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Name of meeting: Cabinet
Date: 24 March 2020
Title of report: West Yorkshire Devolution Deal – Review of Governance Arrangements

Purpose of report:

To seek Member endorsement to the “minded to” West Yorkshire Devolution Deal and to seek approval for a statutory Review to be undertaken by Constituent Councils and the Combined Authority

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| Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? | No |
| Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>? | Key Decision – No Private Report/Private Appendix – No |
| The Decision - Is it eligible for call in by Scrutiny? | Not Applicable – This is not a key decision If no give the reason why not |
| Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance Is it also signed off by the Service Director for Legal, Governance and Commissioning | Jacqui Gedman, Chief Executive – 16/3/2020 Eamonn Croston – 16/3/2020 Julie Muscroft – 16/3/2020 |
| Cabinet member portfolio | Cllr Pandor – Leader of the Council |

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

Has GDPR been considered? Yes

1. Summary

- 1.3 The West Yorkshire “minded to” Devolution Deal announced in March 2020 offers the opportunity for the region to receive functions and funding additional to that received under previous Deals in return for adopting the model of a directly elected Mayor by May 2021. The Deal has the potential to benefit the region by unlocking central government funding to allow more local and accountable decision making.
- 1.4 The “minded to” Deal is the starting point ultimately to the adoption of a Mayoral Combined Authority model with additional functions which will require an Order of the Secretary of State. Each council and the Combined Authority will need to agree specific actions as part of the statutory procedures which must be followed before the Secretary of State may grant such an Order. These are set out in more detail below but include carrying out a statutory Review of constitutional arrangements and functions for the proposed electoral area and preparing and adopting a Scheme which will then go out to public consultation. Councils will subsequently have the opportunity to consider the representations received before deciding to submit the Scheme to the Secretary of State setting out proposed arrangements, along with a summary of consultation responses. The consent of each Council and the Combined Authority will subsequently be required to the making of the Order.
- 1.5 This report seeks members endorsement to the “minded to” Deal. It also seeks authority for a statutory Review to be undertaken, jointly by Constituent Councils and the Combined Authority, and for a further report to be prepared in due course including a draft Scheme for consideration (subject to the outcome of the Review).

2. Information required to take a decision

- 2.1 The Deal will devolve a range of powers and responsibilities to the West Yorkshire Combined Authority, supporting the region to drive economic growth and prosperity within its communities and across the North of England. It will build upon the area’s history of collaboration to maximise this investment and increase its contribution to national economies.
- 2.2 The Local Authorities of the West Yorkshire Combined Authority and Government have agreed an initial devolution deal which will provide powers and funding to enable the region to make progress as a significant step forward towards achieving that ambition.
- 2.3 The City Region partnership has grown and strengthened over more than a decade, from the Leeds City Region Leaders Board to the West Yorkshire Combined Authority working with the Leeds City Region Local Enterprise Partnership (LEP).
- 2.4 The West Yorkshire Councils and Leeds City Region LEP secured the area’s City Deal in 2012 and a £1bn Growth Deal in July 2014. This success has enabled the City Region to make a strong start:
- bring close to £3 billion public and private sector investment into the region to boost growth and jobs
 - set to create 20,600 jobs and add £2.1 billion a year to the economy by 2031
 - putting in place a £1 billion package of transport investment to upgrade transport links, making it easier for people and businesses to get around
 - helping 4,800 businesses to grow since 2011, unlocking close to half a billion pounds of private sector investment

- creating over 4,300 work opportunities for young people aged 16-24, including 3,837 apprenticeships adding an expected £1.4 billion to the economy by 2020 as a result of work over the past four years.
- 2.5 West Yorkshire's ambition is to go much further to address historic and emerging challenges, including the need to improve air quality and tackle the climate emergency. With a population of over 2.3 million people and a GVA of over £55bn p.a., West Yorkshire offers enormous potential. Sizeable parts of West Yorkshire enjoy a great quality of life, good wages, and lower living and housing costs, and for many the region is a great place to live, work, visit and invest. But substantial long-term investment and greater powers are needed, to tackle the challenges facing the region, and to harness its huge economic opportunity for the benefit of people in the region and for the whole UK.
- 2.6 The West Yorkshire deal will unlock significant long-term funding and give the region greater freedom to decide how best to meet local needs and create new opportunity for the people who live and work there. This agreement is the first step in a process of further devolution. The Government will continue to work with West Yorkshire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling the climate emergency.
- 2.7 The following section of the report provides a summary of the key elements of the "minded-to" Deal in terms of key devolved powers and funding commitments; a description of the Mayoral Combined Authority model, the process for its establishment and to provide for other associated changes set out in the Deal; the Review geography and scope; and the key elements of any subsequent Scheme. A copy of the Deal is attached as Appendix 1 to this report.

2.8 Deal proposals

2.8.1 West Yorkshire devolution – what it means for Kirklees

2.8.1.1 The £1.8billion deal will mean far greater decision-making powers allowing the West Yorkshire region to set its own priorities.

2.8.1.2 As part of the devolution deal, the Government has awarded £317million of Transforming Cities Fund money. This represents a larger allocation, both in cash and per head, than any of the other areas that submitted a bid.

2.8.1.3 It is enough to fund every scheme in the 'low' scenario. In Kirklees this includes:

- Enhancements to the A638 in Dewsbury to improve public transport and active travel.
- Connecting employment and skills in Dewsbury.
- Developing Huddersfield Railway Station and employment land around it to maximise the benefits of the Trans Pennine Route (TRU) upgrade.

2.8.1.4 We have also negotiated a number of freedoms which will allow us to take decisions on a West Yorkshire level on how to prioritise expenditure on the additional resources this brings to the region. This means our 'high' scenario can be fully funded, allowing us to progress schemes such as:

- North Kirklees Growth Zone (Dewsbury – Batley - Tingley)
- Further funding for improving Huddersfield Station ready for TRU

2.8.2 The devolution deal includes the following headline commitments:

- £38m for 30 years into West Yorkshire Investment Fund with a 25%/75% capital/revenue split
- Government commitment to work with West Yorkshire to develop modern mass transit system through access to a new five-year integrated transport settlement
- £317m from the Transforming Cities Fund to dramatically improve access to public transport, cycling and walking
- Access to bus franchising powers
- Control of the £63m annual Adult Education Budget for West Yorkshire to closer align spending on skills to the opportunities and needs in the local economy
- A £25M heritage fund to support the development of a British Library North in Leeds
- £500,000 of Government funding to support master planning in Bradford City Centre to maximise regeneration opportunities from Northern Powerhouse Rail
- £75,000 to support the creation of a Digital Skills Partnership
- The creation of a West Yorkshire Mayor to be elected in May 2021
- A commitment to work towards policing and crime powers to be transferred to the Mayor in 2024
- Government commitment to engage with the Combined Authority on priorities emerging from the Future Ready Skills Commission
- Access to the Government's new Brownfield Regeneration Fund to support housing growth and £3.2m to support the development of a pipeline of housing sites across West Yorkshire
- £200,000 funding to support the work of the Yorkshire Leaders Board.

2.8.3 Under the deal, West Yorkshire Combined Authority would retain its current powers in relation to economic development, regeneration and transport functions (with the Mayor taking responsibility for preparing the transport plan and strategies). Working with the Mayor, these will be strengthened with additional powers as set out in legislation:

- Finance – power to borrow up to an agreed cap for non-transport functions
- Adult education and skills functions
- Economic development – duty to prepare an assessment of economic conditions
- Housing functions relating to compulsory purchase (subject to the consent of the constituent council affected by the exercise of the function), plus provision of housing and land, land acquisition and disposal, and development and regeneration of land
- Transport powers to set up and coordinate a Key Route Network on behalf of the Mayor (unless otherwise agreed locally, all operational responsibility for key Route Network roads will remain with the constituent councils)
- Powers to collect contributions from utility companies for diversionary works needed as a result of highways works carried out on the Key Route Network
- Powers to operate a permit scheme designed to control the carrying out of works on the Key Route Network
- The Combined Authority will be able to seek consent to raise a Strategic Infrastructure Tariff.

