

CABINET

10.00 A.M.

4TH SEPTEMBER 2012

PRESENT:- Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Jon Barry, Abbott Bryning, Tim Hamilton-Cox, Karen Leytham, Ron Sands and David Smith

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Head of Resources and Section 151 Officer
Andrew Dobson	Head of Regeneration and Planning Service
Suzanne Lodge	Head of Health and Housing
Maurice Brophy	Planning and Housing Policy Manager
Chris Hanna	Principal Housing Manager
Liz Bateson	Principal Democratic Support Officer, Democratic Services

41 MINUTES

The minutes of the meetings held on Tuesday, 17 and Tuesday, 24 July 2012 were approved as a correct record.

42 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there were no items of urgent business.

43 DECLARATIONS OF INTEREST

No declarations were made at this point.

44 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

45 CONSULTATION ON THE MEETING HOUSING NEEDS SUPPLEMENTARY PLANNING DOCUMENT

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Planning to seek a resolution from Cabinet to publish and consult on the Draft Meeting Housing Needs Supplementary Planning Document (SPD).

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	Option 1: Approve the recommendation and thus publish and consult on the Draft Meeting Housing Needs SPD.	Option 2: Do not approve the recommendation and do not publish and consult
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		on the Draft Meeting Housing Needs SPD.
Advantages	<p>The Council will have available complete and up to date guidance on meeting housing needs (albeit in draft) that applicants can refer to when preparing specific planning proposals and the Development Team can refer to when considering specific planning applications. The Council will be aligned with the National Planning Policy Framework (NPPF) requirement that SPDs provide further guidance on particular issues (in this instance meeting housing needs). The Council will be aligned with the NPPF requirement that SPDs add further detail to the policies in the Local Plan.</p>	<p>Delaying the publication of the SPD will allow time for further internal consultation, although adequate time has already been allowed for this.</p>
Disadvantages	<p>The SPD's focus on how the Council will achieve affordable housing from new residential development may attract renewed criticism from developers / applicants around the impact this has on viability which may be viewed as being at odds with the NPPF.</p>	
Risks	<p>Applying the approach to calculating commuted sums to conversions (as distinct to new build) may attract some criticism because the in-principle expectation of affordable housing contributions from a net increase in units (whether new build or conversion of existing) is described within a development management policy in the Draft Local Plan which has not yet been adopted. Although public consultation on the preferred options version of the Draft Local Plan is anticipated to commence on 22nd October, the document is not anticipated for adoption until September 2014. However, paragraph 216 of the NPPF states that decisions makers may also give weight to relevant policies in emerging plans according to the stage of preparation of the emerging plan. On this basis, the Draft Local Plan can be thought of as a material consideration (but of limited weight), and might usefully inform the consideration of a development proposal.</p>	<p>The absence of a fully consulted on SPD providing complete and up to date guidance on meeting housing needs may put the Council at risk from future appeals to overturn decisions made where planning proposals did not address relevant policies in the adopted Core Strategy.</p>

The officer preferred option was Option 1 so that the Council has in place complete and up to date guidance on meeting housing needs.

Councillor Hanson proposed, seconded by Councillor Leytham:-

“(1) That the recommendation, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet resolves to publish and consult on the Draft Meeting Housing Needs Supplementary Planning Document (SPD) with an extensive period of statutory public consultation commencing on 1st October and concluding on 11th November 2012.

Officers responsible for effecting the decision:

Head of Regeneration and Planning

Reasons for making the decision:

The decision supports the Lancaster District Core Strategy as the proposal will make a positive contribution to Policy SC4 in terms of meeting the district’s housing requirement. The decision also fits with the Lancaster District Housing Action Plan as it assists the implementation of the forthcoming Action Plan by guiding applicants on how proposed developments should meet the housing needs of the district.

46 FUNDING OF HOUSING REGENERATION PRIORITIES AND MEDIUM TERM COUNCIL HOUSING RENT POLICY

(Cabinet Member with Special Responsibility Councillor Leytham)

Cabinet received a report from the Head of Resources and Head of Health and Housing to consider options for adopting a medium term council housing rent policy and wider medium term financial strategy for council housing, in context of housing regeneration priorities and potential future funding options.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Members had reaffirmed that the strategic housing regeneration priorities for the foreseeable future were:

- (a) To increase the supply and delivery of affordable housing schemes.
- (b) To complete existing unfinished schemes in the West End (the completion of outstanding housing regeneration projects at Chatsworth Gardens and Marlborough Road/Bold Street).
- (c) To bring empty properties back into use.

