

Thanks Contact: Democratic Services demservices-shadow@buckscc.gov.uk

SHADOW EXECUTIVE

Date: Tuesday, 23 July 2019
Time: 10.00 am
Location: Mezzanine Rooms 1 - 2, Buckinghamshire County Council, Walton Street, HP20 1UA - Aylesbury

SUPPLEMENTARY AGENDA 1

6. **APPOINTMENT OF CHIEF EXECUTIVE** (Pages 1 - 4)
7. **CHIEF OFFICER RESOURCING AND DESIGNATION** (Pages 5 - 10)
8. **TIER 2 AND TIER 3 LEADERSHIP REWARD, TERMS & CONDITIONS** (Pages 11 - 20)
9. **CONSOLIDATED FINANCIAL POSITION** (Pages 21 - 34)
10. **HARMONISATION OF COUNCIL TAX REDUCTION SCHEMES** (Pages 35 - 60)
11. **HARMONISATION OF COUNCIL TAX DISCOUNTS AND PREMIUMS** (Pages 61 - 66)
12. **DISCRETIONARY RATE RELIEF POLICY** (Pages 67 - 74)
13. **DEVOLUTION OF HIGHWAYS SERVICES TO LOCAL COUNCILS** (Pages 75 - 80)
14. **EXCLUSION OF THE PUBLIC**

To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

- | | |
|-------------|---|
| Paragraph 1 | Information relating to any individual |
| Paragraph 2 | Information which is likely to reveal the identity of an individual |
| Paragraph 3 | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

Appendix to Agenda Item 6: Appointment of Chief Executive

Note: Restricted Appendix to follow.

15. **SPADE OAK LAKE** (Pages 81 - 88)

16. WOODLANDS AND EASTERN LINK ROAD SOUTH (Pages 89 - 94)

17. INVESTMENT PROPERTY (Pages 95 - 112)

Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23rd July 2019
Title of Report:	APPOINTMENT OF CHIEF EXECUTIVE
Responsible Officer or Relevant Member:	Sarah Murphy-Brookman
Officer Contact:	Sarah Murphy-Brookman, Director HR & OD 01296 387931 smbrookman@buckscc.gov.uk
Recommendations:	The Shadow Executive is asked to consider the recommendation of the Senior Appointments Sub Committee as to the appointment of the Chief Executive and Head of Paid Service for Buckinghamshire Council.
Corporate Implications:	<u>Resourcing requirements</u> There are no additional financial resourcing requirements as a consequence of this report. <u>Legal implications</u> As outlined in the report.
Options: (If any)	The options are: i) To accept the recommendation of the Senior Appointment Sub Committee and appoint their suggested candidate to the position of Chief Executive and Head of Paid Service. ii) To reject the recommendation of the Senior Appointment Sub Committee, thus not appointing any of the candidates at this time. The role could be subsequently re-advertised.
Reason: (Executive only)	To ensure the process accords with the constitutional processes.

Purpose of Report

1. This report sets out the constitutional process for the appointment to the position of Chief Executive of Buckinghamshire Council.
2. At the conclusion of this selection process on 19th July 2019 the Senior Appointment Sub Committee will make an appointment recommendation to the Shadow Executive. The Shadow Executive will consider this recommendation on 23rd July and may accept or reject the recommendation.

Background

3. The arrangements for the Chief Executive resourcing process were agreed by Shadow Executive on 11th June 2019 and the timeline and arrangements have been followed.

4. The Senior Appointments sub committee, who are a subcommittee of the Shadow Executive, have overseen the selection process and arrangements.

Democratic Process

5. At the conclusion of the assessment centre on the 19th July 2019 the Senior Appointment Sub Committee will come to a view as to the most suitable person for the position and recommend a candidate to be appointed to the position of Chief Executive of Buckinghamshire Council. The making of this recommendation will be minuted by Democratic Services, and the Implementation Team Lead for Human Resources will be informed of the recommendation which will include salary and key terms and conditions of appointment together with any other particulars that the Senior Appointment Sub Committee considers relevant.
6. The successful candidate will be confidentially informed of this informal conditional offer to ensure that they wish to accept subject to the constitutional processes set out in this report.
7. The Implementation Team Lead for Human Resources, who is the designated Lead for the HR&OD Unitary workstream, will circulate the recommendation to the Shadow Executive as a private appendix to this report before midnight on Friday 19th July 2019 and this will remind Members of the period and process to raise any objections.
8. Members of the Shadow Executive can raise objections to the appointment recommendation. Objections on behalf of Shadow Executive are to be made to the Leader who will provide these to the Implementation Team Lead for Human Resources. Objections must be provided to the Implementation Team Lead for Human Resources by midnight on Monday 22nd July 2019.
9. At the meeting on 23rd July and before the Shadow Executive considers the recommendation from the Senior Appointment Sub Committee:
 - a. The Leader will confirm that they nor any Member of the Shadow Executive has any objection to the making of an offer
 - b. the Implementation Team Leader for Human Resource on 23rd July will confirm that no objections have been received
 - c. where an objection has been received within the required timescales then the Shadow Executive will need to consider whether it is material or well founded. In this regard, where necessary, the advice of the monitoring Officer should be sought.
10. Where there are no objections or where the objections are not upheld then the Shadow Executive will consider the Senior Appointment Sub Committee appointment recommendation including salary and key terms and conditions of appointment. In the event that the Shadow Executive does not approve the recommendation it shall indicate how it wishes to proceed.
11. Following the appointment decision The Leader will instruct the Implementation Team Leader for Human Resources to make an offer to the recommended candidate. This offer will be conditional on satisfactory references. Section 2.4 of the Staff Employment Procedure Rules allows a Shadow Member to provide a written testimonial of a candidate's ability, experience or character.
12. A formal offer of appointment will be made after the call-in period has lapsed.

Background Papers	None.
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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23rd July 2019

Title of Report:	TIER 2 AND 3 RESOURCING AND CHIEF OFFICER DESIGNATION
Responsible Officer or Relevant Member:	Sarah Murphy-Brookman
Officer Contact:	Sarah Murphy-Brookman, Director HR & OD 01296 387931 smbrookman@buckscc.gov.uk
Recommendations:	<p>The Shadow Executive is recommended:</p> <ul style="list-style-type: none"> i) to designate all second tier Officers as Chief Officers ii) to endorse that any Deputy Chief Officer appointments (tier 3) will be Officer only appointments iii) to endorse the process for resourcing the second tier of Buckinghamshire Council. iv) to endorse the process for resourcing statutory officers whose role may be in the third tier of Buckinghamshire Council. v) to consider setting up a smaller sub group of the senior appointments sub committee for Chief Officer and Statutory Officer appointments
Corporate Implications:	<p><u>Resourcing requirements</u> There are no additional financial resourcing requirements as a consequence of this report.</p> <p><u>Legal implications</u> As outlined in the report.</p>
Options: (If any)	Instead of involving the whole Senior Appointments Sub Committee in making Tier 2 and Statutory Officer appointments a smaller group of Members could be agreed. This would be beneficial given the number of posts that we will need to recruit into and the timescale that we will be working to.
Reason: (Executive only)	To ensure the process for the appointment of the Second Tier of the new Buckinghamshire Council is fair and accords with best practice and good governance generally.

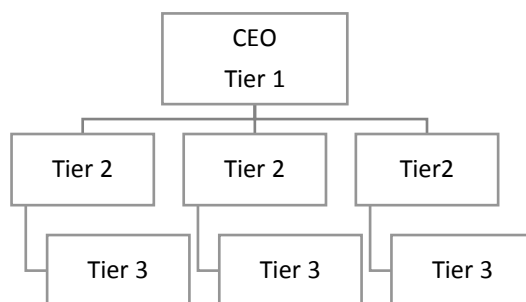
Purpose of Report

1. The Shadow Executive is asked: :
 - a. to endorse the process for resourcing the second tier of Buckinghamshire Council.

- b. to designate all second tier Officers as Chief Officers
- c. to endorse the process for resourcing statutory officers whose role may be in the third tier of Buckinghamshire Council.
- d. to endorse that Deputy Chief Officer appointments as Officer only appointments.
- e. To consider the option to set up a smaller sub group of the senior appointments sub committee for Tier 2 or Tier 3 Chief Officer and Statutory Officer appointments

Background

2. To ensure that the new council starts to deliver the benefits of Unitary status from day one the Shadow Executive Nominees have agreed the new Senior Leadership team should be in place in advance of Vesting Day. This leadership team is known as Tiers 1-3 which are defined as reporting lines from the CEO with Tier 1 being the CEO and can be represented as follows:



3. A consultation is currently ongoing with As Is Tiers 2 and 3 employees about the structure, roles and resourcing process. This consultation closes on 4th August and subject to the feedback Tier 2 resourcing will commence on 12th August 2019.
4. The resourcing processes recommended in this paper are designed to ensure that there is no capacity or knowledge 'cliff edge'. The transition of senior staff into new roles or their exit will be managed to ensure that Business As Usual continues to be delivered; that transformation takes place at pace; that the winding up of the legacy Councils is managed in an orderly way and that the benefits of the new Council are realised as quickly as possible.

Chief Officer Designation

5. It is recommended that all Tier 2 Officers are designated as Chief Officers, this will provide maximum flexibility of delegation of powers and inter-operability at this Tier 2 level. Delegation to Officers does not affect the powers of the Shadow Authority or Shadow Executive or any Committee who made the delegation, at any time to decide upon any delegated matters.
6. In addition to the status of Chief Officer there are a number of roles which will be Statutory or Proper Officers. These are:
 - a. Head of Paid Service (known as Chief Executive)
 - b. Chief Finance Officer (known as s.151 officer)
 - c. Monitoring Officer
 - d. Director of Childrens Services (known as DCS)

e. Director of Adult Social Services (known as DASS)

7. All Chief Officer and Statutory Officer appointments where they are not at Tier 2 or slotted in (as in the case for the DASS/ DCS) will also be a member appointment process.
8. There is an option for the new Chief Executive to put in place Deputy Chief Officers. There is no statutory or constitutional requirement for this designation. Where a DCO is required this will be a matter for the Chief Executive and these would be Officer appointments.

Resourcing Process for Tier 2

5. There are six roles in Tier 2 of the new structure. Four of these roles will be filled through an open resourcing process. This means that those roles will be advertised internally and externally (nationally). They will be open to all employees and applications are welcomed from any employee across the current Buckinghamshire councils provided that they meet the essential criteria of the post. These are Member appointments.
6. Two of these roles, those of Corporate Director of Adult Care & Health and Corporate Director of Children's Services, will be ring fenced to current incumbents who will be slotted in. This proposal is in recognition that the District councils do not provide these service areas nor do they have similar service areas that could be included in the ring-fence. Therefore Member appointment is not required as these roles are unchanged and the current post holders will transfer directly into the new roles, without interview.
7. This can be summarised as:

	Role	Recruitment process
1	Deputy Chief Executive	Advertised nationally and internally. Member appointment.
2	Corporate Director Resources	Advertised nationally and internally. Member appointment.
3	Corporate Director Communities	Advertised nationally and internally. Member appointment.
4	Corporate Director Planning, Growth & Sustainability	Advertised nationally and internally. Member appointment.
5	Corporate Director Adult Care & Health (DASS)	Ring-fenced to current BCC DASS and slotted in.
6	Corporate Director Children's Services (DCS)	Ring-fenced to current BCC DCS and slotted in.

8. The Tier 2 recruitment timeline is as follows:

Dates	Activity
12 th Aug-1 st Sept	National advertising campaign.

11 th Sept	The Senior Appointments Sub Committee or a subgroup of that committee agree the initial longlist of candidates with the newly appointed CEO acting as advisor to this panel.
16 th Sept – 18 th Sept	The candidates undertake a technical interview with external assessors and the newly appointed Chief Executive, and a competency based interview
20 th Sept	The Chief Executive will recommend a shortlist of candidates.
20 th Sept	Shortlisted candidates are invited to undertake a psychometric assessment.
30 th Sept – 1 st Oct	Candidates attend a 1-day assessment centre which will include an interview with the Senior Appointments Sub Committee, or a subgroup of that committee.

Statutory Officers at Tier 3

9. Where the appointments to Tier 2 roles have the skills and experience to enable them to hold the statutory officer responsibility of Monitoring Officer or s.151 Officer then they will be appointed as such. However, where this is not the case, these Statutory Officer responsibilities will be incorporated into Tier 3 roles. In this instance, those Tier 3 roles will be advertised internally and externally and will be Member appointments.
10. Therefore the skills and qualifications of the Tier 2 appointees will determine whether or not the Monitoring Officer and s.151 responsibility sits at Tier 2. Consequently a level of flexibility is required around these appointments
11. The timeline and resourcing process for Tier 3 Statutory Officers will be as follows:

Dates	Activity
7 th Oct - 27 th Oct	National advertising campaign.
4 th Nov – 5 th Nov	The Senior Appointments Sub Committee or a subgroup of that committee agree the initial longlist of candidates with the newly appointed CEO acting as advisor to this panel.
11 th Nov – 22 nd Nov	The candidates undertake a technical interview with external assessors and the newly appointed Chief Executive, and a competency based interview.
28 th Nov – 29 th Nov	The Chief Executive will agree the shortlist of candidates.
2 nd Dec	Shortlisted candidates are invited to undertake a psychometric assessment.
9 th Dec – 20 th Dec	Candidates attend a 1-day assessment centre which will include a interview with the Senior Appointments Sub Committee, or a subgroup of that committee.

Senior Appointments Sub Committee

12. A Senior Appointments Sub Committee is already established to undertake the Chief Executive selection process. There is an option for the Chief Officer/ Tier 2 appointments and tier 3 statutory appointments to use a smaller subgroup of this committee. The constitution requires that at least three councils should be represented. Nominating a subgroup would reduce the demand on Member time, simplify logistical arrangements and potentially be less intimidating for candidates.

11. An option could be:

	Number
Leader of the Shadow Executive	1
County Members	2
District Members	2

Background Papers	None.
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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23 July 2019

Title of Report:	Proposed Leadership pay structure, Terms and Conditions for Tiers 2 and 3
Responsible Officer or Relevant Member:	Sarah Murphy-Brookman
Officer Contact:	Sarah Murphy-Brookman, Director HR & OD 01296 387931 smbrookman@buckscc.gov.uk
Recommendations:	<p>That the following be endorsed:</p> <ul style="list-style-type: none"> • Leadership Pay Broad Band • The proposed terms and conditions of employment for the leadership team • The Pay Governance process through a Senior Appointments and Pay Committee
Corporate Implications:	<p><u>Resourcing requirements</u> There are no additional financial resourcing requirements as a consequence of this report.</p> <p><u>Legal implications</u> As outlined in the report.</p>
Options: (If any)	This paper sets out the rationale for the recommended Reward arrangements and T&Cs which have benchmarked against relevant public, private and local government sector arrangements.
Reason: (Executive only)	These arrangements for Tier 2 and Tier 3 reward and T&Cs are required to enable the resourcing timeline for the new senior leadership to be achieved.

Purpose of Report

1. The appointment processes for the Chief Executive and the senior leadership team (Tiers 2 and 3) is now underway and this paper sets out the proposed leadership pay structure, terms and conditions of employment for tier 2 and tier 3 employees.
2. These are the first roles to be created for Buckinghamshire Council and will be used as the template for other roles in the new authority. The design principles for the new council reflects the ambition of a flexible workforce and culture, where:
 - all employees are highly valued and our approach to people management will be empowering, collaborative and streamlined.
 - we will encourage innovation and continuous improvement and minimise bureaucracy.
 - We will have the culture, skills and systems to support mobile and flexible working.
3. The proposed reward principles to support this are that our new pay arrangements will:
 - capture the aspirations and expectations of a new progressive, modern Council.
 - reflect a philosophy of fairness and transparency.
 - recognises that setting up a new organisation requires skilled and knowledgeable staff who are able to operate at pace.
 - Requires reward arrangements and terms and conditions that are attractive in order to attract and retain staff.
 - be affordable and provide value for money.
4. It is proposed that these roles are appointed on a personal contract with pay governance provided by BC senior appointments and pay committee whose responsibilities would include:
 - *Pay Review*
Each year an activity will be undertaken to review Senior Pay against the revised market position. There would be no guaranteed uplift in pay (i.e. in cases where the market rate for a job is unchanged), and the senior managers would not automatically receive any general percentage uplift. This pay governance would be managed by the relevant pay committee.
 - *Non Consolidated Pay*
The pay committee would retain discretion about the award of any non-consolidated performance payments.

