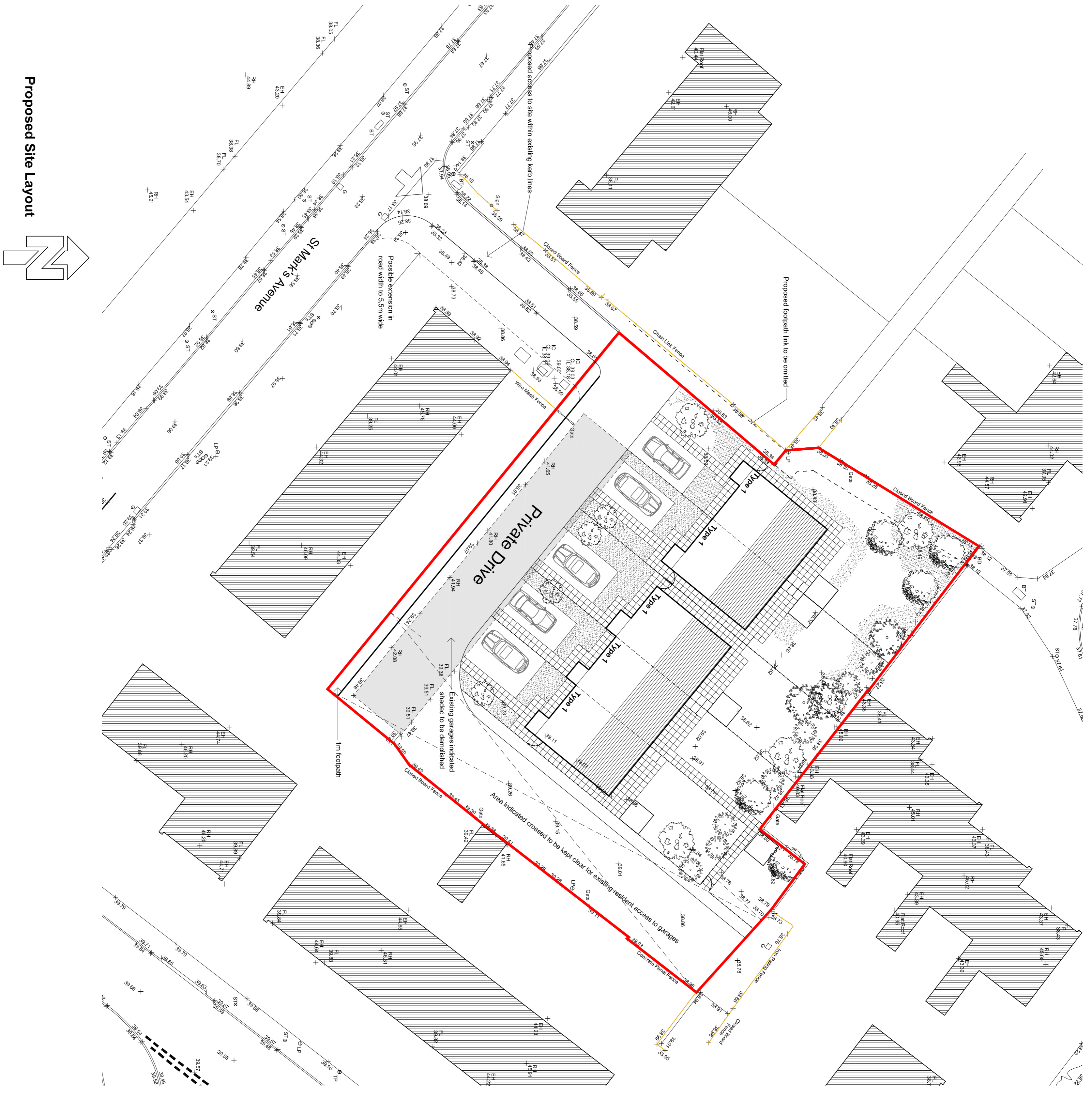


Ground Floor Layout

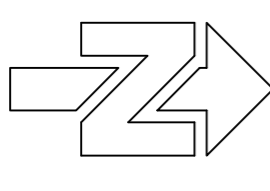
Type 1



First Floor Layout



Proposed Site Layout



REVISION - DATE	REVISION - DATE	BY	CHKD
.. APRIL 2016		SJ	DOH
INITIAL ISSUE			
			DRWN/CHKD

FOR COMMENT

REDHALL
ST. MARK'S AVENUE
CONNAR'S QUAY
CH64XW

FOR
WATERS LIVING SPACE

PROPOSED SITE LAYOUT
SCHEME 3
Scale 1:200 & 1:100

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COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Wednesday 13 th July, 2016
Report Subject	Discretionary Rate Relief Policy
Cabinet Member	Cabinet Member for Corporate Management
Report Author	Chief Officer (Community & Enterprise)
Type of Report	Strategic

EXECUTIVE SUMMARY

The Local Government Finance Act 1988 prescribes a Business Rates scheme of Mandatory and Discretionary Reliefs for charities, voluntary and not for profits organisations.