Options: Future Rent Setting Policy

The Council needed to decide whether it wished to achieve rent convergence, as assumed by the Government, or whether it wished to set alternative rent objectives.

If the Council chose to move away from the Government's social rent policy of convergence, the amount of future funding available within reserves would decrease as illustrated in the report. In addition, there might be new or greater risks to the income available particularly through the impact of future welfare reforms, and this would affect financial and investment planning. In particular there might be a need to increase the minimum level of HRA balances held.

It was recommended, therefore, that the Council established a stable method of determining the annual review of rent.

- **Option 1:**
To continue to follow the Government's social rent policy including convergence factors (Actual rents are increased by RPI +0.5% plus (an amount equal to the difference between the guideline rent and the actual rent) divided by the number of years remaining to convergence. This was subject to a maximum capped increase of RPI+ 0.5% + £2 in order that rents were not subject to extremely high rent increases)
- **Option 2:**
To continue to follow the Government's social rent policy excluding convergence factors (Actual rents are increased by RPI +0.5%)
- **Option 3:**
To establish a local social rent setting policy that supported the future investment needs of the Housing Revenue Account, drawing on the annual rent increase scenarios outlined in the report.

	Option 1: To continue to follow the Government's social rent policy including convergence	Option 2: To continue to follow the Government's social rent policy excluding convergence factors	Option 3: To establish a local social rent setting policy adopting the medium term financial strategy and principles set out in the report
Advantages	<ul style="list-style-type: none"> • The Government's objectives of convergence are met. • Maximises the amount of money available to invest in new services and assets • Rents remain affordable and 	<ul style="list-style-type: none"> • Rent increases are still linked to RPI • Money available to invest in new services and assets • Rents remain affordable and the housing benefit cost are met by Government 	<ul style="list-style-type: none"> • The Council establishes a stable and sustainable budget capable of withstanding financial pressures • Rent is set in the local context to provide the financial resources needed to deliver the council's HRA priority outcomes • Money available to

	the housing benefit cost are met by Government	<ul style="list-style-type: none"> • Reduced pressure on individual tenants' budgets 	invest in new services and assets <ul style="list-style-type: none"> • Rents remain affordable and the housing benefit cost are met by Government • Reduced pressure on individual tenants' budgets
	Option 1: To continue to follow the Government's social rent policy including convergence	Option 2: To continue to follow the Government's social rent policy excluding convergence factors	Option 3: To establish a local social rent setting policy adopting the medium term financial strategy and principles set out in the report
Disadvantages	<ul style="list-style-type: none"> • Rent levels not locally set in response to the financial resources needed to deliver the Council's HRA priority outcomes • Increase pressure on tenants' individual budgets 	<ul style="list-style-type: none"> • The Government's policy on rent convergence is not delivered. • Rents are not increased above RPI by the Government formula to achieve convergence with Private registered Provider Social rents • The rent levels between comparable properties will remain different across social housing landlords within the district • Lower amount of money available to meet existing or future needs 	<ul style="list-style-type: none"> • The Government's policy on rent convergence is not delivered • Rents are not increased by the Government formula to achieve convergence with Private registered Provider Social rents • The rent levels between comparable properties will remain different across social housing landlords within the district
	Option 1: To continue to follow the Government's social rent policy including convergence	Option 2: To continue to follow the Government's social rent policy excluding convergence factors	Option 3: To establish a local social rent setting policy adopting the medium term financial strategy and principles set out in the report

Risks	Future rent levels may not fit with local spending and investment needs.	Future rent levels may not fit with local spending and investment needs.	<ul style="list-style-type: none"> • Insufficient funding generated to meet the investment needs of the HRA if rent levels set too low. • If rent level set too high formula rent and limit rent may be exceeded with implications for housing benefit subsidy limitation (until universal credit is implemented, which could raise other issues for any option).
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Adopting a Medium Term Financial Strategy for the HRA

The main objectives of any HRA Medium Term Financial Strategy would be to:

- Explain the financial context within which the council's HRA is set to work over the medium term.
- Provide a medium term forecast of resources and expenditure.
- Identify the financial resources and target rent levels needed to deliver the council's HRA priority outcomes and its rent setting policy.
- Identify any budgetary savings / efficiency targets.
- Provide a framework for due consideration, comparison and prioritisation of competing spending and investment needs.
- Achieve a stable, affordable and sustainable budget capable of withstanding financial pressures.
- Keep the above updated, setting out a clear process for regular monitoring and review.

