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Dear Members

### **Cabinet**

A meeting of the Cabinet will be held in the **Craddock Room, Civic Centre, Riverside, Stafford on Thursday 1 August 2019 at 6.30pm** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded

Members are reminded that contact officers are shown at the top of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

A handwritten signature in black ink, appearing to read "I. Curran".

Interim Head of Law and Administration

## CABINET - 1 AUGUST 2019

Chair - Councillor P M M Farrington

### AGENDA

- 1 Minutes of 4 July 2019 as published in Digest No 257 on 5 July 2019
- 2 Apologies
- 3 Councillors' Question Time (if any)
- 4 Proposals of the Cabinet Members (as follows):-

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(a) **RESOURCES PORTFOLIO**

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| (i)  | Final Accounts 2018 - 19                           | 3  | - | 31 |
| (ii) | Consultation on Local Council Tax Reduction Scheme | 32 | - | 37 |

(b) **ECONOMIC DEVELOPMENT AND PLANNING PORTFOLIO**

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**This Report is confidential due to the inclusion of information relating to the financial or business affairs of any particular person (including the authority holding the information). No representations have been received in respect of this matter.**

### Membership

Chair - Councillor P M M Farrington

- |                  |   |   |
|------------------|---|---|
| P M M Farrington | - | Leader                                      |
| R M Smith        | - | Deputy Leader and Resources Portfolio       |
| J M Pert         | - | Community and Health Portfolio              |
| J K Price        | - | Environment Portfolio                       |
| F Beatty         | - | Economic Development and Planning Portfolio |
| C V Trowbridge   | - | Leisure Portfolio                           |

ITEM NO 4(a)(i)

ITEM NO 4(a)(i)

<b>Contact Officer:</b>	<b>Bob Kean</b>
<b>Telephone No:</b>	<b>01785 619241</b>
<b>Ward Interest:</b>	<b>Nil</b>
<b>Report Track:</b>	<b>Cabinet 01/08/19 Resources 20/08/19 Econ Dev and Planning 27/08/19 Community Wellbeing 12/09/19</b>
<b>Key Decision:</b>	<b>No</b>

**SUBMISSION BY COUNCILLOR R M SMITH  
RESOURCES PORTFOLIO**

<p><b>CABINET</b> <b>1 AUGUST 2019</b> <b>Final Accounts 2018-19</b></p>
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<b>1 Purpose of Report</b>
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1.1 To present to the Cabinet the final accounts position for 2018/19

<b>2 Proposal of Cabinet Member</b>
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2.1 To approve the final accounts position for the year ending 31 March 2019 and refer the figures on to the appropriate Scrutiny Committees for information.

2.2 To approve the financing of the capital programme as outlined in the report.

<b>3 Key Issues and Reasons for Recommendation</b>
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3.1 The overall revenue account outturn position shows the Council's net controllable budget as reflected in its Portfolio Budget reducing by £135,000 when compared with the budget agreed by the Council.

3.2 The portfolio outturn favourable variance primarily arises as a result of additional income £102,000 and savings on controllable budgets including staffing variations of £84,000. The favourable variation has been partly offset by one off variations of £130,000.

- 3.3 Technical items excluded from Portfolio totals show a major variation of £1,081,000. The variation arises from a reduction in transfer to reserves relating to Business Rates income as described below of £1,084,000.
- 3.4 Income from the Business Rates Retention scheme is some £1,214,000 lower than anticipated. The reduction relates to an increase in the provision for appeals and other costs and includes in particular proposed changes to the Rateable Value of Stafford Town Centre shops following a review by the Valuation Office Agency and potential other claims that would reduce the amount collectable within the Business Rates element of the Collection Fund. The shortfall has been partly offset by a refund/ increase in the amount retained in relation to the Staffordshire & Stoke -On-Trent Business Rates Pool following a review of the Contingency amount required by that pool.
- 3.5 The final accounts therefore show no material change in the overall position of the Council with a transfer to Working Balances of £707,000 as compared with the expected contribution to balances of £704,000 that was anticipated when the budget was finalised.
- 3.6 The Medium Term Financial Plan is currently being refreshed to take into account the outturn for the first quarter of 2019/20 in conjunction with the 2018/19 draft outturn.

#### **4 Relationship to Corporate Priorities**

- 4.1 The final accounts for 2018/19 cover all of the Council's priorities.

#### **5 Report Detail**

##### **Background**

- 5.1 This report provides an analysis of the final accounts position for 2018/19. It covers the following accounts:-
- Revenue account - known as the General Fund - which bears the net cost of providing day-to-day services;
  - Business Rates Retention;
  - Capital expenditure and how it is financed;
  - Collection Fund.
- 5.2 In accordance with the revised deadline for the approval of the accounts the Draft Accounts were published on the 31 May and presented for auditing to the Grant Thornton team. The audit has now been completed and the formal Statement of Accounts will be presented, without amendment, for approval and then publication to the Audit and Accounts Committee on 30 July 2019

## Revenue Outturn

- 5.3 The table below summarises the outturn position of the General Fund Revenue Account for the year compared with the budget position.

### General Fund Revenue Account Outturn Position

- 5.4 The Council's Net Expenditure (Portfolio Budgets) in relation to revenue budget for 2018/19 was set by the Council at a net expenditure of £14.770 million in February 2018. In determining the 2018/19 Budget in January 2019 Council approved the Forecast Outturn for 2018/19 of **£15.571 million**. The increase reflecting transfers to reserves in relation to business rates and new homes bonus (£1.139 million), reducing the dependency on such grants, offset by a reduction in the Revenue Contribution to Capital Outlay requirement of £0.360 million
- 5.5 The table below shows that actual Net Expenditure was **£14.355 million; £1.216 million** less than budgeted. The variation arises from a reduction in the amount of business rates retained in the year and hence reducing the amount transferred to the Business Rates Equalisation Reserve.
- 5.6 The actual Income from the Business Rates Retention scheme is some £1,214,000 lower than anticipated. The reduction relates to an increase in the provision for appeals and other costs and includes in particular proposed changes to the Rateable Value of Stafford Town Centre shops following a review by the Valuation Office Agency and potential other claims that would reduce the amount collectable within the Business Rates element of the Collection Fund. The shortfall has been partly offset by a refund/ increase in the amount retained in relation to the Staffordshire & Stoke -On-Trent Business Rates Pool following a review of the Contingency amount required by that pool.
- 5.7 The overall revenue account outturn position shows the Council's net controllable budget as reflected in its Portfolio Budget reducing by £135,000 when compared with the budget agreed by the Council.