2.8.4 The directly elected Mayor for the West Yorkshire Combined Authority will autonomously exercise their new functions with personal accountability to the electorate, devolved from central Government and set out in legislation. These functions will be:

- The functional power of competence
- Housing and planning
 - i Statutory spatial planning powers to produce a spatial development strategy; exercisable with the unanimous consent of the constituent authorities

- ii Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation (subject to the consent of the council in whose area this would apply)
- iii Housing and land acquisition powers (subject to the consent of the council in whose area this would apply) to support housing, regeneration, infrastructure and community development and wellbeing.
- Finance:
 - i Power for the Mayor to set a precept on council tax to fund Mayoral functions (resulting from the setting of the Mayoral budget as set out below),
 - ii Power to charge business rate supplement (subject to ballot)
- Transport:
 - i Power to draw up a local transport plan and strategies (The Combined Authority will be able to amend the Mayor's transport strategy if a majority of members agree to do so)
 - ii Power to request local regulations requiring large fuel retailers to provide Electric Vehicle charging points
 - iii Bus franchising powers
 - iv Ability to pay grants to bus service operators
- Police and Crime Commissioner functions from the Mayoral election in 2024.

2.9 Mayoral Combined Authority model

2.9.1 To secure the functions and funding set out in 2.8 above, the Government requires a Mayoral Combined Authority to be established with the election of a directly elected Mayor by 2021 for the area of the five West Yorkshire authorities of Calderdale, Bradford, Kirklees, Leeds and Wakefield.

2.9.2 As reflected in the Deal, the proposed Mayoral Combined Authority will provide local accountability and exercise decision-making including over newly-devolved functions and funding in relation to transport, skills, economic development and regeneration and allow for strategic prioritisation and integrated policy development across the Combined Authority's area.

2.9.3 Appendix 2 outlines the key features of any Mayoral Combined Authority.

2.9.4 Paragraphs 11- 29 of the Deal (Appendix 1) include the proposed constitutional arrangements. Key features of the constitutional arrangements are:

- **Membership:**

Voting members to include:

- i The elected Mayor
- ii Five elected members, one appointed by each of the five Constituent Councils
- iii Three elected members agreed by the Constituent Councils to reflect the balance of political parties across the Combined Authority area.

- i In addition there will be:

An elected member appointed by the city of York Council (which will remain as a non-constituent member of the West Yorkshire Combined Authority).

- ii The Chair of the Leeds City Region LEP

These members will be non-voting unless the Combined Authority resolves to give them a vote on any issue.

- **Voting arrangements in relation to non-mayoral functions:**

The Mayor will have one vote as will all other voting members of the Combined Authority. Any questions that are to be decided by the combined Authority are to be decided by a simple majority of the members present and voting, unless otherwise provided for in legislation. Where the decision relates to a new function which the Combined Authority acquires pursuant to the Deal, or where required by the Authority's constitution, that majority must include the vote of the Mayor.

In addition, for the following decisions the majority of members must include the consent of three of the five members for the Constituent Councils (but not that of the three additional Constituent Council members appointed for political balance):

- i Approving the Combined Authority's budget (excluding decisions which relate to the Mayor's budget)
- ii Setting a levy

- **Constraints on the Mayor's decision-making**

The Mayor will be required to consult the Combined Authority on their strategies, and this will be subject to the following specific conditions:

- i The spatial development strategy will require the unanimous consent of all five members for the Constituent Councils (but not that of the three additional Constituent Council members appointed for political balance)
- ii The Combined Authority will be able to amend the Mayor's budget if five eighths of the members agree to do so;
- iii The Combined Authority will be able to amend the Mayor's transport strategy if a majority of members agree to do so

2.10 Process

2.10.1 The Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) sets out statutory processes to be followed before any Order is made to:

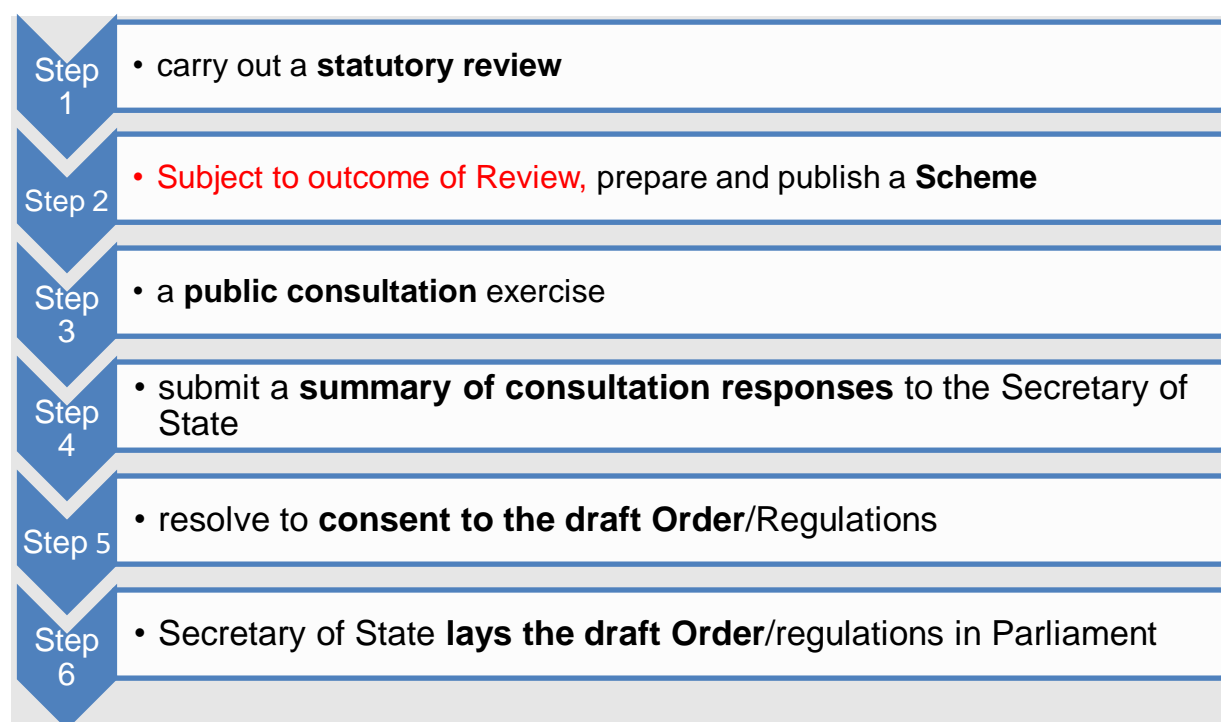
- a) adopt a Mayoral Combined Authority model
- b) provide for the Mayor to carry out and delegate mayoral general functions
- c) provide for the joint exercise of general functions by the Mayor
- d) change the constitutional arrangements of a Combined Authority (voting, membership)
- e) delegate Secretary of State functions to the Combined Authority, and
- f) delegate Local Authority functions concurrently to the Combined Authority.

2.10.2 Each aspect listed in 2.10.1 above has a specific statutory procedure to be followed. In addition, the consent of each Constituent Council and the Combined Authority is required to any Regulations giving the Combined Authority powers to borrow for non-transport functions.

2.10.3 It is proposed that the process set out in the flow chart below is followed. This process addresses all statutory procedural requirements, facilitates an understanding of the overall impact of the changes, and maximises engagement with stakeholders including the public. Further details about each step are set out in Appendix 3.

2.10.4 Flow chart of proposed process:

Flow chart of proposed process:



2.10.5 Appendix 4 to this report is a timeline which outlines the main decisions and estimated timescales involved in obtaining the necessary secondary legislation to implement the 2020 Deal. Significant parts of the process are outside of the control of the Constituent Councils and the Combined Authority (the Secretary of State drafting the Order and placing it before Parliament).