- *Pay Control*

The recommendation would be that the annual spend on salary increases and bonuses for leadership staff as a percentage of their pay bill is broadly in line with the general pay pot available to other staff. The pay committee would also be responsible for agreeing salaries at or over £100,000 in line with the Localism Act 2011. This responsibility will need to be within the constitution for the new Council.

5. This paper sets out the key terms for these personal contracts:

- Leadership Pay Broad Band
- Performance Pay
- Pay Governance
- Annual Leave
- Pension
- Notice period
- Sick Pay
- Pay Protection
- Relocation
- Non solicitation

Recommendations

6. The Shadow Executive is asked to endorse the following:

1. Leadership Pay Broad Band
2. The proposed terms and conditions of employment for the leadership team
3. The Pay Governance process through a Senior Appointments and Pay Committee

The next step will be to inform Tier 2 and Tier 3 employees of the Reward arrangements and Terms and Conditions for the new Tier 2 and Tier 3 roles.

Background Papers	None.
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Content of Report

Pay

Leadership Pay Broad Band

7. The salary range for the CEO has been agreed and it is proposed that this is expanded so that there is a single Leadership Pay Broad Band. This Leadership Broad Band would be separate to the main pay scales for other staff. This is in recognition of seniority, complexity, and market factors affecting each role individually.
8. The proposed single Leadership Pay Broad Band would have internal governance and management processes to ensure, equality and consistency. In accordance with the Localism Act 2011, all Salaries of £100,000 would be agreed by the BC Pay Committee.

Market Pay Position

9. The scale and scope of these senior roles will be significant. Buckinghamshire Council will be a £1Bn unitary authority. Key challenges include: transformation programme to deliver the culture and operating model for the new council, Childrens services improvement/ statutory direction, Adults Social Care and the integrated care partnership with the NHS; Education and special educational needs transformation work; Growth, Housing, infrastructure and the Government's ambitions for the Arc; Community, Waste and the Public Estate; Benefit administration and Business Rate collection.
10. The accountability, scope and scale of transformation and delivery is significant and in this context it is recommended that the new Council sets its salaries by reference to benchmarking information for market median and upper quartile, with expectation that salaries will typically be at midpoint..

Pay options

11. For pay at this level there are two broad options:
 - A pay range with incremental steps up to a salary maximum or a spot salary. A pay range is a more traditional style of pay management which reflects a candidate's growth into the role.
 - A spot salary is a modern pay management arrangement and is typical for roles of this size. It provides much greater pay control and any changes are discretionary and managed through a pay governance process.

It is recommended that these Leadership roles are appointed on spot salaries.

Setting salaries

12. The process for setting the Leadership spot salaries will include:
- The size of the job as determined by Job Evaluation (Hay).
 - The benchmark data for the market and sector rate for the post
 - The assessed quality of the applicant including skills and experience
 - Scarcity of the required skills
 - Candidate expectations
13. The detailed process to set salaries would be as follows:
- The role will be placed in a tier according to its relationship with its peer roles and evaluated Hay job size.
 - Within each tier the starting point for setting the salary will be the mid point and this may be adjusted up or down as follows:
 - The evaluated job size within that tier is evaluated as being at the upper end or lower end of the JE size in which case the mid point salary will be adjusted up or down.
 - Individual benchmark information of the market rate for the job.
 - Number and quality of applicants.
 - Employee expectations, skills and experience.
 - Where a salary is adjusted upwards and it is above the UQ for the job size then this will need to be evidenced with a compelling justification .
 - Where the market information indicates a salary below median or this is a step up role then a lower salary may be appropriate.
14. The table below sets the expected ranges for Tier 2 and Tier 3 salaries within the Leadership Pay Broad Band. The detailed analysis supporting these salary ranges is appended at Annex 1. The published Leadership Pay Broad Band would be: £90,000 - £226,000.

Buckinghamshire Council - Leadership Broad Band – Detail – Tier 2and Tiers 3

Tier	Typical JE Size	Median	Mid-point salary	Upper Quartile
T2	1359- 1708	£140,000	£155,000	£170,000
T3	1192 - 1358	£90,000	£120,000	£150,000

Job Size

15. The Hay job evaluation methodology is used by all four Buckinghamshire Councils and this will be maintained. This process allows HR&OD to size roles and for all of the new T1-3 roles it is proposed that KornFerryHay (Hay) will confirm the evaluated job size.

Market and Sector data

16. There are two prime sources of benchmarking information – EpayCheck and Hay Paynet. EpayCheck is a local authority database. Typically the 17 reporting councils each with populations over 300,000 are used for benchmarking information. Hay Paynet is a large database which covers all sectors, and the benchmark data recommended for senior roles will be public sector only. These data sources provide sector and functional specific data benchmarking for individual roles.

Performance Pay.

17. The new Council will need to develop an appropriate performance management system to drive organisational performance and service delivery.
18. Objective setting and assessment would be managed as follows:

	Objectives setting and Assessment	Moderation
T2 roles	CEO	Cabinet
T3 roles	T2 Manager	BC CMT

19. It is proposed that there is discretion for non-consolidated bonus/Performance payments to be made at the discretion of the future Council's pay committee.

Leadership - Terms and Conditions

20. These Leadership roles will be on personal contracts and the associated Terms and Conditions need to be agreed. The following table sets out the main terms and conditions of employment for senior staff in the existing councils together with JNC Chief Officer national conditions; typical Public sector and comparative private sector. The rightmost column contains the proposed recommendations of officers for the new terms and conditions for Buckinghamshire Council staff in Tier 2– 3 roles

21. Although these Leadership T&Cs will be separate from staff on the Main Pay Bands they do however set the 'tone' for other roles in the new authority.
22. Whilst there may be a desire to 'pare' back T&Cs it is important to remember that BC will be compared with other public sector employers and the overall package must be attractive.

Protection arrangements

23. There will be two groups of staff that these Reward arrangements and T&Cs will apply to:
 - Existing senior staff whose senior packages may have elements which are inferior to the new arrangements
 - New employees.

It is vital that senior staff move into the new Leadership roles and it is proposed that where a term is inferior that employees receive two years pay protection and one year protection of T&Cs, at which point the BC Leadership Terms apply.

24. Table 1 below sets out the benchmarking of the main T&Cs and the proposed T&Cs of Buckinghamshire Council.

Table 1 – Senior Terms & conditions benchmarking

Terms & conditions	AVDC	BCC	CDC / SBDC	WDC	JNC Chief Officers	Public Sector (Source: XpertHR)	Private Sector (Source: XpertHR)	Buckinghamshire Council (proposed)	
Annual leave entitlement (excluding public holidays)	33 days	27 days	31 days	32 days (plus 1 additional day at Christmas)	30 days minimum (Dorset – 33 days)	Average 26 days	Average 25 days	30 days increasing to 32 days after 5 years continuous service	
Annual leave entitlement after 5 years	38 days	32 days	31 days			Increasing by 5 days			
Pension	LGPS for all employers								LGPS
Notice period	4 months	4 months	3 months	3 months	3 months minimum	4- 6 months	Director level up to 6 Months	4 months	
Private medical insurance	None	None	Closed scheme	Provided	Not specified	2018 survey- only 8% out of 228 organisations	2018 survey- 75% out of 228 organisations	None	
Free Car Parking at BC office sites	Yes	No	Yes	No	Not specified	Not specified	Not specified	Yes	
Sick pay entitlement	During first four months service - One month full pay After first four months' service, within the first year of service - One month full and two months' half pay During the second year of service - Two months full pay and two months half pay During third year of service - Four months' full pay and four months' half pay During the fourth and fifth years of service - Five months' full pay and five months' half pay After five years' service - Six months' full pay and six months' half pay					Same as Bucks councils entitlement- e.g. NHS is the same	There is variation in the sick pay offering in the private sector with the maximum benefit in some cases available only to those with 10 years' service or more, and a wide range in the period for which pay is offered.	Retain As Is	

Other Terms

25. **Life Assurance** is excluded as there is provision through the LGPS.
26. **Redundancy** will need to be considered as part of the wider BC Terms and Conditions and in any event may be impacted by the £95K cap which limits the maximum payment within the combination of redundancy pay, pay in lieu of notice, and pension strain should special dispensation not be given to the new BC by MHCLG/ Treasury.
27. **Relocation** - Where relocation would be of benefit to both employer and employee in the fulfilment of their duties, this will be provided in full accordance with HMRC guidelines and limited to the current £8,000 threshold. The entitlement to relocation payments will be decided at the discretion of the pay committee with advice from the CEO in each case of senior appointments.
28. **Non Solicitation**- For a period of one year after the termination of employment that there should be a non-solicitation clause in the contract so that leadership staff do not solicit custom, directly or indirectly, from any customer of the Council with whom there has been contact prior to the termination of employment.
29. **Pay in Lieu of Notice and Pay on termination**- It is reasonable to expect that the Council may consider paying Leadership staff in lieu of working some or all of their notice period where it suits the Council. When an employee is paid in lieu of notice, they are released from their obligations under the contract of employment, although they will still be bound by post-termination restrictive covenants. The Council may wish to invoke this clause if it is concerned that the outgoing employee may damage relationships or where the Council wishes to limit the individual's access to confidential information.

Annex 1 - Buckinghamshire Council - Leadership Pay Broad Band

Detailed Pay information

Tier	JE Size	Source	Lower Quartile (info only)	Median	Upper Quartile
T2	1359 - 1708	Epaycheck	£128,000	£137,000	£145,000
		Hay Paynet	£131,000	£148,000	£171,000
		Mid-point salary		£155,000	
T3	1192 - 1358	Epaycheck	£90,000	£90,000	£107,000
		Hay Paynet	£108,000	£124,000	£148,000
		Mid-point salary		£120,000	

Buckinghamshire Council - Leadership Broad Band – Salary setting

Tier	Typical JE Size	Median	Mid-point salary	Upper Quartile
T2	1359- 1708	£140,000	£155,000	£170,000
T3	1192 - 1358	£90,000	£120,000	£150,000

Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23rd July 2019

Title of Report:	Consolidated Financial Position
Responsible Officer or Relevant Member:	Richard Ambrose (interim S151 officer)
Officer Contact:	Richard Ambrose, interim S151 Officer 01296 383120 rambrose@buckscc.gov.uk
Recommendations:	That this report is considered and noted.
Corporate Implications:	This report is by its nature about financial implications and decisions
Options: (If any)	
Reason: (Executive only)	So that the Shadow Executive is aware of the consolidated financial position, the current budget assumptions and the budget process.

Purpose of Report

- The purpose of this report is to update the Shadow Executive on the progress in amalgamating the revenue budget and capital programmes for Buckinghamshire Council for the financial years 2020/21 to 2022/23. This update will include:-
 - The principles behind the financial planning process
 - Governance of the Medium Term Financial Strategy and the role of members and officers in developing and delivering it
 - The timeline for delivery of the Medium Term Financial Strategy
 - The amalgamated Revenue budgets (Appendix 1)
 - The amalgamated Capital programme (Appendix 2)
 - The key risks relating to existing expenditure plans and future funding.
 - Potential actions to address emerging pressures / risks

Content of Report

Context

2. Buckinghamshire Council will be created from 5 existing councils, which all have balanced and politically agreed Medium Term Financial Strategies for the period 2020/21 to 2022/23. The starting point for financial planning is the amalgamation of these existing MTFS's, updated for latest estimates and known changes within the local and national context.
3. There is a legal responsibility upon Buckinghamshire Council to agree a robust budget before the 10th March 2020.

The proposed Financial Strategy

4. The bullet points below represent the proposed principles of the Financial Strategy of the new Buckinghamshire Council:-
 - A robust and balanced budget is prepared for both revenue budgets and the capital programme and approved by statutory deadlines;
 - The financial plan should be set for 3 years and should fully align with the statutory responsibilities and emerging strategic priorities / delivery plans of the new authority;
 - The key developments and savings set out in the Unitary Business Case will be included within the proposed budget, in addition to the existing plans for budget reductions across all 5 councils;
 - The financial plan developed from the process should deliver financial sustainability:
 - through support for invest to save / transformational investments that are aligned to strategic priorities, using one-off funding identified for this purpose
 - through ensuring that reserves are only used for one-off purposes and do not support ongoing expenditure
 - that as policies and fees & charges are harmonised they protect current levels of income
 - that borrowing be supported for capital schemes that can demonstrate a positive financial business case, balanced against risks, and are aligned to Council priorities
 - That revenue and capital planning is fully integrated to ensure that all financial impacts, including capital financing costs, are fully considered;
 - That there is clear Member and Officer accountability and processes in place for the development of budget proposals and the ongoing management of their delivery;
 - That sufficient contingencies / reserves are maintained to fund future liabilities and current and future financial risks, in line with recommended best practice;
 - That key financial risks are clearly articulated, understood and owned by both Members and Officers.
5. The proposed financial strategy will be delivered through:-
 - An agreed MTFP process, which includes:
 - Regular review, check and challenge at both an Officer and Member level
 - Broad budget consultation with residents, the third sector and representatives of the Buckinghamshire business community
 - Scrutiny of a draft budget by the Overview and Scrutiny Committee

- A review and agreement of key funding and expenditure assumptions, including Council Tax assumptions;
- Identifying Members aligned to Programme Boards, who will work with officers on the development and management of their budgets;
- Clearly defined tasks for Programme Boards in developing proposals; supported by an understanding of existing budgets and savings, Unitary business case savings and investments, transformational opportunities and income from fees and charges;
- Review and challenge mechanisms to ensure that all proposals (existing and new) are robust and to track and report on their delivery post vesting day;
- An agreed policy for the use of reserve balances, including only being used for one-off expenditure / investment;
- A thorough review of current mechanisms to manage financial risks and uncertainty, including contingency budgets, reserves and other budgetary practices, in order to ensure financial risks are appropriately managed;
- Post vesting day there will be robust budget monitoring, reporting, risk management and escalation processes to ensure that the agreed plans are delivered as intended, appropriately managed and that those accountable deliver on their responsibilities.

Revenue budget modelling

6. Appendix 1 sets out the 2019/20 amalgamated budget by Programme Board. For 2020/21 and beyond there is minimal change to the total funding assumptions from the previously agreed plans. However, there are a number of pressures identified (including some unidentified savings and some likely additional costs relating to the localism agenda) which are largely offset by the inclusion of the re-profiled £18.2m Unitary Business Case savings.
7. The modelling currently shows a breakeven position across the next three years; however this is subject to a number of significant risks (highlighted below) and before the costs of transformation have been fully built into the budget.
8. Programme Boards have been tasked with reviewing existing savings plans to ensure that they are still deliverable and, if necessary, identify alternative savings for proper consideration by Members. The unitary savings have been re-profiled over more than 3 years and, therefore, a substantial part of the anticipated savings will fall outside of the Medium Term planning period. This reflects a realistic review of the challenging delivery timescales for the new Council, it provides for a discovery phase for the new CMT, Members and senior managers in 2021, and allows greater assurance over delivery of savings.
9. No provisions have been made yet for transformational investment / invest to save initiatives that are likely to be required post vesting day. Programme Boards have been asked to produce business cases for any such proposals and it is likely that these will be supported where there is a good business case and where they align to council priorities. It is proposed that funding to support any upfront investment required would come from either reserves or other unallocated funding (i.e. New Homes Bonus).
10. The totals for each of the main funding sources, and the percentage of funding they provide, are shown below:

	2020/21		2021/22		2022/23	
	£000's	%age	£000's	%age	£000's	%age
Council Tax	339,839	84.6%	351,281	84.9%	363,108	85.0%
Business Rates	60,091	15.0%	61,232	14.8%	62,457	14.6%
Negative RSG	-13,360	-3.3%	-13,360	-3.2%	-13,360	-3.1%
New Homes Bonus	9,479	2.4%	9,159	2.2%	9,251	2.2%
Other unringfenced grants	5,609	1.4%	5,622	1.4%	5,636	1.3%
TOTAL	401,658		413,934		427,092	

11. Of these, all except Council Tax are set by Central Government or are based on Central Government policy, and local decisions do not directly influence their level.