Cabinet endorsed the review of Discretionary Rate Relief and this report now sets out, in an appended policy framework (Appendix 1), the criteria for determining applications for Discretionary Rate Relief from 2017-18 and beyond. The policy framework also encompasses other limited circumstances where the Council can award Discretionary Rate to other commercial businesses.

The recommendations contained within the new policy framework focus on ceasing Discretionary 'top-ups' to those organisations that already benefit from 80% Mandatory Rate Relief and reducing all other the Discretionary awards to Voluntary and Not for Profits organisations to a maximum Discretionary award of 80% from 2017-18. This means that all organisations are expected to make a 20% payment contribution towards business rates in order for the Council to bridge future funding gaps in central government funding.

RECOMMENDATIONS

1	To seek Scrutiny support on the adoption of the new policy framework ceasing Discretionary 'top-ups' to those organisations that already benefit from 80% Mandatory Rate Relief and reducing all other the Discretionary awards to Voluntary and Not for Profits organisations to a maximum Discretionary award of 80% from 2017-18.
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REPORT DETAILS

1.00	EXPLAINING THE POLICY FRAMEWORK FOR MANDATORY AND DISCRETIONARY RELIEF
1.01	For Mandatory Rate Relief, relief of 80% of the annual rates bill is discounted if a ratepayer is a registered charity or a Community Amateur Sports Club (CASC) and the premises are wholly or mainly used for charitable purposes.
1.02	The scheme also enables the Council to award Discretionary Rate Relief, either as a 'top-up' to Mandatory Rate Relief or as a Discretionary only award to voluntary and not for profits organisations.
1.03	Although Welsh Government (WG) guidance confirms that applications must be considered on their own merits, in the interests of transparency and consistency, it is also common for Council's to publish broad guidelines under which applications may be determined.
1.04	The current scheme provides awards whereby the Council provides a 20% Discretionary 'top-up' to all organisations that already benefit from 80% Mandatory Rate Relief (apart from national charity shops). For voluntary and not for profits organisations that do not qualify for Mandatory Rate Relief, 100% Discretionary Rate Relief is awarded (apart from golf clubs who receive 50%).
1.05	Organisations that benefit from Discretionary Rate Relief can include non-profit making bodies whose main aims are, for instance, charitable, philanthropic, religious, education, social welfare, science, literature, the arts or recreational purposes.
1.06	For those organisations who benefit from Mandatory Rate Relief, the cost of funding the 'top-up' Discretionary Relief element is funded 75% by the Council and 25% by WG and during 2016-17 the cost to the Council of awarding 'top-up' relief to 149 organisations is approximately £91,000.
1.07	The cost of funding all other Discretionary Reliefs to Voluntary and not for profits organisations is funded 10% by the Council and 90% by WG and during 2016-17 the cost to the Council of awarding Discretionary only relief to 60 organisations is approximately £17,000.
1.08	Cabinet on 19/1/2016 approved the review of the current Discretionary scheme, which comes at a cost to the Council of £108,000, and to adopt a revised scheme from 2017-18 that provides efficiencies for the Council that helps to bridge the projected budget gap from 2017-18 and beyond, but crucially continues to provide financial support through Discretionary Rate Relief.
1.09	The Council recognises the important role that all Charities, Voluntary Groups and Not For Profits play in the communities they serve and the development of a lower funded scheme is essential to strike the right balance with continuing to offer generous levels of rate relief but one which helps the Council to bridge future funding gaps.

1.10	To ensure the long term sustainability of the Charitable, Voluntary and Not for Profits sectors, the separate introduction of a framework to deal with any hardship cases will also provide a 'safety net' in appropriate cases.
1.11	<p>The revised policy framework is required to achieve the savings as set out in Council plans. In summary this will provide discretionary rate relief from 2017-18 and beyond on the following basis:</p> <ul style="list-style-type: none"> a) Charitable Organisations entitled to 80% Mandatory Relief – No Discretionary 'top-up' provided b) Voluntary and Not-for-profits Organisations whose aims and purpose are philanthropic, religious, education, social welfare, science, literature, the arts or recreational purposes where the services they provide are mainly provided to local Flintshire residents 80% Discretionary Rate Relief provided, with the exception of golf clubs who will be awarded 40%.
1.12	The policy framework that is recommended for approval will ensure that all Charitable, Voluntary and Not-for-profit organisations (with the exception of golf clubs) will receive rate relief at 80% funded either through Mandatory or Discretionary Relief, meaning that most organisations are expected to make a 20% payment contribution towards business rates in order for the Council to bridge future funding gaps in central government funding.

2.00	RESOURCE IMPLICATIONS
2.01	As a result of the removal of Discretionary 'top-up' relief and the scaling back of all other Discretionary Rate Relief, the projected future cost of Discretionary Rate Relief based on current applications will be £14,175 against an existing budget provision of approximately £116,000. This will deliver efficiencies of approximately £102,000, as earmarked in the Business Plans for the Community & Enterprise portfolio for 2016-17. This will help the Council to bridge the projected budget gaps in future years as part of the Medium Term Finance Strategy (MTFS).
2.02	To provide additional mitigation against financial hardship for those organisations that currently benefit from 100% rate relief, setting aside a an annual contingency fund of £15,000 from the efficiency savings to support potential Hardship applications, will still allow the Council to provide emergency rate relief of up to £60,000 per annum, on the basis that the Council funds 25% towards the cost of Hardship Rate Relief.
2.03	After taking into account the Hardship contingency, net savings of £87,000 per annum will be achieved.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The referral of this report to Overview & Scrutiny provides an opportunity for cabinet to receive feedback on the introduction of a revised policy framework for Discretionary Rate Relief awards.

