

Public Document Pack



COTSWOLD
DISTRICT COUNCIL

Friday, 28 October 2022
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Tel: 01285 623181/623208
e-mail - democratic@cotswold.gov.uk

CABINET

A meeting of the Cabinet will be held at CDC Trinity Road, Cirencester GL7 1PX on
Monday, 7 November 2022 at 6.00 pm.

Rob Weaver
Chief Executive

To: Members of the Cabinet
(Councillors: Rachel Coxcoon, Tony Dale, Andrew Doherty, Mike Every, Jenny Forde, Joe Harris, Juliet Layton and Lisa Spivey)

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

AGENDA

1. **Apologies**
2. **Declarations of Interest**
To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.
3. **Minutes (Pages 7 - 10)**
To approve the minutes of the meeting of the Committee held on 3 October 2022.
4. **Chair's Announcements**
5. **Public Questions**
To deal with questions from the public within the open forum question and answer session of fifteen minutes in total. Questions from each member of the public should be no longer than two minutes each and relate issues within the Cabinet's remit.
6. **Member Questions**
To deal with written questions by Members, relating to issues within the Cabinet's remit, with the maximum length of oral supplementary questions at Cabinet being no longer than one minute. Responses to any supplementary questions will be dealt with in writing if they cannot be dealt with at the meeting.
7. **Council Tax Support Scheme (Pages 11 - 22)**
Purpose
To present the results of the public consultation on proposals for revising the current Council Tax Support scheme with effect from 1 April 2023

Recommendation
That Cabinet resolves to:
 - a) Recommend to Council to approve the increase to income bands as detailed within paragraph 2.8 and Annex B of this report from 1 April 2023.
8. **Counter Fraud and Anti-Corruption Policy approval (Pages 23 - 42)**
Purpose
To present Cabinet with an updated Counter Fraud and Anti-Corruption Policy for approval.

The Policy has been reviewed to ensure the content reflects current legislation and the Council's Policies and Procedures. The Policy will replace the existing Counter Fraud and Anti-Corruption Policy.

Recommendations
That Cabinet resolves to:
 - a) Approve and adopt the Policy attached to this report and;
 - b) Authorise the Deputy Chief Executive to approve future minor amendments to the Policy in consultation with the Counter Fraud and Enforcement Unit, Legal Services and the Cabinet Member for Finance

9. **Long Term Council Tax Empty Premium Exemption on Proposed Demolition Properties**
(Pages 43 - 48)

Purpose

For Cabinet to consider the removal of the Long Term Empty Premium on individual Bromford properties that have been or are pending demolition.

Recommendations

That Cabinet resolves to:

- a) Approve the removal of the four Long Term Empty Premiums on properties in Cross Tree Crescent, Kempsford until 1 April 2023;
- b) Approve the removal of the four Long Term Empty Premiums on properties in Stockwells, Moreton in Marsh;
- c) Approve the removal of the three Long Term Empty Premiums on properties in Berkeley Close, South Cerney for a 12 month period; and,
- d) Delegate authority to the Deputy Leader and Cabinet Member for Finance, in consultation with the Chief Finance Officer, the suspension of further Long Term Empty Premiums being applied on the sites as detailed in paragraph 2.9 of this report.

10a **Recovery Investment Strategy**

49 - 54

Purpose

To rescind the Recovery Investment Strategy.

Recommendation

That Cabinet recommends to Council to:

- a) *Rescind the Recovery Investment Strategy for the reasons as set out in this report.*

10b **Budget and Medium Term Financial Strategy**

55 - 80

Purpose

To present to Cabinet for approval the Council's draft budget proposals for 2023/24 together with a refresh of the Medium Term Financial Strategy (MTFS) forecasts. These proposals will form the basis of public consultation starting in November 2022.

Recommendations

That Cabinet resolves to:

- (a) Approve the draft 2023/24 revenue budget for consultation.
- (b) Note the potential use of general fund and earmarked reserves to balance the budget for 2023/24

11. **Rural England Prosperity Fund (Pages 81 - 86)**

Purpose

To inform Cabinet of the Council's indicative allocation of funding under the Rural England Prosperity Fund, to seek in principle approval of the overall approach to use of that funding and to seek delegated authority to finalise the submission to Government which is due by 30th November.

Recommendations

That Cabinet resolves to:

- a) Note the Council's indicative allocation of £764,292 from the Government's Rural

- Prosperity Fund;
- b) Approve the proposed approach to the use of the fund set out in Section 4 of this report;
- c) Delegate authority to the Chief Executive to finalise the submission to Government in consultation with the Cabinet Member for Economy and Council Transformation.

12. **Response to warm places motion and funding to support cost of living crisis (Pages 87 - 94)**

Purpose:

To set out how the Council is responding to the Cost of Living and Warm Places Motions and to make recommendations for funding allocations for specific initiatives.

Council on 21 September 2022 resolved to refer the following motion to the November Cabinet to feed into the key objectives and requirements of the wider Cost Of Living Working Group that will report to the November Council meeting:

Motion on providing warm places for people struggling to heat their homes during the day. Proposed by Cllr Blomefield; seconded by Cllr Jepson:

We are all keenly aware that many people and especially those who are elderly pensioners, disabled or in some way vulnerable will find it challenging to keep their homes sufficiently warm during the day as well as at night this winter due to the soaring costs of energy.

Some of the councils around the country are already making contingency plans to open 'public warm spaces' where those in most need can go during the day safe in the knowledge that they will be warm and cared for.

Many of the parish halls, church rooms and other community buildings such as libraries, leisure centres and museums in the Cotswolds including CDC's offices could be used in the same way by enlisting the support of parish and town councils, faith organisations, community and the voluntary sector to organise this. They would also be able to offer warm drinks or soup as well as advice on how to obtain help with energy related problems.

We suggest this would provide wonderful humanitarian support for some of the most vulnerable in our communities and recommend a simple process is agreed to fund this vitally needed help by identifying available grants to enable financial assistance to organisations prepared to get involved.

We ask that the agreement at the last Full Council for a cross party working group to be set up should be done urgently to implement 'public warm places' and also to look at other ways to help our Cotswold residents most negatively impacted by unaffordable heating and living costs.

Recommendations:

That Cabinet resolves to:

- a) Note the response to the Cost of Living and Warm Places Motion detailed in this report and,
- b) Recommend to Council to agree to allocate match funding of £20,000 for the Council Tax Hardship Fund from the balance of the Covid-19 Hardship Fund earmarked reserve, and,
- c) Recommend to Council to agree to allocate £40,000 from the Council Priorities Fund towards establishing a Food Network.

13. **Schedule of Decisions taken by the Leader of the Council and/or Individual Cabinet Members (Pages 95 - 96)**

Purpose:

To note the decisions taken by Individual Cabinet Members.

14. **Issue(s) Arising from Overview and Scrutiny and/or Audit**

Purpose:

To consider any issues or recommendations arising from meetings of the Overview and Scrutiny Committee and/or the Audit Committee.

15. **Delivery of carbon zero affordable homes through a collaboration agreement with Bromford Housing Association and the transfer of land at Broadleaze, Down Ampney (Pages 97 - 104)**

Purpose

To seek agreement to enter into a Collaboration Agreement with Bromford Housing Association to facilitate the delivery of carbon zero affordable homes on land at Broadleaze, Down Ampney and other future sites and to agree to the transfer of the above land for development within the terms of the Collaboration Agreement.

Recommendations

That Cabinet resolves to:

- (a) Enter into a Collaboration Agreement with Bromford Housing Association to deliver carbon zero affordable homes, based on the delivery, management and ownership terms set out in the Agreement.
- (b) Delegate authority for the final negotiation on the terms of the Collaboration Agreement and any subsequent variations to it, to the Chief Finance Officer in consultation with the Leader and Cabinet Member for Finance.
- (c) Agree to proceed, subject to planning permission being granted, with the development of the site at Broadleaze, Down Ampney in partnership with Bromford Housing Association to deliver carbon zero affordable homes.
- (d) Agree, based on indicative costs, to fund the gap in funding and to delegate authority to the Chief Finance Officer in consultation with the Leader and Cabinet Member for Finance to agree the final contribution, based on funding within the MTFs and capital receipt from the Sale of the Cotswold Club.
- (e) Enter into a Collaboration Agreement with Bromford Housing Association to enable them to submit a planning application including land at this site that is in both the Council's ownership (vacant plot) and Bromford's ownership (adjacent garages).
- (f) Allocate a further £10,000 for legal costs in the completion of the legal agreements.
- (g) Agree to transfer the land at Broadleaze, Down Ampney to Bromford Housing Association once planning permission has been granted, a Collaboration Agreement signed and financial terms for the development agreed.

16. **Matters exempt from publication**

If Cabinet wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for Cabinet to pass a resolution in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 on the grounds that their presence could involve the likely disclosure of exempt information as described in paragraph 3 of Schedule 12A of the Local Government Act 1972.

17. **Exempt Annexes for Item 15: Delivery of carbon zero affordable homes through a collaboration agreement with Bromford Housing Association and the transfer of land at Broadleaze, Down Ampney (Pages 105 - 132)**

(END)

Cabinet
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COTSWOLD
DISTRICT COUNCIL

Minutes of a meeting of Cabinet held on Monday, 3 October 2022.

Councillors present:

Rachel Coxcoon
Tony Dale
Andrew Doherty

Mike Every
Joe Harris - Chair
Juliet Layton

Lisa Spivey

Officers present:

Rob Weaver – Chief Executive
Jo Moore – Deputy Chief Executive
Angela Claridge – Director for Governance
Jan Britton – Managing Director Publica
Craig Fisher – Benefits Manager
Caleb Harris – Democratic Services
Wayne Smith – Democratic Services

Observers:

Councillor Stephen Andrews

38 Apologies

Apologies were received from Councillor Jenny Forde

39 Declarations of Interest

There were no declarations of interest from Members.

There were no declarations of interest from Officers.

40 Minutes

Minute 18

(para 2) "...and the development of disabled access changing places and toilets." Should read "...and the development of disabled access hanging places toilets."

(para 3) "The Cabinet noted that the disabled access changing places and toilets located within commercial sites" should read "The Cabinet noted that the disabled access Changing Places toilets located within commercial sites"

Minute 33

(para 2) "The Deputy Leader and Cabinet Member for Finance introduced the report and provided details of the additional costs that had been incurred by postponing the

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commencement of work from winter 2021” should read “The Deputy Leader and Cabinet Member for Finance introduced the report and provided details of the additional costs that had been, *and would be* incurred by postponing the commencement of work from winter 2021”

(para 3) “Cabinet noted the additional funding was required due to delaying the commencement of work to avoid the risk of the work causing inconvenience and loss of car park access during the village’s busy spring and summer tourist season” should read “Cabinet noted the additional funding was required due to delaying the commencement of work to avoid the risk of the work causing inconvenience and loss of car park access during the village’s busy spring tourist season”

Cabinet was Chaired by Council Leader, Councillor Joe Harris not Councillor Juliet Layton

RESOLVED that, subject to the amendments above the minutes of the meeting of Cabinet held on 05 September were approved as a correct record.

Voting Record – For 7, Against 0, Abstentions 0, Absent 1,

41 Chair's Announcements (if any)

There were no announcements from the Chair.

42 Public Questions

There were no Public Questions.