Given the challenges and risks, the following principles should underpin any medium term financial strategy adopted:

- Continue to ensure that the Decent Homes standard and local standards are maintained.
- Support any other specific HRA priority outcomes as adopted.
- Inform and support the adopted rent setting policy.
- Maintain balances, earmarked reserves and provisions at prudent levels.
- Continue to strive for greater efficiencies from within the HRA.

In essence, the HRA MTFS would draw together all the key strategic financial aspects for the council housing service, to help inform its future direction.

It was proposed that the Council adopted in principle a HRA medium term financial strategy, to provide a stronger financial planning framework in support of the Council's legal and regulatory requirements as a registered provider of social housing. If Cabinet approved this approach, the detailed content of the draft HRA MTFS would be brought back for Member approval.

The development of such a strategy would incorporate sufficient flexibility to enable the Council to look beyond the needs of the existing stock, facilitating the consideration of stock replacement through acquisition or new build as well as the HRA's contribution in a wider housing regeneration context. This would involve measures such as establishing an Investment Reserve Fund separate to the existing Major Repairs Reserve. The extent of the funds available in reserves would be very much dependent on the rent setting strategy adopted.

To support the development of any medium term financial strategy, therefore, firstly the Council would need to establish its rent setting policy and associated targets.

HRA Medium Term Financial Strategy Options Summary

	Option 1: To adopt a HRA medium term financial strategy underpinned by the principles set out in the report	Option 2: Do not to adopt a HRA medium term financial strategy
Advantages	<ul style="list-style-type: none"> • The Council has a financial context within which the Council's HRA is set to work over the medium term • The Council identifies the financial resources needed to deliver the council's HRA priority outcomes • The Council has a medium term forecast of resources and expenditure • The Council establishes a stable and sustainable budget capable of withstanding financial pressures 	None
Disadvantages	None	<ul style="list-style-type: none"> • The Council will not have a framework on which to base its financial decisions relating to the HRA • A short term approach to budgeting and rent setting would continue.
Risks	Financial and other forecasts underpinning any MTFS prove unsound – this risk would be managed through monitoring and review processes.	Financial risks are not managed nor controlled in a strategic context - the council may not have sufficient funds to meet the revenue or capital needs of the HRA, surpluses could arise for which there is no clear purpose, or rent increases could fluctuate unnecessarily.

Rent Setting Policy

The options analysis showed that all options provided for a sustainable HRA and provided headroom for investment in service improvements and increasing the housing stock. All the options ensured that the currently identified service and investment needs were met, subject to the principles underpinning any medium term financial strategy being adhered to and no major unforeseen matters arising.

Option 1 of continuing to follow the Government's social rent policy would ensure that social rent levels between comparable properties across social housing landlords within the district became the same. The greatest amount of investment headroom was expected. Rents would still remain comparatively affordable.

Option 2 would result in rent levels between comparable properties remaining different across social housing landlords within the district but would produce a lower rent increase for tenants. The amount available for additional investment would be less than under Option 1.

Option 3 would ensure that the Council set its rents to provide the financial resources needed to deliver the Council's HRA priority outcomes. Again it would result in rent levels between comparable properties remaining different across social housing landlords within the district, but was expected to produce a lower rent increase for tenants. The amount available of additional investment was also expected to be lower than under Options 1 and 2, depending on what level of increase was actually set.

The requirement on the Council was to ensure that the HRA remained viable and sustainable, and provided the financial resources needed to deliver the Council's HRA priority outcomes. Ultimately, if Council wished to provide for the widest investment opportunities, then Option 1 was considered most appropriate. If a lower level of investment was acceptable, however, Option 3 might be more appropriate and if so, Cabinet was requested to indicate its preferred annual percentage increase. Whatever rent setting policy route was chosen, it would be subject to regular review, thereby giving the opportunity to respond to changing circumstances.