4.00	RISK MANAGEMENT
4.01	The implementation of this policy framework could potentially create financial hardship for some of the organisations currently in receipt of 100% rate relief but from 2016-17 will receive rate relief capped at 80%, and who would be expected to make a 20% payment contribution.
4.02	To mitigate against hardship, the introduction of a separate policy framework on Hardship Rate Relief, will provide clearer guidance to ratepayers about the circumstances where the Council might allow rate relief to any business ratepayer suffering hardship.

5.00	APPENDICES
5.01	Appendix 1 to this report sets out the new framework for Discretionary Rate Relief so that determinations can be made on a consistent and reasonable basis.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Local Government Finance Act 1988 (sections 43 and 47) Contact Officer: David Barnes, Revenues Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Mandatory Rate Relief: Where a business property is occupied by a charity or a Community Amateur Sports Organisation and the property is put to use 'wholly or mainly' for charitable purposes, there is an automatic entitlement to a 80% reduction in the rate bill, the cost of which is picked up by Welsh Government.
7.02	Discretionary Rate Relief: Voluntary Groups and 'Not for profit' organisations which are not registered charities are not eligible to receive Mandatory Rate Relief, but they are eligible to receive discretionary rate relief up to 100% (either as a 'top-up' to Mandatory Rate Relief or as an award in its own right based on the policy of a local authority). To be entitled to Discretionary Rate Relief, organisations must satisfy certain rules and conditions where the premises are occupied and put to use for charitable or otherwise for used for philanthropic, religious, education, social welfare, science, literature, the arts or recreational purposes.
7.03	Hardship Rate Relief: The Council, at its discretion, can sometimes award rate relief up to 100% to business ratepayers in exceptional circumstances who are experiencing hardship and it is reasonable for the

	Council to grant some relief having regard to the interests of local taxpayers who partly fund Hardship awards.
7.04	MTFS forecasts the resources the Council is likely to have over the next three years and importantly also sets out the plans and solutions for managing with reducing resources over this three year period.
7.05	Community Amateur Sports Club: The Community Amateur Sports Club (CASC) scheme was introduced by HMRC (HM Revenue and Customs) as an option for sports clubs to register with HMRC to receive 'charity type' tax reliefs providing that the club meets certain qualifying conditions. The scheme generally requires less regulation than if a sports club registers as a charity. Organisations that have CASC status with HMRC automatically receive 80% Mandatory Rate Relief for business rates

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Business Rates
Policy Framework for Mandatory & Discretionary Reliefs

DRAFT

VERSION CONTROL

Version	Version Date	Author	Description
1	31/05/2016	David Barnes	Introduction of framework (to take effect from 2017-18)

CONTENTS

Section	Page
Introduction	3
Summary of Legislative Framework	3
Mandatory Rate Relief	4
Discretionary Rate Relief	4-5
Application Process	6
Communication Process	6

1.0 Introduction

- 1.1 This document sets out the Councils framework on awards of Mandatory and/or Discretionary Rate Relief for Business Rates.
- 1.2 Although each application will be considered on its own merits, this document provides a framework within which officers may exercise delegated authority to deal with business ratepayers consistently and fairly.
- 1.3 Welsh Government periodically introduces relief schemes for particular categories of ratepayer, for example the Small Business Rate Relief Scheme and the Wales Retail Relief Scheme. This framework is not intended to cover such schemes since the qualification criteria are set by the Welsh Government.
- 1.4 Discretionary Rate Relief for Charitable, Voluntary and 'Not for Profits' organisations will be awarded on a continual basis, subject to a minimum of 12 months and one full financial year notice if any ratepayer is impacted by a future change to this framework policy. In other words, if notice of a change is not given by 31st March, relief would continue at the same level for a further two years.
- 1.5 This policy framework also deals with the emergence of new organisations that are structured and set-up as 'not for profit'. The framework introduces more clarity around qualification rules for Community Interest Companies and Social Enterprises to demonstrate they exist as 'not for profits' where the premises are used for charitable, philanthropic or religious purposes, or concerned with recreation, education, social welfare, science, literature or the fine arts.

2.0 Summary of Legislative Framework

- 2.1 The law relating to reliefs for Mandatory and/or Discretionary Rate Relief is contained in the Local Government Finance Act 1988, specifically:
- 2.2 **Section 43** relates to occupied property and requires Mandatory Rate Relief where the ratepayer is a charity or trustee for a charity and the property is used wholly or mainly for charitable purposes. This section also includes provisions for Community Amateur Sports Clubs (CASC).
- 2.3 **Sections 47 and 48** permit Discretionary Rate Relief for charities and other organisations of prescribed type. Section 47 also includes provisions for CASC
- 2.4 **Section 69** of the Localism Act 2011 amended Section 47 to permit local authorities to grant discretionary relief in any circumstances, if it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area.