43 Member Questions

There were no Public Questions.

44 Data Retention Policy

The purpose of the report was to seek approval for an updated Data Retention Policy to ensure compliance with the Council’s statutory obligations, whilst at the same time being open and transparent in relation to records management.

The Cabinet Member for Corporate Services introduced the report and summarised the policy that determined the methods and periods of time that data can be retained and disposed of by the Council.

Council noted the retention and disposal of most electronic data was automated and Officers and data-owners were regularly updated on their specific responsibilities for retention and disposal of other data.

Council noted that all e-mails and press releases were deleted automatically after 3 years.

Council noted that Council Tax Support data is retained for 7 years, however electronic data from accounts that were not live on 1 April 2019 was not transferred to the current Council Tax system, and had not therefore been retained. Data held in other ways would have been retained.

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RESOLVED: Cabinet approved the Data Retention Policy attached at Annex A.

Voting Record – For 7, Against 0, Abstentions 0, Absent 1,

45 Cabinet/Scrutiny Protocol - draft for consideration by the Cabinet

The purpose of the report was to provide Cabinet with the draft Executive/Scrutiny Protocol for consideration and, if approved, recommend to Council that the Protocol be approved for inclusion in the Constitution.

The Director for Governance introduced the report and summarised the proposed protocol that captures how the Executive (Cabinet, and Publica and CDC Senior Management) should interact and work together with Overview and Scrutiny Committee.

RESOLVED: Cabinet agreed to endorse the Executive/Scrutiny Protocol (attached at Annex A), and recommend to the Council that the Protocol be approved for inclusion in the Constitution, and that Overview and Scrutiny Committee were also recommended to endorse the Protocol..

Voting Record – For 7, Against 0, Abstentions 0, Absent 1,

46 Draft Q1 Financial and Performance Report

The purpose of the report was to provide an update on progress of the Council's priorities and service performance and to provide information on the Council's financial position.

The Chief Executive introduced the report and summarised how the Council's key priorities had been progressed, and how the Council had performed against some of its key performance measures.

Cabinet noted that:

- The number of flood wardens had increased
- The Town and Parish Council forum was now established and working well
- The number of missed bins had halved, year on year
- The revenue figure showed a very small underspend when neighbouring authorities were reporting overspends of up to £2.8M.
- Q2 would be more challenging due to the current financial climate.
- The Digital Skills Centre had opened at Cirencester College
- Share Prosperity Fund bid had delivered investment into the District

Cabinet welcomed the improvements to the Cotswold Water Park and thanked Councillor Layton for leading on this.

RESOLVED: Cabinet reviewed the overall progress on the Council priorities, service delivery and financial performance for 2022-23 Q1 and agreed to recommend to Full Council that following a successful bid for funding from the Department of Levelling Up Housing and Communities, the 2022-23 capital programme is adjusted to include a budget of £162,500 to install four accessible 'Changing Places' toilets across the district for people with severe disabilities.

Voting Record – For 7, Against 0, Abstentions 0, Absent 1

47 **Schedule of Decisions taken by the Leader of the Council and/or Individual Cabinet Members**

There were no decisions taken by the Leader of the Council or individual Cabinet Members to consider.

48 **Issue(s) Arising from Overview and Scrutiny and/or Audit**

There were no issues arising from Overview and Scrutiny or Audit Committees.

The Meeting commenced at 6.00 pm and closed at 6.50 pm

Chair

(END)

Agenda Item 7



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 NOVEMBER 2022
Report Number	AGENDA ITEM 7
Subject	COUNCIL TAX SUPPORT SCHEME
Wards affected	All
Accountable member	Cllr Mike Evemy – Deputy Leader and Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Operations and Enabling Email: mandy.fathers@publicagroup.uk
Summary/Purpose	To present the results of the public consultation on proposals for revising the current Council Tax Support scheme with effect from 1 April 2023
Annexes	Annex A – Consultation Responses Annex B - Remodelling following consultation responses
Recommendation(s)	That Cabinet recommends to Council: <i>a) The increase to income bands as detailed within paragraph 2.8 and Annex B of this report from 1 April 2023.</i>
Corporate priorities	<ul style="list-style-type: none"> Delivering our services to the highest standards
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Leader and Deputy Leader, Chief Executive and Deputy Chief Executive, Monitoring Officer, Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica), Gloucestershire County Council, Gloucestershire Police Commissioner, Parish and Town Councils, Bromford Housing, Citizens Advice and Residents of the District



1. BACKGROUND

- 1.1 Councils are required to review their Council Tax Support (CTS) schemes each year for those people of working age, and decide if they want to make any changes. Before any changes can be implemented, they must be subject to public consultation. In August 2022, officers proposed changes to the scheme, which The Deputy Leader and Cabinet Member for Finance and the Chief Finance Officer agreed should be consulted upon.

2. MAIN POINTS

- 2.1 On 1 April 2013, the Council implemented its own CTS scheme of support to help those people on low incomes pay their Council Tax.
- 2.2 On 1 April 2020 this was changed to an income banded scheme and the percentage of CTS paid was based on the following income bands:

Income Band	Single Person	Couple	Lone Parent with 1 child	Lone Parent 2 children	Lone Parent 3 children	Lone Parent 4+ children	Couple with 1 child	Couple with 2 children	Couple with 3 children	Couple with 4+ children	Maximum % entitlement
Income £											
Band 1	0.00 to 125.	0.00 to 140	0.00 to 175	0.00 to 195	0.00 to 215	000 to 255	0.00 to 225	0.00 - 245	0.00 - 265	0.00 - 305	100.0%
Band 2	125.01 to 175	140.01 to 190	175.01 to 200	195.01 to 220	215.01 to 240	255.01 - 280	225.01 to 275	245.01 - 295	265.01 - 315	305.01 - 355	80.0%
Band 3	175.01 to 225	190.01 to 240	200.01 to 250	220.01 to 270	240.01 - 290	280.01 - 330	275.01 to 325	295.01 - 345	315.01 - 365	355.01 - 405	60.0%
Band 4	225.01 to 275	240.01 to 290	250.01 to 300	270.01 - 320	290.01 - 340	330.01 - 380	325.01 to 375	345.01 - 395	365.01 - 415	405.01 - 455	30.0%
Band 5	275.01 to 325	290.01 to 340	300.01 to 350	320.01 - 370	340.01 - 390	380.01 - 430	375.01 to 425	395.00 - 445	415.01 - 465	455.01 - 505	10.0%

- 2.3 Since 2019 household income has increased which has resulted in some households being moved into a higher income band, and therefore receiving a lesser percentage of support.
- 2.4 With inflation at 10.1% in September, it is anticipated that national benefit payments will increase by this amount from April 2023. Without changes to the CTS scheme, this would result in more households being moved into a higher income band and therefore having to pay a higher share of the full Council Tax for their property.
- 2.5 To give support to households through the cost of living crisis, proposals were made to increase income bands 2 to 6 for single people and couples by £10.00 a week, and by £20.00 a week for those with children as follows:

Income Band	Single	Couple	Lone Parent 1 Child	Lone Parent 2 Children	Lone Parent 3 Children	Lone Parent 4+ Children	Couple with 1 Child	Couple with 2 Children	Couple with 3 Children	Couple with 4+ Children	Maximum % Entitlement
Net Income £ per week											
1	0 - 125	0 - 140	0 - 175	0 - 195	0 - 215	0 - 255	0 - 225	0 - 245	0 - 265	0 - 305	100
2	125.01 - 185	140.01 - 200	175.01 - 220	195.01 - 240	215.01 - 260	255.01 - 300	225.01 - 295	245.01 - 315	265.01 - 335	305.01 - 375	80
3	185.01 - 235	200.01 - 250	220.01 - 270	240.01 - 290	260.01 - 310	300.01 - 350	295.01 - 345	315.01 - 365	335.01 - 385	375.01 - 425	60
4	235.01 - 285	250.01 - 300	270.01 - 320	290.01 - 340	310.01 - 360	350.01 - 400	345.01 - 395	365.01 - 415	385.01 - 435	425.01 - 475	30
5	285.01 - 335	300.01 - 350	320.01 - 370	340.01 - 390	360.01 - 410	400.01 - 450	395.01 - 445	415.01 - 465	435.01 - 485	475.01 - 525	10
6	335.01 +	350.01 +	370.01 +	390.01 +	410.01 +	450.01 +	445.01 +	465.01 +	485.01 +	525.01 +	0

- 2.6** A consultation took place initially for a six-week period from 15 August 2022 to 25 September 2022, but it was extended to 2 October 2022 due to the national period of mourning.
- 2.7** A summary of responses to the consultation can be found in Annex A, attached to this report.
- 2.8** Following the feedback from response '10' in Annex A, further remodelling of the scheme has been undertaken based on the suggestions and can be found in Annex B of this report. This remodelling includes a £10 increase in income band 1 for single and lone parents and a £20 increase in band 1 for couples and couples with children.
- 2.9** Based on the current CTS caseload used for remodelling the scheme that the Council consulted on and then remodelling based on feedback given during consultation, there is no impact, either negative or positive, on CTS claimants as all retain their initial modelling bands. However, new claimants may benefit from this change.

5. FINANCIAL IMPLICATIONS

- 5.1** The Council administers a Council Tax Support scheme with an annual expenditure of £4.5 million. For 2013/2014, the Government reduced the level of funding for the local scheme effectively creating a grant reduction of 10% a year across all of the precepting authorities.
- 5.2** With effect from 2013/2014, the scheme was funded through Formula Grant rather than direct subsidy and consequently the Government has transferred the risk (and therefore the cost) of increased take up within the scheme to local taxpayers. Any increase in take-up of CTS will lead to a reduced tax-base and therefore reduced income to the precepting bodies.
- 5.3** The proposed changes increase the estimated cost of the CTS scheme by approximately £58,000. This will be reflected in a decrease in the Council Tax base and Council Tax income

recognised in the Collection Fund. The decrease in income will be spread proportionately across the major precepting authorities (Gloucestershire County Council, The Office of the Police and Crime Commissioner and Cotswold District Council as well as the Town and Parish Councils). Making these proposed changes will decrease the total tax base by the equivalent of 29 band D properties and a loss of income as follows:

Financial Year	GCC	Police	Town/Parish	Cotswold	Total
2023/2024	£43,106.62	£8,318.62	2,717.92	£4,274.84	£58,418

- 5.4** The reduction in Council Tax income retained by the Council of £4,275 will be taken into account as part of the 2023/24 budget setting process.

6. LEGAL IMPLICATIONS

- 6.1** The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each authority to design a scheme specifying the reductions, which are to apply to amounts of Council Tax.
- 6.2** The CTS scheme is required under Section 13A of the Local Government Finance Act 1992 ("the Act"), as amended. The Act states that for each financial year, billing authorities must consider whether to revise their CTS scheme or replace it with another scheme. The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, under Section 40 of the Act, the Council must:
- Consult with any major precepting authorities
 - Publish the draft scheme
 - Consult other parties likely to have an interest in the scheme.
- 6.3** The deadline for making decisions is 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect (under paragraph 5, schedule 1A of the Act). If the Council does not make/revise a CTS scheme by 11 March 2023, a default scheme will be imposed on the Council, which will be effective from April 2023.



