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19 June 2012

## **S U M M O N S**

**MEETING:** Policy and Organisation Board  
**DATE:** 27 June 2012  
**TIME:** 6.00 pm  
**PLACE:** Committee Room 1, Town Hall, Gosport  
**Democratic Services contact:** Geoff Rawling

LINDA EDWARDS  
BOROUGH SOLICITOR

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### **MEMBERS OF THE BOARD**

The Mayor (Councillor Dickson) (ex-officio)  
Councillor Hook (Chairman)  
Councillor Burgess (Vice-Chairman)

Councillor Beavis	Councillor Langdon
Councillor Carter CR	Councillor Philpott
Councillor Chegwyn	Councillor Ronayne
Councillor Lane	Councillor Wright

### **FIRE PRECAUTIONS**

(To be read from the Chair if members of the public are present)

**In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.**

**IMPORTANT NOTICE:**

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

**NOTE:**

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

**AGENDA**

**PART A ITEMS**

RECOMMENDED  
MINUTE FORMAT

1. APOLOGIES FOR NON-ATTENDANCE

2. DECLARATIONS OF INTEREST

*All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.*

3. MINUTES OF THE MEETINGS OF THE BOARD HELD ON 14 MARCH 2012 AND 16 MAY 2012.

4. DEPUTATIONS – STANDING ORDER 3.5

*(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday, 25 June 2012. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).*

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

*(NOTE: The Board is required to allow a total of 15 minutes for questions from members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday, 25 June 2012).*

6. LOCAL AGREEMENTS AND POLICIES - UPDATES

PART II

*To advise Members of updates to a number of the Council's employment policies/agreements, and seek approval for them, namely:*

Contact Officer:  
Kathy Inch  
Ext 5224

*IT policies: Removable Media, Email Acceptable Use, Internet Acceptable Use, IT Access; and other general employment policies: Workforce Development Plan, People Management Strategy, Motoring Policy, Fire Warden Agreement, Trade Union Facilities Agreement, Employee Communications Policy.*

7. REGIONAL GROWTH FUND – SOLENT ENTERPRISE ZONE - DAEDALUS

PART II

*To advise Members of a successful bid to the Regional Growth Fund and request approval for the Council to act as Accountable Body for the Enterprise Zone expansion fund.*

Contact Officer:  
Ian Lycett  
Ext 5201

Policy and Organisation Board  
27 JUNE 2012

- |     |  |   |
|-----|--|---|
| 8.  | SOLENT ENTERPRISE ZONE AT DAEDALUS BUSINESS RATE   | PART II   |
|     | <i>To inform members on the feedback from the recent consultation on the draft business rate discount policy proposed for the Solent Enterprise Zone at Daedalus and to agree a policy for formal adoption and implementation.</i>                               | Contact Officer:<br>Julian Bowcher<br>Ext 5551  |
| 9.  | MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL STRATEGY  | PART II   |
|     | <i>To consider the updated Medium Term Financial and Capital Strategies.</i>   | Contact Officer:<br>Julian Bowcher<br>Ext 5551  |
| 10. | CHILDREN, YOUNG PEOPLE AND VULNERABLE PEOPLE POLICIES (SAFEGUARDING POLICY)  | PART II   |
|     | <i>To seek the approval of the Policy and Organisation Board for the proposed policies in respect of children, young people and vulnerable adults (Safeguarding).</i>  | Contact Officer:<br>Kim Carron<br>Ext 5512      |
| 11. | LOCALISATION OF COUNCIL TAX SUPPORT  |   |
|     | <i>The purpose of this report is to inform Members of Government proposals for the cessation of the national Council Tax Benefit scheme and the requirement for the Council to introduce a new local Council Tax Support scheme for customers on low income.</i> | Contact Officer:<br>Stephanie Pride<br>Ext 5338 |
| 12. | ANY OTHER ITEMS<br>which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.   |   |

## Agenda item no. 5

<b>Board/Committee:</b>	<b>POLICY AND ORGANISATION BOARD</b>
<b>Date of meeting:</b>	<b>27<sup>th</sup> JUNE 2012</b>
<b>Title:</b>	<b>LOCAL AGREEMENTS AND POLICIES - UPDATES</b>
<b>Author:</b>	<b>HEAD OF PERSONNEL</b>
<b>Status:</b>	<b>FOR DECISION</b>

### **Purpose**

To advise Members of updates to a number of the Council's employment policies/agreements, and seek approval for them, namely:  
IT policies: Removable Media, Email Acceptable Use, Internet Acceptable Use, IT Access; and other general employment policies: Workforce Development Plan, People Management Strategy, Motoring Policy, Fire Warden Agreement, Trade Union Facilities Agreement, Employee Communications Policy.

### **Recommendation**

That the Board approve the following for adoption forthwith:

- Updated Removable Media, Email Acceptable Use, Internet Acceptable use and IT Access policies (Appendices A, B, C and D).
- Revised Workforce Development Plan (Appendix E),
- Revised People Management Strategy (Appendix F),
- Revised Motoring Policy (Appendix G),
- Fire Warden Agreement (Appendix H),
- Updated Trade Union Facilities Agreement (Appendix I)
- Revised Employee Communications Policy (Appendix J).

## **1. Background**

- 1.1** It is necessary to review and update employment policies as circumstances/legislation change.
- 1.2** A number of policies/agreements have recently been reviewed and updated and are brought to the Board for approval. They have all been the subject of consultation with UNISON.

## **2. Report**

### **2.1 IT Policies**

It is vital that there a number of policies in place to clarify responsibilities and ensure that IT systems are used appropriately.

The opportunity has been taken by the Head of IT to update four of the Council's policies, i.e. those relating to IT access, internet use, email use and removable media.

## **2.2 Workforce Development Plan and People Management Strategy**

The Council's first Workforce Development Plan was produced in 2007. The Plan covers 3 to 5 years, and it has now been revised to take account of circumstances both now and for the next few years. The Plan is an important document in ensuring that appropriate skills and capacity are available to meet future demands.

The Plan has been produced following discussions with the Chief Executive and each member of Council Management Team, and reflects those issues identified by the Local Government Workforce Strategy as needing consideration by Councils.

The issues identified will be incorporated in a detailed Action Plan, which will be regularly monitored by the Organisation Sub-Group.

The People Management Strategy – which describes the way the Council manages its workforce and the actions necessary for that purpose - has also been updated to take account of developments since it was last reviewed.

## **2.3 Motoring Policy**

The Motoring Policy, which covers important issues related to travelling on business and clarifies roles and responsibilities, was produced in 2008 and has now been updated.

## **2.4 Fire Warden Agreement**

Staff have been undertaking fire warden duties for many years, but the requirements of that role have not previously been formally documented. This Agreement is similar to that which applies to First Aiders, and has been recommended for adoption by the Safety Committee.

## **2.5 Trade Union Facilities Agreement**

This Agreement has been updated to take account of the fact that UNISON are now the only recognised Trade Union with members employed in the Council. The Agreement is in accordance with the most recent ACAS Code of Practice – Time Off for Trade Union Duties and Activities – dated 2010.

## **2.6 Employee Communications Policy**

This policy has been revised to ensure that it covers all forms of communication and clarifies for employees what is expected, what other policies and guidance they should refer to in connection with communication, and monitoring provisions.