HRA Medium Term Financial Strategy

With Option 1 the Council could ensure that it had a financial context within which the HRA could work over the medium term, identified the financial resources needed to deliver the Council's HRA priority outcomes and provided a medium term forecast of resources and expenditure.

Councillor Leytham proposed, seconded by Councillor Hanson:-

“(1) That the recommendations, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet adopts in principle a HRA medium term financial strategy and sets a rent policy that supports the future investment needs of the HRA housing stock, and enables the Council to consider using HRA funding in a wider regeneration context.

- (2) That Cabinet confirms that it does not intend to meet the rent convergence requirement as recommended by Government.
- (3) That Cabinet approves a medium term rent setting policy with rent increases being capped at no more than 3% per annum.

Officers responsible for effecting the decision:

Head of Resources
Head of Health and Housing

Reasons for making the decision:

The decision fits with the objectives and resource management framework set out in the Corporate Plan. Adopting a HRA medium term financial strategy and rent policy underpinned by the principles set out in the report would help ensure that sufficient funding was available to meet the present and future needs of the HRA housing stock. In addition the Council would be able to look beyond the needs of the existing stock and consider stock replacement through acquisition or new build, and to also consider its housing contribution in a wider housing regeneration context.

47 LOCAL GOVERNMENT FINANCE BILL - NEW DISCRETIONARY POWERS IN RELATION TO COUNCIL TAX

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Head of Resources to inform Members of various council tax changes being proposed by Government, particularly in light of future potential developments regarding empty homes strategy, and to endorse the outline approach regarding future consultation and decision-making.

As this report was presented primarily for information, no options were presented, although Cabinet was asked to endorse the outline plans regarding consultation in particular and so it might have specific ideas for consideration.

Specific Proposals contained in the Bill

Empty and Exempt Dwellings

The new discretionary powers contained in the Bill focused on the following exemption categories in relation to empty properties:

- **Class A** – vacant dwellings where major repair works or structural alterations are required, under way or recently completed. (This exemption applies for a maximum period of twelve months.)
- **Class C** – an empty property that is substantially unfurnished. (This exemption applies for a maximum period of six months.)

The Bill provided the discretion to remove the statutorily prescribed time periods and 100% exemption for these categories, and gave billing authorities the power to charge between 0% and 100% from the date the property becomes empty. Proposals to implement discretionary powers to remove the exemption for Class L (in relation to

properties repossessed by the mortgagee) had been postponed at this stage, pending further consultation with mortgage lenders.

Appendix A to the report contained a table detailing:

- the numbers of properties in Class A, Class C and classed as Second Homes and Long Term Empties in the Lancaster area as at April 2012.
- the approximate amount of overall council tax foregone in 2012/13 for this number, based on the total charge for a Band D property of £1514.13, and
- the amount foregone by Lancaster City Council based on its own charge for a Band D property of £192.25.

Second Homes

A property was classed as a second home if it was furnished but no-one lived there as their sole or main residence. Council tax legislation currently allowed the billing authority to award a discount on these properties of between 10% and 50%. Currently the City Council awarded a discount of 10% only in these cases, with the bulk of the income from the 40% discretionary charge being allocated under the protocol agreed with the County Council – although it was uncertain whether this would continue next year. The current statutory 50% charge formed part of each authority's precept, or general funding from council tax.

The Bill provided the power for billing authorities to charge 100% on second homes in future, should they choose to do so. The number of second homes and the financial details were also contained in **Appendix A** to the report.

Empty Homes Premium

Billing authorities currently had discretion to provide a discount of up to 50% on empty properties that were not exempt. These were classed as long-term empty properties.

The Finance Bill introduces the power for billing authorities to charge an additional premium, above the 100% charge, for properties that have been empty for a long time (for example two years).

The underlying policy of the new measures aimed to encourage owners to bring empty properties back into use more quickly. As has been outlined previously to Cabinet, it remained the case that a number of dwellings were left empty, at a time when there is an overall housing shortage. As well as being an unused resource, long-term empty properties could attract squatters, vandalism and anti-social behaviour, and could be a blight on the local community.