7. RISK ASSESSMENT

7.1 There are two risks to consider:

- That the benefit caseload increases significantly, resulting in expenditure exceeding the levels estimated within this report
- That the administration, collection and recovery costs (including the costs for write-offs) could increase as a result of creating additional and relatively small liabilities

7.2 Although neither risk can be mitigated, the scheme will be closely monitored during 2023 with any concerns being addressed to the Chief Finance Officer.

8. EQUALITIES IMPACT

8.1 To ensure compliance with the Equality Act 2010 an Equality Impact Assessment has been carried out which concludes there is no negative impact on any of the protected characteristics.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 None

10. ALTERNATIVE OPTIONS

10.1 The criteria for the CTS scheme are at the Council's discretion, and therefore, various alternatives and options are open to the Council.

(END)

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Annex A

No	Date & Time	Do you agree with the proposed changes to the income-based banded discount scheme as described?	If you disagree please explain why and what alternative would you propose?
1	15/08/2022 10:11:40	NO	I have applied multiple times for help with the council tax but apparently we are over the amount JUST to get any help..we struggle to pay rent and eat as well.as clothe the kids and with the cost of everything now skyrocketing once again we are being taken to court for non payment and another attachment of earnings will be added to my husbands wages so that you get the money. Our bill is 2 months wages worth and we are penalised because of the area we live... as long as you get your money you don't care if we are able to survive on the measly amount we are left with..you should be holding your heads in shame for the lack of care or empathy and the amount of stress you cause. As I said I have asked for help but NO..so once again we are either getting another attachment of earnings or one of us will end up in prison for not being able to pay... I could go on and on but it all falls on deaf ears again..and no one will see or care
Response to comments: For any household who is experiencing financial hardship the Council does offer to S13A Discretionary Scheme, which is available for any person who is liable for Council Tax. The criteria and application is available on the Council's website. The Council also has in place a Client Support officer to support residents with their finances and to become financially resilient in the future and less reliant on welfare benefits			
2	15/08/2022 13:07:32	YES	
3	17/08/2022 07:40:59	NO	Higher percentage reductions
Response to comments: The Council already offers a 100% reduction to those on the lowest income.			
4	29/08/2022 08:08:38	YES	

5	29/08/2022 09:05:35	NO	Unless you can clearly identify a suitable way of funding this without borrowing yet more money, you will only create yet more debt and exposure for everyone in the future
Response to comments: <i>This is funded through council tax income.</i>			
6	29/08/2022 09:20:16	NO	A working couple have not really got any support AT ALL This cost of living affects all , not just those on low incomes and benefits , when will this concept be grasped. My wife and I earn 721 a week Nett.... before we pay £350 a month on utilities, £1300 on a mortgage, with £400 on food , £300 on fuel to work and £40 on road tax, leaving £170 nett income minus the other bills wifi, mobiles,TV licence, house insurance , hair cuts , toiletries , dental care etc. What help do we get here ? None ?
Response to comments: <i>It is inevitable that there will always be some households that are not eligible for support. Households could review their own spending to make the necessary changes to reduce their outgoings.</i>			
7	29/08/2022 09:36:31	YES	also double tax on second homes (like they have in Wales) increasing number of bands bands for larger homes to pay more this would increase revenue for council
Response to comments: <i>If the Government amend the legislation for Local Authorities in England to raise the tax on second homes, the Council could consider this option. The Council has no authority in respect of the Council Tax Bands and therefore are not in a position to increase the number. This would be Central Government and the Valuation Office Agency</i>			
8	29/08/2022 19:57:17	DON'T KNOW	We live on the A435 Road and our Council tax bands E but none of your rebates cover thus band please explain what your going to do about this
Response to comments: <i>Council Tax Support is restricted to Bands A to E. This means that is a person in a Band F property applies for council tax support, their support would be restricted to a Band E.</i>			
9	05/09/2022 14:38:01	NO	I do not agree with any allowance or support being given to a single parent family where there is an identifiable father who should be made to support his 'family' rather than tax payers funding such support.
Response to comments: <i>This is a personal opinion and one that officers are unable to respond to</i>			
10	05/09/2022 15:23:37	NO	I do not agree that the band 1 of the Proposed scheme does not give the £10/£20 uplift. Inflation effects the poorest residents the most, as they spend a larger proportion of their income on essential items such as food and energy yet are not being given any increase at all. Band 1, (those on the lowest incomes), has stayed at the same level since 2019/20. There does not seem to be any logic to suggesting this group of residents have been unaffected by inflation, increased costs of food and energy in a

			<p>different way to those with higher earning more who are all uplifted by £10/£20.</p> <p>I also do not agree with the sharp drop off of Council Tax Support between bands particularly between band 3 & 4 where the difference of a wage increase of £5 a week(to £240 a week) on a Cirencester band A property assuming single person discount would mean they would have to pay £5.90 a week more in CT making them worse off.</p> <p>I would propose increasing Band 1 of the proposed scheme by an uplift of £10 for single people and £20 a week for couples.</p> <p>I would also ask that in future there is consideration of a 'smoothing' of the bands so that residents do not find a 2% wage increase does not mean there is a real drop in net income as a result of losing CTS.</p>
<p>Response to comments: A further remodelling of the scheme based on these comments is available in Annex B.</p> <p>During the early part of the financial year 2023 further remodelling will be undertaken in partnership with Citizens Advice to consider proposals for the 2024 scheme. This meeting has already been arranged and in diaries.</p>			
11	05/09/2022 16:41:28	YES	
12	05/09/2022 18:48:28	YES	
13	06/09/2022 00:35:13	YES	
14	20/09/2022 10:37:38	YES	
15	20/09/2022 15:20:13	NO	<p>You say you are “amending current scheme to take effect from 1 April 2023 which we think will help support those who most need it”. How have you determined “those who will most need it”?</p> <p>Although any decrease in bill payments or increase in council tax benefit are welcomed by our clients, was any consideration given to increasing the number of people who are entitled to 100% CT support (increasing Band 1 levels) as they are the ones on the lowest incomes who are affected most by any changes in costs of living.?</p> <p>People on low wages will still struggle to pay the required 20% contribution.</p>

			<p>It will only benefit those people who are on the edge of the income boundaries.</p> <p>We have looked at the percentage increase gain for those in households with and without children. With children 2.967%, without children 1.205%. Would it not have been more equal to propose a % reduction to all with incomes under a certain level?</p> <p>We have looked at 2 case studies to research these comments</p>
<p>Response to comments: Modelling has been undertaken on the current Council Tax Support caseload. We are only able to determine the need by the information we hold. The current caseload is 3943. Through this modelling exercise we have determined that all those in the lower income bands will be better off but a small handful in Bands 5 & 6 could be negatively impacted. Officers are always on hand to support any resident struggling to pay their council tax and will work with residents to ensure affordable repayment schemes are implemented</p>			
16	29/09/2022 20:48:59	NO	<p>When has a change like this benefited the lower earning general public? This is a thinly veiled attempt to elicit more money from us under the guise of restructuring. The alternative would be to spend what you already receive wisely (not wastefully) and without bias towards the towns and villages further south.</p>
<p>Response to comments: This is a personal opinion and one that officers are unable to respond to</p>			

Annex B

Suggested £10 increase to Band 1 upper limit for single & lone parents; £20 increase to Band 1 upper limit for couple & couple with children; no other changes to original

Income Band	Single	Couple	Lone Parent 1 Child	Lone Parent 2 Children	Lone Parent 3 Children	Lone Parent 4+ Children	Couple with 1 Child	Couple with 2 Children	Couple with 3 Children	Couple with 4+ Children	Maximum % Entitlement
Net Income £ per week											
1	0 - 135	0 - 160	0 - 185	0 - 205	0 - 225	0 - 265	0 - 245	0 - 265	0 - 285	0 - 325	100
2	135.01 - 185	160.01 - 200	185.01 - 220	205.01 - 240	225.01 - 260	265.01 - 300	245.01 - 295	265.01 - 315	285.01 - 335	325.01 - 375	80
3	185.01 - 235	200.01 - 250	220.01 - 270	240.01 - 290	260.01 - 310	300.01 - 350	295.01 - 345	315.01 - 365	335.01 - 385	375.01 - 425	60
4	235.01 - 285	250.01 - 300	270.01 - 320	290.01 - 340	310.01 - 360	350.01 - 400	345.01 - 395	365.01 - 415	385.01 - 435	425.01 - 475	30
5	285.01 - 335	300.01 - 350	320.01 - 370	340.01 - 390	360.01 - 410	400.01 - 450	395.01 - 445	415.01 - 465	435.01 - 485	475.01 - 525	10
6	335.01 +	350.01 +	370.01 +	390.01 +	410.01 +	450.01 +	445.01 +	465.01 +	485.01 +	525.01 +	0

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Agenda Item 8



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 NOVEMBER 2022
Report Number	AGENDA ITEM 8
Subject	COUNTER FRAUD AND ANTI-CORRUPTION POLICY
Wards affected	All indirectly
Accountable member	Cllr Mike Evemy, Deputy Leader and Cabinet Member for Finance Email: Mike.Evemy@cotswold.gov.uk
Accountable officer	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	<p>To present Cabinet with an updated Counter Fraud and Anti-Corruption Policy for approval.</p> <p>The Policy has been reviewed to ensure the content reflects current legislation and the Council's Policies and Procedures. The Policy will replace the existing Counter Fraud and Anti-Corruption Policy.</p>
Annexes	Annex A – Counter Fraud and Anti-Corruption Policy.
Recommendation(s)	<p>That Cabinet resolves to:</p> <p><i>(a) Approve and adopt the Policy attached to this report and;</i></p> <p><i>(b) Authorise the Deputy Chief Executive to approve future minor amendments to the Policy in consultation with the Counter Fraud and Enforcement Unit, Legal Services and the Cabinet Member for Finance.</i></p>
Corporate priorities	Delivering our services to the highest standards.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the relevant Senior Officers, Governance Group and the Council's leadership team for comment.



BACKGROUND

- 1.1. The Counter Fraud and Enforcement Unit is tasked with reviewing the Council's Counter Fraud and Anti-Corruption Policy. It is recommended good practice that the Policy is updated and reviewed at least every three years or more frequently in line with any legislative changes.
- 1.2. In administering its responsibilities; this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.
- 1.3. The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.

2. MAIN POINTS

- 2.1. The Policy, attached at Annex A, has been updated in accordance with the review period. Review frequency is as required by legislative changes or every three years. This has been slightly delayed due to events over the last two years.
- 2.2. The Council's existing Counter Fraud and Anti-Corruption Policy was developed to reflect (i) latest legislation and (ii) the changes from the creation of the Single Fraud Investigation Services (operated by the Department for Work and Pensions) which subsumed the Council's responsibilities for investigating Housing Benefit Fraud.
- 2.3. The Policy was last reviewed following the changes brought about by data protection legislation / regulations.
- 2.4. The Policy highlights the key legislation and roles and responsibilities of Members, Officers and other parties.
- 2.5. The changes are relatively minor and can be seen as red text within the Policy at Annex A.
- 2.6. A section has been inserted relating to Money Laundering and Proceeds of Crime and relating to Modern Slavery, detailing the Council's responsibilities.
- 2.7. The Policy has also been refreshed to reflect the growth of the Counter Fraud and Enforcement Unit work streams and responsibilities relating to risk.
- 2.8. As part of the consultation process, the Policy has been reviewed by Legal Services and the Deputy Chief Executive.
- 2.9. Cabinet last considered the Policy in January 2016 when it replaced the existing Policy.
- 2.10. The Audit Committee considered and endorsed the Policy in September 2022.
- 2.11. Awareness will be raised with all staff following the approval of the Policy. Online refresher training will be issued to staff following approval of the Policy.