### **3. Risk assessment**

- 3.1** The Workforce Development Plan and People Management Strategy assist in ensuring that appropriate action is taken to meet and manage the workforce and development needs of the Council for the next 3 to 5 years.
- 3.2** The IT policies clarify the responsibilities of the Council and its staff, thus minimising the risk of abuse of IT systems.
- 3.3** The Fire Warden agreement clarifies the role and responsibilities of staff who undertake this important task, thus avoiding the risk of confusion or misunderstanding and assisting in managing an emergency situation.
- 3.4** The Trade Union Facilities Agreement confirms the facilities which will be provided by the Council, and the responsibilities on both sides in this connection.
- 3.5** The Communications Policy clarifies responsibilities of employees, the range of documents relating to communication, and the Council's monitoring provisions.

### **4. Legal Implications**

- 4.1** The Council's contracts of employment confirm that staff are bound by formally adopted policies and local agreements.

### **5. Financial Implications**

- 5.1** There are no direct financial implications, other than the payment for Fire Wardens for which budget provision has already been made.

### **6. Conclusion**

- 6.1** There are a number of policies/local agreements which have recently been reviewed and revised, and these are brought to the Board for formal approval, having already been considered by the Council's Local Joint Staff Committee.

<b>Financial services comments:</b>	None
<b>Legal Services comments:</b>	Contained in the report
<b>Crime and Disorder:</b>	
<b>Equality and Diversity:</b>	The Council's major employment policies have been assessed for equality impact. Employment processes, procedures and policies are regularly monitored for equality purposes.
<b>Service Improvement Plan implications:</b>	
<b>Corporate Plan:</b>	
<b>Risk Assessment:</b>	Paragraph 3
<b>Background papers:</b>	
<b>Appendices/Enclosures:</b>	Appendix A – Removable Media Policy Appendix B – E-mail Acceptable Use Policy Appendix C – Internet Acceptable Use Policy Appendix D – IT Access Policy Appendix E – Workforce Development Plan Appendix F – People Management Strategy Appendix G – Motoring Policy Appendix H – Fire Warden Agreement Appendix I – Trade Union Facilities Agreement Appendix J – Communications Policy
<b>Report author/Lead Officer:</b>	Kathy Inch



## AGENDA ITEM NO. 7

<b>Board/Committee:</b>	POLICY & ORGANISATION BOARD
<b>Date of Meeting:</b>	27 <sup>TH</sup> JUNE 2012
<b>Title:</b>	REGIONAL GROWTH FUND – SOLENT ENTERPRISE ZONE - DAEDALUS
<b>Author:</b>	CHIEF EXECUTIVE
<b>Status:</b>	FOR DECISION

### **Purpose**

To advise Members of a successful bid to the Regional Growth Fund and request approval for the Council to act as Accountable Body for the Enterprise Zone expansion fund.

### **Recommendation**

It is recommended that the Board:

- (i) Approve the Council acting as Accountable Body for the Solent Enterprise Zone expansion fund.

### **1 Background**

- 1.1 The Council have been successful with the support of the Solent Local Enterprise Partnership in attracting £2,940,000 of Regional Growth Fund.
- 1.2 The money is available as “The Solent Enterprise Zone Aerospace, Aviation and Marine Expansion Fund” and will be, as the name suggests, available for businesses located on or moving onto the Solent Enterprise Zone at Daedalus airfield.
- 1.3 The Fund will be distributed in awards between £50,000 and £200,000 and will be used to create or safeguard jobs to leverage private sector investment onto the Zone.
- 1.4 It is anticipated that this Fund will form a key component in accelerating the over-arching aim of creating around 4,000+ jobs on the Daedalus Enterprise Zone.

### **2 Administrrating the Fund**

- 2.1 Gosport Borough Council has been asked by BIS to be the Accountable Body for the Fund. The Council would, in this role, receive the money from BIS and then distribute the awards to the successful businesses.

- 2.2 Bids to the Fund will be considered by an “Investment Panel”. The Panel will consist of a representative of the Solent LEP, 2 senior managers from High Street Banks with experience in supporting business, the Chairman of the Federation of Small Businesses, a person with experience from the small/medium business sector, a representative from Fareham Borough Council, the Executive Director of PUSH, and from Gosport Lynda Dine, Head of Economic Prosperity, Tourism & Culture and the Council's Section 151 Officer, Julian Bowcher, but the Council will have a veto if the Section 151 Officer is unhappy with the bid.
- 2.3 Any business wishing to apply to the Fund will first submit an Expression of Interest outlining their proposal. If the Panel believe the proposal to be a strong one, the business will be asked to submit a full application to the Panel.
- 2.4 The Fund was launched on the 15<sup>th</sup> June 2012 with a deadline for the first Expressions of Interest in July. It is anticipated that the first awards will be made in the early Autumn.

### **3 Risk Assessment**

- 3.1 In accepting the role of Accountable Body, the Council is at risk should an award be made to a business and this business either fail to meet agreed targets or it transpires they were not entitled to the Fund and the business cannot repay the Grant. In these circumstances the Council may be required to repay the award to BIS.
- 3.2 This risk has been significantly mitigated by
- (i) The Council having absolute discretion in the payment of any award to a business. Should the Section 151 Officer be in any doubt, the award will not be made
  - (ii) All awards will be by stage payments and linked to performance milestones. An additional 15% of the money will be retained until a completion report is produced showing that all targets have been met.
  - (iii) The maximum award will be £200,000
  - (iv) A programme officer will be allocated by PUSH to monitor the Fund and its beneficiaries and will produce regular reports on progress
  - (v) The Solent LEP Board will receive a performance report on the Fund twice a year

- (vi) The Investment Panel includes considerable expertise from members who are professionals in the field of assessing bids for financial assistance from Business.

#### **4 Financial Implications**

- 4.1 The financial implications are outlined above in this report should an issue occur with a recipient of the Fund.
- 4.2 The Council will receive 5% of the Fund to administer the programme.

#### **5 Conclusion**

- 5.1 The Solent Enterprise Zone has the potential to create around 4,000 jobs on the Gosport peninsula and has already significantly raised the profile of the Borough and the Council with both the National Business Community and the Government.
- 5.2 The Regional Growth Fund award of £2,940,000 will help encourage businesses to locate to the Enterprise Zone and encourage those already on the Zone to expand and create more jobs.
- 5.3 By acting as the Accountable Body for the Fund, the Council does accept a small financial risk but it also makes a clear statement of its support for business and it will be playing a strong and influential role in the development of the Enterprise Zone.

<b>Financial Services comments:</b>	As contained in the report. No direct budgetary implications
<b>Legal Services comments:</b>	Contained in the report
<b>Crime and Disorder:</b>	N/A
<b>Equality and Diversity:</b>	Equality assessments will be carried out
<b>Service Improvement Plan implications:</b>	N/A
<b>Corporate Plan:</b>	Creation of employment
<b>Risk Assessment:</b>	Paragraph 3 refers
<b>Background papers:</b>	Nil
<b>Appendices/Enclosures:</b>	None
<b>Report author/ Lead Officer:</b>	Ian Lycett, Chief Executive

## Agenda item no. 8

<b>Board/Committee:</b>	Policy and Organisation Board
<b>Date Of Meeting:</b>	27 June 2012
<b>Title:</b>	Solent Enterprise Zone at Daedalus Business Rate
<b>Author:</b>	Financial Services Manager
<b>Status:</b>	For Decision

### Purpose

To inform members on the feedback from the recent consultation on the draft business rate discount policy proposed for the Solent Enterprise Zone at Daedalus and to agree a policy for formal adoption and implementation.