The Council had always allowed a 50% discount on such properties, although the Finance Bill now provided a good opportunity to review the position. **Appendix A** to the report assumed an additional levy of 50% as an "Empty Homes Premium" for those properties considered to be long term empty in excess of two years, and detailed numbers and financial details.

Consultation

A consultation exercise with relevant stakeholders was planned over the next few months in readiness for decision-making later this calendar year. Timescales and resources would be tight, particularly given the legislative position and other workloads,

including welfare reforms. It was intended that the form of consultation would be discussed and agreed with the Cabinet Portfolio holder.

Generally council tax related decisions were a matter for full Council, following recommendations from Cabinet. The budget timetable was now scheduled for October Cabinet and this would factor in the consultation and decision-making arrangements in respect of council tax discretionary powers. In summary, however, the final decision would need to be made no later than at December Council, to feed into council tax base setting for 2013/14.

There was the potential for the Council to raise extra revenue from the proposals included in the Finance Bill. However, it should be noted with caution that income relating to empty properties generally proves difficult to collect and bad debt provisions will need to be reviewed, should the Council choose to adopt any proposals in future.

Any "Empty Homes Premium" must be seen to operate fairly, and must make sense in the context of the broader local strategy for dealing with empty homes. Issues of collection and avoidance would need to be carefully considered as part of any adoption plan.

Councillor Bryning proposed, seconded by Councillor Hamilton-Cox:-

"(1) That the recommendation, as set out in the report, be approved."

Councillors then voted:-

Resolved unanimously:

(1) That the report be noted and the plans regarding future consultation and decision-making for any new discretionary powers be endorsed.

Officers responsible for effecting the decision:

Head of Resources

Reasons for making the decision:

The proposals link to Corporate Plan provisions regarding health and welling (bringing empty homes back in to use) whilst also supporting the Council's budget and council tax targets. Through noting the report and endorsing the proposals a consultation exercise can be undertaken in readiness for decision-making.

48 WELFARE REFORMS - LOCALISATION OF COUNCIL TAX SUPPORT

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Head of Resources to inform Members of the changes being proposed from April 2013 in respect of council tax benefit, and to endorse the approach regarding consultation on the new localised scheme.

As the report was presented primarily for information no options for decision were presented at this stage, although Cabinet was asked to endorse the plans regarding

consultation. Member decisions on the scheme would be sought later this year, when the outcome of the consultation was known.

Options for consultation on the new scheme:

An operational working group of Revenues and Benefit Managers across the county have been considering the possible options for a new scheme, taking into account the constraint of major changes to software systems in the limited timescales available, and with the aim of reducing the total amount of council tax support provided to manage the reduction in Government funding. Three options had been identified and these were outlined below. Key advantages and disadvantages were also set out but these were by no means exhaustive. For all options, pensioners would not be affected by the proposals and therefore any reference to 'claimants' excludes this particular group.

Option A: Apply a Flat Rate Minimum Charge for Council Tax to Claimants

Applying a 'flat rate' minimum charge for council tax to claimants would mean that:

- those claimants in receipt of 100% support would still need to pay this minimum charge;
- for those in receipt of a lower percentage of support, the amount they pay would increase by this minimum charge; and
- any claimants that would have been due to receive support of less than the minimum charge would lose their entitlement altogether.

As an indication and in order for the costs of the scheme to match expected Government funding, the standard flat rate additional charge payable by working age claimants might average at a minimum of £157 per year (or £3 per week). This calculation did not take account of the impact of those losing their entitlement; the actual reduction would require further modelling.

Advantages:

- It appears that the software suppliers are likely to make this option available and it should therefore be practical to administer.
- Easy to explain to customers and front line services
- It would also be relatively easy to communicate to customers and stakeholders as additional £3 per week or so for claimants to pay.

Disadvantages:

- A flat rate charge may be subject to challenge on the basis that it fails to differentiate between affected groups:
- Imposition of a minimum charge would remove all entitlement to support from those currently receiving CTB at a rate equivalent to less than the proposed minimum charge. This might be construed as disproportionately affecting these customers.
- An across the board cut takes no account of those most vulnerable.
- Debt management would be difficult for those with existing debts.
- A separate risk with any approach based on achieving the minimum levels of expenditure reduction is that it does not provide contingency for economic changes, other than to increase the flat rate charge.