3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct financial implications as a result of this report.
- 3.2. The support of the Counter Fraud and Anti-Corruption Policy will help to support the prevention and detection of misuse of public funds and fraud therefore reducing potential financial loss to the Council.

4. LEGAL IMPLICATIONS

- 4.1. In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.
- 4.2. The legislation utilised by the Counter Fraud and Enforcement Unit and other service areas within the Council is identified within the Policy and the Council must comply with all legislative requirements.
- 4.3. The Council must also ensure that authorisations obtained under the Regulation of Investigatory Powers Act 2000 or the Investigatory Powers Act 2016 are appropriately logged, maintained and updated on the central register.

5. RISK ASSESSMENT

- 5.1. The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds.
- 5.2. Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

6. EQUALITIES IMPACT

- 6.1. The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

7. ALTERNATIVE OPTIONS

- 7.1. None.

8. BACKGROUND PAPERS

- 8.1. The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:



- Cabinet Report January 2016 – Counter Fraud and Anti-Corruption Policy.

8.2. These documents will be available for inspection at the Council Offices at Trinity Road, Cirencester, GL7 1PX during normal office hours for a period of up to 4 years from the date of the meeting. Please contact the author of the report.

(END)

Counter Fraud and Anti-Corruption Policy



Version Control:	
Document Name:	Counter Fraud and Anti-Corruption Policy
Version:	2
Responsible Officer:	Emma Cathcart, Counter Fraud and Enforcement Unit
Approved by:	Executive / Cabinet
Next Review Date	May 2025
Retention Period:	N/A

Revision History

Revision date	Version	Description
August 2019	1.1	Update following changes to data protection legislation
May 2022	2	Review and Update

Consultees

Internal	External
CFEU Lead	
One Legal / Legal Services	

Distribution

Name	
All Staff	

Counter Fraud and Anti-Corruption Policy

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Counter Fraud and Anti-Corruption Policy

1. INTRODUCTION AND PURPOSE OF THE POLICY

- 1.1. In administering its responsibilities; this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Member. The Council is committed to an effective Counter Fraud and Anti-Corruption culture, by promoting high ethical standards and encouraging the prevention, detection and investigation of fraudulent activities.
- 1.2. The Section 151 Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements for the Council's financial affairs to include the development of financial codes of practice and accounting instructions. Through delegation of duties, the Officer ensures appropriate controls are in place.
- 1.3. The Monitoring Officer has a statutory responsibility to advise the Council on the legality of its decisions and to ensure that the Council's actions do not give rise to illegality or maladministration. It is therefore essential for employees to follow the Council's policies and procedures to demonstrate that the Council is acting in an open and transparent manner.
- 1.4. The Council has a statutory duty to undertake an adequate and effective internal audit of its accounting records and its system of internal controls. The Council's Financial Rules state that 'whenever a matter arises which involves, or is thought to involve irregularities concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the Council, the Director, Head of Service or equivalent Senior Officer has a duty to immediately notify the Section 151 Officer and the Monitoring Officer, who shall take steps as they consider necessary by way of investigation and report'. Furthermore the Financial Rules also state that each Director, Head of Service or equivalent Senior Officer is responsible for 'notifying the Section 151 Officer and the Chief Audit Executive immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources.
- 1.5. The Council has a zero tolerance approach to fraud committed or attempted by any person against the organisation or any of its partner agencies. The Council will thoroughly investigate all suggestions of fraud, corruption or theft, from within the Council and from external sources which it recognises can:
 - Undermine the standards of public service that the Council is attempting to achieve by diverting resources from legitimate activities.
 - Reduce the level of resources and services available for the residents of the borough, district or county as a whole.
 - Result in consequences which damage public confidence in the Council and / or adversely affect staff morale.
- 1.6. Any proven fraud will be dealt with in a consistent and proportionate manner. Appropriate sanctions and redress for losses will be pursued, to include criminal proceedings against anyone perpetrating, or seeking to perpetrate, fraud, corruption or theft against the Council.
- 1.7. The Council is committed to the highest possible standards of openness, probity, honesty, integrity and accountability. The Council expects all Officers, Members and partner organisations to observe these standards and values, which are defined within the Code of Conduct for Employees and the Members Code of Conduct, to help achieve the Council's over-arching priority for the continued delivery of outcomes and value for money for local tax-payers.

Counter Fraud and Anti-Corruption Policy

2. DEFINITIONS

2.1. FRAUD

The term “fraud” is usually used to describe depriving someone of something by deceit, which might either be misuse of funds or other resources, or more complicated crimes like false accounting or the supply of false information. In legal terms, all of these activities are the same crime, theft, examples of which include deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

2.2 Fraud was introduced as a general offence and is defined within The Fraud Act 2006. The Act details that a person is guilty of fraud if he commits any of the following:

- Fraud by false representation; that is if a person:
 - (a) dishonestly makes a false representation, and
 - (b) intends, by making the representation:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.
- Fraud by failing to disclose information; that is if a person:
 - (a) dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and
 - (b) intends, by failing to disclose the information:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.
- Fraud by abuse of position; that is if a person:
 - (a) occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person,
 - (b) dishonestly abuses that position, and
 - (c) intends, by means of the abuse of that position:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

2.3 In addition the Act introduced new offences in relation to obtaining services dishonestly, possessing, making, and supplying articles for the use in frauds and fraudulent trading applicable to non-corporate traders.

2.4. CORRUPTION

Is the deliberate use of one's position for direct or indirect personal gain. “Corruption” covers the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person to act inappropriately and against the interests of the organisation.

2.5. THEFT

Is the physical misappropriation of cash or other tangible assets. A person is guilty of “theft” if he or she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.

2.6. MONEY LAUNDERING

Money laundering is the process by which criminals attempt to 'recycle' the proceeds of their criminal activities in order to conceal its origins and ownership whilst retaining use of the funds.

2.7 The burden of identifying and reporting acts of money laundering rests within the organisation. Any service that receives money from an external person or body is

Counter Fraud and Anti-Corruption Policy

potentially vulnerable to a money laundering operation. The need for vigilance is vital and any suspicion concerning the appropriateness of a transaction should be reported and advice sought from the Monitoring Officer, Section 151 Officer or Chief Audit Executive. A failure to report a suspicion could compromise an individual and they could be caught by the money laundering provisions. All employees are therefore instructed to be aware of the increasing possibility of receiving requests that are not genuine and are in fact for the purpose of money laundering.

- 2.8 The Council recognises its responsibilities under Money Laundering and Proceeds of Crime Legislation. These responsibilities are adhered to in line with the Council's Proceeds of Crime and Anti-Money Laundering Policy and the related Procedures. The Council is required to have a designated Officer for money laundering reporting purposes.
- 2.9 Both Financial and Legal Officers working for the Council also have their own professional guidance in relation to money laundering which places a duty on them to report any suspicions. These suspicions may override their legal professional privilege and confidentiality.

2.10 BRIBERY

The Bribery Act 2010 introduced four main offences, simplified below. Please note, a 'financial' or 'other advantage' may include money, assets, gifts or services within the following:

- Bribing another person: a person is guilty of an offence if he offers, promises or gives a financial or other advantage to another person. Further if he intends the advantage to induce a person to perform improperly a function or activity or if he knows or believes the acceptance of the advantage offered constitutes improper activity.
- Offences relating to being bribed: a person is guilty of an offence if he requests, agrees to receive, or accepts a financial or other advantage intending that as a consequence an improper activity or function will be performed improperly or if he knows or believes the acceptance of the advantage offered constitutes improper activity. Where a person agrees to receive or accepts an advantage as a reward for improper activity or function that has been performed. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate advantage or not.
- Bribery of a foreign public official: a person who bribes a foreign public official is guilty of an offence if the person's intention is to influence the foreign public official in their capacity, duty or role as a foreign public official. A person must also intend to obtain or retain business or an advantage in the conduct of business and must offer, promise or give any financial or other advantage.
- Failure of commercial organisations to prevent bribery: organisations, which include the Council, must have adequate procedures in place to prevent bribery in relation to the obtaining or retaining of business associated with the business itself.

- 2.11 The Council is committed to ensuring the prevention of corruption and bribery and sets out its policy in relation to the acceptance of gifts and hospitality within the Code of Conduct for Employees (or equivalent) and the Members Code of Conduct. Offers of or the receipt of any gifts or hospitality should be recorded by Officers and Members in the appropriate register. Officers and Members are also required to declare any outside interests that they have which may result in a conflict of interest in respect of transactions and dealings with the Council. Again, any such interests will be recorded in an appropriate register.

Counter Fraud and Anti-Corruption Policy

- 2.12 Prior to entering into any business arrangements, all Council Officers and/or business units should ensure that they have taken all reasonable steps to identify any potential areas of risk relating to bribery or corruption. If an Officer has any concerns they must raise them with The Chief Audit Executive.

2.13. MODERN SLAVERY

Modern Slavery takes a number of forms but all relate to the illegal exploitation of people for personal or commercial gain. The Council recognises its responsibilities as outlined within the legislation and is committed to promoting transparency in supply chains to prevent modern slavery and to take appropriate action to identify and address those risks.

3. SCOPE

- 3.1 In relation to any of the above mentioned offences, this policy applies to:

- All employees, including shared service employees, casual workers and agency staff.
- Members.
- Committee Members of Council funded voluntary organisations.
- Partner organisations, where the Council has a financial or statutory responsibility.
- Council Suppliers, Contractors and Consultants.
- The general public.

4. AIMS AND OBJECTIVES

- 4.1 The aims and objectives of the Counter Fraud and Anti-Corruption Policy are to:

- Ensure that the Council has measures in place to guard against fraud and loss and that the Council maximises revenue recovery.
- Safeguard the Council's valuable resources by ensuring they are not lost through fraud but are used for providing services to the community as a whole.
- Create a 'counter fraud' culture which highlights the Council's zero tolerance to fraud, corruption, bribery and theft, which defines roles and responsibilities and actively engages everyone (the public, Members, Officers, managers and policy makers).

- 4.2 The Council aims to:

- Proactively deter, prevent and detect fraud, corruption, bribery and theft.
- Investigate any suspicions of, or detected instances of fraud, corruption, bribery and theft.
- Enable the Council to apply appropriate sanctions, to include prosecution, and recovery of losses.
- Provide recommendations to inform policy, system and control improvements, thereby reducing the Council's exposure to fraudulent activity.

5. PRINCIPLES

- 5.1 The Council will not tolerate abuse of its services or resources and has high expectations of propriety, integrity and accountability from all parties identified within this policy. Maintaining this policy supports this vision.
- 5.2 The Council has a documented Constitution, Scheme of Delegated Powers and Financial Regulations to give Members and Officers clear instructions or guidance for

Counter Fraud and Anti-Corruption Policy

carrying out the Council's functions and responsibilities. Responsibility for ensuring compliance with these documents rests with management with adherence being periodically monitored by Internal Audit Services; where breaches are identified these will be investigated in accordance with this policy and the Council's Financial Rules.