### Recommendation

The Board is requested to:-

- (i) Note and consider the feedback from the consultation exercise on the proposed business rate discount policy for the Solent Enterprise Zone at Daedalus
- (ii) Approve the proposed business rate discount policy for the Solent Enterprise Zone at Daedalus falling within the Borough as set out in Appendix A to this report.

## 1.0 BACKGROUND

1.1 Following an application by the Solent Local Enterprise Partnership (Solent LEP), 82 hectares (202 acres) of land at the Daedalus airfield has been designated as an Enterprise Zone (EZ). By achieving this status, the Solent LEP, (working with its local authority partners in South Hampshire and the Homes and Communities Agency), is seeking to develop the EZ as a premier location for advanced manufacturing and technology, focusing on marine, aviation and aerospace businesses. Specifically, the objectives of the Enterprise Zone are to:

- create up to 3,700 jobs by 2026
- promote an advanced manufacturing and technology cluster focused on marine, aviation, and aerospace;
- utilise the incremental growth in retained business rates to unlock the full potential of this and other Solent employment sites;
- provide a catalyst for the economic regeneration of Gosport.

1.2 All EZ's will benefit from:

- A business rate discount worth up to £275,000 per business over a five year period;
- All business rates growth within the zone for a period of at least 25 years will be retained by the local area, to support the LEPs economic priorities and ensure that EZ growth is reinvested locally;
- a simplified planning approach for the EZ; and
- Government support to ensure that superfast broadband is rolled out throughout the EZ.

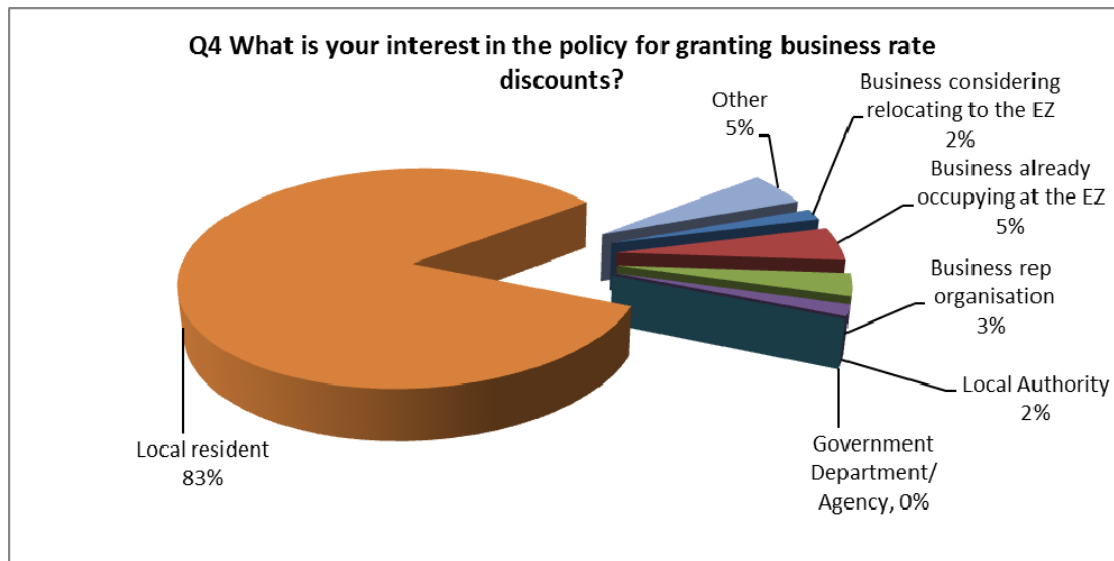
**2.0 PROPOSED POLICY FOR GRANTING BUSINESS RATE DISCOUNT - SOLENT EZ AT DAEDALUS**

- 2.1 The Localism Act 2011 contained provisions that enables local authorities to introduce discounts on the Non Domestic Rate bills of businesses in their areas from 1 April 2012.
- 2.2 In general, billing authorities will be able to grant business rate discounts as they see fit, and will fund these themselves. However in the case of EZs, central Government will reimburse the costs of the discount given to businesses in the zone, provided the discount was granted in the specified circumstances.
- 2.3 The specified circumstances are that Central Government will reimburse the costs of providing up to a 100% discount for 5 years up to the state aid de minimis threshold for businesses that enter the EZ by 31 March 2015, e.g. if a business enters an EZ on 31 March 2015, it will receive the discount until 30 March 2020. Government will reimburse the costs of business rate discounts granted to businesses within the defined area of the zone, including any businesses already located in the zone on 1 April 2012.
- 2.4 Recognising that the Enterprise Zone falls within the two administrative boroughs of Gosport and Fareham, it is envisaged that the rate relief will be applied consistently and using the same policy criteria for the two local authorities.
- 2.5 To this end, officers have worked in collaboration with counterparts at Fareham Borough Council, to develop a draft policy that defines the circumstances by which business rate discounts will be granted to businesses within the Solent Enterprise Zone at Daedalus and this is attached at Appendix A.

**3.0 CONSULTATION EXERCISE**

- 3.1 In order to seek views on the proposed policy a consultation exercise has been carried out between 16 April 2012 and 20 May 2012. The consultation exercise was carried out online, hosted on the Fareham Borough Council website (with a link via this Council's website), and was publicised through a series of press releases to the local media. Businesses which already occupy premises at Daedalus were contacted directly, to make them aware of the draft policy, as were other stakeholder organisations (Solent Local Enterprise Partnership, Partnership for Urban South Hampshire, Homes and Communities Agency, Maritime and Coastguard Agency, Hampshire County Council, Department for Communities and Local Government, Chambers of Commerce, Federation of Small Businesses, Institute of Directors)
- 3.2 A total of 60 residents and organisations responded to the consultation, including local residents (50no.), Hampshire County Council, businesses already located on the site (3no.) and those interested in relocating to it (1no.), and other stakeholder organisations (5no.).
- 3.3 The consultation exercise sought responses to the following questions:-
- Q1 Do you think the business rate discount policy is suitable for businesses that choose to move into property in the Solent Enterprise Zone at Daedalus?
  - Q2 Do you think the business rate discount policy is suitable for businesses that are already located in either the Solent Enterprise Zone at Daedalus or Fareham and Gosport?
  - Q3 Do you have any comments about the policy for granting business rate discounts in the Solent Enterprise Zone at Daedalus?
  - Q4 What is your interest in the policy for granting business rate discounts?

### 3.4 The composition of those responding was:-



3.5 The table in Appendix B contains all comments made from respondents to question 3. In broad terms, the comments refer to five topics.

#### 3.5.1 General Support

The largest proportion (40%) of comments expresses general support for the policy, with no specific themes being raised for reconsideration.