2.10.6 The proposals in this report do not include any proposals to progress at this time, the transfer of either Police and Crime Commissioner functions or fire and rescue functions to the Combined Authority. However, the Deal anticipates that the responsibility for PCC functions will be taken on from 2024 but this will be subject to a separate statutory process.

2.11 Review area

2.11.1 The proposed area of the Review is the Combined Authority's area, namely the area which comprises the constituent Councils of Bradford, Calderdale, Kirklees, Leeds and Wakefield. It is proposed that the Combined Authority jointly carries out the review with the Constituent Councils.

2.11.2 Options to enable wider collatoration will be explored as part of the Review including the wider City Region, Yorkshire and the North.

2.12 Review scope

2.12.1 The Review will be required to test the proposition, including by drawing on evidence from stakeholders, that any Order relating to the proposed constitutional arrangements or conferral of functions to the Combined Authority would be likely to improve the exercise of statutory functions.

2.12.2 Specifically, the Review will need to consider the relevant systems, structures and procedures that are in place across the area to make decisions, set strategy, manage delivery, assess performance and report on progress. Analysis of options (such as leaving existing governance unchanged, strengthening or restructuring existing governance arrangements, or adopting a Mayoral Combined Authority model) would be undertaken.

2.12.3 Any final report of the Review process which concludes that the proposed revised constitutional arrangements and the additional functions proposed to be exercised by the Combined Authority would be the most beneficial option in terms of improved outcomes would in effect provide the Business Case for the Mayoral Combined Authority arrangements. It would inform the preparation of a Scheme of governance.

2.13. Carrying out the review and preparing a draft Scheme

2.13.1 It is proposed that the Combined Authority's Managing Director, in consultation with the Chief Executive of each Constituent Council carries out a Review on behalf of the Constituent Councils and the Combined Authority.

2.13.2 It is also proposed that the Combined Authority's Managing Director be asked to prepare a draft Scheme for consideration by the Constituent Councils and the Combined Authority, subject to the outcome of the Review. It is proposed that a project group of officers drawn from the Constituent Councils and the Combined Authority contribute to the Review and to drafting the Scheme. The project group will be multi-disciplinary and provide expertise including on transport, economic development, and other relevant functions.

2.14 Scheme

2.14.1 Subject to the findings of the Review, the Scheme would form the basis for a revised Order establishing the Mayoral Combined Authority. It would contain information on:

- proposed membership, voting and any other constitutional arrangements;
- functions to be conferred on the Mayoral Combined Authority and how they are exercised, that is, by the Combined Authority, concurrently with Constituent Councils or by the Mayor (including any constraints or limitations to the Mayor's powers);
- any changes to the way in which the Combined Authority will be funded, including power for the Mayor to issue a precept, or prudential borrowing powers for functions other than transport;
- practical arrangements, including any property transfers and ensuring transparency via enhanced scrutiny arrangements.

2.14.2 It will be important to ensure that any revised sub-regional arrangements secure and enhance effective working arrangements between the Mayoral Combined Authority and the Constituent Councils and their democratic arrangements, to facilitate a joined-up and collaborative approach to policy, delivery and decision-making.

3. Implications for the Council

3.1 Working with People

The premise of the Deal is on bringing funding and functions to a more local level. Dependent on the findings of the Review, the consultation on the Scheme will provide a further opportunity for input from stakeholders.

3.2 Working with Partners

The Review will consider how systems, structures and procedures support the area to make

decisions, set strategy and manage delivery in collaboration across a range of partners in West Yorkshire. Inclusive Growth is a key priority for West Yorkshire Combined Authority and the LEP. Although there are no immediate implications on Inclusive Growth arising as a direct result of the report, the Review and Scheme to be commissioned and consulted upon will look at the potential for Mayoral Combined Authority governance arrangements to deliver West Yorkshire's Inclusive Growth ambitions.

3.3 Place Based Working

The Review will address how appropriate governance structures reflect the needs and opportunities across the West Yorkshire area and the places within it.

3.4 Climate Change

Should the Review and Scheme progress, the Devolution Deal announced in the March Budget includes measure to collaborate around a Spatial Development Strategy, and resources for flood prevention and amelioration measures. As part of the Deal text, the Government has welcomed West Yorkshire's commitment to becoming a net zero carbon economy by 2038, with significant progress by 2030. Although there are no immediate implications on Clean Growth arising as a direct result of the report, the Review and Scheme to be commissioned and considered and consulted upon will look at the potential for Mayoral Combined Authority governance arrangements to deliver West Yorkshire's clean growth ambitions.

3.5 Improving outcomes for children

Should the Review and Scheme progress, the Devolution Deal announced in the March Budget includes measures around funding and functions focused on skills and education, including careers advice, apprenticeships and Further Education.

3.6 Other (eg Legal/Financial or Human Resources)

Statutory processes need to be followed, before any Order or regulations may be made to implement the Deal.

S101(5) Local Government Act 1972 provides that two or more Local Authorities (defined to include a Combined Authority) may discharge any of their functions jointly and may arrange for the discharge of those functions by an officer of one of the authorities.

The Deal includes a number of flagship funding arrangements including £38m for 30 years into the West Yorkshire Investment Fund, £317m from the Transforming Cities Fund and control over the £63m annual Adult Education budget. The implications of these and the other funding provisions contained with the Deal will be considered as part of the Review and subject to future reports.

4. Consultees and their opinions

4.1 The Leader of the Council supports the recommendations.

4.2 As part of the statutory process, as set out above, public consultation is required, with the results summarised and submitted to the Secretary of State before an Order creating the West Yorkshire Mayoral Combined Authority can be made (Appendices 3 and 4 set out more detail on the proposed process and timeline). A future report will seek authorisation to undertake a public consultation on an adopted governance Scheme and set out the consultation process and methodology including digital and other appropriate means in order to ensure accessibility.

5. Next steps and timelines

5.1 With regard to next steps, the first step is the governance review.

- 5.2 Subject to the outcome of the statutory Review a draft Scheme is prepared for consideration by Constituent Councils and the Combined Authority before the wider public consultation with business and other stakeholders. It is proposed that there is one consultation exercise co-ordinated by the Combined Authority, but that this is led by each Council in relation to their district. Following this, a summary of consultation responses will be brought back to the Constituent Councils and the Combined Authority to approve before the Scheme is submitted to the Secretary of State.
- 5.3 Details of the Scheme would then be embodied in the draft statutory Order to establish a Mayoral Combined Authority, and any relevant consents sought in due course from the Constituent Councils and the Combined Authority in respect of the draft Order and related Regulations.

6. Officer recommendations and reasons

- 6.1 To note and endorse the “minded to” Deal announced in March 2020 and attached as Appendix 1 to this report.
- 6.2 To agree that Kirklees Council should be party, together with the Combined Authority and four Constituent Councils of Bradford, Calderdale, Leeds and Wakefield to a Review of the Combined Authority’s constitutional arrangements and of the functions carried out by the Combined Authority over the Combined Authority’s area, as set out in paragraph 2 of this report and pursuant to S111 of the Local Democracy, Economic Development and Construction Act 2009.
- 6.3 To authorise the Combined Authority’s Managing Director in consultation with the Chief Executive of each Constituent Council, to carry out the Review on behalf of each Constituent Council and the Combined Authority.
- 6.4 To authorise the Combined Authority’s Managing Director in consultation with the Chief Executive of each Constituent Council to prepare a draft Scheme for consideration by the Constituent Councils and the Combined Authority, subject to the outcome of the Review and on behalf of each Constituent Council and the Combined Authority.
- 6.4.1 Accordingly, to authorise Kirklees Council’s Chief Executive to act as the consultee on behalf of the Council for these purposes.
- 6.4.2 To note that it is proposed that there is one public consultation exercise co-ordinated by the Combined Authority, and to authorise Kirklees Council’s Chief Executive to lead on this consultation exercise in relation to the Kirklees area; And following this a summary of consultation responses to be reported back to the Cabinet/Council to approve and/or endorse before the Scheme is submitted to the Secretary of State.
- 6.5 To note the provisional timetable set out in Appendix 4 to this report and the next steps including, if appropriate, the submission of a summary of the consultation to the Secretary of State by the end of July 2020 so that a Mayoral Combined Authority model and associated changes may be adopted and implemented by May 2021 as set out in the Deal.
- 6.6 To delegate authority to the Chief Executive, in consultation with the Leader, and the Service Director, Legal, Governance & Commissioning to take any action and decisions necessary, which would ordinarily fall to be taken by the Cabinet, to ensure progress of the required statutory process and procedural steps for the timely progress of the Deal. That authority to be exercised only in extremis should there be disruption/cancellation of

decision making Cabinets/Council meetings but excluding authority to take the decision to give required consent to an Order.