- 5.3 The Council expects that Members and Officers will lead by example in ensuring adherence to rules, procedures and recommended practices. A culture will be maintained that is conducive to ensuring probity. Members and Officers should adopt the standards in public life as set out by the Nolan Committee, known as the Nolan Principles:
- Selflessness – to take decisions solely in terms of the public interest and not in order to gain for themselves.
 - Integrity – not to place themselves under any obligation to outside individuals or organisations that may influence the undertaking of their official duties.
 - Objectivity – when carrying out any aspect of their public duties, to make decisions and choices on merit.
 - Accountability – to be accountable, to the public, for their decisions and actions and must submit themselves to the appropriate scrutiny.
 - Openness – to be as open as possible about the decisions and actions they take and the reasons for those decisions and actions. The dissemination of information should only be restricted when the wider public interest clearly demands it.
 - Honesty – to declare any private interests which relate to their public duties and take steps to resolve any conflicts arising in a manner which protects the public interest.
 - Leadership – to promote and support these principles by leadership and example.
- 5.4 The Council will ensure that the resources dedicated to counter fraud activity are appropriate and any officers involved in delivering these services are trained to deliver a professional counter fraud service to the correct standards ensuring consistency, fairness and objectivity.
- 5.5 All fraudulent activity is unacceptable, and may result in consideration of legal action being taken against the individual(s) concerned. In addition, the Council has in place disciplinary procedures which must be followed whenever Officers are suspected of committing a fraudulent or corrupt act. These procedures are monitored and managed by the Human Resources Team and may be utilised where the outcome of an investigation indicates fraudulent or corrupt acts have occurred.
- 5.6 The Council may pursue the repayment of any financial gain from individuals involved in fraud, malpractice and wrongdoing. The Council may also pursue compensation for any costs it has incurred when investigating fraudulent or corrupt acts.
- 5.7 This policy encourages those detailed within this document to report any genuine suspicions of fraudulent activity. However, malicious allegations or those motivated by personal gain will not be tolerated and, if proven, disciplinary or legal action may be taken. Reporting arrangements in relation to incidents of fraud or irregularity are detailed below.
- 5.8 The Council will work both internally across different departments and with external organisations such as the Police, HM Revenue and Customs and other Councils to strengthen and continuously improve its arrangements to prevent fraud and corruption. The Council is committed to assisting the Police in fighting Serious and Organised

Counter Fraud and Anti-Corruption Policy

crime and will implement measures and share data to ensure the Council is not engaging with organised crime gangs when procuring goods and services.

- 5.9 The Council collects and stores data within multiple departments to enable data cleansing, data sharing and data matching. This process can be utilised for the prevention and detection of fraud and the Council will pursue this where appropriate. The Council applies fair processing practices and these are reflected within data collection documents, stationery and other data collection processes such as those required for the National Fraud Initiative.

6. RESPONSIBILITIES

OFFICER / DEPARTMENT	SPECIFIC RESPONSIBILITIES
Head of Paid Service / Chief Executive	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Chief Finance Officer (Section 151 Officer)	To ensure the Council has adopted an appropriate Counter Fraud and Anti-Corruption Policy. That there is an effective internal control environment in place and resources to investigate allegations of fraud and corruption.
Monitoring Officer	To advise Members and Officers on ethical issues, conduct and powers to ensure that the Council operates within the law and statutory Codes of Practice.
Audit Committee/ Audit and General Purposes Committee / Audit and Governance Committee	<p>To receive formal assurance from an appropriate representative at meetings and an annual opinion report in relation to the Council's control measures and counter fraud activity.</p> <p>The Audit Committee also receives assurance from external audit on the Council's Annual Accounts and Annual Governance Statement.</p>
Councillors / Members	<p>To comply with the Members Code of Conduct and related Council policies and procedures.</p> <p>To be aware of the possibility of fraud, corruption, bribery and theft and to report any genuine concerns to the Chief Audit Executive.</p>
External Audit / Internal Audit	<p>Has a duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption, bribery and theft.</p> <p>Has powers to investigate fraud and the Council may invoke this service.</p>

Counter Fraud and Anti-Corruption Policy

OFFICER / DEPARTMENT	SPECIFIC RESPONSIBILITIES
<p>Counter Fraud and Enforcement Unit</p>	<p>Responsible for assisting the development and implementation of the Counter Fraud and Anti-Corruption Policy. The Counter Fraud Unit have a duty to monitor the investigation of any reported issues of irregularity.</p> <p>To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this policy.</p> <p>That action is identified to improve controls and reduce means, opportunity and the risk of recurrence.</p> <p>Reporting to the appropriate Senior Officer(s) (Section 151 Officer, Monitoring Officer, Chief Audit Executive) with regard to the progress and results of investigations.</p> <p>Reporting annually to the Audit Committee on proven frauds.</p>
<p>Counter Fraud Provision / Services</p>	<p>To proactively deter, prevent and detect fraud, corruption, bribery and theft within or against the Council.</p> <p>To work on behalf of charities, Social Housing Providers and other organisations to proactively deter, prevent and detect fraud, bribery, corruption and theft for the benefit of local residents and the public purse.</p> <p>To investigate all suspicions of fraud, corruption, bribery or theft, within or against the Council, in accordance with the Criminal Procedures and Investigations Act 1996 (CPIA).</p> <p>To consider reputational damage and the public interest test when investigating any instances of fraud, corruption, bribery or theft.</p> <p>To conduct interviews under caution when appropriate in accordance with the Police and Criminal Evidence Act 1984 (PACE).</p> <p>To undertake any surveillance operation or obtaining any communications data, adhering to the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 – this is applicable when undertaking criminal investigations only.</p> <p>To comply with Data Protection Legislation (and the General Data Protection Regulations) when obtaining or processing personal data.</p>

Counter Fraud and Anti-Corruption Policy

OFFICER / DEPARTMENT	SPECIFIC RESPONSIBILITIES
	<p>To report to the appropriate Senior Officer(s) for decisions in relation to further action.</p> <p>To enable the Council to apply appropriate sanctions, to include criminal proceedings, and to assist in the recovery of losses in accordance with the Council's Corporate Enforcement Policy. To include prosecutions on behalf of Social Housing Providers, Charities, and other organisations where it is in the public interest and for the benefit of the local residents.</p> <p>To prepare Witness Statements and prosecution paperwork for the Council's Legal Department.</p> <p>To attend and present evidence in the Magistrates Court, the Crown Court and Employment Tribunals.</p> <p>To provide recommendations to inform policy, system and control improvements.</p> <p>To provide fraud awareness training and updates for Members and Officers.</p> <p>To publicise successes where appropriate.</p>
Human Resources	<p>To report any suspicions of fraud, corruption, bribery or theft to the Section 151 Officer, Monitoring Officer or Counter Fraud representative if reported directly to HR or if identified during any disciplinary or internal procedures.</p> <p>To ensure recruitment procedures provide for the obtainment and verification of significant information supplied by applicants in accordance with the HR Vetting and Recruitment Fraud Risk Report.</p>
Strategic Directors, Heads of Service, Service Managers or equivalent Senior Officers	<p>The primary responsibility for maintaining sound arrangements to prevent and detect fraud and corruption rests with management.</p> <p>To promote awareness and ensure that all suspected or reported irregularities are immediately referred to the appropriate Senior Officer.</p> <p>To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption, bribery and theft. To reduce these risks by implementing internal controls, monitoring of these controls by spot checks and to rectify weaknesses if they occur.</p>

Counter Fraud and Anti-Corruption Policy

OFFICER / DEPARTMENT	SPECIFIC RESPONSIBILITIES
Staff / Employees / Officers	<p>To comply with Council policies and procedures when conducting their public duties.</p> <p>To be aware of the possibility of fraud, corruption, bribery and theft and to report any genuine concerns. Officers may report suspicions as detailed below.</p> <p>Referrals can also be made in confidence in accordance with the Council's Whistleblowing Policy.</p>
Public, Partners, Suppliers, Contractors and Consultants	<p>To be aware of the possibility of fraud and corruption within or against the Council and to report any genuine concerns or suspicions as detailed below.</p>

7. APPROACH TO COUNTERING FRAUD

7.1 The Council has a responsibility to reduce fraud and protect its resources by enabling counter fraud services to complete work in each of the following key areas:

7.2 DETERRENCE

The best deterrent is the existence of clear procedures and responsibilities making fraud and corruption difficult to perpetrate and easy to detect. As detailed already within this policy, the Council has a number of measures in place to minimise risk:

- Clear codes of conduct for Officers and Members.
- Register for declarations of interest / gifts and hospitality for Members and Officers.
- Clear roles and responsibilities for the prevention and detection of fraud, corruption, bribery and theft including an Audit Committee, an appointed Monitoring Officer, Section 151 Officer and trained Counter Fraud Officers.
- Effective ICT security standards and usage policies.
- The application of appropriate sanctions and fines as detailed below.

7.3 The existence of an effective Counter Fraud Team is a prime deterrent for fraud and corruption. Counter Fraud Officers and the Internal Audit Team analyse and identify potential areas at risk of fraudulent abuse with the assistance of the Council's Corporate Management, efficient and effective audits of principal risk areas can then be conducted.

7.4 The Council will promote and develop a strong counter fraud culture, raise awareness and provide information on all aspects of its counter fraud work. This may include advice on the intranet, fraud e-learning tools, publicising the results of proactive work, investigating fraud referrals and seeking the recovery of any losses.

7.5 PREVENTION

The Council will strengthen measures to prevent fraud **ensuring consideration of the Fraud Risk Strategy, associated documents and fraud risk register**. Counter Fraud Officers will work with management and policy makers to ensure new and existing systems, procedures and policy initiatives consider any possible fraud risks. Any

Counter Fraud and Anti-Corruption Policy

internal audit conducted will also consider fraud risks as part of each review and ensure that internal controls are in place and maintained to combat this.

- 7.6 Important preventative measures include effective recruitment to establish the propriety and integrity of all potential employees **as set out within the HR Vetting and Recruitment Fraud Risk Report**. Recruitment is carried out in accordance with the Council's Recruitment and Selection Policy and provides for the obtainment and verification of significant information supplied by applicants.

- 7.7 The Council will undertake any internal remedial measures identified by any investigation to prevent future recurrence at the first opportunity.

7.8 **DETECTION**

A record of fraud referrals received will be maintained by Counter Fraud Officers (and other departments as applicable). This record helps to establish those areas within the Council most vulnerable to the risk of fraud. In addition, a consistent treatment of information and independent investigation is ensured. A Council wide fraud profile is created which then informs any detailed proactive work.

- 7.9 The Council is legislatively required to participate in a national data matching exercise; the National Fraud Initiative (NFI). Particular sets of data are provided and matched against other records held by the Council or external organisations. Where a 'match' is found it may indicate an irregularity which requires further investigation to establish whether fraud has been committed or an error made. An officer within the authority is designated as the 'Key Contact' for this process. The initiative also assists in highlighting areas which require more proactive investigation. The Council may engage in other data matching/sharing for the purposes of fraud prevention and detection, and for the recovery of monies owed.