<b>Stafford Preliminary Outturn 2018/2019</b>				
		<b>Revised Budget</b>	<b>Actual</b>	<b>Variance to revised</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Portfolios</b>				
1	Community	853	912	59
2	Environment	4,087	4,101	14
3	Leisure	2,225	2,353	128
4	Planning & Regen	107	(43)	(150)
5	Resources	6,379	6,193	(186)
6	Total Portfolios	13,651	13,516	(135)
7	Investment Income	(275)	(275)	0
8	Reserves	1,926	878	(1,048)
9	Technical Items	269	236	(33)
10	Net Expenditure	15,571	14,355	(1,216)
11	Use of Government Grants	(2,777)	(2,807)	(30)
12	<b>Net Revenue Budget</b>	<b>12,794</b>	<b>11,548</b>	<b>(1,246)</b>
<b>Financed by:</b>				
13	Revenue Support Grant	(208)	(208)	0
	Business rates			0
14	Core Funding	(2,717)	(2,717)	0
15	Growth	(2,385)	(1,058)	1,327
16	Business Rates Pool	(954)	(1,067)	(113)
17	Collection Fund Surplus	(87)	(57)	30
18	Council Tax	(7,147)	(7,148)	(1)
19	Total financing	<b>(13,498)</b>	<b>(12,255)</b>	<b>1,243</b>
20	<b>Trf to/(from ) working Balances</b>	<b>704</b>	<b>707</b>	<b>3</b>
21	<b>Net Revenue Budget</b>	<b>(12,794)</b>	<b>(11,548)</b>	<b>1,246</b>

5.8 Principal cost variations on each portfolio are as follows ((+) is an unfavourable variance (-) is a favourable variance):

### Community

- Private Sector Housing - additional Staffing costs £23,000 (+)
- Homelessness - additional net cost of bed and breakfast £60,000 (+)

### Environment

- Bereavement Services - income from fees and charges was lower than expected by £98,000 (+)
- Waste & Recycling - additional cost of Schedule 2 collections £125,000 (+) partly offset by other contract savings £85,000 (-) and staffing variations £33,000 (-)
- Other - additional net income was generated in relation to Streetscene £22,000 (-), Regulatory Services £36,000 (-)

### Leisure

- Leisure Management Contract - additional costs incurred in maintaining swimming provision at Alleynes £26,000 (+) and a later than anticipated opening of Stone Leisure Centre £44,000 (+)

### Planning and Regeneration

- Development Control - reducing planning fee income of £92,000 (+) combined with income received in advance of approval £73,000 (+)
- Parking - higher than anticipated income for riverside developments £109,000 (-) and delayed opening of alternative car parking £40,000 (-) ,combined with reduced running costs of £80,000 (-)
- Land Charges Local Searches - additional search fee income of £19,000 (-) combined with reduction in costs of £26,000 (-)

### Resources

- Revenues and Benefits - net additional income of £59,000 (-)
- Supplies and Services - general underspend £101,000(-)

5.9 A summary of performance of the main streams of income against budget is set out in the following table:

<b>Main Streams of Income</b>					
	<b>Original</b>	<b>Forecast</b>	<b>Actual</b>	<b>Original</b>	<b>Outturn</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Variance</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Waste & Recycling	( 1,517)	( 1,778)	( 1,775)	( 258)	3
Bereavement Services	( 1,903)	( 1,939)	( 1,839)	64	100
Borough Markets	( 257)	( 237)	( 204)	53	33
Regulatory Services	( 270)	( 258)	( 329)	( 59)	( 71)
Development Management	( 689)	( 819)	( 658)	31	161
Land Charges - Local Searches	( 91)	( 166)	( 180)	( 89)	( 14)
Off Street Parking Services	( 2,300)	( 2,300)	( 2,480)	( 180)	( 180)
Public Buildings	( 672)	( 662)	( 667)	5	( 5)
Revenues and Benefits	( 282)	( 325)	( 409)	( 127)	( 84)
Parks & Open Spaces	( 139)	( 93)	( 58)	81	35
	<b>( 8,120)</b>	<b>( 8,577)</b>	<b>( 8,599)</b>	<b>( 479)</b>	<b>( 22)</b>

- 5.10 Income from Off Street Parking was some £180,000 higher than anticipated reflecting increased income from the riverside developments (£109,000) and the delayed opening of alternative car parking (£40,000 ) whereas increased income from court costs and penalty fees were received in relation to the Revenue and Benefits service . Income from planning fees was down on expectation by £92,000 with the residual shortfall arising from a change in accounting arrangements required under Accounts and Audit Regulations and as such is purely a one off for 2018/19. In light of the overall financial outturn for the Council no transfer from the Development Control Equalisation Reserve was made in relation to the true £92,000 variance.
- 5.11 A full review of the major streams of income will be carried out as a matter of course this autumn during the detailed budget preparation process for 2020/21 onwards to ensure that income targets are as realistic as possible.
- 5.12 More detailed explanations for all expenditure and income variances greater than £10,000 and 10% are attached for each portfolio at **APPENDIX 1**.
- 5.13 The final accounts overall show a contribution to the General Fund balance of £0.707 million. In accordance with the approved budget this contribution was transferred in year to earmarked reserves to offset the previously identified borrowing requirement arising from the Capital Programme leaving a Working Balance of £1.313 million as at 31 March 2019.
- 5.14 The majority of variances identified in the final accounts for 2018/19 were identified early in the year and are therefore reflected in the current year's budget (2019/20). In addition further variations that have arisen during the year will be reflected, where appropriate, in the preparation of the financial plan 2020/21 - 2022/23 which will form the basis for the preparation of the detailed base budget for 2020/21 this autumn.
- 5.15 As the Council's current policy is to retain a working balance of £1.188 million, £0.125 million will be available from general balances to support the Council's revenue budget and/ or Capital Programme going forward.

### **Business Rates Retention**

- 5.16 The Business Rates Retention Scheme forms part of the current funding regime for Local Government and incentivises councils to promote economic growth in their area as they are entitled to retain a share of business rates growth.
- 5.17 The scheme came into operation in April 2013; therefore 2018/19 is the sixth year of operation. During this period a full revaluation of rates across the country was undertaken and took effect from the 1 April 2017 arising from the national 2017 revaluation.



- 5.18 The Business Rates Retention regime carries the following financial risks for the Council:
- Failure to collect business rates income in accordance with the “Start-Up” funding assessment;
  - Failure to collect business rates billed;
  - Reduced business rates collectable as a result of appeals.
  - Delays in new developments

Nevertheless the Council has seen its income from business rates, reflecting the new developments, within its area, increase year on year. The original budget for 2018/19 included additional resources of £2.540 million reflecting this Council's share of cumulative Business Rates Growth since 2013/14. The total Business Rates Rateable Value for the Borough as at 31 March 2019 increased by £2.3 million during the year.