3.0 Mandatory Rate Relief

- 3.1 In order to qualify for Mandatory Rate Relief an organisation must not be conducted for profit and the property they occupy must be wholly or mainly used for charitable purposes, or those of a Community Amateur Sports Club. If the property is empty it must appear that when next in use the property will be wholly or mainly used for charitable purposes.
- 3.2 Organisations typically qualifying for Mandatory Rate Relief are: charities registered under Section 3 of the Charities Act 1983; those excepted from such registration; charity shops, provided that they are wholly or mainly used for the sale of goods donated to the charity and proceeds from sale are used for the charity only; registered Community Amateur Sports Clubs (CASC).
- 3.3 Entitlement to Mandatory Rate Relief is at the level of 80% of the gross rates payable. The cost of awarding Mandatory Rate Relief is funded entirely by Welsh Government.

4.0 Discretionary Rate Relief – Voluntary and Not-for-profits organisations

- 4.1 In cases where ratepayers are registered Charities or registered as a Community Amateur Sports Club (CASC) and thereby entitled to Mandatory Relief is awarded at 80%, the Council will not usually consider awarding additional Discretionary 'top-up' relief.
- 4.2 However, in cases where Voluntary and Not-for-profits organisations are not registered with the Charity Commission or as a CASC, Discretionary Relief may be annually awarded at a level not exceeding 80%, except for golf clubs that may receive an annual award at a level not exceeding 40%.
- 4.3 To qualify for Discretionary Rate Relief, the ratepayer will usually be a sporting club/society or other not for profit Community Interest Company or Registered Social Enterprise, occupying premises wholly or mainly and used for the sole purpose of philanthropic or religious purposes, or concerned with recreation, education, social welfare, science, literature or the fine arts
- 4.4 For the purposes of awarding Discretionary Rate Relief, 'not for profit' organisations will be considered as those not conducted or maintained for the purpose of making a profit and whose surpluses are used to further achieve their aims and objectives rather than distribute income to the organisations shareholders. For easy understanding these will typically be member or community serving organisations.
- 4.5 The key test to establish 'not for profits' will centre around whether they are genuinely run as 'not for profit', To aid decision making considerations will be made around:
- Assessing the memorandum and articles of association to determine the type of organisation, and that it is not for profit and/or for a social purpose associated with charitable, philanthropic or religious purposes, or concerned with recreation, education, social welfare, science, literature or the fine arts - ensuring these

elements are built into this document with clarity and what happens to any traded surpluses

- Consideration of the initial business plan and audited accounts to check whether traded surpluses are re-invested each year for advancement of their mission and social purpose.
- Assessing on an annual basis, submitted audited accounts and any revisions to the memorandum and articles of association to ensure the application of surpluses are as detailed in their memorandum and articles and to monitor/prevent building up of excessive reserves.

5.0 Discretionary Rate Relief – other commercially operating organisations

5.1 The Council can also provide discretionary relief in any circumstances in line with the Localism Act 2011. This is subject to the condition that, except in the limited circumstances specified, the Council may only grant relief if it would be reasonable to do so having full regard to the interests of council tax payers who would ultimately finance the full cost of providing rate relief in these circumstances.

5.2 The framework that will be adopted is for the Chief Officer – Community & Enterprise and Cabinet Member for Corporate Management consider any applications received for discretionary discounts falling outside the scope of the policy in section 1.03 to be considered on their own merits using the following criteria:

- Requests for reductions will be required in writing with a full business case and documentary evidence in support of the need for relief
- The Council's finances allow for a reduction to be made
- It must be in the interests of Council Tax payers and the wider public interest to grant a reduction
- All other eligible discounts/reliefs have been considered prior to seeking discretionary rate relief

6.0 Discretionary Rate Relief – Small Businesses in receipt of Small Business Rate Relief

6.1 Welsh Government provide Small Business Rate (SBR) Relief to most businesses with a rateable value of £12,000 or less, and which is financed by Welsh Government.

6.2 The Welsh Government SBR scheme also contains provision for local authorities to award discretionary 'top-up' relief to small businesses not qualifying for 100% SBR reductions, although the cost of providing 'top-up' awards to small businesses is financed completely by the Council.

6.3 The policy framework is not to award additional 'top-up' discretionary relief beyond what businesses already receive in SBR.

7.0 Applications for Discretionary Relief

7.1 Applications for reliefs should be made in writing using the prescribed forms available on the Councils website. Applications for Discretionary Relief should also provide the following information:

- Latest set of Audited Accounts;
- A copy of the organisation's constitution
- Evidence of registration as a Community Amateur Sports Club (if relevant).
- For organisations that are exempt from registering as a charity – evidence of the exemption is required in the form of a letter from HMRC stating that they are exempt from tax under S505 of the Income and Corporation Tax Act 1988

7.2 Applications will be considered by the Chief Officer for Community & Enterprise in line with the policy framework as laid out in this document.