- 7.10 Safeguarding and deterrent internal controls and monitoring procedures are established for financial and other systems within the Council, for example those set out within the Council's Financial Rules / Contract Rules.

- 7.11 The Council relies on employees, Members and the public to be alert and to report any suspicions of fraud and corruption which may have been committed or that are allegedly in progress. Managers should be vigilant and refer any matters which may require additional monitoring to a senior representative within the Human Resources Department for guidance and further action.

7.12 **INVESTIGATION**

The Council will investigate all reported incidents of fraud or irregularity using its counter fraud resources. The Council will ensure the correct gathering and presentation of evidence in accordance with the Criminal Procedures and Investigations Act 1996.

- 7.13 Investigations will make due reference to Employment Law as necessary and be conducted within a reasonable time in accordance with the Human Rights Act 1998. Investigations will also adhere to and comply with other applicable legislation such as the Police and Criminal Evidence Act 1984, Data Protection Legislation and the Freedom of Information Act 2000 as appropriate.
- 7.14 Officers may utilise investigative tools and gain intelligence utilising a number of legal gateways and data sharing agreements. This may include membership to third party organisations such as the National Anti-Fraud Network (NAFN).
- 7.15 When investigating allegations of fraud and corruption, the Council may be required to conduct surveillance. The Council must comply with the Regulation of Investigatory Powers Act 2000 which ensures that investigatory powers are used in accordance with human rights. To ensure compliance the Council has a written procedure detailing

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who may authorise covert surveillance and the use of covert human intelligence sources. Standard documentation has been adopted which must be used by an Officer when seeking such authorisation.

- 7.16 Officers may also need to acquire communications data when conducting an investigation. This is permissible however; the Council must adhere to the Investigatory Powers Act 2016 when applying for this information and the correct nominated single point of contact must be used. As above, specific details are set out within the written procedures.

- 7.17 **The Counter Fraud and Enforcement Unit Officers adhere to the appropriate legislation when investigating irregularities and allegations of fraud. This includes the need to:**

- Deal promptly with the matter.
- Record all evidence received.
- Ensure that evidence is sound and adequately supported.
- Conduct interviews under caution when necessary.
- Ensure security of all evidence collected.
- Contact other agencies if necessary e.g. Police, Trading Standards, HM Revenue and Customs.
- Notify the Council's insurers.
- Implement Council disciplinary procedures where appropriate.
- Attend court and present evidence.

7.18 **SANCTIONS**

The Council will apply considered sanctions to individuals or organisations where an investigation reveals fraudulent activity. This may include:

- Appropriate disciplinary action in line with the Disciplinary Policy.
- Fines and penalties.
- Criminal proceedings.
- Civil proceedings to recover loss.

7.19 **REDRESS**

A crucial element of the Council's response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an important part of the Council's strategy and will be pursued in line with internal debt recovery processes and legal redress i.e. Confiscation Orders and the application of the Proceeds of Crime Act 2002.

7.20 **CONTROL FAILURE RESOLUTION**

In addition to the above, Internal Audit also prepares a risk based annual Audit Plan that details the key objectives and areas of work for the year. Within these work areas indicators for fraud are considered. Internal Audit will also respond to requests from management and Counter Fraud Officers where there may be concerns over the effectiveness of internal controls. The work plan is agreed and monitored by the Audit Committee and Section 151 Officer.

8. REPORTING, ADVICE AND SUPPORT

- 8.1 The Council's expectation is that Members and managers will lead by example and that employees at all levels will comply with the Constitution, Council Policies, Financial Regulations, Procurement Regulations, Financial and Contract Procedure Rules, codes of conduct and directorate procedures.
- 8.2 The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. It is essential that employees of the Council report

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any irregularities, or suspected irregularities to their Line Manager and if this is not appropriate then to a Counter Fraud representative.

- 8.3 The Council must create the right environment so that anyone can raise concerns in respect of irregularities with the knowledge that they will be treated seriously and confidentially. The Council will provide all reasonable protection for those who raise genuine concerns in good faith, as confirmed in the Council's Whistle-Blowing Policy.
- 8.4 If the informant is a member of the public or external contractor, they can contact a Counter Fraud Officer at the Council to report the suspicion. This can be done anonymously. A hotline number for reporting suspicions may also be established and if so, can be found on the Council's website. The Council's complaint procedure may also be utilised but may not be the most appropriate channel.
- 8.5 The above process does not relate to reporting Housing Benefit Fraud allegations (which are now dealt with by the Department for Work and Pensions) or to Council Tax Reduction Scheme offences. The informant should contact the Officer nominated to deal with this; details can be found on the Council's website within the Revenues and Benefit Section information.
- 8.6 The Officer who receives the allegation (whether from a Member or a Council employee) must refer the matter to a Counter Fraud representative within the Council, to determine how the potential irregularity will be investigated and to whom the allegation should be discussed within the Council. This is to ensure correct investigative procedures are adhered to and that any potential fraud enquiry is not compromised.
- 8.7 As appropriate, reports will be issued to the Monitoring Officer, Head of Paid Service, Section 151 Officer, Senior Officers, and Cabinet Members etc. where the irregularity is material and/or could affect the reputation of the Council. Decisions will then be made with regard to the most appropriate course of action. Communications and publicity will also be managed if the matter is likely to be communicated externally.
- 8.8 If the investigation relates to an employee then Human Resources will be engaged and the Council's Disciplinary Procedure will also be considered however this will be managed carefully to ensure any criminal investigation is not compromised.
- 8.9 The Council will also work in co-operation with the following bodies (and others as appropriate) that will assist in scrutinising our systems and defences against fraud, bribery and corruption:
 - Local Government and Social Care Ombudsman.
 - External Audit.
 - The National Fraud Initiative.
 - Central Government Departments.
 - HM Revenue and Customs.
 - The Police.
 - Trading Standards.
 - The Department for Work and Pensions.
 - Immigration Services.
 - The Chartered Institute of Public Finance and Accountancy (CIPFA).
 - The Institute of Revenues Rating and Valuation (IRRV).
 - **Social Housing Providers and Charitable Bodies**
- 8.10 **As detailed within this document and the Council's Whistle Blowing Policy, any concerns or suspicions reported will be treated with discretion and in confidence. Referrals can be made in confidence to the Counter Fraud and Enforcement Unit at fraud.referrals@cotswold.gov.uk who work on behalf of Cheltenham and Tewkesbury**

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Borough Councils and Cotswold, Forest of Dean and West Oxfordshire District Councils. Concerns can also be raised via Internal Audit.

9. FURTHER INFORMATION

9.1 Further information on Council policy can be found in the following documents (or equivalent documentation / codes):

- The Constitution.
- Code of Conduct for Employees and the Members Code of Conduct which include information in relation to gifts and hospitality and declaring and registering interests.
- Whistleblowing Policy.
- Corporate Enforcement (Prosecution) Policy.
- **Proceeds of Crime and Anti-Money Laundering Policy.**
- Recruitment and Selection Processes.
- **RIPA / IPA Policies, Procedures and Guidance.**
- Financial Rules.
- Contract Rules or equivalent.
- Fair Processing Statement.
- Disciplinary Procedure.

10. POLICY REVIEW

- 10.1. The appropriate department will review and amend this policy as necessary to ensure that it continues to remain compliant and meets legislative requirements and the vision of the Council in consultation with the Council's Chief Finance Officer, the Legal Department and Members.
- 10.2. Review frequency as required by legislative changes / every three years.

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Agenda Item 9



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 NOVEMBER 2022
Report Number	AGENDA ITEM 9
Subject	LONG TERM COUNCIL TAX EMPTY PREMIUM EXEMPTION OF PROPOSED DEMOLITION PROPERTIES
Wards affected	Lechlade, Kempsford and Fairford South Moreton East South Cerney Village
Accountable member	Cllr Mike Evemy – Deputy Leader and Cabinet Member for Finance. Email: mike.evemy@cotswold.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Environmental, Welfare and Revenues. Email: mandy.fathers@publicagroup.uk
Summary/Purpose	For Cabinet to consider the removal of the Long Term Empty Premium on individual Bromford properties that have been or are pending demolition
Annexes	None
Recommendation(s)	That Cabinet resolves to: <ul style="list-style-type: none"> a) Approve the removal of the four Long Term Empty Premiums on properties in Cross Tree Crescent, Kempsford until 1 April 2023; b) Approve the removal of the four Long Term Empty Premiums on properties in Stockwells, Moreton in Marsh; c) Approve the removal of the three Long Term Empty Premiums on properties in Berkeley Close, South Cerney for a 12 month period; and, d) Delegate to the Chief Finance Officer in consultation with the Deputy Leader and Cabinet Member for Finance the suspension of further Long Term Empty Premiums being applied on the sites as detailed in paragraph 2.9 of this report.
Corporate priorities	<ul style="list-style-type: none"> • Delivering our services to the highest standards • Responding to the challenges presented by the climate crisis



	<ul style="list-style-type: none">• Providing good quality social rented homes
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Leader and Deputy Leader, Chief Executive and Deputy Chief Executive, Monitoring Officer, Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica)

1. BACKGROUND

- 1.1** Since April 2019, Government has delegated additional powers to Local Authorities to incentivise property owners to bring empty properties back to the market by introducing higher premiums for Council Tax on those properties that remain empty and unfurnished after a period of two years or more.
- 1.2** The maximum permitted increase for premiums is as follows:
- 100% premium from 1st April 2019 for those properties which have been empty for two years and over;
 - 200% premium from 1st April 2020 for those properties which have been empty for five years and over;
 - 300% premium from 1st April 2021 for those properties which have been empty for ten years and over.
- 1.3** The Council adopted the application of these premiums as detailed above, with exemptions for properties owned by members of the Armed Forces, Annexes and properties that are genuinely on the market for sale or let, as per Government guidance.

2. MAIN POINTS

- 2.1** Bromford Housing are undergoing a programme of redevelopment with some of their housing stock. Their aim is to demolish and rebuild in the next 18 months more affordable, better-insulated homes, utilising modern methods of construction to achieve zero carbon properties.
- 2.2** The sites for redevelopment are:
- 1) Cross Tree Crescent, Kempsford
 - 2) Stockwells, Moreton in Marsh
 - 3) Berkeley Close, South Cerney.



- 2.3** Cross Tree Crescent currently has 14 houses, 12 flats and 3 garage blocks. The plans provided show they will be constructing 27 affordable 1, 2 and 3 bed houses plus two additional 2-bed bungalows.
- 2.4** Currently four properties on this site are attracting a long-term empty (LTE) premium and will continue to do so under the Council's current Policy until such time the properties are demolished. Demolition is not due until March 2023. The premium on all four properties is an additional 100% of the annual Council Tax charge.
- 2.5** Stockwells currently has 24 houses, including maisonettes. These plans show the site will be newly constructed with 28 affordable 2 and 3 bed properties.
- 2.6** There were four properties on this site that attracted a LTE premium before the site was demolished in June 2022. The premiums on all four properties was an additional 100% of the annual Council Tax charge, pro-rata.
- 2.7** Berkeley Close currently has 55 mixed units. The plans for this site have not yet been submitted. However, Bromford's proposals show a start date for the demolishing of this site to be in November 2023 with 84 newly constructed net zero units being proposed.
- 2.8** Currently, three properties on this site are attracting a LTE premium and will continue to do so until such time that the properties are demolished.
- 2.9** There is the potential for more properties to fall into the LTE premium status at Cross Tree Crescent and Berkeley Close before demolition commences. It is therefore being proposed that any future properties that become LTE and attract a premium are considered by the Chief Finance Officer in consultation with the Deputy Leader and Member for Finance.
- 2.10** Given the policy stance upon introducing the premium was that it was levied to encourage properties to be brought back into the housing stock it seems inappropriate to penalise a registered social landlord who has advanced plans to redevelop these sites to increase the stock of available units. The nature of these multi-unit schemes means that properties are vacated over a period of time which often delays the redevelopment commencement beyond deadlines for the LTE premium to apply for those properties vacated first.
- 2.11** It would seem entirely within the aims of the scheme to exempt properties from this premium that have advanced redevelopment plans which will deliver additional accommodation units to replace the current units. Added to this Bromford are the most significant development partner of the Council in respect of affordable housing and penalising them in respect of their

actions to redevelop the sites would run counter to the Councils objectives in respect of affordable housing.