Reasons

Each constituent council member of the West Yorkshire Combined Authority is seeking authority to commence a joint Statutory Review and subject to the outcome of that to prepare a draft Scheme and to enable formal public consultation with stakeholders on that Scheme.

7. Cabinet Portfolio Holder's recommendations

- 7.1 The Leader of the Council supports the recommendations at Paragraph 6 above and notes that the "minded to" West Yorkshire Devolution Deal agreed on 11 March 2020 will support his vision to secure additional investment and opportunities for Kirklees and to take decisions affecting our communities within the region.
- 7.2 The Leader thanks all Kirklees councillors from across different parties in working together with us on this to deliver such a ground-breaking deal for West Yorkshire. Along with other West Yorkshire authorities, there will be an opportunity for Full Council to comment on the devolution arrangements in forthcoming meetings.

8. Appendices

Appendix 1 – Deal

Appendix 2 – Key features of a Mayoral Combined Authority

Appendix 3 – Proposed process

Appendix 4 – Timeline

9. Contact officer

Julie Muscroft – Service Director, Legal Governance and Commissioning –
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Kate McNicholas – Head of Policy, Partnerships and Corporate Planning –
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10. Background Papers and History of Decisions

There are no background documents referenced in this report.

11. Service Director responsible

Jacqui Gedman – Chief Executive –

jacqui.gedman@kirklees.gov.uk – 01484 221000



Name of meeting: Cabinet meeting where the report was due to be considered on the 31st March 2020 was cancelled because of the Covid - 19 pandemic.

The report is therefore being considered by the Chief Executive Jacqui Gedman exercising her emergency powers, with the 151 Officer - Eamonn Croston and in consultation with the Leader to make a decision on this matter.

The decision will be reported in the usual way and will be reported back to the next possible meeting of Cabinet.

Date: 31 March 2020

Title of report: Business Rates Discounts - additional retail reliefs for 2020/21

Purpose of report: A decision is required in accordance with section 47 of the Local Government Finance Act 1988 in relation to Business Rates,
Grants, Retail Discount and a Business Rates Pubs Discount.

| | |
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| Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? | Yes If yes give the reason why - there is potential for discounts totalling £250k or more notwithstanding that the spend will be reclaimed in full from central government. |
| Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>? | Key Decision - 2 March 2020 Private Report/Private Appendix - No |
| The Decision - Is it eligible for call in by Scrutiny? | Yes |
| Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning? | Rachel Spencer-Henshall - 20 April 2020 Eamonn Croston - 15 April 2020 Julie Muscroft - 30 March 2020 |
| Cabinet member portfolio | Cllr Graham Turner |

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? Yes

1. Summary

The original report in relation to Business Rate discounts was due to be considered at Cabinet on 31st March 2020. On 24th March 2020 an emergency decision was taken by the Chief Executive to cancel future Cabinet and other meetings because of the Covid-19 pandemic. In addition, at the same time and as a result of the pandemic the Government was in the process of changing the potential support package available for businesses and the original report for 31st March required further amendments to reflect the new measures being proposed.

The Local Government Finance Act 1988 requires a decision to be taken before the end of the Council's financial year and therefore for the reasons set out above the decision must be taken using the Chief Executive's emergency powers. In this case this will be with the section 151 officer and in consultation with the Leader. The decision will be reported in the usual way with a copy of this report to ensure transparency.

The Government has announced a range of financial packages and other measures to help manage the impacts of coronavirus, and these includes help with business rates relief, loans and cash grants

Local authorities that wish to offer those discounts to local business need to make a decision to do so in accordance with s47 of the Local Government Finance Act 1988. Local authorities cannot award relief to themselves under this provision.

2. Information required to take a decision

- 2.1 The increase in the level of the business rates retail discount from one-third to 100 per cent will apply in 2020/21. All businesses in the retail, leisure and hospitality sectors will now receive 100% relief on their business rates for the 2020/21 financial year, through the expansion of the Business Rate Retail Discount. This covers businesses including shops, restaurants/cafes, gyms, museums, theatres, hotels and night clubs.
- 2.2 Nursery businesses who are providers on OFSTED's Early Years Register will also be eligible for 100% business rates relief in 2020/21.
- 2.3 The Council will identify businesses that are eligible for 100% relief and apply this to bills automatically. Businesses will not need to do anything to benefit from this scheme, and work is already underway to identify the properties affected, however, the relief cannot be awarded until the software supplier has delivered the enhanced system functionality.
- 2.4 In addition, businesses in the retail, hospitality and leisure sectors with a rateable value of between £15,000 and £51,000 will be eligible for a £25,000 grant to help mitigate loss of trade or other impacts of the virus. The Council will be issuing

grants to eligible businesses in early April 2020 when funding becomes available from the Government.

- 2.5 All businesses with a rateable value of less than £15,000 and who are already in receipt of Small Business Rate Relief (SBR), Rural Rate Relief or tapered relief will also be eligible for a £10,000 grant. The Council will be issuing grants to eligible businesses in April 2020 when funding becomes available from the Government. The total estimated grant payment(s) are expected to be above £100 million in Kirklees.
- 2.6 For all business rate grant cases (£10,000 and £25,000) the council will be issuing a letter confirming the grant awards and checking the accuracy of the records held. The Council will ask eligible businesses to apply online with relevant details, including current banking details, as the vast majority of the cases being awarded the grant already get 100% SBR exemption and therefore the Council will not hold bank details for most of the eligible businesses. Grant payments will be processed electronically by BACS and will take 3 working days.
- 2.7 The extension of the £1,500 business rates discount for office space occupied by local newspapers will apply for an additional 5 years until 31 March 2025.
- 2.8 The pubs discount will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020/21. This is in addition to the retail discount and will apply after the retail discount.
- 2.9 The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State Aid rules continue to apply during a transition period, subject to regulation by the EU Commission, therefore the State Aid limit of €800,000 applies, each company must self-regulate the awards they receive (grant(s) and reliefs) and must inform the Council immediately if this limit is being breached, grants/relief awarded that breach this threshold will need to be repaid. (see also para 3.11 of this report).
- 2.10 Government has confirmed that it will fully fund local authorities for awarding these reliefs via section 31 grant and provide new burdens funding to local authorities for administrative and IT costs.
- 2.11 The Government expects local authorities to ensure these changes are applied for the start of the 2020/21 billing period. The Government has subsequently published amended guidance.
- 2.12 Given the current position and the speed in which support is being put in place there are many issues that require to be finally settled in more detail but a decision is needed now in order put changes in place for the beginning of the new financial year.

3. Implications for the Council

3.1 Working with People

Not applicable.

3.2 Working with Partners

Not applicable.

3.3 Place Based Working

Not applicable.

3.4 Climate Change and Air Quality

Not applicable.

3.5 Improving outcomes for children

Not applicable.

3.6 Other (eg Legal/Financial or Human Resources)

Financial

- 3.7 The exact cost of providing the retail discount scheme in 2020/21 at 100% and the actual grant scheme costs are both unknown at this point. Central government will reimburse the authority in full for the actual cost of the relief which will be met by the council making a claim for Government grant under section 31 Local Government Act 2003.

- 3.8 The Government is conducting a New Burdens assessment on the delivery of the schemes. Such funding will cover costs associated in providing the retail discount scheme and pub discount scheme, including software development costs.