7.3 Entitlements to relief will usually commence from the beginning of a ratepayers liability in the billing year in which the application is made.

8.0 Communication with Applicants

8.1 The Council will notify in writing all applicants for reliefs of its decision.

8.2 Where relief is granted, the notification will include:

- The amount of relief granted and the effective date of the award
- The period of the award, if it is limited;
- The new chargeable amount;
- A requirement that the applicant should notify the Council of any relevant change in circumstances.

8.3 Where applications are unsuccessful the Council will provide an explanation within the context of its statutory duty in order to properly inform ratepayers of the reason for the application being unsuccessful



COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Wednesday 13 th July, 2016
Report Subject	Hardship Rate Relief Policy Framework
Cabinet Member	Cabinet Member for Corporate Management
Report Author	Chief Officer, (Community & Enterprise)
Type of Report	Operational

EXECUTIVE SUMMARY

Section 49 of the Local Government Finance Act (LGFA) 1988 provides the Council with discretionary powers to award Business Rates Hardship Rate Relief to businesses in exceptional circumstances, where it is reasonable for the Council to grant relief having regard to the interests of local taxpayers.

Using Regulations as guidance, there is already a tried and tested determination process in place to consider applications for Hardship under delegated powers although the Council does not currently have a policy framework in place that explains the approach or considerations taken into account when adjudicating applications.

The introduction of a formal policy framework has primarily been developed to ensure consistency, transparency and best practice. At the same time, it also provides an opportunity to formalise into a single policy framework, well established procedures and regulations for the determination of applications.

The framework will ensure all ratepayers making applications for Hardship Rate Relief are treated fairly and consistently as well as providing ratepayers with a clearer understanding of the scheme.

RECOMMENDATIONS

1	Seek Scrutiny support on the introduction of the policy framework for Hardship Rate Relief.
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REPORT DETAILS

1.00	EXPLAINING THE HARDSHIP RATE RELIEF POLICY FRAMEWORK
1.01	There are a number of Mandatory and Discretionary rate reliefs already available to businesses under current Business Rates legislation, including Small Business Rate Reliefs, however there are instances where these reliefs do not apply to certain businesses or the amount of relief they receive does not reduce their rates liability in full.
1.02	Businesses that fall within this category, as with all businesses, can occasionally experience loss of trade and cash flow issues which can make paying their rates difficult without causing significant financial hardship, especially where the payment of rates may directly lead to job losses or the potential closure of the business.
1.03	The Council has discretion to reduce or remit the payment of Business Rates where it is satisfied that the ratepayer would sustain hardship if it did not do so and that it is reasonable to award relief, having taken into account the interests of Council Tax payers who bear part of the cost of hardship awards.
1.04	Government guidelines stipulate that Hardship Rate Relief should be used to provide short term assistance and should not be considered a way of reducing Business Rates liability indefinitely.
1.05	Welsh Government (WG) advice also indicates that local authorities must not adopt a blanket policy regarding awards and must consider the individual merit of each request.
1.06	The approval of a policy framework, as set out in appendix 1, has been developed to introduce more clarity around the criteria used to determine applications for Hardship Rate Relief.
1.07	<p>The following key guidelines are incorporated into the policy framework when considering requests:</p> <ul style="list-style-type: none">• The Council's finances allow for a reduction to be made and it is reasonable to do so;• All grants of hardship relief are intended as short term assistance and not considered a way of reducing Business Rates liability indefinitely;• Applicants may apply for hardship relief each financial year and the Council will determine each application on its own merits;• Hardship relief will be the exception and not the rule and only considered where there is evidence of hardship that justifies a reduction in Business Rates liability;• The Council must be satisfied that the ratepayer has taken reasonable steps to resolve their situation prior to application including taking financial advice;• There is a direct benefit to the ratepayer or the community or no adverse impact to other ratepayers or the community as a result of awarding relief and the cost to local Council Tax payers is proportional to the benefits of the community.

1.08	By reducing the rate burden on businesses, it is acknowledged that rate relief can sometimes play an important role in ensuring the existence of local employment and community facilities and contribute towards the Councils Corporate Objectives.
1.09	The Council will therefore look favourably, where finances permit, on those applications where : <ul style="list-style-type: none"> • exceptional hardship is demonstrated; • the business is responsible for providing a local amenity and/or employment to local residents; • the business has a credible future; • short term award of hardship relief will materially serve to ensure the future of the business, the continued provision of the amenity and/or employment opportunities.

2.00	RESOURCE IMPLICATIONS
2.01	The funding mechanism for Hardship Rate Relief is jointly funded by Welsh Government (WG) and the Council, with WG contributing 75% of the cost and the Council contributing 25%.
2.02	Given that the Council makes a 25% contribution towards Hardship awards, there is a cost to the Council's General Fund, and therefore to the local Council Taxpayers, in awarding Hardship Rate Relief and the Council must give due consideration to the interests of local residents when making awards.
2.03	Hardship relief will usually only be granted if there is sufficient budget available for the financial year in which an application is determined.
2.04	If there are extreme circumstances where hardship relief may need to be awarded beyond the Council's budget provision for discretionary rate awards, this will be considered as a one-off budget pressure and determined by delegated powers by the Cabinet Member for Corporate Management and Chief Officer, Community & Enterprise.
2.05	The award of Hardship Relief must also comply with the European Union law on State Aid. Under the De Minimis Regulations (EC 1407/2013) the ratepayer should not receive more than €200,000 (approximately £165,000) in total of De Minimis aid over a three year period.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The referral of this policy framework to Overview and Scrutiny Committee will enable cabinet to consider feedback prior to approval of the final report.