- 5.19 2018/19 did, however, see an increase in Mandatory Relief (£0.440 million); Small Business Rates Relief (£0.402 million) and Void Exemptions (£0.238 million); however the biggest change related to the provision for appeals.
- 5.20 The 2018/19 accounts now contains two separate appeals provisions with appeals still outstanding from the 2010 revaluation together with appeals against the new 2017 valuation.
- 5.21 An interim review of Stafford Town Centre Shops was undertaken by the Valuation Office Agency, and although not concluded until May 2019, the VOA indicated that there would be a reduction in Rateable Value of £2.0 million per annum backdated to the 1 April 2017. This combined with other appeals/claims resulted in the actual retained income for 2018/19 being some £1.9 million lower than anticipated. The provision for outstanding appeals stands at £13.4 million as at 31 March 2019 of which £5.361 million relates to Stafford Borough.
- 5.22 The above change also had a material impact on the distribution from the Stoke-on-Trent and Staffordshire Business Rates pool; however this has been more than offset by the Council retaining £0.627 million as a result of a review of contingency required for the Staffordshire & Stoke on Trent Business Rates Pool. 2018/19 was the last year of this particular pool with a new pool incorporating all authorities in Staffordshire being formed for 2019/20.

### **Capital outturn**

- 5.23 The Council approves the Capital Programme for the financial year as part of the budget process and the amount that can be spent is limited by the amount of capital resources available to the Council. The 2018/19 capital programme was approved in January 2018.
- 5.24 Many of the schemes within the Capital Programme take some time to develop and implement so the detailed programme can experience many changes. Considerable variation will therefore arise over the 18 month period from the time the Capital Programme for the financial year is initially considered, right through to the end of March of the relevant year.

- 5.25 The Council spent £9.633 million on capital projects in 2018/19 which was £0.762 million less than the budget of £10.395 million. The main reason for the difference in 2018/19 is scheme slippage where the scheme will proceed later than planned and the expenditure will occur in a future year.

### Capital Outturn Position

	Budget £'000	Actual £'000	Variance from Budget £'000
Community	1,195	1,158	- 37
Environment	425	240	- 185
Leisure	7,694	7,195	- 499
Planning and Regeneration	281	249	- 32
Resources	800	791	- 9
<b>Total</b>	<b>10,395</b>	<b>9,633</b>	<b>- 762</b>

- 5.26 The major items of capital spend in the year were:

- **£7,104,290** on Stone Leisure Strategy;
- **£1,097,320** on the provision of grants for disabled adaptations in homes;
- **£145,670** on the purchase of replacement wheeled bins.
- **£170,810** on Growth Point Initiatives

The detailed Capital Programme outturn for 2018/19 is attached at **APPENDIX 2** along with explanations for major variations.

- 5.27 The capital programme of £9.633 million was financed in the following way:

	<b>£'000</b>
Capital receipts	1,192
Capital grants and contributions	1,730
Direct revenue contributions	6,711
<b>Total</b>	<b>9,633</b>

- 5.28 After financing the capital programme for 2018/19, the Council has, excluding Section 106 monies, approximately £7.064 million of estimated capital resources to finance the approved capital programme up to 2020/21, to help deliver its priorities. These resources are however fully committed for the delivery of the 2018/19 to 2021/22 with no uncommitted resources, although a ring-fenced balance was carried forward for Disabled Facilities Grants.

## Collection Fund

5.29 Stafford is the billing authority and as such has a statutory requirement to establish and maintain a separate fund covering the collection and distribution of amounts due in respect of council tax and national non-domestic rates (NNDR). Net Business Rates attributable to the Council are accounted for as part of the General Fund under the new Business Rates regime.

## Council Tax

5.30 The net position on the Collection Fund for the year was a deficit of £0.183 million for Council Tax; however distribution of previous year's surpluses amounted to £0.522 million. The overall position after taking account the balance brought forward in relation to previous years' surpluses, leaves a net surplus on the fund of £1.653 million at 31 March 2019 (of which £0.172 million relates to this Council).

## National Non Domestic Rates

5.31 A deficit of £3.758 million exists in relation to Business Rates as at 31 March 2019. The deficit arising from an increase in the provision for appeals and other losses The Council's share of this is £1.503 million however it should be noted that the deficit is only notional. Business Rate collection fund accounts are based on figures estimated in January of each year prior to the start of the relevant financial year. The Comprehensive Income and Expenditure account reflects the actual position as at 31 March 2019 and an earmarked reserve has been created that offsets the deficit set out in the Collection Fund Income and Expenditure account.

<b>6</b>	<b>Implications</b>	
6.1	<b>Financial</b>	Included in the report
	<b>Legal</b>	Nil
	<b>Human Resources</b>	Nil
	<b>Human Rights Act</b>	Nil
	<b>Data Protection</b>	Nil
	<b>Risk Management</b>	The formal reporting of the Council's financial position is part of the overall control framework that is designed to minimise the financial risks facing the Council.
6.2	<b>Community Impact Assessment Recommendations</b>	Nil
<b>Previous Consideration - Nil</b>		
<b>Background Papers - File available in Financial Services</b>		

## RESOURCES PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Public Buildings</b>						
Expenditure	1,336,570	1,362,360	1,343,243	(19,117)	(1.4%)	
Income	(672,140)	(673,430)	(666,672)	6,758	(1.0%)	
<b>Net</b>	<b>664,430</b>	<b>688,930</b>	<b>676,572</b>	<b>(12,358)</b>		
<b>Executive Management</b>						
Expenditure	254,570	260,910	264,976	4,066	1.6%	
Income	-	-	(17,484)	(17,484)	n/a	EU preparation grant, contributed to reserves
<b>Net</b>	<b>254,570</b>	<b>260,910</b>	<b>247,492</b>	<b>(13,418)</b>		
<b>Law and Administration</b>						
Expenditure	1,267,260	1,295,020	1,249,441	(45,579)	(3.5%)	
Income	(363,190)	(368,950)	(367,593)	1,357	(0.4%)	
<b>Net</b>	<b>904,070</b>	<b>926,070</b>	<b>881,848</b>	<b>(44,222)</b>		
<b>Finance</b>						
Expenditure	534,770	537,770	552,298	14,528	2.7%	E payments charge
<b>Net</b>	<b>534,770</b>	<b>537,770</b>	<b>552,298</b>	<b>14,528</b>		
<b>Human Resources Services</b>						
Expenditure	693,510	697,460	680,702	(16,758)	(2.4%)	
Income	(313,530)	(317,480)	(303,219)	14,261	(4.5%)	
<b>Net</b>	<b>379,980</b>	<b>379,980</b>	<b>377,483</b>	<b>(2,497)</b>		
<b>Technology</b>						
Expenditure	1,570,330	1,570,330	1,560,092	(10,238)	(0.7%)	
Income	(748,550)	(748,550)	(765,631)	(17,081)	2.3%	
<b>Net</b>	<b>821,780</b>	<b>821,780</b>	<b>794,461</b>	<b>(27,319)</b>		