#### 3.5.2 Policy scope

A number of comments concerned the scope of the policy. There was no consistent theme in this regard however, some comments suggest broadened criteria for businesses to qualify, especially small businesses and those already on site. *Response: While the sentiment is supported, the site was awarded Enterprise Zone status for specific purposes, and any policy must support those purposes. The policy does not preclude small businesses or existing businesses from benefiting, as long as they contribute to the aims (either directly or as part of the supply chain) to the EZ.*

#### 3.5.3 Controls

A number of comments (16%) raised concerns about the need for safeguards that should be in place to ensure that businesses added value over a long period of time (i.e. not just while rate discounts apply), and should not necessarily be equivalent to the full value of rates due, or with a claw back clause in place so that rate subsidies

can be recovered if necessary. *Response: The nature of the support is such that a capped limit (other than State Aid limits) cannot be introduced. Introducing a form of clawback arrangement could be considered, but it is felt that this may act as a disincentive for businesses to invest in the zone, if a series of conditions are applied. Businesses will need to demonstrate a continued positive contribution to the aims of the EZ on an annual basis (e.g. through the nature of work undertaken, economic and/or employment growth, etc.), and the Council is able to cease rate support at any point. Therefore, as part of any award, it will be made clear that the Council reserves the right to withdraw and reclaim any discount where deemed appropriate.*

#### **3.5.4 Transport and Infrastructure**

Some comments raised concerns about the capabilities of transport and other infrastructure to be able to cope with the economic growth that should be derived from the Enterprise Zone. *Response: These are valid concerns which have been raised, and the nature of any development will need to be deliverable and sustainable for the long term, without adding further undue strain on existing infrastructure. Such issues will be addressed through the planning framework for the zone, rather than the rate discount policy.*

#### **3.5.5 Employment**

Respondents recognised the importance of employment growth at the Enterprise Zone and felt that rate discounts should be linked in some way to the number of new jobs provided as a result of occupying premises there. *Response: While measuring employment growth is entirely relevant, applying a growth measure is likely to act as a disincentive to investment, as discounts would have to be offered in retrospect (giving rise to a cash flow issue for companies), or paid then recovered at a later date if targets are not achieved. At this time, therefore, no such criteria are proposed, but this will be kept under review.*

### **4.0 IMPLICATIONS OF CONSULTATION FOR THE DRAFT POLICY**

- 4.1 Given the results of the consultation exercise were generally positive and supportive, it is not proposed at this time to make any changes to the draft policy.
- 4.2 The process for applying for the rate discount has been designed and an application form prepared, together with accompanying



explanatory notes. This process will clarify the issues around controls that were raised by a number of respondents.

- 4.3 If, at a later date, it is felt that the policy requires revision or refocus, then this is possible.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications in implementing this policy as Central Government will fully reimburse this Council for any discounts granted.

- 5.2 The costs of setting up and administering the policy will be met from existing staff resources.

## **6.0 RISK ASSESSMENT**

- 6.1 Once the policy has been formally adopted, there is a risk that it may not be applied consistently, resulting in an appeal against the Council's decision. To mitigate this risk, the policy has been structured using broad (rather than specific) terminology, and arrangements will be put in place to compare decisions made both within and across the rating authorities, to ensure consistency.

- 6.2 There is a further risk that legislation may change, resulting in the respective Councils having to meet the cost of the discount being applied. This is unlikely, subject to ensuring the rules on State Aid are complied with and given current Government policy, but in this situation the Councils may reconsider the policy each year to mitigate this risk.

- 6.3 The advantageous nature of this policy may result in displacement within the boroughs, and beyond. With the forthcoming local government resource review, this could have an adverse effect on the financial position of the Councils concerned. It may, therefore, be necessary to reconsider the policy once the Resource Review proposals are clarified.

- 6.4 There is a risk that the policy may give rise to the granting of discounts to organisations, which are not entitled due to state aid restrictions. In this scenario, the Council would seek to recover such discounts, and to mitigate this risk, a robust application process has been put in place.

- 6.5 More significantly, it is conceivable that the policy may not derive the benefits that are sought for the Enterprise Zone. It is important to note that rate discounts will be one of a number of mechanisms in which the Council will be supporting economic regeneration of this site. If it is felt that the policy is no longer fit for purpose in the future, it may be revised at any point.

## 7.0 CONCLUSION

- 7.1 Maximising local employment opportunities and attracting investment into the Borough are Strategic Priorities of this Council and the creation of a thriving advanced manufacturing and technology, focusing on marine, aviation and aerospace business employment area at Daedalus will significantly assist in achieving these objectives. The draft policy attached in Appendix A will support these priorities enabling business rate discounts to be granted to the businesses which fulfil the criteria and positively contribute to the objectives of the Enterprise Zone. The policy will apply retrospectively from 1 April 2012.

<b>Financial Services comments:</b>	As detailed in the report
<b>Legal Services comments:</b>	Contained in the report
<b>Crime and Disorder:</b>	
<b>Equality and Diversity:</b>	
<b>Service Improvement Plan implications:</b>	None
<b>Corporate Plan:</b>	Policy supports Strategic Priorities regarding increasing employment and investment in the Borough.
<b>Risk Assessment:</b>	See Paragraph
<b>Background papers:</b>	None
<b>Appendices/Enclosures:</b>	
Appendix 'A'	Solent Enterprise Zone at Daedalus-Policy For Granting Business rate Discounts
Appendix 'B'	Comments from Respondents on Q3 of the Consultation exercise
<b>Report author/ Lead Officer:</b>	Julian Bowcher



**FAREHAM** BOROUGH  
COUNCIL  
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## **SOLENT ENTERPRISE ZONE AT DAEDALUS POLICY FOR GRANTING BUSINESS RATE DISCOUNTS**

### **1.0 Purpose**

- 1.1 The purpose of this policy is to define the circumstances in which the rating authorities, (Fareham Borough Council and Gosport Borough Council), will grant a business rate discount to occupiers of non-domestic properties located within the Solent Enterprise Zone at Daedalus.
- 1.2 The Solent Local Enterprise Partnership, working with its local authority partners in South Hampshire and the Homes and Communities Agency is committed to developing the Enterprise Zone as the Solent's premier location for advanced manufacturing and technology, focusing on marine, aviation and aerospace businesses.
- 1.3 It is intended that applications for business rate discounts will be considered favourably where they contribute to the objectives for the Enterprise Zone which are to:
  - create up to 3,700 jobs by 2026
  - promote an advanced manufacturing and technology cluster focused on marine, aviation, and aerospace;
  - utilise the incremental growth in retained business rates to unlock the full potential of this and other Solent employment sites;
  - provide a catalyst for the regeneration of Gosport as the least economically viable area in South Hampshire.

More information can be found on the Solent LEP website, [www.solentlep.org.uk](http://www.solentlep.org.uk).

## **2.0 Business Rate Discounts**

2.1 Businesses that occupy property in the Solent Enterprise Zone are eligible for a discount up to 100% of business rates payable, up to the value of £55,000 a year and a maximum of £275,000 in any 5 year period, as long as:

- the business is located within the defined boundary of the Enterprise Zone; *and*
- the business is registered to pay national non-domestic rate before 31 March 2015; *and*
- the business is not currently occupying business premises within the Enterprise Zone boundary.

2.2 In applying for the discount, occupiers will need to demonstrate how their business supports the objectives of the Enterprise Zone. To this end, the rating authorities will expect occupants to demonstrate their involvement in the sectors targeted by the Enterprise Zone, and provide appropriate evidence.

2.3 For those businesses

- already located in the Enterprise Zone prior to 1<sup>st</sup> April 2012, or
- already located within the boroughs of Fareham or Gosport;

a business rate discount may be granted where the applicant can demonstrate that their occupation of premises at the Solent Enterprise Zone supports the objectives of the Enterprise Zone, and seeks to achieve one or more of the following during the five year period in which the business rate discount may be payable:-

- i. occupation of larger business premises; or
- ii. a considerable increase in the permanent workforce of the business; or
- iii. a substantial increase in the turnover of the business; or
- iv. re-location to support another organisation also located in the Enterprise Zone (e.g. to reduce transport activity or to further the achievement of the aims of the Zone).