Capital programme

12. Existing capital programmes have been amalgamated (see Appendix 2) and cover the period of previously agreed plans from 2020/21 to 2022/23. Detailed work is being undertaken by the Programme Boards to review the projects within it, especially to ensure they are still strategically appropriate, and whether a more holistic approach based on wider geographies would be more advantageous. This may give rise to re-prioritisation or re-profiling of projects through the course of the process.
13. The funding assumptions underpinning the existing programmes (e.g. borrowing, capital receipts, S106 contributions, Community Infrastructure Levy, capital grants and revenue contributions) are being reviewed at a corporate level. The review process is fully integrated with revenue. Current combined external borrowing across the 5 councils is £331.6m. Interest payable on this borrowing amounts to £9.656m.
14. At present there are a number of differing approaches to growth and Local plans, including the Community Infrastructure Levy, which will need to be aligned over time, and which may impact on the content of the capital programme in the future

The MTFs process

15. A process has been implemented to ensure that the Medium Term Financial Strategy has appropriate Member and officer accountability through its development, and that there is ample opportunity for both political and officer challenge of all proposals made.
16. The high level timetable is set out below:

When	Activity	Function
May / June 2019	Consolidation of existing plans	Consolidation of existing MTFP including identifying issues to delivery of savings plans.
May / June	Process agreed and published Strategic plan and high level business plans	Agree the political and officer building blocks Develop and issue a detailed timetable. Review existing approaches and plans. Draft suggested approach for Strategic Plan and high level business plans to CIG. Update funding model for latest estimates.

	Corporate modelling	Update growth and inflation assumptions for key service budgets. Identification of any likely funding gap.
July / August	Members assigned to Programme Boards and Officers identify threats and opportunities	Agree Council Tax equalisation approach. Review of robustness of current consolidated MTFP proposals. Member information sessions. Consideration of unexpected service pressures which may need to be mitigated. Identification of potential opportunities to deliver savings. Initial equality impact assessments (EIAs) submitted alongside budget proposal.
Sept / Oct	Initial proposals reviewed / challenged	Leadership scrutiny of proposals and pressures to ensure alignment to the Strategic Plan / political acceptability.
Oct / Nov	Consultations Community Governance Review	Draft Service budgets available and budget upload tested. Agree Council Tax base. Undertake general consultation with residents and stakeholders. Review the implications of the Community Government Review for the budget proposals.
December	Local Government Settlement	Defines the external funding envelope. Update draft budget as required.
First week of January	Draft Budget set	Revenue budget and capital programme agreed at Shadow Exec for further consultation / scrutiny. Full EIAs to be submitted.
Week 2 or 3 January	Budget Scrutiny Committee	Check and challenge of the draft budget proposals business plans and EIAs.
27th February	Final Budget set	Strategic Plan, high level business plans, revenue budget and capital programme agreed at Shadow Exec and Shadow Authority.

The role of Members and Programme Boards

17. Programme Boards and the associated Members assigned to these are responsible for review of existing financial plans, for the identification of threats and opportunities and the development of business cases for any proposed changes across both the Revenue budget and the Capital programme. It is expected that the Members provide political leadership within the work undertaken by the Programme Boards and that they consider the alignment of proposals to the emerging Strategic Plan as part of this role. Later in the process the Budget Scrutiny process will provide an opportunity for Members to review these proposals in detail, prior to a decision by the Shadow Authority.
18. Programme Boards have been provided with their consolidated budget and capital programmes, and the previously agreed and Unitary Business Case savings for their areas. In addition the Programme Boards have been provided with comprehensive guidance of their tasks within the process.

Risks and Uncertainties

19. There is significant uncertainty in Local Government funding. The following events could have significant impacts on the position modelled above:-

National risk factors:

- The impact of BREXIT
- The impact of wider political upheaval (including the Conservative leadership contest)
- The forthcoming Spending Review and whether this is for 1 year or 3 years
- The Fair Funding Review (due to be implemented in 2020/21)
- 75% Business Rates Retention (due to be implemented in 20/21)
- The Business Rate Baseline reset (due to be implemented in 20/21)
- Changes to New Homes Bonus funding
- The Social Care Green Paper and potential impacts on future year budgets

Local risk factors:

- Ongoing increases in both Adults and Children's Social Care demand and complexity
- Ongoing increases in Client Transport demand (Social Care and Home to School Transport)
- Other demand pressures such as homelessness
- The impact of economic factors on Investment property income
- Existing savings plans that are not deliverable in 2019/20
- Delivery of savings from the Unitary business case
- Delivery of previously agreed savings plans (20/21 to 22/23)

20. The s151's across the five councils have been discussing emerging pressures and will do this in detail at the end of each quarter. As well as concerns about the deliverability of some of the existing savings plans there are a number of other concerns. These include:-
 - Fees & Charges – when harmonising fees & charges the principle is that the overall current income levels will be protected. There may be some resistance to this due to the fact that there will be 'winners and losers'

- Terms & Conditions – it is assumed that the introduction of the new Buckinghamshire Council Terms & Conditions will be cost neutral but again this will mean there will be ‘winners and losers’
- Income Streams – there are income targets included within existing savings plans (e.g. commercial acquisitions) as well as other current pressures such as recycling income levels, lettings income from tenants and other existing fees & charges
- Interims / Agency staff – due to difficulties with recruitment in certain areas and the potential for there to be high turnover the cost of interims could put pressure on establishment budgets. This could also impact the new Council in terms of skills / continuity etc.
- Capacity Issues – there is a danger that the focus is taken off ‘business as usual’ during the transition and that financial management arrangements suffer as a result
- ICT Costs – in the short term there could be increased costs due to the requirement to increase the number of licences as multiple systems are used
- Pensions – a recent ruling (McCloud) relating to transitional protections previously applied to certain older members close to normal retirement age (age discrimination) could impact on the Local Government Pension Scheme. The impact will depend on the compensation awarded, members’ future salary increases, length of service, retirement age, and whether (and when) members withdraw from active service. Actuaries and external auditors are currently reviewing the judgement and the likely impact on the fund.

21. Quantification of these risks will be considered further by the s151’s as part of their review of the financial position of all 5 councils at the end of July. It should also be noted that some of our key partners are experiencing significant financial pressures (e.g. health). This may have an impact on the existing councils due to the increased joint working that is taking place between partners (e.g. integrated care system).

22. A number of actions are already in place as mitigation to some of these risks. The S151 officers from all 5 councils meet regularly to share emerging pressures and issues, there is a spending protocol which ensures that any new commitments that could have future financial implications for the new Council are fully considered before they are approved and the Programme Boards are reviewing existing plans for deliverability. It is important that clarity of focus on the financial position across the five authorities is maintained and that financial issues are identified early and actions taken to mitigate these issues.

23. A possible consideration is whether to further strengthen the recently approved ‘Spending Protocol’. This concentrates on new commitments that have not been specifically approved as part of setting the 2019/20 budgets. Shadow Executive Members may wish to consider whether 2019/20 contractually uncommitted spend above a certain level should also be picked up within the Spending Protocol, even when a budget has already been approved.

Next Steps

24. Programme Boards and their associated Members will have completed their review of the budgets they have been allocated and the savings proposals they are tasked with delivering by the end of July. Following this an update will be taken to CIG and the Shadow Executive highlighting any issues arising.

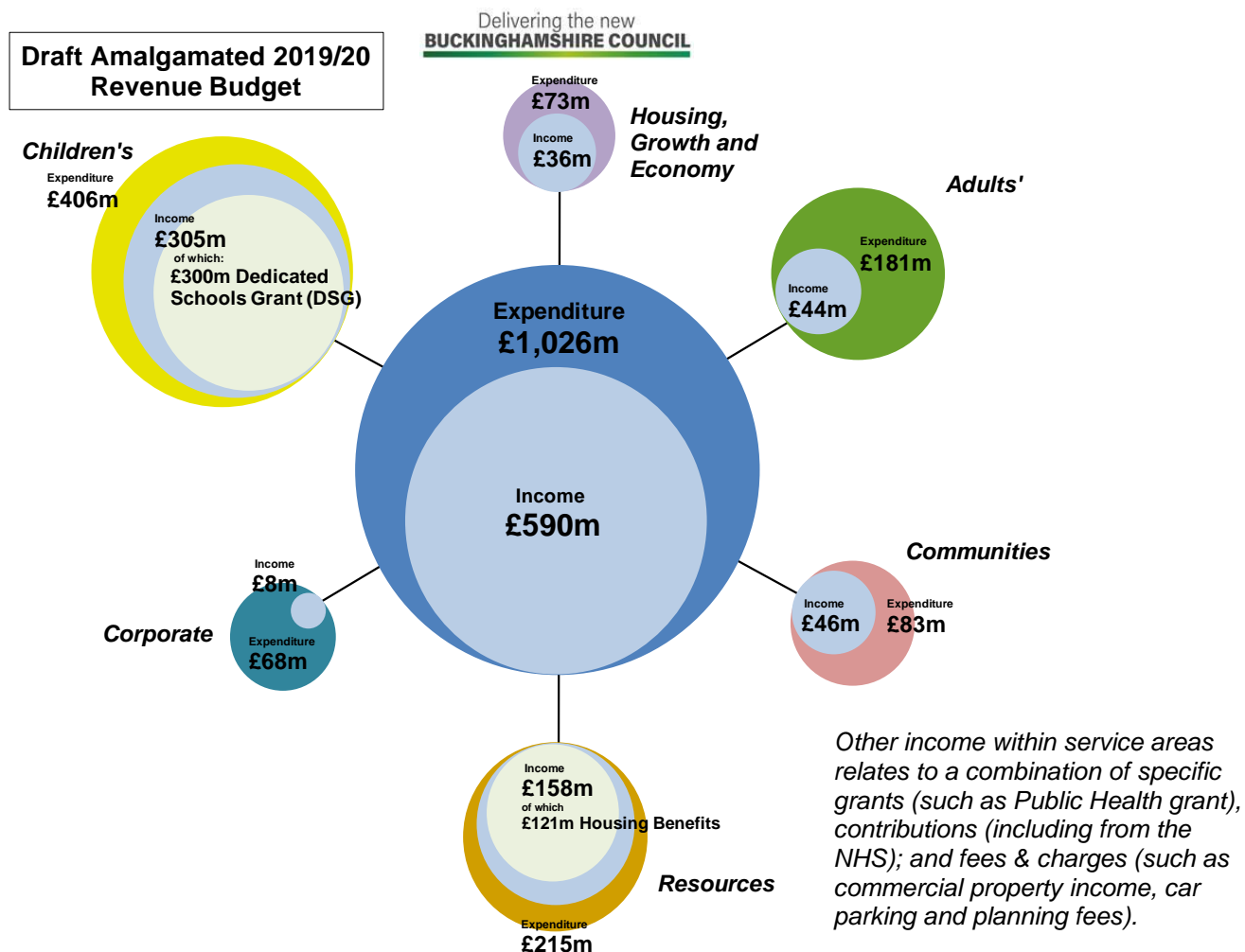
25. Work will continue to review revenue and capital funding assumptions to ensure any issues arising can be escalated, as appropriate.

26. Further updates will be brought forward as decisions are required and when the outcome of the Local Government Provisional Finance Settlement is known and understood.

Background Papers	Appendix 1 – Amalgamated Revenue budget Appendix 2 – Amalgamated Capital programme
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Appendix 1: MTFP amalgamation of 2019/20 Revenue Budget

Table 1: 2019/20 Revenue Budget by Programme Board



Programme Board	Gross expenditure £000	Gross income £000	Net Budget £000
Adults	181,097	(44,180)	136,917
Childrens	405,639	(305,208)	100,431
Community	83,447	(45,737)	37,710
Housing Growth Economy	72,555	(36,440)	36,115
Resources	215,464	(158,471)	56,993
Net cost of Services	958,203	(590,037)	368,165
Corporate	68,141	(7,812)	60,329
Net budget requirement	1,026,343	(597,849)	428,494
Funding	0	(428,494)	(428,494)
Grand Total	1,026,343	(1,026,343)	0

Table 2: 2019/20 Revenue Budget by Programme Board and Workstream

Programme Board	Service area / Workstream	Gross expenditure £000	Gross income £000	Net Budget £000
Adults	Access	27,858	(5,355)	22,503
	Commissioning & Service Improvement	6,018	(1,096)	4,922
	Joint Supply management	8,955	(7,169)	1,786
	Learning & Disabilities	49,171	(2,650)	46,521
	Mental Health	6,852	(1,846)	5,006
	Older People / OP Mental Health PSD	58,505	(16,278)	42,227
	Quality, Performance & Standards	2,661	(1)	2,660
	Safeguarding	1,786	0	1,786
	Senior Management Team	19,291	(9,785)	9,506
Adults Total		181,097	(44,180)	136,917
Childrens	Care Services	38,487	(428)	38,059
	Children in Care	3,955	(560)	3,395
	Children in Need	13,533	0	13,533
	Family Resillience	7,026	(100)	6,926
	Home to School Transport (Ed&Skills)	19,907	(3,380)	16,527
	Management & Overheads	2,063	0	2,063
	Prevention & Commissioning	8,522	0	8,522
	Quality, Standards & Performance	3,365	0	3,365
	Universal Youth Services	287	(7)	280
	Education & Skills	8,490	(729)	7,761
	Education & Skills (DSG)	300,004	(300,004)	0
Childrens Total		405,639	(305,208)	100,431
Community	Community Leadership	897	0	897
	Community Safety	2,039	(737)	1,302
	Culture, Leisure and Wellbeing	37,330	(29,263)	8,067
	Communities and Localism	2,331	(69)	2,262
	Regulatory Services	7,137	(4,484)	2,653
	Waste	33,715	(11,185)	22,530
Community Total		83,447	(45,737)	37,710
Housing Growth Economy	Economic Development, policy and regene	2,622	(681)	1,941
	Highways & Transportation	40,825	(17,222)	23,603
	Housing	5,105	(1,689)	3,416
	Natural & built environment	6,014	(3,948)	2,065
	Planning Growth & Development Managem	17,990	(12,900)	5,091
Housing Growth Economy Total		72,555	(36,440)	36,115
Resources	Communications	2,516	(668)	1,848
	Customer & Digital	10,709	(537)	10,171
	Finance and Procurement	20,655	(5,558)	15,097
	Housing Benefits	121,977	(121,055)	922
	HR and OD	5,127	(1,571)	3,556
	ICT	12,436	(1,429)	11,007
	Legal and Governance	22,498	(3,312)	19,186
	Property and Assets	19,546	(24,340)	(4,794)
Resources Total		215,464	(158,471)	56,993
Net cost of Services		958,203	(590,037)	368,165

Programme Board	Service area / Workstream	Gross expenditure £000	Gross income £000	Net Budget £000
Corporate	Corporate costs	16,722	(4,616)	12,105
	Movt to/from Earmarked reserves	4,892	0	4,892
	Movt to/from General reserves	4,782	(154)	4,628
	Capital Financing	12,490	(60)	12,430
	Business rates pool	19,599	0	19,599
	Interest Payable / Rec'd	9,656	(2,981)	6,674
Corporate Total		68,141	(7,812)	60,328
Net budget requirement		1,026,343	(597,849)	428,494
Funding	Business rates	0	(82,712)	(82,712)
	Collection Fund Surplus	0	(2,872)	(2,872)
	New Homes Bonus	0	(5,990)	(5,990)
	Other unringfenced grants	0	(9,274)	(9,274)
	Precept	0	(327,646)	(327,646)
	RSG / Govt Grant	0	0	0
Funding Total		0	(428,494)	(428,494)
Grand Total		1,026,343	(1,026,343)	0

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Notes: Programme is shown before inclusion of 2018/19 Slippage; existing 2019/20 schemes are not included, however slippage in these schemes is also likely.