## RESOURCES PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Revenues &amp; Benefits</b>						
Expenditure	1,533,780	1,501,530	1,553,430	51,900	3.5%	Spend of additional grants £31k, increased court costs bad debts provision £37k less minor variations
Income	(1,006,840)	(1,018,590)	(1,129,228)	(110,638)	10.9%	
<b>Net</b>	<b>526,940</b>	<b>482,940</b>	<b>424,202</b>	<b>(58,738)</b>		
<b>Housing Benefit Payments</b>						
Expenditure	24,030,800	24,030,800	23,438,219	(592,581)	(2.5%)	
Income	(24,030,800)	(24,030,800)	(23,438,219)	592,581	(2.5%)	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Parish Councils</b>						
Expenditure	51,000	51,000	51,129	129	0.3%	
<b>Net</b>	<b>51,000</b>	<b>51,000</b>	<b>51,129</b>	<b>129</b>		
<b>Corporate and Democratic Core</b>						
Expenditure	134,900	125,900	114,957	(10,943)	(8.7%)	Reduced bad debts provision
<b>Net</b>	<b>134,900</b>	<b>125,900</b>	<b>114,957</b>	<b>(10,943)</b>		
<b>Non-Distributed Costs</b>						
Expenditure	287,710	287,710	275,504	(12,206)	(4.2%)	
<b>Net</b>	<b>287,710</b>	<b>287,710</b>	<b>275,504</b>	<b>(12,206)</b>		
<b>Asset Management/Energy Conservation</b>						
Expenditure	32,560	32,560	31,808	(752)	(2.3%)	
<b>Net</b>	<b>32,560</b>	<b>32,560</b>	<b>31,808</b>	<b>(752)</b>		

## RESOURCES PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Electoral Registration</b>						
Expenditure	43,200	70,100	85,933	15,833	22.6%	Additional Individual Elector Grant contributed to reserves (£14k)
Income	-	(26,900)	(43,403)	(16,503)	61.3%	
<b>Net</b>	<b>43,200</b>	<b>43,200</b>	<b>42,530</b>	<b>(670)</b>		
<b>Elections</b>						
Expenditure	39,500	39,500	41,589	2,089	5.3%	
Income	-	-	(230)	(230)	n/a	
<b>Net</b>	<b>39,500</b>	<b>39,500</b>	<b>41,359</b>	<b>1,859</b>		
<b>Members Services</b>						
Expenditure	288,540	288,540	274,292	(14,248)	(4.9%)	
Income	-	-	(109)	(109)	n/a	
<b>Net</b>	<b>288,540</b>	<b>288,540</b>	<b>274,183</b>	<b>(14,357)</b>		
<b>Out of Hours Service</b>						
Expenditure	6,710	6,710	6,708	(2)	0.0%	
<b>Net</b>	<b>6,710</b>	<b>6,710</b>	<b>6,708</b>	<b>(2)</b>		
<b>Facilities Management</b>						
Expenditure	194,030	194,030	190,985	(3,045)	(1.6%)	
Income	-	-	(3,366)	(3,366)	n/a	
<b>Net</b>	<b>194,030</b>	<b>194,030</b>	<b>187,619</b>	<b>(6,411)</b>		
<b>Corporate Business and Partnerships</b>						
Expenditure	290,760	290,760	279,877	(10,883)	(3.7%)	
Income	-	-	(1,900)	(1,900)	n/a	
<b>Net</b>	<b>290,760</b>	<b>290,760</b>	<b>277,977</b>	<b>(12,783)</b>		

## RESOURCES PORTFOLIO

Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Communications</b>						
Expenditure	145,220	139,220	132,946	(6,274)	(4.5%)	
<b>Net</b>	<b>145,220</b>	<b>139,220</b>	<b>132,946</b>	<b>(6,274)</b>		
<b>Customer Services</b>						
Expenditure	302,870	293,070	274,154	(18,916)	(6.5%)	Staffing variations (£13k) and general underspends
Income	-	(5,200)	-	5,200	(100.0%)	
<b>Net</b>	<b>302,870</b>	<b>287,870</b>	<b>274,154</b>	<b>(13,716)</b>		
<b>Items to be Allocated</b>						
Expenditure	83,430	124,250	165,463	41,213	33.2%	Turnover provision £50k, less minor variations
Income	-	(24,160)	(24,158)	2	0.0%	
<b>Net</b>	<b>83,430</b>	<b>100,090</b>	<b>141,304</b>	<b>41,214</b>		
<b>Audit, Risk, Resilience and Procurement</b>						
Expenditure	222,120	222,120	221,970	(150)	(0.1%)	
<b>Net</b>	<b>222,120</b>	<b>222,120</b>	<b>221,970</b>	<b>(150)</b>		
<b>Insurance Premiums</b>						
Expenditure	171,010	171,010	164,167	(6,843)	(4.0%)	
<b>Net</b>	<b>171,010</b>	<b>171,010</b>	<b>164,167</b>	<b>(6,843)</b>		
<b>Portfolio Total</b>	<b>6,380,100</b>	<b>6,378,600</b>	<b>6,192,670</b>	<b>(185,930)</b>		

## ENVIRONMENT PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Management &amp; Support</b>						
Expenditure	353,590	375,590	352,849	(22,741)	(6.1%)	
Income	(2,600)	(42,600)	(48,021)	(5,421)	12.7%	Additional income from Newcastle
<b>Net</b>	<b>350,990</b>	<b>332,990</b>	<b>304,828</b>	<b>(28,162)</b>		
<b>Partnerships Environmental Management</b>						
Expenditure	63,320	69,000	82,080	13,080	19.0%	Survey of 20 Sites of Biological Importance (SBI's) £10k and minor variations
Income	(9,500)	(15,180)	(26,959)	(11,779)	77.6%	Additional contributions towards survey costs
<b>Net</b>	<b>53,820</b>	<b>53,820</b>	<b>55,121</b>	<b>1,301</b>		
<b>Waste &amp; Recycling</b>						
Expenditure	4,084,320	4,380,510	4,402,676	22,166	0.5%	
Income	(1,517,350)	(1,778,540)	(1,774,586)	3,954	(0.2%)	
<b>Net</b>	<b>2,566,970</b>	<b>2,601,970</b>	<b>2,628,090</b>	<b>26,120</b>		
<b>Cleansing Services</b>						
Expenditure	63,510	63,510	89,033	25,523	40.2%	Spend of additional grant and contribution to reserve of balance
Income	(310)	(310)	(23,647)	(23,337)	7528.1%	National Community Clean up Grant £23k
<b>Net</b>	<b>63,200</b>	<b>63,200</b>	<b>65,385</b>	<b>2,185</b>		
<b>Bereavement Services</b>						
Expenditure	723,390	704,070	713,065	8,995	1.3%	
Income	(1,972,950)	(1,972,630)	(1,874,214)	98,416	(5.0%)	Reduced cemeteries and crematorium income
<b>Net</b>	<b>(1,249,560)</b>	<b>(1,268,560)</b>	<b>(1,161,149)</b>	<b>107,411</b>		
<b>Drainage Services</b>						
Expenditure	101,910	105,910	107,069	1,159	1.1%	
<b>Net</b>	<b>101,910</b>	<b>105,910</b>	<b>107,069</b>	<b>1,159</b>		