2.4 The application form is attached to this policy and, once complete, it should be submitted to the rating authority relevant to the location of the business premise.

Applications will be considered on an individual basis in relation to this policy and will normally be determined within 1 month of

receipt, the outcome of which will be notified to the occupier in writing. All decisions will be made recognising the EU restrictions concerning state aid and other legislation that may apply from time to time.

### **3.0 Appeals**

3.1 In circumstances where an application for business rate discount has been declined, the applicant may appeal for this to be reconsidered. A request for appeal should be made in writing to the relevant Rating Authority, no later than 3 months after the date of determination;

- Appeals in the Fareham borough should be addressed to the Director of Finance and Resources, Fareham Borough Council.
- Appeals in the Gosport borough should be addressed to the Borough Treasurer, Gosport Borough Council.

3.2 Discounts may only be applied where the application meets the criteria of the policy, and sufficient supporting evidence has been provided. Decisions to grant a discount which is contrary to this policy can only be considered by the Executive (Fareham Borough Council), or Policy and Organisation Board (Gosport Borough Council), and this would only occur in very exceptional circumstances.

### **4.0 Further Information**

4.1 For further information about the administration of this policy, please contact :-

Local Taxation Team  
Fareham Borough Council  
(01329 824651)

Business Rates Section  
Gosport Borough Council  
(023 9254 5467)

[businessrates@fareham.gov.uk](mailto:businessrates@fareham.gov.uk) [businessrates@gosport.gov.uk](mailto:businessrates@gosport.gov.uk)

### **Attachments**

[Map, defining the Solent Enterprise Zone at Daedalus](#)



## Appendix B

Q3 Do you have any comments about the policy for granting business rate discounts in the Solent Enterprise Zone at Daedalus?
Creating 3700 jobs by 2026 is not a job creation scheme but an insult if you do the arithmetic based on the revenue Vs cost per job created. Furthermore the businesses that would be eligible are too narrow and the ones that are targeted would not consider Gosport as the skill base is not there to support them. Finally access to the Daedalus site has not been considered so for example moving aeroplane wings would never happen on the road system and the extra traffic created by the potential extra jobs would never be possible with the current travel systems.
There are a lot of existing small businesses on this site who have already helped the economy of Gosport and Fareham who will not be eligible for business rate reduction or even, it seems will be welcome to continue their businesses on Daedalus, are they going to be helped or relocated at all or just left high and dry. Yet again small businesses seemed to be ignored, some of us have no other option but to remain small to stay in business in this time of economic hardship, many of the small businesses already onsite that are able to employ, use people from the surrounding area, how many local people will actually have the qualifications to be employed within these specialised areas.
Go ahead with the proposal
Anything that encourages industry and jobs to this area should be welcomed. When Daedalus was a naval establishment it brought jobs to local people and spending to the local economy and if it can be filled to capacity again should do the same for the area. Good initiative by the two local councils!
I think that all potential business enterprises should be given an appropriate discount as long as they can demonstrate a long term strategy and a potential for on-going development. The grant conditions should not be too stringent in the initial stages, to encourage businesses to the area and to attract on-going investment.
all business owners need all the help you can give at present and more firms setting up will help create more jobs
If it helps create jobs it has to be good
Limited encouragement for businesses to relocate into the zone is welcome, but safeguards should be included to prevent business moving from one enterprise zone to another as the discounts expire.
Low /nil taxation will always attract business, the resultant loss in taxation will always be made in different taxations sectors, in business attracts customers and therefore employment, employment is the key to a successful economy
This policy should encourage firms to take on employees - if so that would be a great idea.

By discounting business rates for existing and potential "clients" they are more likely to be attracted to the area thereby bring money into the borough.
larger discounts for new businesses, more staff they employ the bigger discount
Access and transport prevent the SEZ from succeeding. Reducing business rates can help some companies but many still require good access so can't consider isolated managed car parks such as the Gosport peninsula
How will the performance of the companies granted the discount business rate be monitored to ensure they actually meet the required criteria? A performance appraisal should be carried out annually and the discount withdrawn for the coming year if criteria not being met. It should be re-granted at the next appraisal if the situation improves.
Anything that will bring extra business to the area is good
Quite happy if it brings jobs into the area!
If this will encourage further employment opportunities I am in favour
As so far described businesses will not have knowledge ahead of time as to how long the discount is for, which they will need for future planning. It is not best if the discount is only granted for one year at a time nor if it is to be effective immediately. That is planning on the hoof
It would be unfair not to include all businesses - present and new.
To get more business. Onto Daedalus sit when is the road access from Fareham going to be upgraded? This would be a limiting factor if you are trying to encourage me to start up business from there
For those not already operating in the zone we need to ensure the authorisation process is suitably robust so as to deter any 'fly-by-night' companies who are looking to make a fast buck out of this very laudable initiative. The councils also need to ensure the impact on local roads and services is FULLY considered in their projections for this initiative. It will not be acceptable to local residents to learn of issues over the coming years which could have easily been forecasted.
Conditions must be wholly complied with. A claw back clause if not complied with. Only one Discount per business Principal.
At a time of nationwide recession, local government needs to be doing what it can to encourage business to invest in their local area, considering the fact that the Solent Enterprise Zone is something of an unknown for businesses, providing them with a business rate discount is needed to ensure they are willing to "take the risk" and set up somewhere new. This will also provide much needed jobs in the area, something that is always much needed in times like these.
There should be some way of ensuring that the businesses will still be there after the discount period ends. I do not think a 100% discount is reasonable, more like up to 75%, and if a company leaves the zone before the 5year period, the full rate should be chargeable unless it is insolvent, to discourage fly-by-night companies getting a cheap deal.



It should be a lifed policy, say a few years.
I feel that encouraging more high tech business to this area will directly and indirectly increase pressure on water supplies, sewage handling, housing (employees moving in to the area) and worst of all road traffic. Until all these points have been resolved I would not encourage low rate paying business into the area.
Priority should be given to the businesses which will create new jobs.
Don't want to see empty units.
I think the reduction must be linked to employing local staff.
Perhaps should be a three-tier (or some other non-too bureaucratic number) discount subject to number of "PERMANENT" jobs are created in each business.
Anything to encourage business and prosperity to the area
Infrastructure improvements are needed to cater for traffic generated by development of the site particularly on Newgate Lane junctions and bus services. These may, in part be met from the business rate.
They should be extended to businesses already within the zone, and of the correct category to fit in with future plans.
I would personally broaden the range of businesses being offered the discount. Whilst we are in the early days of this project, i would encourage any type of business into the zone by offering this discount. I feel it would be better to get any types of business in during these early stages. I would especially encourage very small businesses, as these may well grow over time, and would not provide a great deal of business rates anyway.....
I would personally broaden the range of businesses being offered the discount. Whilst we are in the early days of this project, i would encourage any type of business into the zone by offering this discount. I feel it would be better to get any types of business in during these early stages. I would especially encourage very small businesses, as these may well grow over time, and would not provide a great deal of business rates anyway.....
This should encourage new businesses and relocating businesses to the new EZ. As Daedalus becomes attractive as a location for marine, engineering and manufacturing industries.
Good, we need to keep on encouraging new and growing businesses.
To encourage more employment to the area.

The Enterprise zone should never have been set up in the first place and then to give the companies that move into the area no responsibility (100 % business rates discount) for paying for the traffic chaos that undoubtedly will result, is just irresponsible.