Legal

- 3.9 Discretionary rate reliefs can only be awarded where a Billing Authority has decided to make such an award in accordance with section 47 Local Government Finance Act 1988 together with the Non-Domestic Rating Discretionary Rate Relief Regulations 1989 and in accordance, where appropriate, with the State Aid 'De Minimis' regulations.
- 3.10 The Discounts are awarded subject to the rules on State Aid. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years). The intention will be to award the relief based on the criteria outlined in the appendix 1 and 2, and a message will be added to the rate bill confirming that state aid rules apply; It will be the ratepayer's responsibility to confirm that the award of relief breaches state aid limits, and they must notify the Council of this so relief can be cancelled. Further information will also be available in the business rates leaflet on the Council's website.
- 3.11 The UK is scheduled to leave the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during the implementation period State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. Kirklees will therefore

continue to apply State Aid rules, including De Minimis, to the relief during the implementation period.

4. Consultees and their opinions

Not applicable.

5. Next steps and timelines

To approve the business rates scheme(s) as outlined in this report and to implement the schemes and award the grants and discounts for the 2020/21 financial year.

6. Officer recommendations and reasons

As Cabinet is temporarily suspended due to the coronavirus outbreak, it is recommended that the decision to approve this report is taken under the current emergency powers, that rests with the Chief Executive Jacqui Gedman and the 151 Officer Eamonn Croston in consultation with the Leader of the Council.

1) That the Billing Authority in accordance with Section 47 of the Local Government Finance Act 1988 makes the following Determination(s):

- i) adopt the extension of the Retail Discount Guidance set out in this report and in government guidelines, and with regard to broadly similar property as delegated in the existing scheme agreed by Cabinet on the 19th March 2019.
- ii) Adopts both grant schemes as outlined in this report;
- iii) adopt the Pubs Discount Guidance set out in the Ministry of Housing, Communities & Local Government Business Rates Pubs Discount 2020/21 – Local Authority Guidance dated January 2020 as set out in Annex B” including the extension of the retail discount to those eligible music venues and cinemas with a rateable value of less than £51,000;
- iv) adopt the extension of the current £1,500 business rates discount for office space occupied by local newspapers will apply for an additional 5 years until 31 March 2025: and
- v) Authority be delegated to officers to undertake the administration of the various scheme(s) above, and related processes, including the determination of any other broadly similar property types including any other changes outlined in the guidance or regulations.
- vi) That delegated responsibility is given to the Service Director finance (151 officer), to amend the schemes as required in light of any changes to guidance, or in relation to any new schemes or variation of schemes that may be introduced.

7. Cabinet Portfolio Holder's recommendations

To accept the recommendations set out in section 6 above.

8. Contact officer

Steven Bird - Head of Welfare and Exchequer Services

Jacqui Wilson - Senior Manager Welfare and Exchequer Services

9. Background Papers and History of Decisions

Business Rates Retail discount scheme 2019/20 - Cabinet report 19 March 2019, report link below :

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&MId=5613>

Service Director responsible

Eamonn Croston - Service Director - Finance

Item for Executive Team – 9th April 2020

Housing Services - Accommodation Update (Covid 19)

1. Purpose

- 1.1 To update Executive Team: -
 - On the approach being taken to maintain the delivery of statutory homelessness services, especially the requirements to provide temporary accommodation for a wider group of homeless people. (E.g. Rough Sleepers and those with no recourse to public funds).
 - On the work being done to increase temporary accommodation capacity, including how this links to the suspension of the letting of empty council housing.
 - On the services joint work with Adult Social Care and Health services on supporting the discharge of people from hospital and moving people through the care system.
- 1.2 To request decisions on postponing the full implementation of the Enhanced Lettable Standards and Home Starter Fund pilot when letting empty council housing and on the approach to be taken to allocating and letting properties that are both within and outside current policy.

2. Decisions required

- 2.1 Confirmation that it is considered appropriate where feasible to move people on from temporary accommodation into empty council or private rented accommodation where such moves are within existing policy and where households can as necessary be supported with essential furniture and cooking facilities. This will free up additional capacity to accommodate more homeless households.
- 2.2 Having agreed to honour the 'offer' of council homes to applicants made prior to the suspension of Choose n Move lettings to decide whether or not new tenants should be asked to sign up on an introductory tenancy and or given the option of signing a temporary agreement. (Not every applicant has physically viewed the property they have been allocated). If signed up on a temporary basis this will be reviewed later and either converted to an introductory tenancy or alternative accommodation options discussed and agreed.
- 2.3 In relation to the 'not allocated' category of empty council properties two possible approaches could be taken to using them to help house homeless households.
 - i) Agree a direct let to a household who has been accepted as statutorily homeless and to whom we have a duty to provide accommodation. Could be seen to be jumping the queue as other such homeless households on the Register are on hold.
 - ii) Take the properties into the Temporary Accommodation portfolio to house homeless households. Once the crisis has passed a decision could then be taken as to whether or not to leave some of the properties in the Temporary Accommodation portfolio to help address the temporary accommodation sufficiency gap.

A decision on whether either of the above options should be implemented is requested.

- 2.4 Confirmation that full implementation of the Enhanced Lettable Standards and Home Starter Fund Pilot can be suspended due to material and furniture availability issues. All properties will meet the agreed Lettable Standards and eligible households will be advised that the enhanced elements will be made available at a later date.
- 2.5 Clarification whether or not at this point in time additional Home from Home properties should be identified and furnished.

3. Background

- 3.1 The Homelessness Reduction Act 2017 (HRA17) placed increased duties on Local Authorities to prevent and relieve homelessness for eligible households regardless of whether or not they are in a priority need group by offering information and support but not a requirement to secure accommodation. The main homelessness statutory duty to eligible homeless households in defined priority need groups remains as does the Local Authorities duty to secure for such priority households suitable accommodation. In addition, the duty to provide interim or temporary accommodation remains.
- 3.2 The Council's Accessible Homes Team are responsible for providing cross tenure medical rehousing and home adaptations services. This includes joint working with social care and health colleagues to both prevent admission to but also discharge people from hospitals and care settings. The staff team work jointly with Adult Social Care colleagues and others on the Home from Home Scheme and the Extra Care Housing Allocations Panel.
- 3.3 Government's response to Covid 19 and rough sleeping is to bring in those on the streets to protect their health and stop wider transmission. Local Authorities were asked to support rough sleepers and other vulnerable homeless people into appropriate accommodation by the end of the week commencing 23rd March 2020 and to continue to support people to stay in that accommodation until such time as restrictions ease and step down arrangements can be put in place.
- 3.4 Government guidance is that home buyers and renters should, where possible, delay moving to a new house while measures are in place to fight coronavirus. If moving is unavoidable for contractual reasons and the parties are unable to reach an agreement to delay, people must follow advice on staying away from others to minimise the spread of the virus.

4. Key issues

- 4.1 In response to government and MHCLG guidance on Covid 19 homelessness services are being delivered as follows: -
- Most staff working from home providing information, advice and assessment by telephone. Out of hours services are provided by the Council's Emergency Duty Team.
 - Customer Service Centres are closed but if people present as roofless with no telephone, they can be seen by a staff working in Dewsbury and Huddersfield. (Skeleton staff in the office on a rota carrying out essential work)
 - The Rough Sleeper team continue to do outreach work to verify rough sleepers and in accordance with MHCLG guidance support rough sleepers to accept and maintain temporary accommodation.
 - Temporary Accommodation is being provided to eligible households.
- 4.2 In response to the anticipated increase in demand for temporary accommodation for homeless households and for people needing to be discharged from hospital or moved

through the care system as a result of the worsening Covid 19 crisis, a joint Council and Kirklees Neighbourhood Housing (KNH) Project Team has been established to: -

- Confirm the process for receiving and responding to requests for temporary accommodation for homeless households.
- Establish the existing range, capacity and availability of temporary accommodation and how to increase the number and range of temporary accommodation options.
- Determine how the Council's 183 empty council homes should be allocated and let.
- Determine the property standards that should be worked to during this period.
- Agree how logistically households can be supported to move on from temporary accommodation into council homes to free up temporary accommodation capacity. Including the provision of furniture / white goods and removals.
- Confirm the process for letting properties and signing up new tenants.
- Confirm the type of tenancy to be granted to households moving on from temporary accommodation into empty council homes who had not previously been allocated, matched and offered that property prior to the suspension the Choose n Move choice-based lettings system.
- Confirm the process for receiving and responding to requests for temporary accommodation in the Home from Home properties and accommodation in the Council's Extra Care Housing Schemes.
- Confirm the process for and agree how logistically households can be supported to move on from Home from Home properties.
- Confirm with Adult Social Care colleagues if there is a need to expand the number of Home form Home properties and if so, agree how many and a plan for setting up additional properties.