Option B: Apply a Percentage Reduction to the Support Award based on the Current CTB Scheme – eg. Reduce Current Entitlement by around 18%

This was based upon a fairly straightforward amendment to the current scheme whereby support was calculated in accordance with current CTB rules but a percentage reduction was applied at the end of the calculation. As an indication, the minimum percentage reduction required might be approx 18% in order to deliver the required savings across working age claimants. It would be possible to increase the percentage reduction in benefit and this might allow some funds to be treated as available for contingency, and / or special cases of hardship.

Advantages:

- Simple and easy to explain to claimants and front line services
- Easy to administer – no retraining of assessment staff
- Fair scheme for Equality Impact Assessment purposes
- Software suppliers will make this option available as it requires minor changes to existing parameters
- Aligns with other needs assessments e.g. care
- Aligns with the basic principle for any new scheme to create work incentives

Disadvantages:

- No additional recognition of special groups although protection is built into the existing rules
- Creates difficulties in collecting small amounts of council tax

Option C: Limit the Amount of Council Tax Eligible for Support – eg. Setting around 80% as the Maximum Allowable

The principle of limiting the amount of tax eligible for benefit would deliver the required savings whilst retaining the core calculation associated with Council Tax Benefit. It would restrict the amount of council tax eligible for benefit to a given percentage. This is very similar to applying a percentage reduction in support. However, due to the effect of the 'taper' within the CTB calculation this method of approach would reduce benefit slightly more steeply for those customers above minimum income levels ('non-passported cases').

Advantages:

- Simple and easy to explain to claimants and front line services
- Easy to administer – no retraining of assessment staff
- Forecasting for future years is a simpler process
- Software suppliers will make this option available as minor changes to existing parameters

Disadvantages:

- Less incentives to work
- No additional recognition of special groups although protection is built into the existing rules
- Creates difficulties in collecting small amounts of council tax
- This reduces the number of claimants qualifying for benefit

Summary Appraisal:

The option of a 'flat rate' charge (Option A), whilst initially appearing fair, would have the consequence of removing all entitlement from those who would otherwise be due

support at less than the flat rate figure. This would have a disproportionate effect on claimants with an income above minimum 'living allowances', including those in work. Given that this option raises significant concerns regarding the principle of fairness, it was not recommended to be taken forward as a feasible option, unless consultation or further modelling suggested otherwise.

The remaining two options (Option B & C) were to restrict support, either by (B) using the existing benefit calculations, and applying a percentage reduction to the award at the end of the calculation; or by (C) applying a ceiling to the maximum rebate. Whilst these two options were similar, initial analysis suggested that the effect of a ceiling approach (Option C) would reduce the number of claimants that qualify for support under the new scheme.

A scheme designed under Option B would help protect those customers whose income was slightly above minimum 'living allowances', providing greater work incentives in line with the basic principles required of any new scheme. The preferred option was Option B, matching recommendations recently presented to the Lancashire Leaders Group. This would be one of the simpler schemes to administer.

A modelling tool would be used to assess the impact of these options on existing claimants within the authority, alongside the consultation process.

Vulnerable Persons:

The existing CTB scheme already provided protection for certain groups within the underlying rules, providing for:

- disability premiums;
- benefit disregards for child benefit, attendance allowance and disability living allowance;
- additional personal allowances for children and for a small amount of earned income to be ignored in the calculation of benefit, dependant on household circumstances.

It was also intended that any new scheme would retain a local arrangement for war pensions to be disregarded in full. By keeping existing income disregards/premiums and allowances, the local authority would be protecting vulnerable people, as the support calculations would reflect their specific needs.

Consultation Requirements:

The Bill set out the preparatory measures that must be carried out by a billing authority, prior to the making of a localised Council Tax Support Scheme. Those provisions provided that a billing authority must, in the following order:

- consult any major precepting authority that has power to issue a precept
- publish a draft scheme in such a manner as it thinks fit, and
- consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The rationale for consulting with major precepting authorities first was to ensure that they had been involved in shaping the initial proposals within the draft scheme that would be put out to the public for consultation. Consultation letters had been issued to

all three major precepting authorities and their responses were attached to the report at **Appendix A**.