Board	Workstream	Budget building block	Scheme	Council	2020/21	2021/22	2022/23	Total
				I	£000's	£000's	£000's	£000's
Adults	Adult Social Care	Respite Care	Respite Care	BCC	315	0	0	315
Adults Total					315	0	0	315
Childrens	Schools	Schools	Primary School Places	BCC	9,375	6,801	6,000	22,176
			Provision for Early Years	BCC	500	0	0	500
			Provision for SEN	BCC	3,074	0	0	3,074
			School Property Maintenance	BCC	3,389	3,000	4,310	10,699
			School Suitability Issues	BCC	3,700	1,000	1,000	5,700
			School Toilets	BCC	250	250	250	750
			Schools Access Initiative	BCC	200	200	200	600
			Secondary School Places	BCC	27,700	14,000	20,000	61,700
			St Michael's Catholic School Aylesbury	BCC	500	0	0	500
Childrens Total					48,687	25,251	31,760	105,697
Community	Community safety	CCTV	CCTV - Camera Replacement (£5k x 42 cameras)	CDC	53	53	53	159
		Community Centres	Beacon Centre	SBDC	14	0	16	30
	Culture, Leisure & Wellbeing		Chiltern Lifestyle Centre	CDC	12,000	500	0	12,500
			Facilities for Young People	WDC	280	280	140	700
		Leisure Centres	Court Garden Leisure Centre	WDC	1,500	0	0	1,500
			The South Bucks Country Park Leisure Facility	SBDC	600	0	0	600
		Parks & open spaces	Park, pitches and open spaces	AVDC	140	140	0	280
	Regulatory Services	Cemetery & Burial	New Cemetery at Queensway	WDC	389	0	0	389
			Stoke Poges Memorial Gardens Extension	SBDC	250	0	0	250
	Waste	Biowaste Depot Upgrade	Biowaste Treatment	BCC	3,950	1,498	0	5,448
		HWRC Facility	Aylesbury HWRC	BCC	0	0	1,000	1,000
		Public conveniences	Public convenience refurbishment	CDC	9	7	0	16
		Recycling Initiatives & Bins	Recycling Initiatives & Bins	SBDC	55	55	55	165
		Vehicle replacement	Refuse / Street Cleansing Vehicles	CDC	3,150	0	0	3,150
			Refuse / Street Cleansing Vehicles	SBDC	0	1,500	0	1,500
			Waste Fleet	WDC	5,000	0	0	5,000
Community Total					27,390	4,033	1,264	32,687
Housing Growth Economy	Economic Development	Regeneration	Regeneration Fund	WDC	500	500	500	1,500
			Waterside North Development	BCC	599	0	0	599
		Rural Broadband	Rural Broadband	BCC	1,200	0	0	1,200
	Highways & Transportation	Car Parks	Car Park Enhancements	CDC	0	0	290	290
			Car Park Enhancements	SBDC	10	10	10	30
			Car park management	AVDC	200	0	0	200
			Easton St Car Park Major Works	WDC	500	0	0	500
			Station Road Car Park, Gerrards Cross	SBDC	10,051	0	0	10,051
			Swan St Car Park Major Works	WDC	714	0	0	714
		East West Rail	East West Rail	BCC	1,000	1,000	1,000	3,000
		Freight Strategy	Freight Strategy	BCC	220	160	0	380
		Transportation Model	Transportation Model	BCC	140	57	0	197
		Vehicle replacement	Vehicle Purchase	BCC	240	240	240	720
	Highways & Transportation (Funded schemes)	A355 Improvement Scheme	A355 Improvement Scheme (Wilton Park)	BCC	343	1,644	0	1,987
		Abbey Barn Lane	Abbey Barn Lane Realignment (HIF MV)	WDC	200	5,000	1,666	6,866
		Princes Risborough	Princes Risborough relief road (HIF MV)	WDC	6,000	6,600	1,200	13,800
		Developer Schemes	Developer Funded Schemes	BCC	987	846	0	1,833
		Eastern Link Road South	Aylesbury Eastern Link Road South	BCC	12,500	13,536	0	26,036
		Globe Park	Globe Park	BCC	439	0	0	439
		High Wycombe Town Centre	High Wycombe Town Centre & Transport Str	BCC	2,006	0	0	2,006
		HS2 Mitigation	HS2 Mitigation	BCC	824	0	0	824
	Housing	South East Aylesbury Link	SEALR	BCC	17,379	1,181	0	18,560
		Disabled Facility Grants	Disabled Facility Grants	CDC	651	651	651	1,953
			Disabled Facility Grants	SBDC	588	588	588	1,764
			Housing Services	AVDC	100	185	0	285
		Enabling Schemes	Housing Services	AVDC	1,500	1,500	0	3,000
		Renovation Grants	Home Renovation Grants / Flexible Home Loans	SBDC	50	50	50	150
			Renovation Grants	CDC	50	50	50	150
			Renovation Grants - DFG	WDC	800	800	800	2,400
		Affordable Housing	Affordable Housing Action Plan (acquisitions)	SBDC	1,500	1,500	1,500	4,500
		Temporary Accommodation	Temporary Accom. Scheme	WDC	4,865	0	0	4,865
	Natural & built environment	Country Parks	Country Parks visitor resource building	BCC	1,500	0	0	1,500
		Flood Defences	Flood Defence Schemes	BCC	3,486	2,160	3,210	8,856
		Rights of Way	Rights of Way	BCC	242	242	200	684
	Strategic Highways Maintenance	Bridge Maintenance	Bridge Maintenance	BCC	990	1,020	1,020	3,030
		Casualty Reduction	Casualty Reduction	BCC	250	250	250	750
			Safety Fences	BCC	250	250	250	750
		Drainage	Maintenance Principal Roads - Drainage	BCC	1,000	1,000	1,000	3,000
		Footway Structural Repairs	Footway Structural Repairs	BCC	1,500	1,500	1,500	4,500
		Highways Maintenance	Strategic Highway Maintenance	BCC	15,000	15,000	15,000	45,000
		Street Lighting	Street Lighting Column Replacement	BCC	1,500	1,500	1,500	4,500
			Street Lighting Lantern Replace (Salix)	BCC	500	500	500	1,500
		Traffic signals	Replacement Traffic Signals	BCC	470	490	490	1,450
Housing Growth Economy Total					92,844	60,010	33,465	186,319
Resources	Corporate costs	Corporate contingency	Capital Contingency	BCC	500	500	500	1,500
			Capitalisation of Staff Costs	WDC	308	308	308	924
	ICT	ICT	Delivery of Technology Strategy	BCC	2,000	1,500	1,500	5,000
			Hardware - Laptops/Tablets	WDC	100	100	100	300
			Hardware - Servers	WDC	60	0	125	185
			IT - Replacement equipment / alterations	CDC	30	30	30	90
			IT - Replacement equipment / alterations	SBDC	20	20	20	60
			Purchase of IT Hardware / Software	BCC	700	700	700	2,100
		Social Care systems	Social Care Systems	BCC	300	0	0	300
		Digital First	Digital First	WDC	50	0	0	50
	Property and Assets	Strategic Acquisitions / Infrastructure	Strategic Acquisition	WDC	0	1,500	1,500	3,000
		Property Maintenance	Strategic Acquisitions/Infrastructure	WDC	3,000	10,000	4,000	17,000
			Brunel Shed	WDC	1,000	0	0	1,000
			Capswood Maintenance & Works	SBDC	10	0	25	35
			KGVH - Fixed wiring repairs / replacement of circuit	CDC	0	0	50	50
			Property Maintenance Programme	BCC	1,015	1,015	1,015	3,045
			Taplow Moorings	SBDC	85	0	0	85
Resources Total					9,178	15,673	9,873	34,724
Grand Total					178,414	104,967	76,362	359,743

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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23 July 2019

Title of Report:	Overarching summary for Revenues & Benefits items
Responsible Officer or Relevant Member:	Richard Ambrose – Bucks CC
Officer Contact:	Richard Ambrose rambrose@buckscc.gov.uk
Recommendations:	It is recommended that under/overspends for these 3 policies be ring fenced so that variations arising from any one policy can be offset against the others.
Corporate Implications:	This report is a summary of the financial implications of the further 3 reports being considered by the Shadow Executive
Options: (If any)	Not applicable to this report
Reason: (Executive only)	The financial implications in the 3 reports being considered should be ring fenced to ensure cost neutrality

1. Purpose of Report

The purpose of this report is to provide an overarching summary of the 3 reports currently going through the authorisation process for Buckinghamshire Council. These reports are in respect of Council Tax Reduction; Council Tax Discounts & Premiums; and Discretionary Rate Relief.

2. Executive Summary

This report highlights the proposed harmonisations for District schemes to inform the budget setting process. The aim is for the overall effect of harmonisation to be cost neutral, balanced with the aim to minimise the financial impact on Council Tax Reduction (CTR) claimants as well as charitable organisations in receipt of Discretionary Rate Relief. Flexibility is in-built within these schemes to give officers discretion to quickly manage exceptions on a case by case basis.

3. Financial impact

There are variable factors that need to be taken into account when assessing the financial impact of harmonisation. These include the following factors:

- CTR caseloads fluctuate and are difficult to predict
- External factors influence the number of applications for discretionary awards of CTR, and it is difficult to model for this scenario

- Income from long term empty discounts is likely to influence customer behaviours that are likely to reduce income from this source
- It is not possible to know which organisations may apply for rate relief in the future
- Data is based on estimates
- Existing data has been taken from the 2018/19 financial year

It is prudent to allow a buffer to cushion the impact of variations within these schemes. Currently the overall position is as set out below. Table 1 estimates the likely impact that includes awarding a 50% Class D discount (properties undergoing structural alterations). Table 2 shows the likely impact if no Class D discount is awarded:

Table 1

		Current	Proposed	Difference
AVDC	CTR (no discretionary)	8,343,430	8,708,531	365,101
	DRR	303,225	303,225	-
	Discount/premium	798,000	732,700	- 65,300
	Total	9,444,655	9,744,456	299,801
CDC	CTR (no discretionary)	3,773,050	3,845,762	72,712
	DRR	166,599	166,599	-
	Discount/premium	213,000	102,300	- 110,700
	Total	4,152,649	4,114,661	- 37,988
SBDC	CTR (no discretionary)	2,936,000	2,967,575	31,575
	DRR	46,767	46,767	-
	Discount/premium	- 1,000	- 53,000	- 52,000
	Total	2,981,767	2,961,342	- 20,425
WDC	CTR (no discretionary)	7,915,000	8,121,522	206,522
	DRR	231,108	231,108	-
	Discount/premium	892,500	440,500	- 452,000
	Total	9,038,608	8,793,130	- 245,478
All	CTR (no discretionary)	22,967,480	23,643,390	675,910
	Discretionary fund	315,000	305,000	- 10,000
	DRR	747,699	747,699	-
	Discount/premium	1,902,500	1,222,500	- 680,000
	Total	25,932,679	25,918,589	- 14,090

Table 2

		Current	Proposed	Difference
AVDC	CTR (no discretionary)	8,343,430	8,708,531	365,101
	DRR	303,225	303,225	-
	Discount/premium	798,000	542,700	- 255,300
	Total	9,444,655	9,554,456	109,801
CDC	CTR (no discretionary)	3,773,050	3,845,762	72,712
	DRR	166,599	166,599	-
	Discount/premium	213,000	16,300	- 196,700
	Total	4,152,649	4,028,661	- 123,988
SBDC	CTR (no discretionary)	2,936,000	2,967,575	31,575
	DRR	46,767	46,767	-
	Discount/premium	- 1,000	- 114,000	- 113,000
	Total	2,981,767	2,900,342	- 81,425
WDC	CTR (no discretionary)	7,915,000	8,121,522	206,522
	DRR	231,108	231,108	-
	Discount/premium	892,500	270,500	- 622,000
	Total	9,038,608	8,623,130	- 415,478
All	CTR (no discretionary)	22,967,480	23,643,390	675,910
	Discretionary fund	315,000	305,000	- 10,000
	DRR	747,699	747,699	-
	Discount/premium	1,902,500	715,500	- 1,187,000
	Total	25,932,679	25,411,589	- 521,090

More details regarding the Class D discount are explained in the Discounts and Premiums report.

The above summary shows an overall budgeting impact between the current schemes and those proposed to take effect from 1st April 2020. The overall reduction is due in the main to the harmonisation of Premiums and discounts relating to empty properties. This policy has the intended benefit of bringing empty properties back into use as quickly as possible.

Summary/Conclusions

Current estimates of both options show reductions in spending from 1st April 2020. However this should be treated with caution, given the variable nature of the caseloads and difficult to predict nature of potential take up in the future.

4. Consultation

Not Applicable.

Background Papers	None
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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23 July 2019

Title of Report:	Harmonisation of Council Tax Reduction Schemes
Responsible Officer or Relevant Member:	Richard Ambrose – Bucks CC
Officer Contact:	Richard Ambrose contact number; rambrose@buckscc.gov.uk
Recommendations:	A number of options are considered within this report. Option 3 is recommended as the Council Tax Reduction Scheme for Buckinghamshire Council as the best fit that balances costs and minimal impact on claimants in line with the defined Principles. Should Members wish to broaden protection to all families with children under 5 or lowers costs then Options 2 & 1 respectively should be considered.
Corporate Implications:	Financial implications are included in the report and should be considered in conjunction with the overarching summary accompanying the 3 reports being considered by the Executive
Options: (If any)	Six options are included within this report
Reason: (Executive only)	Option 3 is recommended as the Council Tax Reduction Scheme for Buckinghamshire Council as the best fit that balances costs and minimal impact on claimants in line with the defined Principles

1. Purpose of Report

The purpose of this report is to propose options for the harmonisation of the four current Council Tax Reductions Schemes to introduce a new Council Tax Reduction Scheme for Buckinghamshire Council. It also details the process to be followed to agree this scheme

2. Executive Summary

This report explains the legal requirements and considers six options for a unified Council Tax Reduction Scheme. Comparisons with the existing schemes are made, and the provisional impact on expenditure is forecasted. A scheme (option 3) that offers best fit in line with Principles set out in the report is recommended.

3. Background

Council Tax payers who are on low income can apply for Local Council Tax Reduction (CTR) to help them with their Council Tax. Entitlement to CTR is based on the circumstances and income of the claimant's household.

From April 2013 each Council Tax billing authority is required to determine the CTR scheme for its area. Billing authorities have the discretion to determine the principle factors for their scheme, including the maximum support that will be given to working age claimants. However, government has prescribed that certain claimants (i.e. pensioners and those working age claimants that the billing authority consider to be vulnerable) are **protected** within the scheme and be entitled to receive support of up to 100% of the Council Tax charge.

Government has developed a **prescribed scheme for pensioner claimants**, which is aligned to the Housing Benefit scheme.

Each of the four district councils have their own CTR scheme with different features. The main features of each scheme are shown in Appendix 1.

The cost of CTR awards is met from the Council Tax Collection Fund. Government originally provided funding to meet 90% of the estimated awards made in 2013/14. However, this funding was subsequently incorporated as part of the Revenues Support Grant and, as such, has been subject to the changes made to that grant.

The Shadow Authority will need to formally adopt a Buckinghamshire Council CTR scheme for 2020/21 at the Council Tax setting meeting in February 2020. The transitional regulations for Buckinghamshire state that the shadow authority should prepare and publish a CT Reduction Scheme for the whole of its area by 1 April 2020, where it is practicable to do so. Where a scheme has not been prepared and published by 1 April 2020 Buckinghamshire Council must take steps to have such a scheme in place within 2 years i.e. by 1 April 2022. After 1 April 2020 and before a unitary-wide scheme is in place, the existing schemes for each District carry forward and apply to the former District administrative area.

Such a scheme would lead to customer confusion, dissatisfaction and inequality across the county. In addition, it would make the administration of CTR difficult as the Revenues Service would need to work with four different schemes. A single CTR scheme from 1 April 2020 ensures all claimants are treated consistently as well and provides the opportunity to simplify calculation of entitlement from a customer and administration point of view.