Links have been established between this project and the Additional Community Bed Base Task and Finish group led by the Health CCGs (Toni Smith) and Adult Social Care (David MacDonald). The work of each to increase capacity does not compete for the same accommodation but does where possible compliment and support.

- 4.3 People – Anticipated increase in requests for temporary accommodation
Due to new restrictions put in place by government to prevent evictions for a 3-month period we should see a decrease in the number of people threatened with homelessness as a result of rent arrears or other breaches of tenancy.

However, we anticipate that we could see an increase in presentations from the following: -

- Domestic abuse victims
- Younger people asked to leave friends and family – sofa surfers
- Hospital discharge
- Prison release
- New rough sleepers.

It is difficult to accurately predict what the demand for temporary accommodation will be. Information on the recent numbers and reasons for homeless presentations will be provided at the Executive Team Meeting.

The existing process for receiving homelessness referrals from individual households, other services and partners is considered fit for purpose during the current Covid 19 ways of working. A process map will be shared at Executive Team meeting.

- 4.4 Places - Temporary Accommodation – Capacity (as at 5.4.20)
An analysis of the current homeless temporary accommodation capacity in B&B/hotels, hostels and temporary accommodation properties is shown in the table below.

| Name of provision | Client Type | Unit nos. | No of vacancies @ 5/4/20 | Any other notes (e.g. if not taking new referrals) |
|---|----------------------------|------------|--------------------------|--|
| Clare House | Men and women 21+ | 22 | 0 | Will accept new referrals but don't see any spaces in the near future as no move on plans in place |
| Hollinbank | Young people 16 – 25 | 10 | 0 | 2 voids – 1 possibly becoming available 6.4.20 |
| Swan Lane | Young people 16 - 25 | 8 | 1 | Needs bedding |
| Batley Foyer | Young people 16 - 25 | 10 | 0 | 2 voids on hold due to disrepair |
| Spring Street | Men age 18+ | 8 | 0 | Still accepting referrals |
| Domestic Abuse refuges | Domestic abuse | 33 | 1 | 1 void in N Kirklees, ready to let w/c 14/4/20 |
| B&B / hotels | Singles, couples, families | 164 | 27 | Spread across 4 B&Bs currently used. NB total no. of available rooms does not equate to no. of placements made by Housing Solutions Service. |
| Temporary Accommodation properties managed by Housing Solutions Service | Singles, couples, families | 130 | 3 + 1 crashpad | 24 Temporary Accommodation voids currently, 3 ready to occupy. |
| | | | | |
| TOTALS | | 385 | 32 + 1 crashpad | |

As the existing temporary accommodation options are in effect 'silting up' due to the lack of move-on accommodation, in part due to the suspension of the letting of council accommodation, work to identify additional temporary accommodation capacity is underway and includes: -

- Contacting B&B and Hotels in the Kirklees and surrounding area to establish if they would be willing to work with us to accommodate homeless households
- Exploring the possibility of using student accommodation, although the cluster and shared facility model along with the fact that some students are still living in the properties does not easily lend itself to meeting this need.
- Exploring the potential to use service, furnished 2/3/4 bed apartments, possibly for families who are homeless as a result of domestic abuse.
- Contacting private landlords to establish if they will offer 12-month tenancies to homeless households or allow us to use their accommodation as temporary units.
- Considering the advantages and disadvantages of furnishing empty council housing which is ready to let and using it as temporary accommodation.

4.5 Places – Empty Council Homes Allocation and Letting

When the letting of council housing was suspended on 25th March 2020 there were 183 empty properties. These properties were at different stages some were

- Allocated and ready to let (35)
- Allocated to prospective tenants but not yet ready to let (111)
- Ready to let not allocated but advertised and bid on (4)
- Not yet ready to let or advertised or allocated (41 includes the 4 above)

It was decided to honour the offers to those applicants who had been allocated properties (146) although in practice and bearing mind initial government guidelines around postponing or stopping house moves and the logistics of actually arranging a house move, supporting tenants with securing furniture / white goods etc, the new tenants have so far been prevented from moving in.

In order to release capacity in temporary accommodation, initially those in B&B and hostel/refuge accommodation, work has now started on developing a process and the associated logistical measures so that those with a confirmed offer whose property is ready to let, can be moved on and into their new home. The process map will be shared at the Executive Team meeting.

As some applicants will not have had chance to view the property allocated to them in advance of us arranging for them to sign up and move in it has been suggested that anyone uncertain about the offer be signed up on a temporary agreement. This can then be reviewed later and either confirmed as the final offer and the new tenancy started or a further offer of accommodation made. Often people who live in our temporary properties and get used to living there and settled in the community say that they would prefer to stay rather than move on again so it is anticipated that most people will choose to remain in the property allocated. Executive Team are asked to confirm whether or not they are happy for this approach to be adopted.

In relation to the 'not allocated' category above two possible approaches could be taken to using them to help house homeless households.

- iii) Agree a direct let to a household who has been accepted as statutorily homeless and to whom we have a duty to provide accommodation. Could be seen to be jumping the queue as other such homeless households on the Register are on hold.
- iv) Take the properties into the Temporary Accommodation portfolio to house homeless households. Once the crisis has passed a decision could then be taken as to whether or not to leave some of the properties in the Temporary Accommodation portfolio to help address the temporary accommodation sufficiency gap that was discussed by Executive Team on the 3rd March 2020 or return them to the general housing stock for letting.

4.6. Places – Empty Council Homes Enhanced Lettable Standard and Home Starter Fund Pilot

KNH Property Services are continuing to repair and make ready to let the empty council properties. Due to some difficulties in sourcing all the materials needed to meet the enhanced lettable standards the properties are being repaired to at least the current lettable standard and where possible incorporating additional works such as decoration and carpets. It is proposed that those tenants who would have been eligible for additional works will be revisited at a later date so that additional works can be followed up. Executive Team are asked to confirm if they agree with this approach.

In addition, there may be some difficulty providing eligible tenants with all the furniture and white goods needed under the Home Starter Fund scheme. The contracted suppliers have confirmed they are able to continue supplying Kirklees Council / KNH as long as they have a letter confirming they are carrying out essential work and that they have or can source items requested. It is proposed that tenants who are able to move into their property without some of the items can do so if they wish and when supplies are available again, they will be provided. Executive Team are asked to confirm if they agree with this approach.

4.7 Home from Home Properties

These properties facilitate discharge from hospital or other care settings before moving back home or finding suitable alternative accommodation. There are currently 7 council Home from Home properties, 6 are occupied and one is vacant. The existing allocations panel process managed by Accessible Homes and Adult Social Care is considered fit for purpose during the current situation. The process map will be made available at the Executive Team meeting.

The key issues for consideration are how best to move people on from the Home from Home properties and whether or not additional Home from Home properties should be identified and made ready.

In relation to move on it is proposed that we adopt a case by case approach and where possible we facilitate move on in the same way as we have outlined above for moving people into other council properties above.

In relation to additional properties clarity is required from adult social care colleagues on whether or not more are needed. Initial discussions have been held around the possibility of securing hotel accommodation to address carer breakdown capacity rather than dispersed Home from Home properties.