You should have a tie in period as most companies will use the 5 year discount and then leave or go bust when they can't afford the new payments. Failing that have a discounted 3 year and then a rolling reduction on the discount for another 6 years that way you get them to stay for longer

I am concerned about the supported jobs identified in the document. These companies are outside the Daedalus fence and as such not eligible for support. If competitors to them come into the area with support then that will undermine the local supply chain that we are developing.

I still have considerable concerns that the EZ scheme is not well thought out and that what comes down does not meet the requirements necessary to fully support high tech engineering development and manufacture in the area. You need to be able to support local companies in the borough linked to the work on site but not necessarily inside the airfield fence. The document does not give me a warm feeling because I have seen similar documents for a range of support schemes in the past and have wasted a lot of time being told that the provisions did not apply to my company and its activity.

I have two suppliers here in the borough. One is now stretched and limited by the electrical power available in that area of Gosport. They could possibly benefit from a move to Daedalus but that would not be possible unless they could get a realistic price for the existing premises. Unfortunately the appearance of Daedalus is going to depress the value of their current property. The other moved recently in Gosport to expand. They are now somewhat stretched and if a bid we have just submitted comes off then we will be stretching them to the limit. I can see they are coming to a point where they will need to move on again to expand further. We did have company in Gosport that carried out specialised works for us, but unfortunately they are now gone and we have to send material up to near Birmingham or Leicester for these treatments.

We have been trying our best to make sure that the maximum possible proportion of the money we are earning from outside the area stays in the borough, but we cannot support our local suppliers unaided.

The business case is ready to move on but can it get the necessary support within the borough? That includes making sure that my local suppliers are adequately supported to ensure their continued survival and that they are not damaged by incoming supported competition.

The policy appears appropriate overall. Some clear criteria should be established for assessing "how the business supports the objectives of the Enterprise Zone". We agree that the policy is suitable for businesses that are already located in the Solent Enterprise Zone, or Fareham or Gosport, although it may still have an impact on surrounding employment sites. A displacement strategy could be developed so that vacated properties are actively promoted and not left empty.

**GOSPORT BOROUGH COUNCIL**

<b>REPORT TO THE:</b>	<b>POLICY &amp; ORGANISATION BOARD</b>
<b>MEETING DATE:</b>	<b>27 JUNE 2012</b>
<b>TITLE:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL STRATEGY</b>
<b>AUTHOR:</b>	<b>FINANCIAL SERVICES MANAGER</b>
<b>STATUS:</b>	<b>FOR DECISION</b>

**PURPOSE OF REPORT**

To consider the updated Medium Term Financial and Capital Strategies.

**RECOMMENDATIONS**

It is recommended that the Medium Term Financial Strategy set out in Appendix 1 and Capital Strategy set out in Appendix 2 be approved.

**1.0 BACKGROUND**

- 1.1 The Council reviews and approves the Medium Term Financial Strategy each year. Following the recent completion of the budget cycle for 2012/13, it is timely to review the strategy prior to consideration of a budget strategy for 2013/14 by this Board later in the year.
- 1.2 The policy and plans of the new Government are currently still being developed and more amendments may be necessary to the strategy as these become clearer and any impact on the Council is known

**2.0 REPORT**

- 2.1 Budget preparation will commence in July and will incorporate requirements resulting from Council priorities identified from Capital Strategies, Community Strategy, Corporate Plan and Best Value action plans do we still have BV action plans?.

- 2.2 The Local Government Act 2003 requires the Council to consider whether its budget is balanced with appropriate levels of reserves (commensurate with perceived budget risks).
- 2.3 Projections contained in the Medium Term Financial Strategy indicate that the Council's General Fund budget requirements will remain relatively stable over the next 4 years following the action taken during the last 2 years to reduce commitments and work within reducing Exchequer support.
- 2.4 Action may need to be taken in due course to achieve modest economies to reduce the projected base budget annually from 2014/15 in order to keep council tax increases to 2.5% or less if changes to the Council's allocation of Government grant are as severe as currently expected (a total reduction of £0.36M to base budget over the 3 years).
- 2.5 There is also need to continue to prioritise capital projects within the Capital Programme, particularly considering affordability and impact on local tax levels. The Capital Strategy indicates the considerations that are necessary in order to achieve this.

### **3.0 CONCLUSION**

- 3.1 Both the Medium Term Financial Strategy and Capital Strategy are key documents affecting the financial future of the Council. The Board need to consider these and the potential impact on future council tax policy.

### **SUPPORTING INFORMATION**

<b>Financial Implications:</b>	<b>See Report</b>
<b>Legal Implications:</b>	<b>As the report sets out the Council has to set balanced budgets and to undertake its functions effectively, efficiently and economically</b>
<b>Service Improvement Plan implications:</b>	<b>None</b>
<b>Corporate Plan:</b>	<b>-</b>
<b>Risk Assessment:</b>	<b>Risk of capping/intervention, see 2.2.3 of Appx 1</b>
<b>Background papers:</b>	<b>See Council Budget 2008/9 Report Equalities Impact Assessment - Screening Assessment Form (on GBC website)</b>
<b>Appendices/Enclosures:</b>	<b>1. Medium Term Financial</b>

	<b>Strategy</b> <b>2. Capital Strategy 2012</b>
<b>Report Author/Lead Officer</b>	<b>Julian Bowcher</b>

## AGENDA ITEM NO. 10

<b>Board/Committee:</b>	POLICY AND ORGANISATION BOARD
<b>Date of meeting:</b>	27 <sup>TH</sup> JUNE 2012
<b>Title:</b>	CHILDREN, YOUNG PEOPLE AND VULNERABLE PEOPLE POLICIES (SAFEGUARDING POLICY)
<b>Author:</b>	COMMUNITY AND CUSTOMER SERVICES MANAGER
<b>Status:</b>	FOR DECISION

### **Purpose**

To seek the approval of the Policy and Organisation Board for the proposed policies in respect of children, young people and vulnerable adults (Safeguarding).

### **Recommendation**

Members are requested to approve the attached Safeguarding Policy in respect of children, young people and vulnerable adults.

#### **1.0 Background**

- 1.1 In January 2007, the Policy and Organisation Board considered the report of the then Leisure and Cultural Services Manager, on the adoption of a policy for children, young people and vulnerable adults.
- 1.2 There has been a series of legislation and other guidance produced in the last few years that set out guidelines/requirements as to what policy and procedures should cover and how services should be delivered. These are listed as part of the proposed draft Safeguarding Policy at Appendix A.
- 1.3 There were formerly two separate working groups, one for children and young people and one for vulnerable adults, but these have now been combined since there are many common issues. There has already been approval for a separate policy on children and young people, but no formal approval has yet been given on a policy for the protection of vulnerable adults.
- 1.4 It has taken some time to combine these groups (a common practice across Hampshire) and following Board approval of the joint policy, the separate handbooks on children and young people and vulnerable adults will also be combined.

#### **2.0 Safeguarding Policy**

- 2.1 A copy of the draft policy is attached as Appendix A to this report.
- 2.2 The target date for completion of this Policy is June 2012 and the Board is requested to approve this document for adoption by the Council.

### **Implications**

- 2.3 There are a series of actions that arise from adoption of the Policy; these will be included within various action/operational plans for service units as appropriate.