## ENVIRONMENT PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Misc Highways Functions (ex Planning)</b>						
Expenditure	38,190	36,690	40,647	3,957	10.8%	
Income	(5,000)	(5,000)	(5,000)	-	0.0%	
<b>Net</b>	<b>33,190</b>	<b>31,690</b>	<b>35,647</b>	<b>3,957</b>		
<b>Street Scene</b>						
Expenditure	2,447,720	2,577,850	2,669,143	91,293	3.5%	Staffing £6k, portacabin £21k and £54k contribution to trading reserve
Income	(692,540)	(822,670)	(935,777)	(113,107)	13.7%	Additional external fee income
<b>Net</b>	<b>1,755,180</b>	<b>1,755,180</b>	<b>1,733,366</b>	<b>(21,814)</b>		
<b>Regulatory Services</b>						
Expenditure	593,310	613,610	633,157	19,547	3.2%	Contribution to reserves taxi licences £28k, less minor variations
Income	(269,760)	(273,060)	(327,937)	(54,877)	20.1%	Additional licensing income
<b>Net</b>	<b>323,550</b>	<b>340,550</b>	<b>305,220</b>	<b>(35,330)</b>		
<b>Strategic Health Delivery</b>						
Expenditure	120,680	138,000	121,060	(16,940)	(12.3%)	Rephased spending plan
Income	(69,680)	(87,000)	(69,803)	17,197	(19.8%)	
<b>Net</b>	<b>51,000</b>	<b>51,000</b>	<b>51,257</b>	<b>257</b>		
<b>Dog Warden Service</b>						
Expenditure	42,800	30,800	11,057	(19,743)	(64.1%)	Reduced collection and contract cost
Income	(11,170)	(11,170)	(11,358)	(188)	1.7%	
<b>Net</b>	<b>31,630</b>	<b>19,630</b>	<b>(301)</b>	<b>(19,931)</b>		
<b>Pest Control</b>						
Expenditure	171,210	161,810	147,824	(13,986)	(8.6%)	Staff vacancy (£7k) and reduced transport and material costs
Income	(163,210)	(162,210)	(171,181)	(8,971)	5.5%	
<b>Net</b>	<b>8,000</b>	<b>(400)</b>	<b>(23,357)</b>	<b>(22,957)</b>		

ENVIRONMENT PORTFOLIO

Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Portfolio Total</b>	<b>4,089,880</b>	<b>4,086,980</b>	<b>4,101,175</b>	<b>14,195</b>		

## LEISURE AND CULTURE PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Leisure Section</b>						
Expenditure	103,560	91,560	80,069	(11,491)	(12.6%)	Reduced hours (£9k) and lower supplies and services spend
Income	(33,560)	(33,560)	-	33,560	(100.0%)	Planned use of reserve rephased
<b>Net</b>	<b>70,000</b>	<b>58,000</b>	<b>80,069</b>	<b>22,069</b>		
<b>Alleyne's Sports Centre</b>						
Expenditure	-	10,000	9,252	(748)	(7.5%)	
Income	-	(20,000)	6,459	26,459	(132.3%)	Reserve funding not used
<b>Net</b>	<b>-</b>	<b>(10,000)</b>	<b>15,711</b>	<b>25,711</b>		
<b>Westbridge Park Fitness Centre</b>						
Expenditure	-	-	14,260	14,260	n/a	Works to new leisure centre car park
<b>Net</b>	<b>-</b>	<b>-</b>	<b>14,260</b>	<b>14,260</b>		
<b>Parks &amp; Open Spaces</b>						
Expenditure	792,990	756,690	750,200	(6,490)	(0.9%)	
Income	(234,550)	(162,840)	(151,953)	10,887	(6.7%)	Reduced 3G pitch income
<b>Net</b>	<b>558,440</b>	<b>593,850</b>	<b>598,247</b>	<b>4,397</b>		
<b>Allotments</b>						
Expenditure	16,190	16,190	18,874	2,684	16.6%	
Income	(1,140)	(1,140)	(2,062)	(922)	80.9%	
<b>Net</b>	<b>15,050</b>	<b>15,050</b>	<b>16,811</b>	<b>1,761</b>		
<b>Stafford Gatehouse Theatre</b>						
Expenditure	-	15,900	17,489	1,589	10.0%	
Income	-	(6,900)	(6,892)	8	(0.1%)	
<b>Net</b>	<b>-</b>	<b>9,000</b>	<b>10,597</b>	<b>1,597</b>		

## LEISURE AND CULTURE PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Ancient High House</b>						
Expenditure	4,220	36,940	12,102	(24,838)	(67.2%)	Rephased spend funded from reserves
Income	-	(27,100)	(1,353)	25,747	(95.0%)	
<b>Net</b>	<b>4,220</b>	<b>9,840</b>	<b>10,748</b>	<b>908</b>		
<b>Broadeye Windmill</b>						
Expenditure	1,860	1,860	1,466	(394)	(21.2%)	
Income	-	-	(1)	(1)	n/a	
<b>Net</b>	<b>1,860</b>	<b>1,860</b>	<b>1,465</b>	<b>(395)</b>		
<b>Izaak Walton Cottage</b>						
Expenditure	-	8,230	5,162	(3,068)	(37.3%)	
<b>Net</b>	<b>-</b>	<b>8,230</b>	<b>5,162</b>	<b>(3,068)</b>		
<b>Stafford Castle</b>						
Expenditure	-	12,340	1,577	(10,763)	(87.2%)	Reduced repairs and maintenance
Income	-	-	(140)	(140)	n/a	
<b>Net</b>	<b>-</b>	<b>12,340</b>	<b>1,437</b>	<b>(10,903)</b>		
<b>Tourism</b>						
Expenditure	18,520	18,520	17,976	(544)	(2.9%)	
<b>Net</b>	<b>18,520</b>	<b>18,520</b>	<b>17,976</b>	<b>(544)</b>		
<b>Stafford Leisure Centre</b>						
Expenditure	-	-	880	880	n/a	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>880</b>	<b>880</b>		
<b>Leisure Management Contract</b>						
Expenditure	1,617,390	1,730,900	1,801,676	70,776	4.1%	Stone opening delay and compensation Alleynes closure
Income	(523,800)	(598,310)	(598,189)	121	0.0%	
<b>Net</b>	<b>1,093,590</b>	<b>1,132,590</b>	<b>1,203,487</b>	<b>70,897</b>		

## LEISURE AND CULTURE PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Leisure Strategy</b>						
Expenditure	375,510	375,510	376,146	636	0.2%	
<b>Net</b>	<b>375,510</b>	<b>375,510</b>	<b>376,146</b>	<b>636</b>		
<b>Portfolio Total</b>	<b>2,137,190</b>	<b>2,224,790</b>	<b>2,352,997</b>	<b>128,207</b>		