This report recommends options for a **harmonised** CTR scheme which seeks to align key features of the current schemes.

Another option for the new council would be to design a new CTR scheme and consider options to move to a scheme that is radically different such as a **banded scheme**. With the wider roll out of Universal Credit having taken place, local authorities are beginning to consider such schemes. These are simpler to administer and move away from aligning CTR scheme to Housing Benefit schemes and the former Council Tax Benefit Scheme. This has been discounted at this stage as there is not have the capacity to develop this within the timescales and as the four Revenues Services currently use three different software applications. It is commonly accepted that migration of systems takes a minimum of 18 months to two years, due to the time it takes for conversion and avoiding key dates such as annual billing and subsidy claim submission. In order to move to a radically different CTR scheme it is necessary to have a single software application, as it is likely that some bespoke system development would be needed. This is not cost effective to deliver over three systems.

Principles

The following principles have been used to arrive at the proposals and recommendations in this report:

- The same scheme will apply to all working age residents in Buckinghamshire;
- The scheme will be developed by harmonising current schemes i.e. including features that apply to the majority of the current districts where possible;
- The aim is to deliver a scheme that is broadly cost neutral;
- The scheme can be administered using the current Revenues systems;
- The scheme will offer protection to residents classified as vulnerable in the context of the scheme.
- Council Tax payers will be required to make a contribution to their Council Tax (unless they are in a protected group).
- The proposed scheme aims to minimise negative impacts on customers whilst recognising there will be winners and losers.

Current Schemes

All of the schemes (Appendix 1) are based on the Council Tax Benefit Scheme that was in operation prior to April 2013, the main variations are summarised below. All schemes require working age taxpayers to make a contribution to their Council Tax which in most cases is 20% (15% for AVDC when taxpayer is working) unless they are in a 'protected group'. The main differences are:

- **Definition of protected groups and level of protection**
All schemes offer protection to customers in receipt of disability benefits. In addition, AVDC offers some protection where the applicant is responsible for a child under 5 (15% contribution) and CDC where the applicant is a lone parent responsible for a child under 5 (10% contribution). WDC and SBDC offer protected groups 100% protection so that they have no minimum contribution to make. At CDC this protection is only up to 90% and AVDC up to 85%.
- **Capital limits**
The schemes have various capital limits with three schemes having a capital limit of £6,000 and one (CDC) has a limit of £16,000. Two (WDC & SBDC) also have a limit of £16,000 for protected group.
- **Disregards**
CDC has a 25% earnings disregard where the others are based on those that were applicable to the Council Tax Benefit Scheme.
- **Non-dependant deductions**
CDC have a standard £5 deduction for all non-dependents and the others have varying deductions dependent on the non-dependant's income.
- **Band restriction**
At CDC a band restriction is applied which means that the maximum amount of CTR that a taxpayer can receive is calculated as if their property is in band D even if they have a property in bands E-H.
- **Council tax contribution for working age**
AVDC require in work claimants to make a 15% contribution towards their Council Tax. CDC, SBDC and WDC require a 20% contribution.

Proposed Scheme Options

In order to recommend one harmonised scheme six options have been modelled. The main differences between the options are as follows:

Option one gives 100% protection for customers in receipt of qualifying disability benefits

Option two gives 100% protection for customers in receipt of qualifying disability benefits and all customers responsible for children under 5

Option three gives 100% protection for customers in receipt of qualifying disability benefits and Lone parents responsible for children under 5

Option four is the same as option one except it gives 90% protection instead of 100% protection

Option five is the same as option two except it gives 90% protection instead of 100% protection

Option six is the same as option three except it gives 90% protection instead of 100% protection

WDC and SBDC currently do not require a contribution towards Council Tax from protected customers but both AVDC and CDC do. This has been considered carefully in establishing how to harmonise the schemes. If a new scheme requires a contribution from customers in these groups, this will have an immediate negative impact on the most vulnerable customers of WDC and SBDC, which goes against one of the principle aims (to minimise negative impact). This is likely to be unpopular in these areas. Conversely, giving full protection to customers in AVDC and CDC will be popular, but will also add additional costs.

The experience from both CDC and AVDC who have required a Council Tax contribution from protected groups for a number of years is that these small amounts due from customers with limited income and in difficult circumstances are hard to collect. Both councils also have a **Discretionary Award Scheme** and consider awards from this fund where a taxpayer's circumstances mean they are unlikely to pay.

It is felt that any additional cost of full protection in Aylesbury and Chiltern DC's can be offset against the additional costs that they are encountering in trying to collect these small amounts. These include:

- Cost of administration for collection of small debts;
- Cost of administration of Discretionary Council Tax Reduction Scheme – as these are discretionary awards they require a lot of officer intervention in decision making;
- Cost of awards from the Discretionary Council Tax Reduction Scheme (£200k for AVDC and £50k for CDC) – applications and awards under this scheme are likely to decrease.

Financial Modelling

The six options below have been considered in the more detailed financial modelling:

Main themes	Option one	Option two	Option three	Option four	Option five	Option six
Contribution for working age	20%	20%	20%	20%	20%	20%
Protected groups	Customers in receipt of qualifying disability benefits	Customers in receipt of qualifying disability benefits Applicants responsible for a child under 5	Customers in receipt of qualifying disability benefits Lone parents responsible for a child under 5	Customers in receipt of qualifying disability benefits	Customers in receipt of qualifying disability benefits Applicants responsible for a child under 5	Customers in receipt of qualifying disability benefits Lone parents responsible for a child under 5
Contribution for protected group	0%	0%	0%	10%	10%	10%
Capital Limit:						
Lower	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000
Higher	£16,000 (Tariff income figure taken for the amount between £6 and £16k)	£16,000 (Tariff income figure taken for the amount between £6 and £16k)	£16,000 (Tariff income figure taken for the amount between £6 and £16k)	£16,000 (Tariff income figure taken for the amount between £6 and £16k)	£16,000 (Tariff income figure taken for the amount between £6 and £16k)	£16,000 (Tariff income figure taken for the amount between £6 and £16k)
Backdating	N	N	N	N	N	N
Disregards	Variable based CTB scheme	Variable based CTB scheme	Variable based CTB scheme	Variable based CTB scheme	Variable based CTB scheme	Variable based CTB scheme
Non- Dep Deductions	£5.00 per week	£5.00 per week	£5.00 per week	£5.00 per week	£5.00 per week	£5.00 per week
Band restrictions	None	None	None	None	None	None

The tables below shows a breakdown of the current & modelled CTR scheme awards across Buckinghamshire:

Current scheme				
	Caseload	Current Expenditure	Plus Discretionary Fund	Total expenditure
AVDC	7,978	8,343,430	200,000	8,543,430
CDC	3,917	3,773,050	50,000	3,823,050
SBDC	2,558	2,936,000	15,000	2,951,000
WDC	7,594	7,915,000	50,000	7,965,000
Total	22,047	22,967,480	315,000	23,282,480

	Proposed schemes (Indicative costs)					
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
AVDC	8,546,763	8,816,173	8,708,531	8,278,166	8,414,065	8,358,994
CDC	3,780,207	3,880,077	3,845,762	3,669,447	3,719,624	3,699,252
SBDC	2,935,497	2,981,974	2,967,575	2,859,098	2,882,337	2,875,137
WDC	8,016,525	8,197,175	8,121,522	7,788,872	7,879,197	7,841,370
Total	23,278,992	23,875,399	23,643,390	22,595,583	22,895,223	22,774,753
Discretionary fund	337,500	290,000	305,000	387,500	515,000	623,000
Total	23,616,492	24,165,399	23,948,390	22,983,083	23,410,223	23,397,753
£ increase	334,012	882,919	665,910	- 299,397	127,743	115,273
% change	1.4	3.8	2.9	- 1.3	0.5	0.5

Constraints of financial modelling

It is important that some of the limitations of the modelling are taken into account when considering the proposed options. The cost of the scheme quoted is indicative and can be affected by a number of issues:

- The Districts do not currently use the same software and the modelling software across systems does not calculate in the same way. The system used by Aylesbury and Wycombe forecasts likely future changes to claimants' Council Tax Reduction. The Chiltern and South Bucks software models based on today's values.
- Figures are based on current caseload which fluctuate during the year; future demand cannot be predicted;
- Future applications from claimants that do not qualify for relief are not included in these figures as it is not possible to calculate who might apply in the future. For example, in South Bucks and Wycombe who might qualify in the future because the Capital limit has increased.

When the final scheme is submitted to the Shadow Executive for formal approval all costs will be remodelled based on current caseload data at that time

Main impact of the Proposed Options on existing Districts

Wycombe District Council/South Bucks District Council

- The modelled schemes are all very similar to the existing South Bucks/Wycombe schemes.
- Currently neither those with children under 5, or lone parents are considered a 'protected group' so there would be additional cost if this was introduced under option 2 & 3.
- A standard £5 non-dependant deduction (as opposed to variable rates where non-dependants' income has to be established) will create some small variations in award (+ & -). This will simplify administration.
- Options 4, 5 & 6 would impact on all customers currently receiving full protection (South Bucks & Wycombe DC) as they would be required to pay 10% of their annual council tax bill. They would be able to make a claim for a Discretionary Award, but a large number of applications would increase administration costs as assessing these applications is a manual process.
- Options 4, 5 & 6 would make a saving on the gross cost of the CTR scheme, offset by an increased discretionary fund.

Chiltern District Council

- Protected groups will no longer be required to make a contribution towards their Council Tax (Aylesbury Vale & Chiltern DC)
- Option 2 will offer protection for those with children under 5 which will extend CTR awarded which currently applies just to lone parents
- Currently Chiltern have Council Tax Reduction restricted to a Band D charge. The modelled schemes remove this restriction, opening up CTRs to claimants in higher banded properties.

Aylesbury Vale District Council

- Options 1, 2 & 3 would have a positive impact on protected claimants as they will no longer be required to make a 10% contribution towards their Council Tax. This would result in additional costs to the Unitary Authority
- A standard £5 non-dependant deduction (as opposed to variable rates where non-dependents income has to be established). This will ease administration.
- In work customers will see a 5% increase in Council Tax payable as the amount payable for this group will increase from 15% to 20%. Affected customers would be able make a claim for a Discretionary Award.

Appendix 2 – Chart showing breakdown of the impact of proposals

Appendix 3 – Case studies

An evaluation of each scheme has been completed to see how it meets the principles detailed at the beginning of this report:

Scheme principles	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Same scheme for all claimants	Yes	Yes	Yes	Yes	Yes	Yes
Harmonised scheme	Yes	Yes	Yes	Yes	Yes	Yes
Broadly cost neutral (+/- 3%)	Yes,1.4%	No,3.8%	Yes,2.9%	Yes,- 1.3%	Yes,0.5%	Yes,0.5%
Administered with existing software	Yes	Yes	Yes	Yes	Yes	Yes
Protection for vulnerable	Yes	Yes	Yes	Yes	Yes	Yes
Council Tax contribution unless vulnerable	Yes, 20%	Yes, 20%	Yes, 20%	Yes, 20%	Yes, 20%	Yes, 20%
Minimises negative impact on customers (with use of Discretionary awards)	Yes	Yes	Yes	Yes	Yes	Yes

The same scheme will apply to all working age residents in Buckinghamshire

All options fulfil this requirement.

The scheme will be developed by harmonising current schemes i.e. including features that apply to the majority of the current districts where possible

All options fulfil this requirement

The aim is to deliver a scheme that is broadly cost neutral

Options 1-3 come with an additional cost. The main reason for this is that contributions from CDC and AVDC's vulnerable customers will no longer be required. Options 4-6 apply a 10% contribution from all vulnerable claimants. This will reduce costs in WDC and SBDC but will adversely affect a large number of customers and for this reason these options are not recommended.

The increase in expenditure in options 1-3 needs to be considered against other savings that can be achieved in the longer term such as:

- Reduced administration costs as a result of removing small debts that are not cost effective to bill and collect in AVDC and CDC
- Simplification of existing schemes will reduce administrative costs
- Combining software systems will reduce expenditure in the longer term
- Reduction in resources in the longer term
- Opportunity to reduce Discretionary Council Tax expenditure

The schemes can be administered using the current Revenues systems

This is the case with all options.

The scheme will offer protection to residents classified as vulnerable in the context of the scheme.

All schemes offer some protection. Options 1-3 offer full protection, whereas options 4-6 offer 90% protection.

Council Tax payers will be required to make a contribution to their Council Tax (unless they are in a protected group).

Working age taxpayers who are not protected are required to make a contribution of 20% in all options.

The proposed scheme aims to minimise negative impacts on customers whilst recognising there will be winners and losers.

In identifying the proposals, areas where there would be a wide spread negative impact have been minimised in options 1-3 i.e. contribution from protected groups. There are some winners and losers with all 3 schemes and it is intended that a Discretionary Award Scheme can address the situation where a loss of CTR has caused hardship.

Options 3-6 will negatively impact all vulnerable claimants in WDC (1,800) and SBDC. Appendix 2 provides details of the impact across the new Buckinghamshire Council.

Comparison with Dorset

Dorset have adopted a harmonised scheme. The previous individual District schemes were already very similar which made harmonisation more straightforward than in Bucks. All District Councils awarded 100% entitlement for all protected claimants, and between 91.5%-92% for unprotected claimants. From 1st April 2019 the maximum entitlement is 100% for protected claimants and 90% for unprotected claimants.

Discretionary awards for Council Tax Reduction

All of the councils' existing schemes include Discretionary awards of Council Tax Reduction and this is recommended as an important feature of the CTRS scheme for Buckinghamshire Council. This is particularly important in the administration of a new harmonised scheme as it is through such a scheme officers can give transitional support to any claimant who are adversely impacted by the change to the new scheme. Whilst the proposed scheme is designed to keep the impact to a minimum (see also Appendix 2 for the initial estimate), and there are many that will benefit, there will be a small number that may be negatively affected.

In the current administration of Discretionary awards the District Councils tend to align with the administration of Discretionary Housing Payments for Housing Benefit (funded by government grant). This means that applications from customers experiencing exceptional hardship can be considered for both awards at the same time.

All applications need to be assessed on a case by case basis and as a result administering Discretionary Awards this can be resource intensive, which can in turn cause delays to claimants waiting to learn if their application for extra help has been successful. From an administrative point of view it is more cost effective to manage assessment of Council Tax Reduction through the main scheme itself rather than rely on Discretionary payments to plug shortfalls in support.

A Discretionary Council Tax award protocol will be produced prior to 1st April 2020. These awards will be used to address circumstances where customers are experiencing hardship and also to minimise the impact on customers losing out as a result of the introduction of the new scheme.

4. Consultation

There is a legal requirement to carry out consultation prior to setting the Council Tax Reduction Scheme. This includes consultation within any major preceptors and interested parties. The minimum period for this consultation is six weeks. To comply with legal requirements, the consultation must be based on a proposed scheme, rather than a number of options.

A draft plan for the consultation is currently being prepared in conjunction with the Communications group.

5. Next Steps and Key Dates

There are several dependencies that are reliant on the new scheme being decided. In addition, there are legal requirements which mean that decisions must be approved by particular dates.

The provisional timeline is shown below and this shows where decisions are required by Shadow Executive/Council.

Action	Officer Action Dates	Shadow Executive Decision Date	Shadow Council Decision Date
Decision on Harmonised Council Tax Reduction Scheme to be made for consultation to commence		July	
Consultation Period	1/8/19 -16/9/19		
Results of Consultation and Finalise Council Tax reduction Scheme and Discretionary Scheme		30/9/19	
Calculation of Council Tax base – CTR scheme needs to be finalised for this	Oct/Nov		
Final approval of Council Tax Reduction Scheme			Feb (at Council Tax setting meeting)

Equalities Impact Assessment

A draft Equalities Impact Assessment is being prepared and will be finalised once the final recommended option is confirmed.

Resourcing requirements

No additional requirements at this stage.

Legal implications

None apart from those referred to within this report.