3. FINANCIAL IMPLICATIONS

- 3.1 The Levy imposed for properties that have been empty for 2 years, but less than 5 years is an additional 100% of the Council Tax charge. The additional tax raised is shared across the precepting authorities. The loss of revenue in respect of this report would be as follows:

Site	Charge/Levy	GCC	Police	Cotswold	Town/Parish
Cross Tree	£5,116.68	£3,775.60	£728.61	£374.42	£238.05
Stockwells	£1,169.60	£863.05	£166.55	£85.59	£54.41
Berkeley	£3,879.21	£2,862.47	£552.39	£283.87	£180.48
TOTAL	£10,165.49	£7,501.12	£1,447.55	£743.88	£472.94

- 3.2 The loss of revenue for Cotswold of £743.88 will be accounted for as part of the 2023/24 budget setting process.

4. LEGAL IMPLICATIONS

- 4.1 Since April 2013 Local Authorities in England have been given delegated powers under Section 11B of the Local Government Finance Act 1992 to increase Council Tax on a local level. These powers allow an increase of Council Tax by adding up to 50% to the Council Tax charge on some long-term empty properties. This is commonly known as the 'Empty Property Premium' or 'Long Term Empty Premium'. Amended legislation allowed an increase in the premium to a maximum of 300%. Cotswold District Council adopted the amended scheme on 1 April 2019.
- 4.2 There are, however, certain exemptions to this premium being applied. These include premises owned by members of the armed forces, annexes and properties that are genuinely on the market for sale or let.



5. RISK ASSESSMENT

- 5.1** There is a small risk of the Council setting a precedent of its discretionary use in respect of the application or withdrawal of a long-term empty premium. However, it should be noted that these individual properties are currently empty, pending demolition, for Bromford to build back more affordable, better-insulated homes, utilising modern methods of construction to achieve zero carbon properties, which is a key priority of the Council.

6. EQUALITIES IMPACT

- 6.1** There are no unacceptable adverse effects on the protected characteristics covered by the Equalities Act 2010 that have been identified.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 7.1** Given the age and construction of the existing houses, the proposed new properties will, even if built only to existing building standards, significantly improve the energy efficiency and therefore the climate impact of these homes.
- 7.2** The Council is in discussion with Bromford to explore how the environmental performance of the replacement homes can be improved beyond current building regulations, reaching towards a net zero carbon performance, although the achievability of that goal still has some uncertainty.
- 7.3** Given that the location of the homes is fixed, there are only limited opportunities to reduce the climate impact from resident travel, but nonetheless opportunities are being explored.
- 7.4** Opportunities for biodiversity or ecological enhancement may be limited given the existing locations and other site constraints, but opportunities for these enhancements are also under discussion with the Council

8. ALTERNATIVE OPTIONS

- 8.1** Cabinet may decide not to remove the LTE premiums from the properties demolished and /or pending demolition and invoice Bromford Housing for the amounts of Council Tax owing.

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Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 07 NOVEMBER 2022
Report Number	AGENDA ITEM 10a
Subject	RECOVERY INVESTMENT STRATEGY
Wards affected	All
Accountable member	Cllr Tony Dale, Cabinet Member for the Economy and Council Transformation Email: tony.dale@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and Chief Finance Officer Email: david.stanley@cotswold.gov.uk
Summary/Purpose	To rescind the Recovery Investment Strategy
Annexes	None
Recommendation(s)	That Cabinet recommends to Council to: a) <i>Rescind the Recovery Investment Strategy for the reasons as set out in this report.</i>
Corporate priorities	<ul style="list-style-type: none"> ● Respond to the Climate Crisis ● Provide Socially Rented Homes ● Enable a Vibrant Economy
Key Decision	NO
Exempt	NO
Consultees/ Consultation	N/A

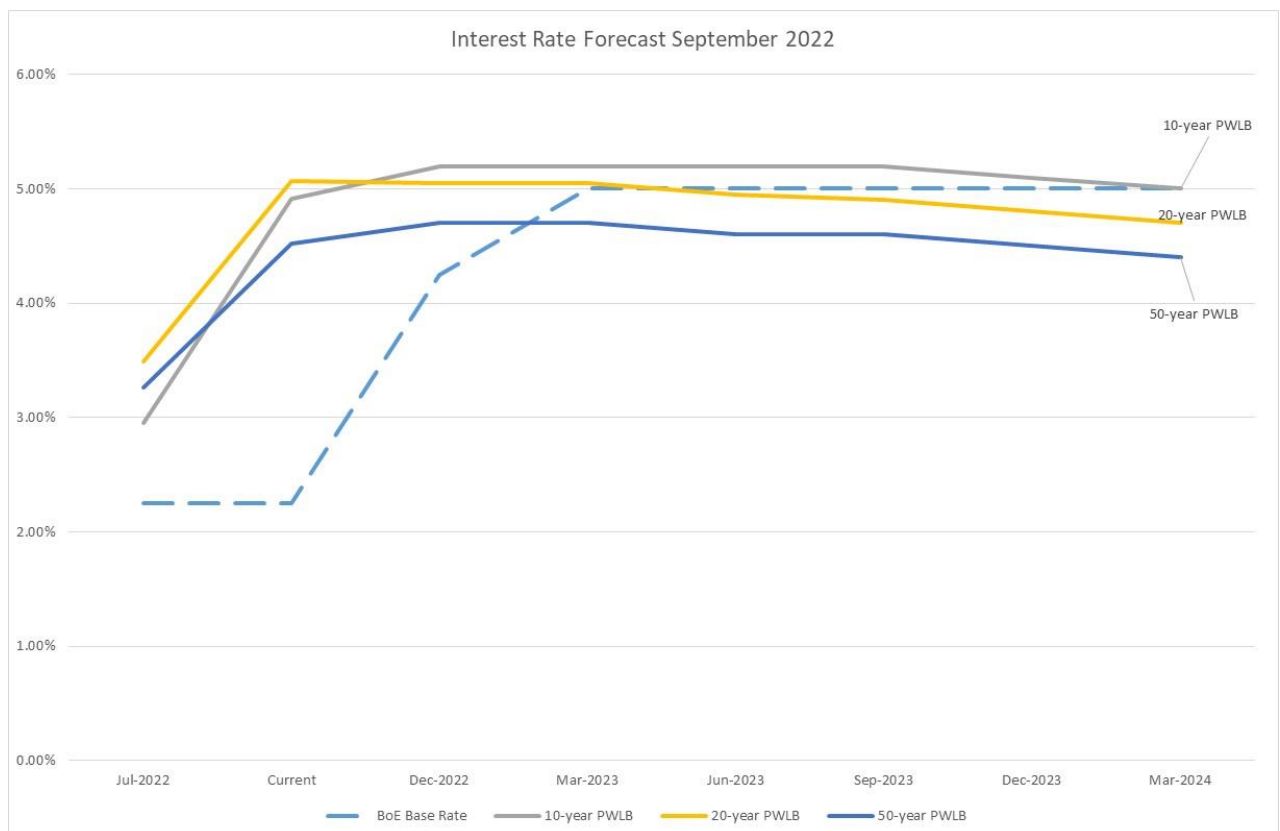


I. BACKGROUND

- I.1 In September 2020 the Council approved its first Recovery Investment Strategy (“the Strategy”) to support the key priorities in the Corporate Plan 2020- 2024. The Strategy recognised the financial challenges facing the Council and sought to guide investment decisions to ensure that investments delivered a return to cover the cost of capital and, where possible, an additional return, to cover risk and the financial gap identified in the Medium Term Financial Strategy.
- I.2 The Strategy also took account of the changing landscape around commercial investment with a clear ‘steer’ from Government and professional bodies that pure commercial investments should be avoided. To this end the Strategy clearly set out a framework which put delivery of corporate priorities as the key driver on investment decisions with yield being a secondary factor.
- I.3 The Strategy sought to balance the delivery of local priorities with the principles of affordability and value for money. In essence, the Strategy formed a framework within which the Council can operate to deliver on its priorities whilst also closing the emerging budget gap without the reliance upon service cuts.
- I.4 The impact of the global pandemic has slowed both the delivery of actions within the Strategy but also the fundamental review of the local government funding regime that was anticipated and has driven the financial considerations. As a consequence the Council has received a series of largely ‘standstill’ financial settlements from Government although the consequence of these is that the funding ‘cliff edge’ identified has actually worsened.
- I.5 Whilst opportunities to deliver against the approved Strategy have proved difficult to achieve in light of the Pandemic some useful groundwork has been done which has identified a pipeline of opportunities to deliver on the Council’s Priorities.
- I.6 Cabinet considered the refresh of the Strategy on 4 April 2022 and was approved by Council on 20 July 2022.

2. MAIN POINTS

- 2.1** Since the Council approved the refreshed Strategy in July 2022 a number of external, economic factors have made borrowing and investment decisions more complex given both the level of uncertainty and the impact of both higher inflation and interest rates. The mini-budget of 23 September 2022 was poorly received by the markets, with a significant impact on gilts with a huge spike in yields and a further fall in sterling. Whilst the fiscal statement from the new Chancellor on 17 October 2022 has calmed markets, there remains a significant degree of economic and political uncertainty.
- 2.2** The Bank of England increased the Base Rate from 1.25% to 2.25% with a forecast of further rate rises in the short-term. The most recent interest rate forecast provided by Arlingclose, the Council's Treasury Management advisors, indicates that the base rate may reach 4.25% by the end of 2022 and remain at around 5.00% until late 2024
- 2.3** The uncertainty and instability in the financial markets since July has seen upward pressure on UK Gilt prices which inform the Public Works Loans Board (PWLB) borrowing rates. At the time of writing longer-term borrowing rates are in the range of 4.91% (10-year maturity) to 5.07% (20-year maturity) with 50-year maturity borrowing being 4.52%. Short-term borrowing rates (for periods up to 1 year) range from 2.29% to 4.02%. The chart below shows the current and forecast interest rates.