4.8 Discharge to Assess Pathway

The Accessible Homes team are supporting the new health and adult social care Discharge to Assess pathway by offering Occupational Therapists and other staffing resources to facilitate urgent equipment and adaptation needs assessments that will enable people to move on or home.

The Accessible Homes Team, the Kirklees Integrated Community Equipment Service and KNH Property Services have developed plans to ensure that requests from hospitals to provide equipment and minor adaptations to facilitate discharge from hospitals over the 4-day Easter weekend can be dealt with.

4.9 Extra Care Allocations Panel

The current joint Housing and Adult Social Care allocations panel arrangements can be maintained on a virtual basis. Any vacancies in the Extra Care Housing schemes will be allocated and new tenants supported to move in. Pinnacle PSG are supportive of this approach.

5. Implications for the Council

5.1 Working with People

All people who present as homeless are supported to develop a Personal Housing Plan. This plan is an agreement between the authority and the individual which is based on the individual or households circumstances and support needs and sets out the actions that each will take to prevent them from becoming homeless or to find and secure suitable and affordable accommodation.

5.2 Working with Partners

It is recognised that ownership of the preventing and relieving homelessness agenda must be partnership based, across the council and its partners. The council cannot prevent homelessness on its own, partners play a vital role in preventing and responding to homelessness. In developing our responses to the corona virus, we have and continue to work collaboratively with key services and partners including: -

- KC social care services
- Kirklees Neighbourhood Housing and registered providers of social housing
- Health services

- Providers of KC commissioned hostel accommodation
- B&B and hotel proprietors.

5.3 Place Based Working

In addressing issues of homelessness and rough sleeping, a Place Based approach is needed. This includes consideration of peoples support networks and where and how they access services. When providing temporary accommodation, we normally consider factors such as children's education / childcare arrangements / employment and health and support needs so that wherever possible the accommodation provided is suitable. We will continue to consider these aspects however may not due to the current situation always be able to meet all needs or expectations.

5.4 Climate Change and Air Quality

When providing temporary accommodation all efforts are made to ensure that the accommodation is located within walking distance of town centres or as near as possible to well served bus routes.

6. Financial, HR, Communications issues (including value for money)

- 6.1 MHCLG have announced a Coronavirus (COVID-19) Rough Sleeping Contingency Fund. KC can make a retrospective claim for additional costs associated with accommodating and supporting rough sleepers up to £12,000.
- 6.2 MHCLG have announced Coronavirus (COVID-19) Emergency Funding for Local Government, £12,227,930 for KC, which includes provision to provide additional support for the homeless and rough sleepers.
- 6.3 Housing Services have established a separate Covid 19 cost code so that all increased and additional expenditure associated with the Covid 19 response can be recorded.
- 6.4 Staff are continuing to deliver statutory homelessness services in accordance with government guidance on for example social distancing, travel and the use of PPE.
- 6.5 Communication with homeless people and other individuals and households is being maintained. All wider public communications will be produced and approved via the corporate Communications Team.

7. Options

- 7.1 The decisions section outlines options for consideration.

8. Recommendations

- 8.1 Executive Team are asked to note: -
 - The approach being taken to maintain the delivery of statutory homelessness services, especially the requirements to provide temporary accommodation for an increasing and wider group of homeless people. (E.g. Rough Sleepers and those with no recourse to public funds).
 - The work being done to increase temporary accommodation capacity, including how this links to the suspension of the letting of empty council housing.
 - The services joint work with Adult Social Care and Health services on supporting the discharge of people from hospital and moving people through the care system.

8.2 Consider and confirm decisions requested in section 2 above.

| | |
|---|--|
| Report Sponsor: Naz Parkar, Service Director | Contact Officer: Helen Geldart, Extension:77935 |
|---|--|



Name of meeting: Cabinet meeting would have been convened in order to consider the report but could not be because of the Covid -19 pandemic.

The report is therefore being considered by the Chief Executive Jacqui Gedman exercising her **emergency** powers, with the 151 Officer Eamonn Croston and in consultation with the Leader to make a decision on this matter.

The decision will be reported in the usual way and will be reported back to the next possible meeting of Cabinet.

Date: 14th April 2020

Title of report: Covid-19 Government Hardship Fund for 2020/21

Purpose of report: To set out Council proposals to provide council tax relief in the local area in 2020/21, incorporating utilisation of the Government Hardship Grant.

| | |
|---|---|
| Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? | Yes If yes give the reason why – there is potential for grant spend totalling £4.9 million notwithstanding that the spend will be reclaimed in full from central government. |
| Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>? | Key Decision – N/A Private Report/Private Appendix – No |
| The Decision - Is it eligible for call in by Scrutiny? | Yes |
| Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning? | Rachel Spencer-Henshall - Eamonn Croston – 21/04/2020 Julie Muscroft |
| Cabinet member portfolio | Cllr Graham Turner |

Electoral wards affected: All Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? Yes

1. Summary

As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area.

The expectation is that the majority of the Hardship Fund will be used to provide council tax relief, alongside existing council tax support schemes.

Government has allocated £4.9m funding for Kirklees (based on most current government statistics of an estimated Council caseload of about 22,000 working age claimants). Government strongly expects Councils to use the funding to award £150 to each working age Council Tax Reduction (CTR) recipient who has a council tax liability of £150 or more, and that Councils extinguish liability in any cases where it is less than £150. Any remaining funding could be used to meet additional discretionary support locally.

The link to the relevant Government Hardship fund guidance to local authorities is included below for information :

<https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance>

and

<https://www.gov.uk/government/publications/32020-council-tax-information-letter-16-april-2020>

The Council recognises that COVID-19 is likely to cause significant household income fluctuations, and as a result some of our most vulnerable working age residents will struggle to meet council tax payments.

Therefore the Council intends to implement an enhanced local support offer in 2020/21 that takes as a starting point the Government guidance with regard to the £150 reduction and enhances it locally with a higher level of council tax reduction for working age CTR recipients whose annual liability exceeds £150, alongside additional support through the Council's Local Welfare Scheme.

2. Information required to take a decision

- 2.1 In April 2013 Council Tax Benefit (a fully funded social security benefit administered by councils) was replaced with a locally defined Council Tax Reduction (CTR) Scheme. The CTR scheme is not a social security benefit and is not fully funded.
- 2.2 In Kirklees the scheme includes a government prescribed scheme for pensioners that mirrors the old Council Tax Benefit and uses the same scheme for Working Age claimants, other than for a reduced capital limit (from £16,000 to £8,000), and a maximum 80% of entitlement for many applicants.

Both the CTR pension and working age schemes are means tested and so the **applicant** gets an award that is directly related to their income and the capital they have.

- 2.3 Leaving the Scheme as is and using the Government's Hardship fund to meet Government's minimum expectation of a further £150 reduction for working age CTR recipients, in-year, is estimated to cost a minimum of £1.9m, based on existing claimant

numbers. However, there is expected to be a significant increase in CTR applications through 2020/21, which will increase the cost commitment further.

- 2.4 Removing the 80% limit on entitlement in the CTR scheme to 100% would increase the forecast cost for existing CTR working age claimants to a minimum of £3.5m. Again, the overall cost commitment will increase further in anticipation of a significant increase in CTR applications through 2020/21.
- 2.5 Note that in both options above the figure in bold is the annual cost and that if they operated for 6 months only the forecast costs would change accordingly.
- 2.6 While acknowledging the Government funding allocation of £4.9m, the Council also recognises its commitment to an enhanced local support offer for the full year. At this stage it is not known if the Government funding allocation will be sufficient to cover both existing working age CTR claimants and anticipated significant rise in working age CTR claimants through 2020/21, and the Council will therefore underwrite any funding shortfall from set aside earmarked reserves.
- 2.7 The above Council funding underwrite commitment also extends to the Council setting aside approximately £1m additional resources to its Local Welfare provision (LWP) budget for 2020/21. This is to meet anticipated additional discretionary support needs for some of our most vulnerable residents and households in receipt of CTR, for food, fuel and miscellaneous expenditure. These households will be signposted through established referral processes for the LWP.