Background Papers

It is a legal requirement to make available background papers relied on to prepare a report and should be listed at the end of the report (copies of background papers for executive decisions must be provided to Democratic Services). **Hyperlinks to papers published online should be used where possible. Where there are no background papers, insert None.**

COUNCIL TAX REDUCTION SCHEMES										
	Basis of Scheme	Contributions	Protected Group Definition	Capital Limit	Backdating	Discretionary Fund	Disregards	Non- Dep Deduction	Band Restrictions	Extended Payments
AVDC	Based on CTB with significant rewrite including changes to applicable amounts	10% Protected Groups (see next column); 15% Where responsible for a child under 5 or where applicant or partner is in remunerative work; 20% All others.	In receipt of: PIP, DLA or AA, ESA (Support), Severe Disablement Allowance, Disabled element of Tax Credits, Incapacity Benefit (or underlying entitlement) or Industrial Disablement Benefit. (10% contribution) In receipt of War Widows or War Disablement pension (10% contribution) Child under 5 or in remunerative work (15% contribution)	£6000	No	£200,000 outside the scheme	No capital disregard Earnings - £7.50 for single, £12.50 for couple, additional earnings disregard £15 of Widowed Mother/Parent Allowance All other disregards as in CTB	£3.00 in receipt of PC, IS, JSA and ESA (IB) and 5 bands of income thresholds with highest deduction of £14 to lowest of £5	None	None
CDC	CTB scheme with minor changes	10% Protected Groups (see next column); 20% All others.	In receipt of: PIP, DLA or AA, ESA (Support), SDA, Disabled Tax Credits, Incapacity Benefit (or underlying entitlement) or Industrial Disablement Benefit. (10% contribution) Lone parent with child under 5 (10% contribution)	£16,000	No	£50,000 outside the scheme	25% of earned income as a work incentive Maintenance, charitable or voluntary payments and widowed parents allowance are treated in full as income	£5.00 for each non dependant where CTB would have applied a deduction	Band D	Yes

	Basis of Scheme	Contributions	Protected Group Definition	Capital Limit	Backdating	Discretionary Fund	Disregards	Non- Dep Deduction	Band Restrictions	Extended Payments
SBDC	CTB scheme with minor changes	0% Protected Groups (see next column); 20% All others.	In receipt of or have a child in receipt of: PIP, DLA, ESA (Support) (0% contribution); In receipt of War Widows Pension or War Disablement Pension (0% contribution)	£6000 (£16,000 for protected)	No	£15,000 outside the scheme	Earnings - £5 for single, £10 for couple, carer £20, lone parent £25, special premium and special part time earnings £20 and additional earnings disregard (WTC) £17.10	£Zero in receipt of PC, IS, JSA and ESA (IB) and 4 bands of income thresholds with highest deduction of £3.90 and highest £11.90	None	None
WDC	CTB scheme with minor changes	0% Protected Groups (see next column); 20% All others.	In receipt of: DLA, ESA (Support) (0% contribution); In receipt of War Widows Pension or War Disablement Pension (0% contribution)	£6000 (£16,000 for protected)	Only for protected groups	£50,000 within scheme	Earnings - £5 for single, £10 for couple, carer £20, lone parent £25, special premium and special part time earnings £20 and additional earnings disregard (WTC) £17.10	£Zero in receipt of PC, IS, JSA and ESA (IB) and 4 bands of income thresholds with highest deduction of £3.90 and highest £11.90	None	Yes

Aylesbury Vale DC		More to pay			Less to pay		
		Number	Average weekly change	Average annual change	Number	Average weekly change	Average annual change
Option 1 £5 flat rate non-dep dedcs	<£1.50	880	£1.12	£58.24	854	£0.09	£4.68
	£1.51 - £5.00	830	£1.97	£102.44	1,986	£2.60	£135.20
	£5.01 - £10.00	0	£0.00	£0.00	133	£6.74	£350.48
	>£10.00	0	£0.00	£0.00	28	£13.70	£712.40
Option 2 £5 flat rate non-dep dedcs Children under 5	<£1.50	417	£1.15	£59.80	851	£0.09	£4.68
	£1.51 - £5.00	332	£2.06	£107.12	2,904	£2.96	£153.92
	£5.01 - £10.00	0	£0.00	£0.00	181	£6.58	£342.16
	>£10.00	0	£0.00	£0.00	26	£13.80	£717.60
Option 3 £5 flat rate non-dep dedcs Lone parents with childe=ren under 5	<£1.50	352	£1.14	£59.28	852	£0.09	£4.68
	£1.51 - £5.00	716	£2.02	£105.04	2,613	£2.82	£146.64
	£5.01 - £10.00	0	£0.00	£0.00	148	£6.64	£345.28
	>£10.00	0	£0.00	£0.00	30	£13.64	£709.28
Option 4 £5 flat rate non-dep dedcs 10% contribution	<£1.50	892	£1.11	£57.72	2,783	£0.09	£4.68
	£1.51 - £5.00	830	£1.97	£102.44	102	£2.93	£152.36
	£5.01 - £10.00	0	£0.00	£0.00	93	£7.06	£367.12
	>£10.00	0	£0.00	£0.00	11	£15.57	£809.64
Option 5 £5 flat rate non-dep dedcs Children under 5 10% contribution	<£1.50	427	£1.13	£58.76	3,589	£0.31	£16.12
	£1.51 - £5.00	332	£2.06	£107.12	258	£2.20	£114.40
	£5.01 - £10.00	0	£0.00	£0.00	97	£7.12	£370.24
	>£10.00	0	£0.00	£0.00	8	£16.70	£868.40
Option 6 £5 flat rate non-dep dedcs Lone parents with children under 5 10% contribution	<£1.50	364	£1.11	£57.72	3,379	£0.28	£14.56
	£1.51 - £5.00	716	£2.02	£105.04	147	£2.57	£133.64
	£5.01 - £10.00	0	£0.00	£0.00	94	£7.09	£368.68
	>£10.00	0	0	£0.00	11	£15.78	£820.56

Chiltern DC		More to pay			Less to pay		
		Number	Average weekly change	Average annual change	Number	Average weekly change	Average annual change
Option 1 £5 flat rate non-dep dedcs	<£1.50	112	£0.85	£44.20	46	£0.73	£37.96
	£1.51 - £5.00	465	£2.85	£148.20	750	£2.59	£134.68
	£5.01 - £10.00	147	£7.24	£376.48	48	£7.37	£383.24
	>£10.00	52	£17.94	£932.88	46	£15.25	£793.00
Option 2 £5 flat rate non-dep dedcs Children under 5	<£1.50	123	£0.82	£42.64	70	£0.75	£39.00
	£1.51 - £5.00	253	£3.11	£161.72	970	£2.58	£134.16
	£5.01 - £10.00	106	£7.17	£372.84	85	£7.15	£371.80
	>£10.00	38	£20.26	£1,053.52	51	£15.52	£807.04
Option 3 £5 flat rate non-dep dedcs Lone parents with childe=ren under 5	<£1.50	115	£0.84	£43.68	69	£0.78	£40.56
	£1.51 - £5.00	251	£3.12	£162.24	959	£2.57	£133.64
	£5.01 - £10.00	130	£7.29	£379.08	57	£7.40	£384.80
	>£10.00	54	£17.89	£930.28	45	£15.36	£798.72
Option 4 £5 flat rate non-dep dedcs 10% contribution	<£1.50	114	£0.85	£44.20	34	£0.73	£37.96
	£1.51 - £5.00	464	£2.85	£148.20	45	£3.26	£169.52
	£5.01 - £10.00	155	£7.23	£375.96	52	£6.91	£359.32
	>£10.00	63	£17.43	£906.36	28	£14.76	£767.52
Option 5 £5 flat rate non-dep dedcs Children under 5 10% contribution	<£1.50	130	£0.81	£42.12	47	£0.72	£37.44
	£1.51 - £5.00	264	£3.08	£160.16	77	£3.25	£169.00
	£5.01 - £10.00	138	£7.15	£371.80	55	£6.77	£352.04
	>£10.00	52	£18.71	£972.92	33	£14.36	£746.72
Option 6 £5 flat rate non-dep dedcs Lone parents with children under 5 10% contribution	<£1.50	119	£0.83	£43.16	43	£0.71	£36.92
	£1.51 - £5.00	268	£3.08	£160.16	46	£3.33	£173.16
	£5.01 - £10.00	147	£7.23	£375.96	57	£6.71	£348.92
	>£10.00	61	17.5	£910.00	29	£14.84	£771.68

South Bucks DC		More to pay			Less to pay		
		Number	Average weekly change	Average annual change	Number	Average weekly change	Average annual change
Option 1	<£1.50	4	£0.01	£0.52	3	£0.01	£0.52
£5 flat rate non-dep dedts	£1.51 - £5.00	1	£0.04	£2.08	1	£0.04	£2.08
	£5.01 - £10.00	0	£0.00	£0.00	10	£1.44	£74.88
	>£10.00	93	£2.36	£122.72	83	£5.50	£286.00
Option 2	<£1.50	0	£0.00	£0.00	-	£0.00	£0.00
£5 flat rate non-dep dedts Children under 5	£1.51 - £5.00	3	£0.04	£2.08			£0.00
	£5.01 - £10.00	1	£0.04	£2.08	10	£1.44	£74.88
	>£10.00	98	£4.25	£221.00	260	£5.15	£267.80
Option 3	<£1.50	1	£0.00	£0.05	1	£0.00	£0.21
£5 flat rate non-dep dedts Lone parents with children under 5	£1.51 - £5.00	1	£0.08	£4.16	1	£0.04	£2.08
	£5.01 - £10.00	0	£0.00	£0.00	11	£0.10	£5.20
	>£10.00	90	£2.34	£121.68	260	£5.13	£266.76
Option 4	<£1.50	0	£0.04	£2.08	3	£0.01	£0.31
£5 flat rate non-dep dedts 10% contribution	£1.51 - £5.00	2	£0.04	£2.08	2	£0.05	£2.60
	£5.01 - £10.00	0	£0.00	£0.00	3	£0.06	£3.12
	>£10.00	597	£2.73	£141.96	79	£5.01	£260.52
Option 5	<£1.50	2	£0.02	£1.04	3	£0.96	£49.92
£5 flat rate non-dep dedts Children under 5 10% contribution	£1.51 - £5.00	1	£0.04	£2.08	2	£0.10	£5.20
	£5.01 - £10.00	0	£0.00	£0.00	16	£0.76	£39.52
	>£10.00	594	£2.73	£141.96	240	£3.42	£177.84
Option 6	<£1.50	5	£0.14	£7.28	-	£0.00	£0.00
£5 flat rate non-dep dedts Lone parents with children under 5 10% contribution	£1.51 - £5.00	7	£0.41	£21.32	8	£0.09	£4.68
	£5.01 - £10.00	13	£0.15	£7.80	12	£0.15	£7.80
	>£10.00	1226	10.45	£543.40	1,140	£10.21	£530.92
Wycombe DC							
		Number	Average weekly change	Average annual change	Number	Average weekly change	Average annual change
Option 1	<£1.50	114	£0.76	£39.52	3,938	£0.06	£3.12
£5 flat rate non-dep dedts	£1.51 - £5.00	22	£2.45	£127.40	174	£3.44	£178.88
	£5.01 - £10.00	1	£5.89	£306.28	134	£6.09	£316.68
	>£10.00				14	£12.28	£638.56
Option 2	<£1.50	105	£0.77	£40.04	3,206	£0.08	£4.16
£5 flat rate non-dep dedts Children under 5	£1.51 - £5.00	22	£2.45	£127.40	659	£3.78	£196.56
	£5.01 - £10.00	1	£5.89	£306.28	386	£6.00	£312.00
	>£10.00				18	£12.31	£640.12
Option 3	<£1.50	110	£0.77	£40.04	3,491	£0.07	£3.64
£5 flat rate non-dep dedts Lone parents with children under 5	£1.51 - £5.00	22	£2.45	£127.40	534	£3.86	£200.72
	£5.01 - £10.00	1	£5.89	£306.28	223	£5.97	£310.44
	>£10.00				16	£12.20	£634.40
Option 4	<£1.50	197	£0.89	£46.28	2,345	£0.06	£3.12
£5 flat rate non-dep dedts 10% contribution	£1.51 - £5.00	1545	£2.45	£127.40	220	£2.71	£140.92
	£5.01 - £10.00	3	£5.67	£294.84	76	£5.79	£301.08
	>£10.00				11	£11.92	£619.84
Option 5	<£1.50	188	£0.89	£46.28	4,720	£0.09	£4.68
£5 flat rate non-dep dedts Children under 5 10% contribution	£1.51 - £5.00	1545	£2.45	£127.40	877	£2.53	£131.56
	£5.01 - £10.00	3	£5.67	£294.84	77	£5.94	£308.88
	>£10.00				12	£11.79	£613.08
Option 6	<£1.50	193	£0.89	£46.28	1,940	£0.09	£4.68
£5 flat rate non-dep dedts Lone parents with children under 5 10% contribution	£1.51 - £5.00	1545	£2.45	£127.40	628	£2.45	£127.40
	£5.01 - £10.00	3	£5.67	£294.84	77	£5.90	£306.80
	>£10.00				11	£11.92	£619.84

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Case studies

All case studies shown are based on the proposal for option 3

Lone Parent with Child under 5



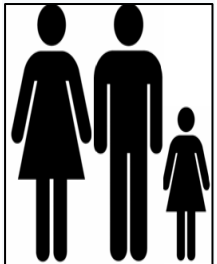
Evie currently lives in a Band A property with an annual charge of **£1240.46**, she receives a single persons discount as she is the only resident over the age of 18. Resulting in an annual charge of **£930.34**.

Evie works 16 hours per week and receives a salary of **£125.28**, Working Tax Credits of **£92.06**, Child Tax Credits of **£116.49** and child benefit of **£20.70**. Evie pays for child care each week which costs **£90.00** per week.

Evie will be worse off in respect of all current schemes across the four districts due to the loss of protection for households with children under 5.

CDC	£9.23	WDC	£7.22	SBDC	£7.18	AVDC	£6.70	New weekly award	£9.01	Annual award	£468.42
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Couple with child under 5



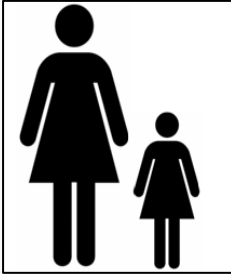
John and Julie live in a band C property, they have one child under the age of 5. Both John and Julie work and have a combined weekly household income of **£294.78**. This is made up of **£178.91** earned income, **£57.61** Child Tax Credits, **£37.56** Working Tax Credits and **£20.70** Child Benefit.

They will be entitled to less assistance under scheme 1 when compared with the current schemes across the four districts.

The main reason for the reduction in award is due to the loss of vulnerability status due to the removal of protection for households with children under 5.

CDC	£19.30	WDC	£21.54	SBDC	£15.78	AVDC	£17.67	New weekly award	£15.23	Annual award	£791.96
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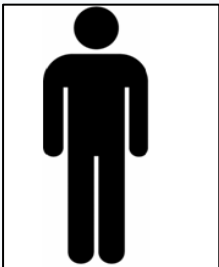
Lone Parent with child under 16



Gemma resides in a band C property with her 7 year old daughter. Gemma works and receives a top up of Universal Credit along with child benefit, resulting in a weekly household income of **£161.56**. Gemma currently has an annual charge for council tax of **£1240.45** including a 25% discount as she the sole adult resident at the address. Gemma will have a small increase/decrease depending on the area she currently resides in.

CDC	£19.00	WDC	£19.33	SBDC	£19.00	AVDC	£19.38	New weekly award	£20.17	Annual award	£989.56
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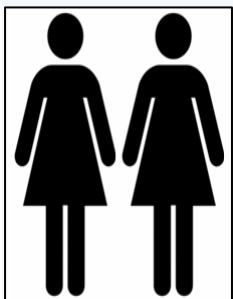
Single Person living in a high banded property



Dean lives alone in a band F property, he has a weekly household income of **£134.30**. As Dean is the sole adult resident, he receives the 25% single persons discount resulting in the amount of Council Tax payable of **£2,037.37**. Dean will be affected by the proposal due to the level of contribution increasing for working age claimants and the area she currently resides in.