Given the Bill had not yet received Royal Assent, provision was made within the new Schedule 1A to provide that the consultation requirements would not be rendered invalid simply because the relevant provision had not yet been enacted. Failure to conduct meaningful consultation might leave the Council open to judicial review.

Arrangements were currently being developed for undertaking a public consultation, which would cover both working age benefit recipients and existing council tax payers as well as other stakeholders. The timescales were tight, given that a scheme must be made by 31 January 2013. In recognition of this, arrangements were in hand for the Leader and Cabinet Portfolio Holder to sign off the consultation documents; this was due to be completed prior to the Cabinet meeting. The consultation would include all three options set out in this report, although Option B would be identified as the preferred option at this stage.

It was important that the proposals were simple and could be understood by consultees, to enable them to give an informed response. The Council must ensure it allowed adequate time for conscientious consideration of the consultation responses in order that these might inform the final proposals.

The development and implementation of localised council tax support was challenging in many ways. The consultation process was an essential part of managing this challenge, helping to inform people of the planned changes as well as seeking their views on options for the new scheme. The consultation documentation would indicate that Option B was preferred at this stage, although Options A and C would also form part of the consultation programme. Modelling work would continue to develop a more detailed understanding of the wider impacts of all three schemes during the consultation process.

The countywide Officer Working Group concluded that vulnerable groups should continue to receive protection within the underlying rules of the existing scheme, but that no additional protection was necessary as this would merely reduce the available benefit for other claimants still further. It was planned that this too would be covered in the consultation.

The Council must ensure that it had due regard to equality in making its local scheme, including how it would remove or minimise any disadvantage suffered by people with a protected characteristic (by way of age, disability, gender, race, religion etc). A comprehensive equality impact assessment would be carried out as part of the consultation process.

Ultimately it would fall to full Council to make final decisions on the new scheme, having due regard to the outcome of consultation.

Councillor Bryning proposed, seconded by Councillor Blamire:-

“(1) That the recommendation, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That the report be noted and the plans regarding consultation for a local council tax support scheme be endorsed.

Officers responsible for effecting the decision:

Head of Resources

Reasons for making the decision:

The proposals within the report linked to Corporate Plan provisions regarding welfare reforms whilst also supporting the Council's budget and council tax targets. Should the Council fail to introduce a Council Tax Support scheme within the statutory timescale, effectively the Bill dictated that the existing scheme must be introduced as the default scheme. Given the financial pressures that would result, maintaining the existing arrangements was not considered financially viable. Through noting the report a consultation exercise can be undertaken in readiness for decision-making.

49 EXCLUSION OF THE PRESS AND PUBLIC

The Chairman asked for any further declarations of interest from Cabinet Members regarding the exempt report.

It was moved by Councillor Hanson and seconded by Councillor Hamilton-Cox:-

"That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act."

Members then voted as follows:-

Resolved unanimously:

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

50 DISPOSAL OF LAND OFF QUERNMORE ROAD, LANCASTER (Pages 1 - 3)**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Head of Resources which was exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Councillor Hamilton-Cox proposed, seconded by Councillor Barry:-

“(1) That the recommendations, as set out in the exempt report be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That the land off Quernmore Road, Lancaster, as shown on the plan attached to the exempt report, be disposed of on the terms and conditions set out in the exempt report.
- (2) That, in view of the nature of the proposed marketing Cabinet agrees that delegated authority be given to the Head of Resources (in consultation with the Cabinet Portfolio Holder) to complete the sale, should professional advice support such a course of action, with the outcome being reported back to Cabinet.

Officers responsible for effecting the decision:

Head of Resources

Reasons for making the decision:

The Corporate Property Strategy requires that the Council review its asset base and only retain those assets required to meet its agreed objectives and priorities. Where assets are not required for this purpose they should be disposed of at best value. This is an opportunistic sale, allowing the Council to improve the management of its assets.

Chairman

(The meeting ended at 11.20 a.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - telephone (01524) 582047, or email
ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON THURSDAY 6 SEPTEMBER, 2012.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 14 SEPTEMBER, 2012.**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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