## PLANNING AND REGENERATION PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Management and Support</b>						
Expenditure	483,320	457,120	436,731	(20,389)	(4.5%)	Staffing variations (£27k) and minor variations Additional street naming income
Income	(25,540)	(25,540)	(31,496)	(5,956)	23.3%	
<b>Net</b>	<b>457,780</b>	<b>431,580</b>	<b>405,235</b>	<b>(26,345)</b>		
<b>Building Control</b>						
Expenditure	130,430	130,430	129,431	(999)	(0.8%)	
<b>Net</b>	<b>130,430</b>	<b>130,430</b>	<b>129,431</b>	<b>(999)</b>		
<b>Development Management</b>						
Expenditure	830,480	960,480	975,891	15,411	1.6%	Reduced planning fee income
Income	(701,070)	(831,070)	(658,215)	172,855	(20.8%)	
<b>Net</b>	<b>129,410</b>	<b>129,410</b>	<b>317,676</b>	<b>188,266</b>		
<b>Forward Planning</b>						
Expenditure	526,790	468,920	1,222,749	753,829	160.8%	Contribution to reserves of additional grant Grant for New Garden Community Meecebrook £750k
Income	(218,850)	(167,980)	(928,973)	(760,993)	453.0%	
<b>Net</b>	<b>307,940</b>	<b>300,940</b>	<b>293,777</b>	<b>(7,163)</b>		
<b>Land Charges - Local Searches</b>						
Expenditure	79,620	122,320	99,610	(22,710)	(18.6%)	Reduced search fees SCC (£26k) and minor variations Additional search fee income
Income	(91,320)	(166,020)	(180,208)	(14,188)	8.5%	
<b>Net</b>	<b>(11,700)</b>	<b>(43,700)</b>	<b>(80,599)</b>	<b>(36,899)</b>		
<b>Off Street Parking Services</b>						
Expenditure	1,579,520	1,197,520	1,122,065	(75,455)	(6.3%)	Reduced operational costs Additional short term income (£109k), lease of fairway (£30k) and contribution from SCC re Doxey (£40k)
Income	(2,670,200)	(2,297,700)	(2,480,193)	(182,493)	7.9%	
<b>Net</b>	<b>(1,090,680)</b>	<b>(1,100,180)</b>	<b>(1,358,128)</b>	<b>(257,948)</b>		

## PLANNING AND REGENERATION PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Land &amp; Properties</b>						
Expenditure	59,820	73,880	69,800	(4,080)	(5.5%)	
Income	(52,860)	(68,920)	(72,405)	(3,485)	5.1%	
<b>Net</b>	<b>6,960</b>	<b>4,960</b>	<b>(2,605)</b>	<b>(7,565)</b>		
<b>Economic Development</b>						
Expenditure	239,130	320,130	310,481	(9,649)	(3.0%)	
Income	(3,160)	(93,160)	(85,447)	7,713	(8.3%)	
<b>Net</b>	<b>235,970</b>	<b>226,970</b>	<b>225,035</b>	<b>(1,935)</b>		
<b>Borough Markets</b>						
Expenditure	331,010	326,410	288,634	(37,776)	(11.6%)	Reduced operational costs
Income	(320,000)	(300,000)	(261,374)	38,626	(12.9%)	Reduced income due to occupancy
<b>Net</b>	<b>11,010</b>	<b>26,410</b>	<b>27,259</b>	<b>849</b>		
<b>Portfolio Total</b>	<b>177,120</b>	<b>106,820</b>	<b>(42,919)</b>	<b>(149,739)</b>		

## COMMUNITY PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Private Sector Housing (Standards)</b>						
Expenditure	108,960	121,960	136,204	14,244	11.7%	Additional staff costs in relation to House in Multiple Occupation work
Income	(2,340)	(3,340)	(5,140)	(1,800)	53.9%	
<b>Net</b>	<b>106,620</b>	<b>118,620</b>	<b>131,064</b>	<b>12,444</b>		
<b>Housing Act Sewerage Works</b>						
Expenditure	2,000	2,000	-	(2,000)	(100.0%)	
<b>Net</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>(2,000)</b>		
<b>Private Sector Hsg (Loans &amp; Mortgages)</b>						
Expenditure	5,450	5,450	5,594	144	2.6%	Additional grazing agreement income backdated 4 years
Income	(11,210)	(11,210)	(18,095)	(6,885)	61.4%	
<b>Net</b>	<b>(5,760)</b>	<b>(5,760)</b>	<b>(12,501)</b>	<b>(6,741)</b>		
<b>Partnerships</b>						
Expenditure	25,290	182,680	173,643	(9,037)	(4.9%)	
Income	-	(157,390)	(150,070)	7,320	(4.7%)	
<b>Net</b>	<b>25,290</b>	<b>25,290</b>	<b>23,573</b>	<b>(1,717)</b>		
<b>Homelessness &amp; Housing Advice</b>						
Expenditure	494,760	866,350	898,857	32,507	3.8%	
Income	(20,000)	(362,590)	(361,613)	977	(0.3%)	
<b>Net</b>	<b>474,760</b>	<b>503,760</b>	<b>537,244</b>	<b>33,484</b>		
<b>Glover Street</b>						
Expenditure	20,480	(6,520)	7,524	14,044	(215.4%)	Gypsy traveller costs £12k
Income	(24,200)	(18,200)	(11,068)	7,132	(39.2%)	Reduced income on empty caravans
<b>Net</b>	<b>(3,720)</b>	<b>(24,720)</b>	<b>(3,545)</b>	<b>21,175</b>		



## COMMUNITY PORTFOLIO

## Final Accounts 2018-2019

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>CCTV</b>						
Expenditure	98,330	105,330	107,521	2,191	2.1%	
Income	-	-	1,893	1,893	n/a	
<b>Net</b>	<b>98,330</b>	<b>105,330</b>	<b>109,414</b>	<b>4,084</b>		
<b>Grants &amp; Contributions</b>						
Expenditure	128,960	128,960	127,312	(1,648)	(1.3%)	
Income	-	-	(529)	(529)	n/a	
<b>Net</b>	<b>128,960</b>	<b>128,960</b>	<b>126,783</b>	<b>(2,177)</b>		
<b>Portfolio Total</b>	<b>826,480</b>	<b>853,480</b>	<b>912,032</b>	<b>58,552</b>		

## RESOURCES CAPITAL PORTFOLIO

## Final Accounts 2018-2019

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
CORPORATE IT EQUIPMENT	50,000	41,485	-8,515	£7.8k slipped to 19-20, residual underspend reclassified as revenue spend
CAR PARK SHARING	750,000	750,000	0	
<b>Portfolio Total</b>	<b>800,000</b>	<b>791,485</b>	<b>-8,515</b>	