4.00	RISK MANAGEMENT
4.01	The approval of this framework will ensure there are clear guidelines in place to determine applications for hardship; this will ensure transparency throughout the decision making process. Furthermore, businesses will also have knowledge of the Council's approach to determining applications and the various factors that would be taken into account as part of the adjudication process.

5.00	APPENDICES
5.01	Appendix 1 to this report sets out the policy framework for determining awards under the Hardship Rate Relief scheme.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Hardship Rate Relief – section 49, Local Government Finance Act 1988</p> <p>Contact Officer: David Barnes, Revenues Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Business Rates: is the commonly used name of non-domestic rates, a tax on the occupation of non-domestic property including shops, offices, pubs, warehouses, factories etc.
7.02	Mandatory Rate Relief: Where a business property is occupied by a charity or a Community Amateur Sports Organisation and the property is put to use 'wholly or mainly' for charitable purposes, there is an automatic entitlement to a 80% reduction in the rate bill, the cost of which is picked up by Welsh Government.
7.03	Discretionary Rate Relief: Voluntary Groups and 'Not for profit' organisations which are not registered charities are not eligible to receive Mandatory Rate Relief, but they are eligible to receive discretionary rate relief up to 100%.
7.04	State Aid: is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU). The definition of state aid is very broad because 'an advantage' can take many forms. It is anything which an undertaking (an organisation engaged in economic activity) could not get on the open market.



Business Rates Hardship Relief Policy Framework

VERSION CONTROL

Version	Version Date	Author	Description
1	20/4/2016	Richard Mallon	Introduction of policy

CONTENTS

Section	Page
Introduction & Definition of Hardship	3
Framework Principles	3-4
Application Process	4-6
Restrictions on awarding Hardship Relief	6
Conditions and Duties of the ratepayer	6-7

1.0 Introduction

- 1.1 Section 49 of the Local Government Finance Act 1988 gives the Council discretion to reduce or remit the payment of business rates where it is satisfied that the ratepayer would sustain hardship if it did not do so and that it is reasonable to award relief, having taken into account the interests of the Council Tax payers.
- 1.2 The Welsh Government meets 75% of the cost of funding this relief, with the Council meeting the remaining 25%.

2.0 Hardship Framework

- 2.1 The legislation does not give a definition of hardship however the Council determines hardship as:
 - The ratepayer is able to satisfy the Council that they are not able to meet their full Business Rates liability or part of their liability.
 - The ratepayer is able to demonstrate that all reasonable steps have been taken to meet their full Business Rates liability.
 - The ratepayer can prove that their current circumstances are unlikely to improve in the following 12 months making payment of the Business Rates impossible.
 - The ratepayer has no access to assets that could be realised and used to pay the Business Rates.
 - Enforced payment of their full Business Rates liability would result in severe hardship and the closure of the business or significant job losses.

3.0 Policy Framework Principles

- 3.1 The Council has determined the following framework principles:
 - All grants of hardship relief are only intended as short term assistance and will not extend beyond the current financial year of the bill and should not be considered a way of reducing Business Rates liability indefinitely.
 - Applicants may apply for hardship relief each financial year and the Council will determine each application on its own merits.
 - Hardship relief will be the exception and not the rule.
 - There must be evidence of hardship that justifies a reduction in Business Rates liability.
 - The Council must be satisfied that the ratepayer has taken reasonable steps to resolve their situation prior to application including taking financial advice.

- There is a direct benefit to the ratepayer or the community or no adverse impact to other ratepayers or the community as a result of awarding relief.
- The cost to local Council Tax payers is proportional to the benefits of the community.
- The ratepayer's business has been detrimentally affected by circumstances beyond the ratepayers control and that do not constitute part of the normal risks in running a business i.e. a natural disaster or an unusual or uncontrollable event in the neighbourhood of the business.
- By refusing to award the relief this may result in the loss of the business. The impact on local amenities must be considered if the business is the sole provider of a service in the local area i.e. the only village shop.
- By refusing to award the relief this may result in the loss of the business. The impact on employment prospects in the local area must be considered i.e. if the closure results in a large number of redundancies, the social aspect of increasing unemployment and the possible negative impact in attracting further investment in the area must be considered.
- The Council's finances allow for a reduction to be made and it is reasonable to do so.