CDC	£22.98	WDC	£28.40	SBDC	£23.28	AVDC	£25.82	New weekly award	£23.28	Annual award	£1,210.56
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Single person of Working Age with a non-dependent



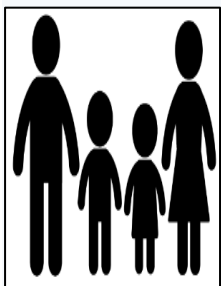
Kirsty lives in a band C property with two other adult occupiers. Kirsty receives **£54.72** Universal Credit each week, Danial earns **£323.08** per week and Ciara does not currently have an income.

They have an annual Council Tax charge of **£1706.04**

The weekly award in respect of the proposed scheme is more generous than AVDC and SBDC due to the current deduction for Non Dependents. In AVDC's current scheme, Daniel, would be expected to contribute **£14.00** and Ciara would be expected to pay **£3.00** per week towards council tax, under the proposed scheme the contribution would be set at **£5.00** each.

CDC	£16.17	WDC	£17.06	SBDC	£14.07	AVDC	£9.10	New weekly award	£15.54	Annual award	£808.08
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Couple in work with children



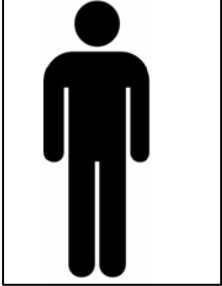
Andrew and Joanna have three dependent children and live in a band B property. They have a combined weekly household income of **£374.58**, including child tax credits and child benefit for the three children.

Their annual council tax is **£1447.19**

The household will have a small increase/decrease depending on the area they currently resides in.

CDC	£22.20	WDC	£22.26	SBDC	£22.20	AVDC	£23.53	New weekly award	£22.20	Annual award	£1,154.40
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Single Person, self employed



Lee is a self employed handy man, living in a band A property, he has a household income of **£120.13**. Lee has an annual council tax charge of **£1240.46** and receives a 25% discount due to being the sole adult resident at the address of **£310.12**.

Based on Lee's self employed earnings he currently receives **£562.64** in council tax reduction, leaving **£367.70** to pay. Lee will be affected by all proposed schemes due to the level of contribution for working age claimants increasing.

The new award under the proposed scheme is similar to the current awards across the four districts, Lee will see little change to the amount of assistance he receives.

CDC	£8.21	WDC	£10.32	SBDC	£9.29	AVDC	£10.82	New weekly award	£9.29	Annual award	£483.08
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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23 July 2019

Title of Report:	Harmonisation of Council Tax Discounts and Premiums
Responsible Officer or Relevant Member:	Richard Ambrose – Bucks CC
Officer Contact:	Richard Ambrose rambrose@buckscc.gov.uk
Recommendations:	<ol style="list-style-type: none"> 1. Unoccupied and substantially unfurnished properties (Class C) to receive a discount of 100% for one month, with an estimated annual saving of £214,000. There will also be a minimum occupation period of 12 weeks before another discount can be awarded. 2. Unoccupied and substantially unfurnished property which is empty due to it requiring structural alterations or major repairs to make it habitable (Class D) – 50% discount (these properties will receive a class C discount as above) with an estimated annual saving of £25,000 3. Second Homes – 10% Discount, with an estimated additional annual cost of £91,000 4. Long Term Empty Premiums – should be charged at the maximum levels allowed by Legislation as follows: <p style="margin-left: 40px;"><u>From 2020/2021</u></p> <p style="margin-left: 40px;">Where a property has been empty for more than 2 years but under 5 years a premium of 100% to be charged. (Equivalent to 2 x Council Tax)</p> <p style="margin-left: 40px;">Where a property has been empty between 5 years and 10 years a premium of 200% to be charged (Equivalent to 3 x Council Tax)</p> <p style="margin-left: 40px;"><u>From 2021 onwards</u></p> <p style="margin-left: 40px;">Where a property has been empty for more than 2 years but under 5 years a premium of 100% to be charged. (Equivalent to 2 x Council Tax)</p> <p style="margin-left: 40px;">Where a property has been empty between 5 years and 10 years a premium of 200% to be charged (Equivalent to 3 x Council Tax)</p>

	Where a property has been empty over 10 years a premium of 300% to be charged (Equivalent to 4 x Council Tax)
Corporate Implications:	Financial implications are included in the report and should be considered in conjunction with the overarching summary accompanying the 3 reports being considered by the Executive
Options: (If any)	The various options available are included in the report
Reason: (Executive only)	The options recommended meet the policy aims detailed in the report

1. Purpose of Report

To agree the policy as set out in this report to take effect from April 2020

2. Executive Summary

The Shadow Authority will need to determine whether Council Tax discretionary discounts are awarded in respect of empty properties, whether any discount is awarded in respect of second homes and also whether a premium is charged on long-term empty properties. The District Councils in Bucks currently operate different levels and periods of discount for empty properties and it is recommended that these are harmonised to take effect from 1 April 2020. This report details the current position throughout the county and likely costs / savings associated with harmonising charging arrangements for empty properties.

3. Harmonisation

Policy aims

The aims of this policy are:

- To be broadly cost neutral
- Encourage empty properties to be brought back into use
- Incentivise owners of empty properties requiring structural alterations to carry out works to make them habitable

Background and Issues

Prior to April 2013, a Council Tax exemption would be awarded in respect of the following:

- A 100% exemption would be awarded (for a maximum period of up to 12 months) if the dwelling was empty due to the fact that it required structural alterations or major repairs to make it habitable
- A 100% exemption would be awarded (for a maximum period of up to 6 months) if the dwelling had become empty and unoccupied

The Local Government Finance Act 2012 revoked the above exemptions and replaced them with discretionary discounts from April 2013. The Act also introduced powers allowing Councils to charge up to 100% of the Council Tax in respect of second homes, and to charge a 50% premium in respect of dwellings which have been unoccupied and unfurnished for at least two years. The legislation was introduced to provide Councils with greater discretion over the awarding of certain Council Tax discounts and enable them to raise additional revenue.

Each District Council then agreed and in some cases subsequently amended its policy for discounts and premiums and the current position for each authority is shown below. The approximate number of properties in each category is shown in brackets

	AVDC	CDC	SBDC	WDC
Unoccupied and substantially unfurnished (Class C)	1 month (323)	1 month (89)	1 month (112)	60 days (265)
Unoccupied and substantially unfurnished requiring major repairs (Class D)	50% discount for 12 months (184)	No discount (treated as Class C) (0)	No discount (treated as Class C) (0)	100% discount for 12 months (133)
Second Homes	No discount (0)	No discount (0)	No discount (0)	10% discount (320)
Long Term Empty Premiums	50% after 2 years (49)	No premium (0)	50% after 2 years (150)	100% after 2 years (205)

As the schemes within each district area currently vary, the effects of the recommendations above will be different throughout the county. The discount policy for empty homes can be used to support corporate aims to bring empty properties back into use. Maximising the amount payable is an incentive to an owner of a property to bring it back into use quickly. There is also financial incentive through the New Homes Bonus (NHB) scheme that rewards local authorities for growth in the Council Tax base. Growth is reduced by the number of empty properties that have been empty for more than six months. Therefore there is a strong incentive in keeping the number of empty properties that have been empty for more than six months to a minimum.

The following is a brief summary of the different effects throughout the county

Class C – Unoccupied and substantially unfurnished

With regard to standard empty properties (Class C), 3 of the existing 4 authorities currently offer a 1 month discount with only Wycombe DC providing a longer period (60 days). Between 2013 and 2018 both South Bucks and Chiltern offered 3 months however this was reduced to 1 month from 1 April 2018 and met with very little reaction. This change increased Council Tax income.

Reducing the Class C discounts from 60 days to 1 month may impact some landlords in the Wycombe District as they will pick up a charge when there are delays in finding new tenants. However this change ensures equality throughout the area.

Some other Councils have taken the decision not to award a discretionary discount at all in respect of empty properties. However, available anecdotal information suggests that this results in increased administration costs as the Council is faced with having to recover small debts which may not be cost effective to collect. It is believed that a 1 month discount strikes a reasonable balance that gives some flexibility to landlords/owners to find new tenants without creating small uneconomical debts.

It should be noted that Housing Associations may still be eligible for a 6 month period of no council tax charge whilst a property is empty between tenants as the relevant properties would be eligible to qualify for a council tax class B exemptions (if they are set up as a charity).

The effect of harmonisation by offering as 30 day Class C discount for unoccupied and substantially unfurnished properties is estimated as a saving of approximately £214,000 p.a. It should be noted that Housing Associations may still be eligible for a 6 month period of no council tax charge whilst a property is empty between tenants as the relevant properties would be eligible to qualify for a council tax class B exemptions providing they are a charity.

Class D – Unoccupied and substantially unfurnished requiring major repairs

Currently within Chiltern and South Bucks, properties such as these are treated in the same way as Class C properties and receive the standard Class C discount for Wycombe and AVDC however offer a discount of up to 12 months for properties undergoing major repairs. Aylesbury offer a 50% discount, whereas Wycombe offers 100% discount.

Class D discounts are awarded when properties are being renovated to bring them back into use. Typically this is where individuals buy a property to renovate it, or where an accident has occurred (such as fire or flooding) requiring extensive repairs and this discount supports residents at this difficult time

Retaining some level of discount (50% for 12 months) is seen as an incentive for owners of empty properties that are unfit for habitation to bring properties back into use and to support residents at a difficult time. It is also seen as beneficial for landlords to carry out improvements thus improving the quality of the housing stock.

It is estimated that a harmonised 12 month discount will make savings of approximately £25,000 and it is recommended that a 50% discount of up to 12 months should be awarded.

Second Homes

Currently only Wycombe district grants a discount for second homes. Second homes (which are furnished) help to maximise New Homes Bonus for the time being (the NHB funding may change in the future). Experience in Wycombe has shown that customers are more likely to tell the Council that their unoccupied properties are furnished if there is a financial incentive for them. The 10% second home discount provides this incentive. For Wycombe DC an average Band D would deliver a total New Homes Bonus of approximately £1,100 for one year compared with the cost of providing the 10% discount of approximately £178 per property. It is therefore recommended that the 10% discount is adopted by the new authority. This will benefit residents in existing CDC, SBDC and AVDC areas. It is estimated that the additional cost of awarding a 2nd home discount of 10% would be approximately £90,997.

Long Term Empty Premiums

Currently all apart from Chiltern DC charge a premium for long term empty properties (empty over 2 years). Legislation was passed in 2018 allowing a premium of 100% to be charged

from 1 April 2019. So far Wycombe are the only district within the county to adopt this. The legislation also allows for higher premiums where a property has been empty for between 5 and 10 years (from 2020) and over 10 years (from 2021). The rationale for charging the highest level of premium is to encourage empty property to be brought back into use hopefully increasing the availability of accommodation within the county.

Empty premium charge could potentially generate additional income estimated at up to £532,000 in 2020/21, however this figure should be treated with caution as taxpayer behaviour could change which could significantly vary this figure.

Financial implications

It is difficult to predict the overall financial impact from the recommendations as taxpayers behaviour may change once changes are introduced. In particular potential future income from an increase in the long term empty premium should be treated with caution. The following estimated have been calculated as an illustration of the possible changes, calculated using 2018/19 District data:

Estimated Harmonisation impacts					
	Unoccupied and substantially unfurnished (Class C)	Unoccupied and substantially unfurnished requiring major repairs (Class D) 50% for 12	2 nd Home discount (10%)	Long Term Empty Premium Potential maximum additional income in 2020	Net cost
AVDC	£0	£0	£18,700	£84,000	£65,300
CDC	£0	£86,000	£42,300	£239,000	£110,700
SBDC	£0	£61,000	£30,000	£143,000	£52,000
WDC	£214,000	£172,000	£0	£66,000	£452,000
Total cost (+) saving (-)	£214,000	£25,000	£91,000	£532,000	£680,000

Conclusions

The recommended level of discounts and premiums for the Buckinghamshire Council are summarised in the table below

Unoccupied and substantially unfurnished (Class C)	1 calendar month
Unoccupied and substantially unfurnished requiring major repairs (Class D)	50% Discount for 12 months
Second Homes (furnished)	10% discount

Long Term Empty Premiums	100% after empty for 2 years 200% after empty for 5 years 300% after empty for 10 years (from April 2021)
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4. Consultation

Not Applicable.

5. Next Steps

- This report will be shared with the Chairs of other Boards for awareness
- Systems and processes will be amended to enable the changes to be implemented for 1 April 2020.

Background Papers	None.
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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23 July 2019

Title of Report:	Discretionary Rate Relief Policy from 1 April 2020
Responsible Officer or Relevant Member:	Richard Ambrose – Bucks CC
Officer Contact:	Richard Ambrose rambrose@buckscc.gov.uk
Recommendations:	<ol style="list-style-type: none"> 1. The Discretionary Rate Relief Policy as set out in the Appendix be agreed 2. Standing orders for Buckinghamshire Council should incorporate delegated authority for Officers to administer the scheme 3. That delegated authority is given to the Chief Financial Officer in consultation with the Portfolio holder for Finance to agree future technical changes in respect of the policy for discretionary rate relief.
Corporate Implications:	Financial implications are included in the report and should be considered in conjunction with the overarching summary accompanying the 3 reports being considered by the Executive
Options: (If any)	The other option would be to continue with 4 existing schemes however it is considered that this would not be equitable
Reason: (Executive only)	The recommendation meets the policy aims detailed in the report

1. Purpose of Report

To agree the policy as set out in this report to take effect from April 2020

2. Executive Summary

Local Authorities have a discretion to award Discretionary Rate Relief to charitable organisations under S47 Local Government Finance Act 1988. Each District Council in Bucks currently operates a slightly different scheme and it is recommended that a single scheme be agreed to take effect from 1st April 2020. This report explains the circumstances under which relief may be granted, and recommends a policy for approval.

3. Harmonisation

Policy aims

The aims of this policy are:

- To have a harmonised Discretionary Rate Relief policy for Buckinghamshire Council
- To continue to support local charitable organisations
- To be broadly cost neutral

Background and Issues

Discretionary Rate Relief can be granted under three specific circumstances:

1. The Ratepayer is a charity or trustees for a charity and property is wholly or mainly used for charitable purposes - this is often referred to as 'Top Up' and can be anything from 0-20%
2. Where all or part of the property is occupied for the purposes of one or more organisation not established or conducted for profit & whose main objects are charitable or otherwise philanthropic or concerned with education, social welfare, science, literature or the fine arts. This relief can be granted from 0-100%
3. The property is wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purposes of a club or society or other organisation not established or conducted for profit. This relief can be granted from 0-100%

The District Council's expenditure on unfunded Discretionary Relief in 2018/19 was:

District	Estimated spend 2019/20
Aylesbury Vale DC	£303,000.
Chiltern DC	£166,599
South Bucks DC	£46,767
Wycombe DC	£231,000

The Authority has two options:

1. Continue with the existing 4 separate District schemes for 2020/21 and design a single scheme for 2021/22. This is the approach taken by Dorset Shadow Authority, primarily because the Authorities did not issue statutory 12 month cancellation notices to recipients. The Bucks District Authorities have issued these notices.
2. Design a unified scheme to take effect from 1st April 2020. A unified scheme will produce winners and losers.

Revenue Officers have reviewed the options and believe that as the existing schemes are broadly similar, a single scheme is both practical, achievable and is the most equitable approach for customers. In order to minimise the impact the proposed guidelines have been designed using the common factors of each District scheme.