3. Implications for the Council

3.1 Working with People

Increases available household income so potentially reducing poverty.

Individuals and Families are experiencing a whole host of new challenges as Covid-19 reduces opportunities and means that many folk are having to stay at home.

Fewer employment opportunities and increased costs mean that fewer Households can avoid the need for a Council Tax Reduction. This increased support recognises the new challenges that the Social Distancing measures are placing upon Households.

Many more Households are experiencing more general Hardship. The increase in funding available for discretionary support around food and fuel allows us to meet the individual needs of families that are experiencing unprecedented change, many having lost employment and waiting for financial support to arrive.

3.2 Working with Partners

We are actively engaged in discussions with Third Sector leaders about how the Hardship fund might help them and therefore us support those most in need through the wider Community Response.

3.3 Place Based Working

As part of our working with partners we are exploring a response that can be delivered at community level that would extend hardship provision 7 days per week for those in greatest need.

3.4 Climate Change and Air Quality

Not Applicable

3.5 Improving outcomes for children

Increases available household income so potentially reducing poverty and potentially augmenting Free School Meals provision for those that are experiencing particular Hardship.

3.6 Other (e.g. Legal/Financial or Human Resources)

Financial

3.7 Government has provided Grant Funding of £4.9 Million in 2020/21 for the new burdens cost of delivering the support. Forecast costs have been estimated over a whole year for existing CTR claimants. The anticipated increase in CTR recipients in-year could increase overall costs above the Government funding allocation.

3.8 The Council is committed to an enhanced local support offer for some of our most vulnerable residents and households, and will underwrite any funding shortfall in-year from earmarked reserves. The Council will also continue to work with Government, in conjunction with the Local Government Association and other representative Sectoral organisations to ensure it receives appropriate recompense for COVID-19 related additional costs incurred, including the above, as appropriate.

Legal

3.9 Ordinarily CTR schemes decided under s13A(1)(a) and 13A(2) of the Local Government Finance Act 1992 require a period of consultation with decisions only taken by full council.

3.10 S13A of the act however also includes provision for the authority to exercise discretion as to council tax in individual cases or classes determined in accordance with s13A(1)(c) of the act. That discretion can be exercised without a decision of full Council as such a decision is not a "Function to be discharged only by authority" in accordance with s 67 of the Act.

3.11 It is possible to deliver such a discretion by an increase in the percentage of award as a parameter in the software that the Council uses and for that to constitute a discretionary reduction for the purposes of the Act if such a decision is documented as such (see also, Appendix A).

4 Consultees and their opinions

Not directly applicable though day to day operation of an additional £1m Local Welfare Provision funding is and will continue to be the subject of wider discussions.

5 Next steps and timelines

To make the appropriate changes to software, recalculate entitlement and to issue amended Council Tax bills for the 2020/21 financial year.

To make decisions regarding one off support for families in greatest need using the existing Local Welfare provision scheme and the £1m increase In Hardship funding for Food and Fuel.

6 Officer recommendations and reasons

As Cabinet is temporarily suspended due to the coronavirus outbreak, it is recommended that the decision to approve this report is taken under the current emergency powers, that rests with the Chief Executive Jacqui Gedman and the 151 Officer Eamonn Croston in consultation with the Leader of the Council:

- i) that the Billing Authority in accordance with Section 13A(1)(c) of the Local Government Finance Act 1992 makes the Technical Determination(s) as set out at Appendix A to give effect to a decision to remove any restriction upon entitlement in the Council Tax Reduction Scheme without amending that Scheme, and to create a mechanism by which to award up to £150 in cases where that is appropriate

For the purposes of this determination, the value of any additional award will be treated as a discretionary reduction for the purposes of this award and will continue to apply until a determination is made to the contrary.

- ii) that a sum of £1m be allocated to the Local welfare Provision budget to support the meeting of additional discretionary support for food and fuel and miscellaneous expenditure.

Leader's recommendations

Councillor Shabir Pandor, Leader of Kirklees Council, said: "These are incredibly difficult times for all of us but for many the coronavirus pandemic has also unfortunately caused financial worries and problems. I have had no hesitation in making this decision to help more people and go beyond what the Government is offering by giving up to a 100 per cent Council Tax relief to those working age people most in need.

"I really welcome the money Government has made available to help people to be able to pay their Council Tax bill by offering discounts. We wanted to build on this further to support those in Kirklees who need help the most. In times like these, the last thing I want people to be worrying about is their Council Tax bill.

"I promise that we will continue to help residents as much as we possibly can through this pandemic. I hope that this additional support helps to ease the difficulties so many people are facing."

Portfolio Holder Comments:

As portfolio holder I fully support the Leaders comments and can assure residents that we will do all we can to support all our residents during these very difficult unprecedented times. And would like to thank all our staff for the hard work and commitment to our communities, to keeping them safe and in supporting those most in need financially.

7 Contact officer

Steven Bird - Head of Welfare and Exchequer Services

Julian Hobson - Senior Manager Welfare and Exchequer Services

8 Background Papers and History of Decisions

Service Director responsible

Eamonn Croston – Service Director- Finance

APPENDIX A

Determination of Classes of Case in accordance with s13A(1)(c) of the Local Government Finance Act 1992

In accordance with the provisions within s13A(1)(c) of the Local Government Finance Act 1992, the following Classes of case are both identified as classes for the purpose of this determination and that they shall be treated in the way determined for each Class.

Any reference to the Scheme in this determination means the Kirklees Council Tax Reduction Scheme (as amended).

For the purposes of this determination the value of any additional award will be treated as a discretionary reduction for the purposes of this award and will continue to apply until a determination is made to the contrary.

Class 1

Council Tax Reduction cases that would have fallen to be determined in accordance with Section 2, Schedule 9, Part 1, Paragraph 9 "Class J" AND Part 5 Paragraph 19 (4) of the Scheme; will from 01/04/2020 be determined in accordance with Part 5 Paragraph 19 (2) as though Part 5 Paragraph (4) of the Scheme did not exist.

Class 2

Council Tax Reduction cases that would have fallen to be determined in accordance with Section 2, Schedule 9, Part 1, Paragraph 10 "Class K" AND Part 5 Paragraph 19 (5) of the Scheme; will from 01/04/2020 be determined in accordance with Part 5 Paragraph 19 (3) as though Part 5 Paragraph (5) of the Scheme did not exist.

Class 3

This Class applies to any person that is in receipt of a Council Tax Reduction in accordance with the Scheme either with or without an additional award under Class 1 or 2 if they meet the additional conditions.

The additional conditions:

- a) they are entitled to a Council Tax Reduction in accordance with The Scheme on 01/04/20
- b) their Council Tax Liability on 01/04/20 is not already reduced to £0.00
- c) their reduced council tax liability for 2020/21 is less than £150

Their Council Tax will be reduced to £0.00 for 2020/21 by crediting their account with a sum equivalent to the sum identified in c) above.

Class 4

This Class applies to any person that is in receipt of a Council Tax Reduction in accordance with the Scheme either with or without an additional award under Class 1 or 2 if they meet the additional conditions.

The additional conditions:

- d) they are entitled to a Council Tax Reduction in accordance with The Scheme on 01/04/20
- e) their Council Tax Liability on 01/04/20 is not already reduced to £0.00
- f) their reduced council tax liability for 2020/21 is greater than £150

Their Council Tax will be reduced by £150.00 for 2020/21 by crediting their account with a sum equivalent to £150.00.

Class 5

This Class applies to any person that was

- a) not in receipt of an award under the Scheme on 01/04/20 who subsequently becomes entitled from a later date, or
- b) as the case may be, a person whose circumstances change such that they are now entitled to less under the Scheme than they previously were.

In those cases they will be entitled to a maximum of £150 for the Council Tax Year 2020/21 with the actual sum being calculated by reference to any such award they may have already received in respect of any period for which they were already in either Class 3, Class 4 or Class 5. So that no person will be entitled to a total of more than £150 irrespective of the Class under which any part of it was awarded.