4.0 Application process

- 4.1 All applications should be made in writing, on the relevant form, from the ratepayer, their advocate/appointee or a recognised third party acting on their behalf, who the Council has accepted, and the ratepayer has given appropriate authorisation to them to discuss their affairs.
- 4.2 All applications should be supported, where applicable, by audited financial accounts over a 2 year period including income and expenditure, a balance sheet as well as supporting evidence such as the business plan to get the business onto a sound financial footing.
- 4.3 All applications will be considered on their merits. In coming to an individual decision we will consider a combination of the following factors:

Financial Factors

- Income and outgoings - i.e. how is the organisation/individual doing financially. What expenses do they have and what money have they coming in
- Reserves - Does the organisation / individual have any reserves, is the hardship just a temporary measure and could be covered by reserves.
- Other shops / areas of business - Is this a one premises business or are there other areas of the business which could offset any hardship.
- Excessive Outgoings - Is the hardship caused by excessive outgoings, are the level of drawings too large, is the organisation / individual renting excessively large or expensive premises.

History and Future Planning

- What was the reason for the hardship - is there a recognisable one-off reason for the hardship, or is it just a slowdown in trade, or even that the business is just not sustainable.
- Is there an improvement plan - does the organisation / individual have an improvement plan to relieve them of hardship and if so what are the chances of success.
- Will the granting of hardship be effective - will the organisation / individual still be unsustainable even with the granting of a reduction in the non-domestic rates liability. Will the money spent by the authority have any longer term benefit or will it just delay the inevitable

Loss of Amenity

- What would be the effect on the local community - would the local community suffer if the organisation / individual were no longer in existence.
- Are there other similar businesses - if the applicant no longer occupied the premises would the existence of other organisations / individuals mean that there would be no or insignificant loss of amenity
- What area / group is served by the applicant - does the ratepayer serve a limited target audience or do large sectors of the Birmingham community benefit from their existence.
- Another vacant property? - are there other empty properties in the area and another empty property would degrade the area further and be detrimental to the local public.

Employment Implications

- Number of people employed - What number of people are employed by the organisation / individual and would their jobs be in danger if hardship was not granted.
- How many live in Flintshire - If the reason for granting hardship is to prevent job losses, are those employees protected residents of Flintshire County Council.
- Are employees family members - Are the people employed by the organisation / individual members of their family or are any vacancies open to the general public
- Are the employees taken from an unemployment black-spot - Is the organisation / individual situated in an area where jobs are more difficult to obtain, or are they in an area when the employees would have a greater chance of finding other employment.

External Factors

- Consideration should be given when certain regional, national or global factors affecting hardship are beyond the organisation's control, particularly when central government provides extra funding and including consideration of rules of state aid.

The Council is only able to support applications for hardship relief under these provisions, where we are satisfied on all of the following counts:

- That exceptional hardship is demonstrated;

- That the business is responsible for providing a local amenity and/or employment to Flintshire residents;
- That notwithstanding this hardship, the business has a credible future; and
- That a short term award of hardship relief will materially serve to ensure the future of the business, the continued provision of the amenity and/or employment opportunities: and
- That there is sufficient budgetary provision available to meet the Council's commitment to fund the relief.
- There is no minimum award period. The maximum is 12 months but this would only be in the rarest of circumstances.

4.4 Applications will usually be determined within 28 days of receiving sufficient information.

4.5 The ratepayer will be informed in writing of the Council's decision, the reasons for the decision and receive a revised Business Rates demand if appropriate.

5.0 Restrictions on awarding Hardship Relief

5.1 Hardship relief should only be awarded once to each eligible ratepayer. The Council expects the ratepayer to take the opportunity of any relief granted to place their financial affairs in proper order. However, applicants may reapply for relief each financial year with each application being considered on its own merits.

5.2 Hardship relief will only be granted if there is sufficient budget available for the financial year in which an application is determined.

If there are extreme circumstances where hardship relief may need to be awarded beyond the Council's annual budgeted figure then this will be considered under delegated powers and recorded as a financial pressure if awarded.

5.3 The award of hardship relief must comply with the European Union law on State Aid. Under the De Minimis Regulations (EC 1407/2013) the ratepayer should not receive more than €200,000 in total of De Minimis aid within the current financial year or the two previous financial years.

6.0 Conditions and Duties of the Ratepayer

6.1 The ratepayer agrees that he/she must let the Council know immediately either by phone or in writing about any changes in their circumstances which might affect the claim for hardship relief. Failure to do so will result in the withdrawal of the total amount of hardship relief granted for the year and the requirement to repay this to the Council.

6.2 The ratepayer agrees that any application for hardship relief does not negate in any way the ratepayer's obligation to pay Business Rates as demanded.

6.3 Relief will not to be granted where the amount is outstanding as a result of wilful refusal or culpable neglect on the part of the ratepayer to pay Business Rates.



COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Wednesday 13 th July, 2016
Report Subject	Forward Work Programme
Cabinet Member	N / A
Report Author	Community & Enterprise Overview & Scrutiny Facilitator
Type of Report	Operational

EXECUTIVE SUMMARY

Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work programme of the Committee of which they are Members. By reviewing and prioritising the Forward Work Programme Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Community & Enterprise Overview & Scrutiny Committee.

RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Facilitator, in consultation with the Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises.