### **Youth Charter**

- 2.4 To underpin the previous policy for children and young people, it was necessary to adopt a Youth Charter. A draft Charter had been prepared in consultation with Gosport Youth Council, schools, young people from GBC, Corporate Policy and a representative from the Council's Communications Group. Following this consultation process the charter has been approved and has been circulated to youth groups and schools in the borough

### **Youth Champion**

- 2.5 To help deliver the aims of the Children and Young People's Policy and to ensure the necessary links between young people in Gosport and the Council's democratic processes, an elected Member is appointed annually to act as a "Youth Champion". The Gosport Youth Council sends letters inviting those interested in taking on this role, to meet and be interviewed by a panel from the Youth Council. The Youth Champion will also be Gosport's representative on the County Children's Services group.

### **3.0 Criminal Records Bureau Checks**

- 3.1 CRB certificates are valid on the day they are issued – consideration therefore needs to be given to how frequently they should be repeated, and in this connection Council Management Team has recommended that the Council repeats checks every 2 years.
- 3.2 Some staff have already been subject to a CRB check as part of their duties. The whole issue surrounding CRB checks is complex and the Head of Personnel, who is the Council's Lead Countersignatory with the CRB, continues to monitor the Council's approach to this task.
- 3.3 The Independent Safeguarding Authority (ISA) was established by the Government in 2009 as part of a new vetting and barring system; this system is now being reviewed and changes will be made to the current ISA/CRB system. The Council is awaiting clear outcomes from the



review and will implement whatever steps are necessary to ensure that the Council's staff comply with the relevant legislative framework.

#### **4.0 Advice to Staff**

4.1 The information relating to the policy will be disseminated to all staff to ensure that:-

- i) Staff are aware of the Safeguarding Policy
- ii) Compliance with this policy is part of their contractual responsibility
- iii) For relevant jobs, there is a need to carry out checks
- iv) For relevant jobs, there is a need for staff to attend training.

#### **5.0 Financial Implications**

5.1 The need has been identified for expenditure to cover the costs of CRB checks (or checks that are required as determined by the finished review by the ISA) and for training of staff in relevant posts. Budget provision has been made in the forthcoming financial year and is contained within each Units budgetary provision for training.

5.2 Further financial provision may need to be identified (although this is dependent on the outcomes of the ISA review which is expected to impact in the year 2013/14).

#### **6.0 Monitoring, Review and Promotion**

6.1 The Corporate Safeguarding Group will undertake an annual review of the overall policy and report any need for change to the Council's Management Team. If substantial changes are needed to the Safeguarding Policy as a result of further legislative change, then a further report will be brought before the Policy and Organisation Board for approval.

#### **7.0 Risk Management**

7.1 There is a need to ensure that persons identified as 'at risk' and who receive services delivered by the Council, are adequately considered.

7.2 In respect of children, young people and vulnerable adults, the production of the joint policy described in this report provides reassurance to the Council that the roles of Members and staff have been suitably assessed and guidance and training will be provided where necessary.

- 7.3 The repeated checks for the highest category of staff contact will provide further evidence of regular monitoring being in place.

## **8.0 Section 17 Implications**

- 8.1 Section 17 of the 1998 Crime and Disorder Act requires the Council to identify and consider any implications for community safety/crime and disorder issues arising from this report.
- 8.2 The Head of Policy and Community Safety is a member of the Safeguarding Working Group that has prepared this policy. This post also has an on-going responsibility for advising on issues that may arise within the scope of the policy. This will therefore ensure that current and future S.17 matters are appropriately addressed.
- 8.3 The implementation of this policy will prevent and reduce crime committed upon children, young people and vulnerable adults.

<b>Financial Services comments:</b>	As identified in Section 5, there is a modest on-going requirement for budget provision to meet the costs of new and repeat CRB checks and also the provision of relevant training. The current estimate is for £1200 per year.
<b>Legal Services comments:</b>	The policies contained in this report should ensure the Council is able to discharge its obligations in respect of children, young people and vulnerable adults.
<b>Service Improvement Plan implications:</b>	The proposed action is in the current Plan.
<b>Corporate Plan:</b>	The production of this policy is in line with the Council's strategic priorities for People (health and wellbeing)
<b>Risk Assessment:</b>	As outlined in Section 6.0
<b>Background papers:</b>	N/a
<b>Appendices / Enclosures:</b>	
Appendix 'A'	Safeguarding Policy
Appendix 'B'	Concerns and allegations reporting form
<b>Report Author / Lead Officer:</b>	Kim Carron

## AGENDA ITEM NO. 11

<b>Board/Committee:</b>	POLICY AND ORGANISATION BOARD
<b>Date of Meeting:</b>	WEDNESDAY 27 JUNE 2012
<b>Title:</b>	LOCALISATION OF COUNCIL TAX SUPPORT
<b>Author:</b>	FINANCIAL SERVICES MANAGER
<b>Status:</b>	FOR DECISION

### **Purpose**

The purpose of this report is to inform Members of Government proposals for the cessation of the national Council Tax Benefit scheme and the requirement for the Council to introduce a new local Council Tax Support scheme for customers on low income.

### **Recommendation**

That Policy and Organisation Board :-

1. approve the principles of the Local Council Tax Support Scheme (working age) described in paragraphs 2. of this report
2. delegate authority to the Financial Services Manager to finalise the Local Council Tax Support Scheme and to undertake consultation on it with the major precepting authorities
3. delegate authority to the Financial Services Manager to determine the nature of and undertake public consultation in accordance with government/statutory requirements
4. note that the final Local Council Tax Support Scheme will be reported to full Council for decision.

## **1 Background**

- 1.1 The 2010 Spending Review committed Government to localising support for Council Tax and reducing spending on Council Tax Support by 10% from April 2013. This is part of a wider set of reforms to the welfare system: improving the incentives to work and ensuring resources are used more effectively, so reducing worklessness and ending a culture of benefit dependency. Universal Credit is due to be introduced in 2013, in phases, to eventually replace Housing Benefit by 2017-2020.
- 1.2 Currently lower income households pay a reduced (or in some cases zero) amount of Council Tax. The system of Council Tax Benefit (CTB) is administered by Councils on behalf of the Department of Work and Pensions (DWP). It is this system that will be abolished and replaced with a new system of local support for Council Tax.

- 1.3 From April 2013 CTB regulations will be abolished and local authorities will be responsible for providing their own schemes for Council Tax support. The Department for Communities and Local Government (DCLG) have indicated that Local Authorities (LAs) will have to operate two schemes:

**Pensioner Scheme** – whereby pensioners continue to receive the same level of support as under CTB through a national framework of criteria and allowances. (It is believed that the Regulations currently passing through Parliament will confirm “Pensioner” to be the current qualifying age for State Pension Credit, currently just over 61 years of age.)

**Local scheme for working age people** – where the LA prescribes the level of support to be given to specific working age cases.

1.4 DCLG have indicated that they will produce a ‘default’ scheme which will provide a legal framework for Local Authorities to adopt if they miss the deadline to invoke their local scheme. This default scheme would result in significant subsidy being required from the local Taxpayer.