## ENVIRONMENT CAPITAL PORTFOLIO

## Final Accounts 2018-2019

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
STREETSCENE EQUIPMENT	200,000	89,713	-110,287	£91.4k slipped to 19-20, £18.9k reclassified as revenue spend
GREEN CONTAINERS - REPLACEMENT PROGRAMME	112,000	86,722	-25,278	£25.3k slipped to 19-20
BLUE BINS	88,100	58,948	-29,152	£29.2k slipped to 19-20
WASTE CONTAINERS - REPLACEMENT	25,000	5,041	-19,959	£20.0k slipped to 19-20
<b>Portfolio Total</b>	<b>425,100</b>	<b>240,424</b>	<b>-184,676</b>	

## LEISURE CAPITAL PORTFOLIO

## Final Accounts 2018-2019

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
CASTLE HEALTH & SAFETY WORKS	4,760	-1,260	-6,020	£6.0k slipped to 19-20
CASTLE MOTTE	20,990	0	-20,990	£21.0k slipped to 19-20
VICTORIA PARK REFURBISHMENT	250,000	79,228	-170,772	£189.0k slipped to 19-20, £18.6k additional value engineering funded from reserves
CHARNLEY RD DESTINATION PARK	57,290	7,031	-50,259	£50.3k slipped to 19-20
STONE LEISURE STRATEGY	7,338,900	7,104,288	-234,612	£234.6k slipped to 19-20
GATEHOUSE MET RIGGING	5,000	1,754	-3,246	£3.2k slipped to 19-20
HOLMCROFT LEISURE FACILITIES	9,000	867	-8,133	£8.1k slipped to 19-20
VICTORIA PARK PEDESTRIAN BRIDGE	7,550	2,620	-4,930	£4.9k slipped to 19-20
<b>Portfolio Total</b>	<b>7,693,490</b>	<b>7,194,529</b>	<b>-498,961</b>	

## PLANNING &amp; REGENERATION CAPITAL PORTFOLIO

## Final Accounts 2018-2019

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
WATERSCAPE PROJECT	63,410	0	-63,410	Scheme now amalgamated with Town Centre Enhancements
GROWTH POINT	171,180	170,814	-366	
STAFFORD TOWN CENTRE ENHANCEMENTS	40,820	78,776	37,956	£25.5k slipped to 19-20
LAND AT FAIRWAY	6,000	-931	-6,931	£6.9k slipped to 19-20
<b>Portfolio Total</b>	<b>281,410</b>	<b>248,660</b>	<b>-32,750</b>	

## COMMUNITY CAPITAL PORTFOLIO

## Final Accounts 2018-2019

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
DISABLED FACILITIES GRANT (DFG)	949,250	1,097,321	148,071	£310.8k originally slipped as part of Revised Budget, actual reflects greater spend than forecast for 18-19 but within budgeted grant
CCTV UPGRADE	55,060	55,050	-10	
GLOVER STREET IMPROVEMENTS	170,520	0	-170,520	£170.5k slipped to 19-20
EMPTY HOMES	0	-2,038	-2,038	
PRIVATE SECTOR HOUSING ASSISTANCE	20,000	7,747	-12,253	£12.3k slipped to 19-20
<b>Portfolio Total</b>	<b>1,194,830</b>	<b>1,158,080</b>	<b>-36,750</b>	

**COMMUNITY CAPITAL PORTFOLIO**  
**Final Accounts 2018-2019**

	<b>Budget</b>	<b>Total Spend</b>	<b>Variance from Budget</b>	<b>Comments</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Grand Total</b>	<b>10,394,830</b>	<b>9,633,177</b>	<b>-761,653</b>	

ITEM NO 4(a)(ii)

ITEM NO 4(a)(ii)

<b>Contact Officer:</b>	<b>Rob Wolfe</b>
<b>Telephone No:</b>	<b>01543 464397</b>
<b>Ward Interest:</b>	<b>Nil</b>
<b>Report Track:</b>	<b>Cabinet 01/08/2019 Resources Scrutiny 20/08/2019</b>
<b>Key Decision:</b>	<b>No</b>

**SUBMISSION BY COUNCILLOR R M SMITH  
RESOURCES PORTFOLIO**

**CABINET  
1 AUGUST 2019  
Consultation on Local Council Tax Reduction Scheme**

**1 Purpose of Report**

- 1.1 To inform Cabinet of the need to review the Council's Local Council Tax Reduction Scheme (LCTRS).
- 1.2 To explain the proposed features of a new Local Council Tax Reduction Scheme.
- 1.3 To seek the necessary approvals and delegations to instigate a formal consultation process, subject to detailed cost forecasting and the scheme principles explained in this report.

**2 Proposal of Cabinet Member**

- 2.1 That the need to review the Council's Local Council Tax Reduction Scheme be noted and supported.
- 2.2 That authority to instigate a formal consultation process, subject to detailed cost forecasting and the scheme principles explained in this report, be delegated to the Head of Finance, in consultation with the Cabinet Member for Resources.



### **3 Key Issues and Reasons for Recommendation**

- 3.1 The Council's current LCTRS was implemented in 2013, in partnership with all other Staffordshire councils, when the national Council Tax Benefit scheme was abolished. In common with all other districts and boroughs at that time, the scheme mirrored the council tax benefit and housing benefit schemes, whilst at the same time accommodating a 10% reduction in government funding, and protecting the more vulnerable groups.
- 3.2 Over the last 6 years there have been several significant changes that have been applied to the Housing Benefit Scheme through Welfare Reform legislation that, in the main have not been applied to the LCTRS. This has resulted in complex and costly administration with Councils applying different rules to the assessment of Housing Benefit claims compared to the assessment of LCTR. This can lead to confusion for customers as well as for staff.
- 3.3 In particular, the current scheme does not work well for Universals Credit (UC) claimants, who no longer claim other benefits from the Council.
- 3.4 Central government funding for our benefit service will continue to reduce as our Housing Benefit caseloads reduce as a result of Universal Credit.
- 3.5 The rules for LCTR for pensioners continue to be prescribed nationally and we can only consider the scheme insofar as it affects working aged claimants.

### **4 Relationship to Corporate Priorities**

- 4.1 By revising our scheme, to bring it in line with changes in the circumstances of the lower paid and more vulnerable residents we are contributing to the council's aim, to be a well-run financially sustainable and ambitious organisation, responsive to the needs of our customers and communities and focussed on delivering objectives.

### **5 Report Detail**

- 5.1 In 2013 Council Tax Benefit, which was a national scheme, was removed for all working aged claimants and replaced by a localised Council Tax Reduction Scheme. All Staffordshire authorities worked jointly to produce a framework scheme, based on the same set of principles but which contains some variances for each authority depending on their demographics and local priorities. The scheme has not been substantially changed since its inception.
- 5.2 The scheme is means tested and all claimants are required to complete an application form and provide considerable evidence and information within a specific timescale in order for an assessment to be completed enabling a reduction in the amount of council tax payable. Whilst this process sat well alongside the Housing Benefit scheme, it is onerous for claimants who only wish to claim LCTR from the Council.