The recommended new scheme is focused on local not for profit organisations making a contribution to the local community. The recommended officer guidelines are set out in Appendix A, but can be summarised as follows:

- Local organisations/charities that contribute to the local community;
- Community groups/organisations/charities giving support to local groups such as young people, older people or people with disabilities;
- Local sports organisations that are open to all residents in the district and not exclusive by virtue of high membership fees
- Discretionary relief schemes set by Central Government where funding is provided by Government
- Ad-hoc requests from local organisations/groups including those providing services that contribute to Corporate priorities or new businesses that contribute to regeneration in that area.
- Ad-hoc requests for Hardship under S49 Local Government Finance Act 1988 for Business Rates; or Council Tax under section 13A Local Government Finance Act 1992 as amended by S76 Local Government Act 2003

Financial implications

The cost of Discretionary relief usually falls on the Local Authority. However there are instances where relief is funded by the Government via section 31 grant. A good example of this is the 2 year Retail Relief scheme that commenced on 1st April 2019 (1/3rd off rates payable for certain retail properties with a rateable value of below 51,000)

The recommended scheme has been designed as a mid-point scheme between the individual schemes currently operated by the 4 Districts which will minimise the impact. The aim is for this harmonised Policy to be broadly cost neutral and is similar to the individual District schemes currently in operation although there may be some winners & losers, but the policy aims to keep this to a minimum, particularly as applications will be considered on their own merits.

Technical changes

Government Legislation can be quickly amended via Statutory Instruments, which occur throughout the course of the year. Any local schemes need to have a facility to make quick technical amendments to the Council's own scheme to provide clarification where different interpretations exist, or to reflect revised Government guidance or case law. This can be achieved by giving delegated authority to the Chief Financial officer in consultation with the appropriate Portfolio holder to make technical changes to the guidelines.

Appeals

All appeals against decisions not to grant relief will be considered an independent officer

Conclusions

A single Discretionary Rate Relief scheme to commence from April 2020 is the best option

4. Consultation

Not applicable.

5. Next Steps

- Systems and processes will be amended to allow implementation from 1 April 2020.
- Invitations to apply will be sent in advance of vesting day

Background Papers	None
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Discretionary Rate Relief Policy

PROPOSED DECISION OR RECOMMENDATION

To agree the policy as set out in this report to take effect from April 2020

Executive summary

Local Authorities have a discretion to award Discretionary Rate Relief to charitable organisations under S47 Local Government Finance Act 1988. Each District Council in Bucks currently operates a slightly different scheme and it is recommended that a single scheme be agreed to take effect from 1st April 2020. This report explains the circumstances under which relief may be granted, and recommends a policy for approval.

Recommendations

1. The Discretionary Rate Relief Policy as set out in the Appendix be agreed
2. Standing orders for Buckinghamshire Council should encompass delegated authority for Officers to administer the scheme
3. That delegated authority is given to the Chief Financial Officer in consultation with the Portfolio Holder for Finance to agree future technical changes in respect of the policy for discretionary rate relief.

Policy aims

The aims of this policy are:

- To have a harmonised Discretionary Rate Relief policy for Buckinghamshire Council
- To continue to support local charitable organisations
- To be broadly cost neutral

Background and Issues

Discretionary Rate Relief can be granted under three specific circumstances:

1. The Ratepayer is a charity or trustees for a charity and property is wholly or mainly used for charitable purposes - this is often referred to as 'Top Up' and can be anything from 0-20%
2. Where all or part of the property is occupied for the purposes of one or more organisation not established or conducted for profit & whose main objects are charitable or otherwise philanthropic or concerned with education, social welfare, science, literature or the fine arts. This relief can be granted from 0-100%
3. The property is wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purposes of a club or society or other organisation not established or conducted for profit. This relief can be granted from 0-100%

Discretionary Rate Relief Policy

The District Council's expenditure on unfunded Discretionary Relief in 2018/19 was:

District	Estimated spend 2019/20
Aylesbury Vale DC	£303,000.
Chiltern DC	£166,599
South Bucks DC	£46,767
Wycombe DC	£231,000

The Authority has two options:

1. Continue with the existing 4 separate District schemes for 2020/21 and design a single scheme for 2021/22. This is the approach taken by Dorset Shadow Authority, primarily because the Authorities did not issue statutory 12 month cancellation notices to recipients. The Bucks District Authorities have issued these notices.
2. Design a unified scheme to take effect from 1st April 2020. A unified scheme will produce winners and losers.

Revenue Officers have reviewed the options and believe that as the existing schemes are broadly similar, a single scheme is both practical, achievable and is the most equitable approach for customers. In order to minimise the impact the proposed guidelines have been designed using the common factors of each District scheme.

The recommended new scheme is focused on local not for profit organisations making a contribution to the local community. The recommended officer guidelines are set out in Appendix A, but can be summarised as follows:

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Discretionary Rate Relief Policy

Financial implications

The cost of Discretionary relief usually falls on the Local Authority. However there are instances where relief is funded by the Government via section 31 grant. A good example of this is the 2 year Retail Relief scheme that commenced on 1st April 2019 (1/3rd off rates payable for certain retail properties with a rateable value of below 5,100)

The recommended scheme has been designed as a mid-point scheme between the individual schemes currently operated by the 4 Districts which will minimise the impact. The aim is for this harmonised Policy to be broadly cost neutral and is similar to the individual District schemes currently in operation although there may be some winners & losers, but the policy aims to keep this to a minimum, particularly as applications will be considered on their own merits.

Technical changes

Government Legislation can be quickly amended via Statutory Instruments, which occur throughout the course of the year. Any local schemes need to have a facility to make quick technical amendments to the Council's own scheme to provide clarification where different interpretations exist, or to reflect revised Government guidance or case law. This can be achieved by giving delegated authority to the Chief Financial officer in consultation with the appropriate Portfolio holder to make technical changes to the guidelines.

Appeals

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Conclusions

A single Discretionary Rate Relief scheme to commence from April 2020 is the best option

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Report for:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	23rd July 2019

Title of Report:	Devolution of Highways Services
Responsible Officer or Relevant Member:	Gill Harding / Mark Jaggard
Officer Contact:	Ruth Cover, 01296 382202, rcover@buckscc.gov.uk
Recommendations:	To extend funding for devolution of highways services for a further two years on the current terms to expire on 31.03.2022.
Corporate Implications:	Advice has been provided by HB Law which confirms that there is no legal issue with extending the funding for the existing legal agreements. HB Law have also advised that a deed of novation will not be required for the existing agreements; however local councils would need to be informed in writing of the change from Buckinghamshire County Council to Buckinghamshire Council.
Options: (If any)	The options considered would be to offer an extension of the current agreements for a maximum of two years. This would allow for the benefits already achieved through the current localism agenda to be maintained while allowing for the new devolution offer to be developed.
Reason: (Executive only)	<p>It is the officer recommendation to offer an extension for the maximum of two years. The timing for this item is to enable town and parish councils to plan for the next financial year. A wider devolution offer is being developed via the localism workstream. It is anticipated that this will go forward to the Shadow Executive in the autumn 2019 to inform the financial planning for town and parish councils for implementation in the subsequent year – 2021/22.</p> <p>It is also important to note that the existing devolution agreements contain a break clause. This allows for the agreements to be terminated by either party with six months' notice and provides flexibility.</p>

1. Purpose of Report

1. Devolution has been a key aspiration of Buckinghamshire County Council, and we have explored how we can further this aspiration through the devolution of some highways services. The agreements to devolve some highways services (following a one year extension agreed last year) are due to expire on 31.03.2020.

2. Executive Summary

2. Prior to 2014, there had been a number of devolution arrangements that had been developed over a number of years. A robust pilot took place during 2014 and following that a significant piece of work was undertaken to identify lessons learned and create a system that worked well for local councils

and for the County Council. In 2015 this new devolution offer was presented to all Town and Parish Councils. This offer consisted of a formalised agreement with standardised funding arrangements.

3. For those local councils that took up the offer in 2015 there was an enhanced funding arrangement. As well as some local councils receiving pump prime funding, local councils who signed up in Tranche 1 (2015 - 44 councils) were given the equivalent budget to deliver six grass cuts for year one of the agreements. From year two (2016) onwards, local councils received a 53% lower grass cutting budget (in line with MTFP). As a result, local councils starting as part of Tranche 2 (2016 - 45 councils) did not receive an initial year of higher budget. From 2016 onwards, the funding arrangements have remained the same. Both contract periods were due to expire on 31.03.2019.
4. In total, 87 out of 168 town and parish councils (local councils) are now engaged in delivering devolved highways services. One of the key services devolved is urban grass cutting, and 65% of urban grass across Buckinghamshire is now cut under a devolved arrangement.
5. In light of the unitary decision in 2018 and in order to allow for development of a new localism offer, a decision was made to extend the existing budget for a further year to 31.03.2020. The localism work stream is currently engaged with local councils to develop this new devolution framework. In order to provide sufficient time for this framework to be fully developed and recognising the budget setting timetable for local councils, it is necessary to review the current highways devolution agreements as they are due to expire in less than 8 months.
6. In addition to the standardised agreements, some local councils have been keen to explore what additional services could be delivered through devolved agreements. Five local councils recently undertook a pilot agreement to deliver minor road repairs on minor roads. This pilot ended on 30.06.2019 with a total budget of £46.2k, and results of the pilot are to be reviewed.
7. It is important to clarify that this report is not to discuss any future or enhanced devolution opportunities. The purpose is to provide continuity for Local Councils with existing devolution agreements while a future devolution offer is considered and developed. Any future or further devolution will be picked up in line with the devolution framework being developed by the Localism work stream.

3. Content of Report

Background

8. Devolution of Highways Services to local councils has been an ongoing process since 2006. BCC on 31.03.2020. currently has agreements with 87 local councils who deliver a package of highways services which are due to expire
9. The services provided by Local Councils as a result of these agreements include:
 - A. urban grass cutting,
 - B. hedging,
 - C. siding out
 - D. Rights of Way clearance
 - E. Weed killing – specific itemised weeds on footways
 - F. Maintenance – e.g. checking for obstructions, minor street furniture repairs & cleaning, removal of fly posters, approval of charity event advertising
10. In addition to the above, five local councils have also been taking part in a pilot scheme to fill minor potholes on minor roads. These local councils are: Buckingham Town Council, Gerrards Cross Town Council, Mentmore Parish Council, Stone with Bishopstone and Hartwell Parish Council, and Waddesdon Parish Council. This pilot ended on 30.06.2019 and had a total budget of £46.2k, and results of the pilot are to be reviewed.

11. The devolution model and associated agreements that were brought in from 2015 have resulted in a number of benefits. Local councils have reported that this has enabled them to deliver a more bespoke service offering to residents using local knowledge to make local decisions. From a County Council perspective, this has reduced the number of service delivery queries received as these are now handled by the local councils. This has supported a reduction in overheads. As well as keeping costs contained for a known period, it: allows for the funding of local highway environmental works to be prioritised based on local preferences rather than being restricted to a county wide delivery programme; has social and community benefits such as encouraging self-help, social enterprise employment and creation of new jobs; and is an opportunity to trigger a broad community appetite for self-delivery and community action (e.g. community buses, libraries). An additional benefit is that it enables local council's to enhance the funding available and increase the level of service if supported locally.
12. The purpose of this paper is to seek agreement on extending the current arrangements for a further period of time while the new Council's wider devolution offer is developed and finalised. Any new devolution offer would supersede the existing highways devolution arrangements and could potentially provide the opportunity for further devolution in the highways service area.

Timeline

2006 – 2012 – 23 'bespoke' agreements with local councils were initiated.

2014 – Following a pilot, a package of defined devolved functions was agreed with interested local councils.

2015 – All previous agreements were terminated and 44 local councils signed up to the new devolution agreement for a 4 year period (Tranche 1).

2016 – An additional 45 local councils accepted the devolution offer making a total of 86 in Buckinghamshire delivering devolved services (Tranche 2). The remaining local councils continued to have services delivered by Transport for Buckinghamshire.

2018 – A pilot scheme commenced allowing 5 local councils to deliver minor road repairs on minor roads. The MoU was originally due to expire on 31.03.2019 however a variation was issued extending this to 30.06.2019. The total budget for this pilot is £46.2k.

2019 – A 1 year budget extension, which commenced 01.04.2019, was offered to local councils who already had an existing devolution agreement. 87 local councils took up the offer, declined the offer of an extension.

Benefits Achieved

13. Following the pilot in 2014, a significant piece of work was undertaken to identify lessons learned and create a system that works well for local councils and for the County Council. As a result of this, a robust framework was created for Tranche 1 (2015) and Tranche 2 (2016) which set out the expectations that Buckinghamshire County Council had of local councils and which local councils could expect of the County Council. The new agreements for Tranche 1 and 2 have formalised agreements with standardised funding arrangements.
14. Devolution enhances local decision making. Local councils have the option to prioritise and enhance the service they provide using their precept. Services that would not usually be prioritised under the Transport for Buckinghamshire contract (for example sign cleaning) can be delivered under the devolution agreement.
15. Devolution creates jobs in local communities. No jobs have been lost from the Transport for Buckinghamshire contract as a result of the agreements; however jobs have been created to carry out the functions that have been devolved.

16. The customer interface regarding the devolved functions is now managed by the relevant local council. Between 2014/15 and 2015/6 – in line with the introduction of the first standardised devolution agreements – the County Council contact centre received 50% fewer complaints relating to grass cutting.
17. On 2nd November 2018, it was agreed to extend the existing devolution agreements by a further year to expire on 31.03.2020. This decision was made linked to align with the broader localism agenda incorporated in the unitary process. The new localism agenda is still being developed, and there was concern that current arrangements would cease ahead of the new local agenda/arrangements being confirmed. Local councils undertake budget setting in the autumn, and so extending the arrangement allowed local councils to be in an informed position ahead of setting their budgets. When offered the opportunity to extend the arrangement, all but two local councils agreed to continue. This shows that from the local council perspective this has been a success.

Principles

18. Localism is a key strand in the new unitary model.
19. The Localism work-stream (as part of the Community Board) is undertaking a piece of work to design a new devolution offer to Local Councils. This report and decision is not regarding this new offer, and any future or further devolution should be considered in line with the new devolution framework.
20. Any decisions taken as a result of this paper would need to fit in with current discussions with regards to MTFP.

Legal implications

21. Funding for existing devolution agreements is due to expire on 31.03.2020 (unless either party exercises their right to activate the 6 month break clause ahead of 30.09.2019). These agreements have been prepared by BCC legal team in 2015/2016. Deeds of variation were prepared by HB Law in 2018. It is important to note that the agreements themselves do not have an end date, it is the funding period which is due to expire.
22. Advice has been provided by HB Law which confirms that there is no legal issue with extending the funding for the existing legal agreements. HB Law have also advised that a deed of novation will not be required for the existing agreements; however local councils would need to be informed in writing of the change from Buckinghamshire County Council to Buckinghamshire Council.
23. It is important to note that legally it is the function of the Council that is devolved, not the statutory responsibilities to deliver the functions. Local Councils are obliged to follow '*Safety at Street Works and Road Works: A Code of Practice*' as issued by the DfT.

Options

24. The options considered would be to offer an extension of the current agreements for a maximum of two years. This would allow for the benefits already achieved through the current localism agenda to be maintained while allowing for the new devolution offer to be developed.
25. It is the officer recommendation to offer an extension for the maximum of two years. The timing for this item is to enable town and parish councils to plan for the next financial year. A wider devolution offer is being developed via the localism workstream. It is anticipated that this will go forward to the Shadow Executive in the autumn 2019 to inform the financial planning for town and parish councils for implementation in the subsequent year – 2021/22.
26. It is also important to note that the existing devolution agreements contain a break clause. This allows for the agreements to be terminated by either party with six months' notice and provides flexibility

should a new Localism offer be ready earlier than currently anticipated or should there be any other reason to end the agreement.

27. In line with the decision on extending the highways devolution agreements, it may be appropriate to also extend the pilot pothole filling arrangements.

Recommendations

28. Having considered a number of options, the recommendation is to endorse to Members extending funding for devolution of highways services for a further **two** years on the current terms to expire on 31.03.2022.

This provides consistency for local councils and requires ultimately less resource than undertaking two one year extensions.

29. CIG has discussed and agreed this recommendation.

4. Consultation

30. Not applicable.

5. Next Steps

31. Should the recommendation be accepted, resource would need to be identified to deliver the extension of the funding for the devolution services. A key task would be to engage and communicate with the local councils and to engage with legal to prepare an agreement variation.

Background Papers	None.
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