## 2 Report

- 2.1 The legislation will require each Local Authority to:
- Determine a local scheme for providing Council Tax support before 31 January 2013 which will become effective on 01 April 2013.
  - The scheme will define who is entitled to support, what reduction will apply for claimants and the process for applying for a reduction.
  - Pensioners will not be affected by this reduction in spending, as their existing levels of support will be retained through a nationally determined framework.
  - Councils will be free to establish whatever rules they choose for their scheme to support working age people, however the scheme must respect the Council's existing responsibilities in relation to vulnerable groups (see para 2.10).
  - The lead billing Authority i.e. Gosport BC, must consult with the major precepting authorities on the scheme design and then carry out Public consultation on the proposals.
  - Once adopted a scheme cannot be changed in within the year.
  - If a local scheme is not adopted then a default scheme (reflecting current criteria and allowances) will apply, which will result in the need to identify additional local resources to close the 10% reduction in Government Grant.

2.2 Gosport's current CTB caseload is as follows:

Pension Age	3030	43.9%
Working Age	3865	56.1%
<b>Total</b>	<b>6,895</b>	

2.3 Councils currently receive 100% subsidy for the benefit they pay out, payments are made to LAs on a monthly basis. This demand led subsidy will be replaced with a fixed grant allocation which should be known before the final scheme is approved by Council and the grant will be paid to both billing and major precepting authorities. Consequently the financial risks associated with the scheme will be shared between these authorities.

2.4 The funding is expected to be at least 10% lower than the cost of existing CTB payments. Gosport received £5,300,000 in subsidy for the 2010/11 financial year. The Government is currently consulting on funding arrangements but it is believed that the reduction in funding in respect of Gosport will be around £530,000. As the loss will be shared, Gosport's reduction is estimated at £74,000 with the balance falling to Hampshire County Council, Fire and Police Authorities.

2.5 Due to the statutory "pensioner" scheme which protects this group to current benefit levels for existing and new claimants, any local scheme will need to make savings of approximately 18% within the remaining Working age caseload to ensure the cost does not exceed the grant provided so that the costs of the scheme are not passed on to Council Tax payers.

2.6 The timetable for the implementation of a local scheme is extremely short, draft Regulations are yet to be passed in Parliament. Whilst the DCLG guidance suggests that Public Consultation should take 12 weeks they do recognise that local authorities will need to consider the appropriate length of their consultation depending on the impact of their proposals and the ability to complete the consultation exercise within budgetary timescales. The legislation required to finalise the local scheme has already been delayed. The following table sets out the key milestones for implementation:

	Jan-June 12	Jul-Sep 12	Oct-Dec 12	Jan-Mar 13	April 2013
Legislation	Introduce Finance Bill, Primary legislation passage through Parliament. <b>(Currently delayed and planned for July 12)</b>	Consultation/draft Secondary legislation	Secondary legislation passed		
Modelling	DCLG prepare national scheme for Pensioners and guidance for LAs.	Local consideration of scheme requirements.	Local schemes consulted upon.	Local schemes formally adopted.	
Funding	Technical consultation on grant distribution.		Grant allocations published.	LA budget/CT setting.	
Implementation			IT system changes, publicity, process changes, staff training.		Scheme Implemented.

- 2.7 There are a number of changes that could be made to achieve the £530,000 (£74,000 Gosport share) required. Some savings could be made by increasing non-dependent deductions, reducing the capital limit, reducing backdating or changing income disregards but these changes would not provide the required level of savings. In addition the more complex the changes made to the current scheme the more the Council exposes itself to challenge and that the software provider may be unable to deliver the appropriate system changes.

#### Principles of the Local Council Tax Support Scheme

- 2.8 The most effective way to introduce a local scheme is to base it on what will be the “extinct” current CTB scheme and amend relevant parts of the scheme to achieve the required savings.
- 2.9 The most efficient option is a percentage cut to the council tax liability figure used in the calculation, which will be finalised once the grant settlement is known, and the capping of benefit entitlement at a Band C level of Council Tax. It is also proposed to remove Second Adult Rebate. Second Adult Rebate is another way in which we can reduce the amount of Council Tax payable where someone who lives with the liable person is on a low income. It is not calculated on the amount of income the liable person has but the amount of income a

Second Adult has. Entitlement can be either 25%, 15% or 7.5% reduction of the bill depending on the income of the Second Adult. Under current rules Second Adult rebate is awarded irrespective of the income and capital of the liable person.

Removal of Second Adult Rebate will be in line with most other Hampshire Authorities, in order to reduce administrative burden and costs.

- 2.10 The Local scheme will maintain the additional protection for vulnerable groups such as the disabled and families with young children by continuing the income disregards for Disability benefits, Child Benefit and maintenance payments. Backdating provisions will also be preserved.
- 2.11 The Local scheme will also maintain the full income disregards applied to War Widows and War Disablement pensions.
- 2.12 In order to support the Government's aim of improving incentives to work, the Local scheme will contain provision for benefit "run ons" (an extension of benefit when starting work or increasing hours) and "fast track" claims to expedite claims after a short period of temporary work reducing the requirement for extended verification.

### **3 Risk Assessment**

- 3.1 Due to the exceptionally short time scales imposed by the DCLG there is a risk that our local scheme is not in place by the deadline of 31 January 2013 due to a delay in the Regulations or software availability . This would mean the default scheme being imposed upon the Council and a shortfall of funding in the region of £74,000.
- 3.2 It is possible that challenges to the local scheme will be made and will result in additional costs being incurred by this Council. In order to partly mitigate against this risk Public consultation and Equality Impact assessment will be carried out in accordance with legislation.
- 3.3 Due to the protection of pensioner claims the savings required will have to be made from working age customers who are both in and out of work. This will increase the financial pressure these households are under and will inevitably have a negative effect on Council Tax collection rates and bad debt provision.
- 3.4 Some "new burdens" funding has been received from DCLG but the Council have not been made aware of the total administrative funding that it will receive to contribute towards the cost of the implementation of the local scheme. Software changes are costly and there are other substantial costs that will be incurred in the implementation of the scheme. As grants have not been confirmed there is a danger in the shortfall in grant and a cost to the Council for implementation.



- 3.5 Careful forecasting will be required over the forthcoming years to allow for increasing caseload particularly with regard to increasing pensioner caseload to a shortfall in funding the local scheme.

#### **4 Conclusion**

- 4.1 Gosport currently has nearly 7000 claimants receiving financial help towards the cost of their Council Tax liability. As the current scheme is means tested it is clear that this important financial help is needed. Central Government reforms require Gosport to implement a local scheme for the same (and increasing) caseload but with a cut of at least 10% in funding.
- 4.2 The time frame for the introduction of a local scheme is extremely ambitious so this will present significant challenges for the Officers involved. Given the timetable it is intended to report the outcome of public consultation and the final scheme to full Council.
- 4.3 Protection of the pensioner caseload restricts the choices available to the Council and will potentially bring challenges to the scheme. A comprehensive publicity and explanation of the local scheme will be extremely important to minimise these complaints and challenges.

<b>Financial Services comments:</b>	Following consultation the full scheme will be reported to Council with an assessment of the implications for the Council's budget. .
<b>Legal Services comments:</b>	Contained in the report
<b>Crime and Disorder:</b>	
<b>Equality and Diversity:</b>	An equality impact assessment of the local scheme will be undertaken once the Regulations are laid.
<b>Service Improvement Plan implications:</b>	
<b>Corporate Plan:</b>	
<b>Risk Assessment:</b>	
<b>Background papers:</b>	Localising support for Council Tax in England-consultation July 2011, A statement of Intent May 2012, Funding arrangements Consultation, May 2012, Vulnerable People-key LA duties, May 2012 and Taking Work incentives into account, May 2012.
<b>Appendices/Enclosures:</b>	None
<b>Report author/ Lead Officer:</b>	Stephanie Pride