REPORT DETAILS

1.00	EXPLAINING THE FORWARD WORK PROGRAMME
1.01	Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council or Chief Officers. Other possible items are identified from the Cabinet Work Programme and the Improvement Plan.
1.02	<p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p> <ol style="list-style-type: none">1. Will the review contribute to the Council's priorities and/or objectives?2. Is it an area of major change or risk?3. Are there issues of concern in performance?4. Is there new Government guidance of legislation?5. Is it prompted by the work carried out by Regulators/Internal Audit?
2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Publication of this report constitutes consultation.
4.00	RISK MANAGEMENT
4.01	None as a result of this report.
5.00	APPENDICES
5.01	Appendix 1 – Current Forward Work Programme
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Ceri Shotton Overview & Scrutiny Facilitator</p> <p>Telephone: 01352 702305</p> <p>E-mail: ceri.shotton@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Improvement Plan: the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.

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CURRENT FWP

Date of meeting	Subject	Purpose of Report	Scrutiny Focus	Report Author	Submission Deadline
14 September, 2016	Housing Regeneration Programmes	To update the Committee on the Housing Regeneration Programmes.	Assurance/Monitoring	Service Manager, Enterprise, and Regeneration Programmes	7 September 2016
	Improvement Plan 2015/16 Year-end Progress	To enable Members to fulfil their role in relation to performance monitoring.	Assurance/Monitoring	Community & Enterprise Facilitator	
	Performance Reporting 2015/16	To provide analysis of the Council's progress towards national indicators set by the Welsh Government.	Assurance/Monitoring	Community & Enterprise Facilitator	
19 October, 2016	Town Centre Regeneration	To review the work of the Council in relation to Town Centre Regeneration.	Monitoring	Service Manager, Enterprise, and Regeneration Programmes	12 October 2016
	Deeside Plan	To enable the Committee to consider the Deeside Plan.	Consultation	Service Manager, Enterprise, and Regeneration Programmes	

	Purchase of ex council stock	To consider proposals and criteria for the repurchase of ex council properties.	Consultation	Service Manager, Housing Programmes	
23 November, 2016	Rent Arrears Annual Report	To consider the Rent Arrears Annual Report including information on the suggestion for WHQS improvements to be delayed for tenants with long term rent arrears.		Income Manager	16 November 2016
15 December, 2016 (Budget meeting)	Draft 2017/18 Revenue Budget and Housing Revenue Account (HRA)	To enable the Committee to consider the draft 2017/18 Revenue Budget and Housing Revenue Account (HRA).	Consultation	Chief Officer (Community & Enterprise)	8 December 2016
21 December, 2016	Service Charges for Gardening Service	To enable the Committee to consider proposed service charges and their implementation for gardening services.	Consultation	Senior Manager, Council Housing Services	14 December 2016

<p>23 January, 2017 (Budget meeting)</p>	<p>Draft 2017/18 Revenue Budget and Housing Revenue Account (HRA)</p>	<p>To enable the Committee to consider the draft 2017/18 Revenue Budget and Housing Revenue Account (HRA).</p>	<p>Consultation</p>	<p>Chief Officer (Community & Enterprise)</p>	<p>16 January 2017</p>
<p>1 February, 2017</p>	<p>Update report on partnership working between the Council and Travis Perkins</p>	<p>To receive a report on the partnership working between the Council and Travis Perkins following 12 months of the new contract and arrangements.</p>	<p>Assurance/Monitoring</p>	<p>Senior Manager, Council Housing Services</p>	<p>25 January 2017</p>
<p>1 March, 2017</p>					<p>1 March 2017</p>
<p>5 April, 2017</p>					<p>29 March 2017</p>

14 June, 2017					7 June 2017
19 July, 2017					12 July 2017

Page 72

Items to be scheduled

- Work of the Economic Ambition Board
- Review of Fair Debt Policy
- Local Lettings Policy, Flint – to be brought nearer the completion of the housing development in Flint

REGULAR ITEMS

Month	Item	Purpose of Report	Responsible / Contact Officer
Quarterly / Annual	Performance Reporting	To consider performance outturns for improvement targets against directorate indicators.	Chief Officer (Community and Enterprise)
Six monthly	HRA Business Plan & WHQS	To update Members on progress made in meeting the WHQS and HRA business plan budget efficiencies	Chief Officer (Community and Enterprise)
Six monthly	Welfare Reform Update – including Universal Credit	To update Members on the impact of Welfare Reform and the cost to the Council.	Chief Officer (Community and Enterprise)
Six monthly	Update on North East Wales Homes & Property Management	To update Members on the work of the North East Wales Homes & Property Management	Chief Officer (Community and Enterprise)
Annually	Delivery of the Regeneration Programmes	To seek Member support in the delivery of the Vibrant and Viable Places programme, Communities First programme and how European funding is spent	Chief Officer (Community and Enterprise)
	HRA Efficiencies	To enable the Committee to monitor progress in meeting proposed HRA Efficiencies.	Chief Officer (Community and Enterprise)
	HRA Subsidy Risk Register	To enable the Committee to monitor ongoing risks following the introduction of self-financing for the HRA.	Chief Officer (Community and Enterprise)

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