- 5.3 Our current scheme is “penny specific”. We make an award based on exact income and capital of the claimant. Any change must be reported and will require a re-assessment. This in turn generates a revised Council Tax bill. This is cumbersome and frustrating for Benefit Staff, Council Tax Staff and customers alike, particularly when changes are small. Furthermore, the repeated re-issue of bills, delays the recovery of unpaid council tax, which obviously contributes to non-payment issues.
- 5.4 UC payments in particular would be problematic if not addressed. For many claimants, UC payments can change on monthly basis. This could mean that an individual might receive twelve council tax bills during the year with payment schedules being re-profiled each time. This makes it very difficult for claimants to manage their money or understand how changes to their income might affect them, often leading to arrears and debt. This will certainly become more of an issue when UC starts to migrate from next year.
- 5.5 The Council Tax arrears amongst LCTR recipients are proportionately much higher than arrears amongst those not reliant on benefit, and this is no surprise. Whereas in 2018-19 we collected 98.4% of our overall Council Tax within the financial year, the collection rate amongst LCTR recipients was 80%. The current scheme is evidently creating charges which are difficult for the taxpayer to pay and for the Council to recover when not paid. This is clearly inefficient and ineffective and needs to be addressed, without losing fairness and equality from the scheme.
- 5.6 Better use of technology can be adopted in order to simplify the process of claiming, assessing and notifying LCTR, to the benefit of both the council and its customers.
- 5.7 The scheme which we would anticipate implementing from 1 April 2020, will be a “Banded Discount Scheme” which would remove much of the complexity associated with the current scheme, whilst at the same time maintaining fairness and equality in the way in which awards are distributed amongst Council Tax payers. According to their household and financial circumstances, claimants will be placed into bands and an appropriate percentage reduction made from their bill.
- 5.8 An example of a banded scheme can be seen below **(This is for illustration purposes only)**:

% discount Household	100%	75%	50%	25%	No discount
Single Person – no dependents	<£110	110.00 - £150	£150.01- £230	£230.01- £300	£300.01+
Couple - no dependents	<£160	160.00 - £200	£200.01- £270	£270.01- £350	£350.01+

Lone parent with 1 dependant	<210	£210.00 -£250	£250.01- £330	£330.01- £400	£400.01+
Lone Parent with 2+ dependants	<260	£260.00 -£300	£300.01- £370	£370.01- £450	£450.01+
Family with 1 dependant	<210	£210.00 -£250	£250.01- £330	£330.01- £400	£400.01+
Family with > 2+ dependants	<260	£260.00 -£300	£300.01- £370	£370.01- £450	£450.01+

- 5.9 Changing the LCTRS to a Banded Discount Scheme will make it much easier for people to understand and for our staff to administer. Claimants will easily be able to establish if they will qualify and the amounts involved. The claim will be a short, online process, with support available for residents who find it difficult to claim online.
- 5.10 The new income band system would enable people to increase their working hours or get a better paid job knowing in advance how much support we will give them to pay their council tax. They will also get fewer council tax bills even if their Universal Credit changes, provided their income remains within a particular band.
- 5.11 The simplified scheme will result in reduced administration and significant reduction in costs to the Council.
- 5.12 Awards of LCTR are relatively low (an average of £15.55 per week in 2019/20) and do not result in a physical payment being made, but rather a reduction applied to our bill. It is therefore expected that some of the current onerous evidence requirements can be reduced, with our officers' time being more targeted to compliance checks using data access and data matching facilities available to us.
- 5.13 Officers will again work with other Staffordshire councils, to maintain consistency of approach across the county. Similarly, many other councils across the country are adopting the same approach.
- 2013/14 - Only 1 Council in England had a banded scheme
  - 2018/19 - 10 Councils introduced banded or part banded schemes
  - 2019/20 - 25 Councils have introduced banded or part banded schemes
  - 2020/21 - Over 100 authorities are looking to change and simplify their schemes.

5.14 A number of principles have been established which we intend to consider incorporating into a new scheme, subject to costing and impact assessments

- The scheme will be cost neutral. We anticipate the total spend to be as it is now.
- Significant administrative savings resulting from the streamlined process and use of technology.
- Improved customer experience, through simplicity of process.
- As far as is possible, we want to create common schemes across all Staffordshire Districts.
- Banded discounts, probably increasing in 25% or 20% increments up to 100%
- No non dependant charges.
- Child benefit wont be included in income (whereas it is at present)
- Capital cut off. As now, claimants with more than £6,000 in savings will be excluded.
- Band D cut off. As now, properties in property bands E-H will be assessed at the band D rate.
- Claimants will only need to report changes of income which are sufficient to take them into the next income band.
- Better use of technology, with the development of an on-line /self assessment process.
- Maximum award will be 100%.
- Self employed claimants will be assessed according to their HMRC self-assessed earnings, subject to a minimum of the National Minimum Wage level.
- A contingency fund will be included in the scheme, as now, to address unforeseen circumstances and exceptional hardship.

5.15 Full Council approval is needed for an amended scheme and we are obliged to conduct a comprehensive consultation process prior to this. This will include member briefings as well as consultation with preceptors, voluntary organisations and the public. The next steps in this process are, as follows;

- **Costing** - whilst the principles of an efficient scheme are apparent, the most difficult part of the task must now be undertaken i.e. to establish the correct income bands to be applied within the scheme.
- **Consultation** - An extensive formal consultation will take place, typically for a period of around 8 weeks and including the major preceptors, partners, community groups and other stakeholders as well as Parish Councils and any other interested parties. The billing authorities will undertake this exercise together, sharing the cost of any necessary external expertise.
- **Reporting and Approval** - Full Council approval is needed for the new schemes. A report and proposed scheme will be presented to Council on 28 January 2020.

<b>6 Implications</b>	
<b>6.1 Financial</b>	<p>This particular report seeks only to begin a consultation process and so has no significant financial implications.</p> <p>The scheme that we will consult upon will be budgetary neutral and will be reported and explained to members through the consultation process.</p>
<b>Legal</b>	<p>We have a legal duty to consult on the changes to our scheme. Schedule 1A of the Local Government Finance act 1992, which was inserted by Local Government Finance act 1992 states that:</p> <p>Before making a scheme, the authority must (in the following order)</p> <ul style="list-style-type: none"> <li>(a) consult any major precepting authority which has power to issue a precept to it,</li> <li>(b) publish a draft scheme in such manner as it thinks fit, and</li> <li>(c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.</li> </ul>
<b>Human Resources</b>	There are no Human Resources implications relating to this report.
<b>Human Rights Act</b>	There are no Human Rights implications relating to this report.
<b>Data Protection</b>	There are no Data Protection implications relating to this report.
<b>Risk Management</b>	The risk issues contained in this report are not strategic and therefore should not be included in the Strategic Risk Register.
<b>6.2 Community Impact Assessment Recommendations</b>	<p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p>
<b>Previous Consideration - Nil</b>	
<b>Background Papers - Nil</b>	