2.4 The table below provides members with an overview of the financial impact of increased borrowing costs.

	July 2022 RIS Refresh	21 October 2022 (am)	25 October 2022 (pm)
PWLB-30 year (Certainty rate)	2.50%	4.88%	4.53%
PWLB-50 year (Certainty rate)	2.40%	4.52%	4.15%
Interest Cost per annum (per £10m)			
PWLB-30 year (Certainty rate)	250,000	488,000	453,000
PWLB-50 year (Certainty rate)	240,000	452,000	415,000
Change since July 2022			
PWLB-30 year (Certainty rate)		238,000	203,000
PWLB-50 year (Certainty rate)		212,000	175,000

2.5 It is also worth noting the Government position regarding capital expenditure and financing in Local Authorities. The external environment can be viewed as more prescriptive following a series of guidance updates and consultations:

- Revised *Lending Arrangements for PWLB Loans* from November 2020 (updated in August 2021)
- Government position as stated in *the Local Authority Capital Finance Framework: planned improvements* document published in July 2021
- Revised CIPFA *Prudential Code for Capital Finance in Local Authorities* (Prudential Code) and *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes* (the Treasury Management Code).
- Consultation on *Changes to the capital framework: Minimum Revenue Provision* (closed February 2022)
- Provisions set out in the *Levelling-Up and Regeneration Bill* (Section 71, Capital Finance risk management) which would require a Local Authority to operate within a broad set of capital risk metrics and gives the Secretary of State powers to give risk-mitigation directions.

2.6 Under the revised CIPFA Codes, the Council should have due regard to the risks associated with service and commercial investments should be proportionate to their financial capacity (i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.)



- 2.7** In addition, there has been a tightening of the renewable energy exemption to the investment for yield rules. This clearly has an impact on the level of investment returns the Council would realise and reduces the viability of this element of the strategy.
- 2.8** In light of the level of economic uncertainty, the increased cost of short-term and long-term borrowing, and the tightening of the capital finance environment, it is appropriate to rescind the Strategy.

3. NEXT STEPS

- 3.1** Subject to the decision outlined above, the Capital Programme will be amended to remove planned activity and associated capital financing. Therefore, the Council will remove £75m of associated planned capital expenditure and prudential borrowing of the MTFS period.
- 3.2** Cabinet and Council will consider the final budget position in February 2023 and will include a review of the funding position set out in Section 4 below and how that can be addressed over the medium-term.

4. FINANCIAL IMPLICATIONS

- 4.1** The Council faces a significant financial challenge over the Medium-Term Plan period with the *Draft Budget Proposals 2023-24 and Refreshed MTFS Forecasts* report being considered alongside this report.
- 4.2** Whilst the report should be seen as an indicative view of the Council's financial position given the uncertainty around Government funding and policy, the emerging position is a potential funding gap of £1.5m in 2023/24.
- 4.3** When Cabinet and Council considered the refresh of the strategy it was stated that there was a risk to the Council's financial stability if it was not adopted (i.e. do nothing). These risks remain and require an alternate approach to balancing the budget over the medium-term such as significant Council Tax rises or service cuts.
- 4.4** With this in mind and in light of the indicative funding gap and the wider the challenges faced by the Council to remain financially sustainable over the medium-term, there is a need to develop a balanced and proportionate savings and transformation programme that mitigates the risk to the Council's financial resilience. The Council will need to consider the contribution future capital investment can make to the delivery of additional income streams and/or cost reduction and efficiencies.



- 4.5** Rescinding the Strategy will allow the Council to consider the broader financial position and develop revenue and capital savings and transformation proposals that address the indicative funding gap.
- 4.6** As stated in the *Draft Budget Proposals 2023-24 and Refreshed MTFS Forecasts* report, there may still be opportunities that arise from time-to-time but these will be considered strictly on a business case basis taking into account any refresh of the budget and MTFS proposals and the affordability of any borrowing at the time. If approved, any such initiatives will be added to the capital programme.

5. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

6. RISK ASSESSMENT

- 6.1** The Refresh of the Strategy approved by Council in July 2022 sets out the key risk is deliverability. The key risk to the Council now is the continuation of the Strategy in light of the issues outlined in this report. If the Council was to deliver the Strategy as approved it is likely that the Council's financial position would not be enhanced and that elements of the current Strategy are outside of the current rules and guidance.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 7.1** None

8. ALTERNATIVE OPTIONS

- 8.1** With the economic factors and capital finance framework issues set out in the report, there are no viable alternative options regarding the continuation of the Strategy. As set out in the *Draft Budget Proposals 2023-24 and Refreshed MTFS Forecasts* report, there may still be opportunities that arise from time to time but these will be considered strictly on a business case basis taking into account any refresh of the budget and MTFS proposals and the affordability of any borrowing at the time. If approved, any such initiatives will be added to the capital programme.

9. BACKGROUND PAPERS

- 9.1** None

(END)



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	7 NOVEMBER 2022
Report Number	AGENDA ITEM 10b
Subject	DRAFT BUDGET PROPOSALS 2023-24 AND LATEST MTFS FORECASTS
Wards affected	All
Accountable member	Cllr Mike Every, Deputy Leader and Cabinet Member for Finance Email: Mike.Every@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive Officer Email: David.Stanley@cotswold.gov.uk
Summary/Purpose	To present to Cabinet for approval the Council's draft budget proposals for 2023/24 together with a refresh of the Medium Term Financial Strategy (MTFS) forecasts. These proposals will form the basis of public consultation starting in November 2022.
Annexes	Annex A – MTFS Revenue forecasts 2023/24 to 2026/27 Annex B – Revised MTFS capital programme 2023/24 to 2026/27 Annex C – Reserves forecasts
Recommendation(s)	That Cabinet resolves to: <i>(a) Approve the draft 2023/24 revenue budget for consultation.</i> <i>(b) Note the potential use of general fund and earmarked reserves to balance the budget for 2023/24</i>
Corporate priorities	<ul style="list-style-type: none"> • Delivering our services to the highest standards • Responding to the challenges presented by the climate crisis • Providing good quality social rented homes • Presenting a Local Plan that's green to the core • Helping residents and communities access the support they need for good health and wellbeing • Supporting businesses to grow in a green, sustainable manner, and to provide high value jobs
Key Decision	YES



Exempt	NO
Consultees/ Consultation	The draft budget proposals will be subject to public consultation through November and December 2022. Feedback from the consultation will be presented to Cabinet in January 2023.

I. BACKGROUND

- I.1** The Council approved its Medium Term Financial Strategy (MTFS) and set its budget for the 2022/23 financial year on 16 February 2022. This Report provides an update to the MTFS forecast position and sets out the Council's draft budget proposals for the 2023/24 financial year.
- I.2** Under the Local Government Finance Act 1992 (as amended) the Council is required by law to set a balanced budget for the following financial year. Section 114 of the Local Government Finance Act 1998 requires the Section 151 Officer to report to all Members if there is likely to be unlawful expenditure or an unbalanced budget.
- I.3** At this stage, the draft proposals for 2023/24 and the MTFS forecasts are merely an indication of the potential revenue budget position as this year, more than ever, it is difficult to predict the levels of government funding which will be allocated to local government.
- I.4** In formulating draft budget proposals, there will always be a degree of estimation of likely costs and income and necessarily certain assumptions are made which may, or may not, prove to be accurate. The financial position will continue to be monitored with the estimates refreshed over the next few months. These will be finalised once the provisional Local Government Settlement is announced which is expected in mid-December following the Spending Review scheduled for 17 November 2022.
- I.5** Following consideration by the Cabinet, the draft budget proposals will be subject to consultation with residents, businesses, community organisations and Town and Parish Councils. Feedback from the consultation will be considered by the Cabinet on 9 January 2023 and will be used to inform the final budget proposals to be considered by Cabinet and Council in February 2023.

Context

- I.6** Setting the Council's annual revenue budget is a challenging process but, never more so, than for 2023/24 given the unprecedented global and UK economic crisis and the impact that this has had on inflation and the Council's costs.



- 1.7** Although general inflation is currently 10.1% the Council's finances have been hit hard by the significantly higher inflation on certain costs such as fuel and relief HGV driver costs, incurred in delivering its waste collection services. Whilst the Council is investing in measures to reduce its energy consumption, the significant increase in energy costs has also created further budgetary pressures.
- 1.8** Although the Council has remained largely debt free in 2022/23, this has been predominantly due to the availability of capital receipts to fund capital investment. As with all reserves, the capital receipts reserve is a finite funding pot but there will be an ongoing requirement to undertake capital investment in the assets that the Council owns and its core operational infrastructure.
- 1.9** During 2022/23, the Council did borrow £0.5m through its climate investment initiative but this was to fund specific capital expenditure on electric vehicle charging points and energy reduction measures.
- 1.10** The refreshed capital programme is discussed in more detail below and officers will be working with the Council's Treasury advisors to ascertain whether there will be a requirement to undertake prudential borrowing during 2023/24 to support the capital programme.
- 1.11** Whilst the draft revenue budget proposals will always include indicative estimates of government funding, the recent turmoil within the government and the impact on the UK economy has made it even more difficult to predict what funds will be made available to the Council within the local government settlement for 2023/24.
- 1.12** Given the current volatility and uncertainty, there will also be a number of key financial risks facing the Council and which underpin the draft budget proposals and this report highlights those risks and what action, if any, the Council can take to mitigate those risks.

2. DRAFT BUDGET PROPOSALS 2023/24

Budget process

- 2.1** The Council maintains a robust approach to its budget setting process to ensure that it can continue to deliver services in a sustainable way within the context of a balanced budget. For 2023/24 an incremental budget approach has been taken to the draft budget proposals. The 2022/23 base budgets have been rolled forward and adjusted for estimates of inflation and other unavoidable cost pressures together with funding changes and potential savings options.



- 2.2** In setting the draft budget and MTFs proposals, modelling has been carried out on indicative levels of central government funding, Council Tax and other income as well as levels of inflation and other cost pressures such as the local government pay award and employers pension contributions.
- 2.3** Whilst there is still more to be done, work has been undertaken on identifying and challenging savings proposals to ensure that the Council is efficient as possible but also, once agreed, savings are robust and deliverable.

Draft Revenue Budget 2023/24 – Summary proposals

- 2.4** Set out in the table below is the draft revenue budget position for 2023/24 based on alternative estimates of government funding using a best, mid and worst case scenario approach.

Table 1: - Indicative Revenue Budget gap 2023/24 – alternative government funding scenarios

	Best	Mid	Worst
	23/24	23/24	23/24
	£000s	£000s	£000s
Council tax - Band D equivalent	6,384	6,369	6,284
Retained business rates	4,218	3,448	3,448
Collection fund (deficit)/surplus			
Grant funding			
Revenue support grant (inc negative RSG)	0	0	0
Rural sparsity delivery grant	632	632	632
Lower tier services grant **	1,435	1,435	1,361
Services grant	129	129	129
Returned NHB	0	0	0
New Homes Bonus*	385	385	142
Total grant funding	2,581	2,581	2,264
Total Funding	13,183	12,397	11,996
Net Budget requirement	13,950	13,950	13,950
Budget (deficit)/surplus	(767)	(1,553)	(1,954)

- 2.5** Explanations for the different scenarios are set out in the funding section below. As can be seen from the table above, with any of the indicative government funding scenarios above, the Council is facing a significant budget gap for 2023/24 ranging from £0.767m as a best case to £1.954m as a worst case. The 'Mid' scenario is seen as the most likely and credible forecast of future funding.



- 2.6 These scenarios also assume that the Council will be permitted to increase Council Tax by 1.99% or £5 for a Band D, whichever is the greater, or that it will be compensated from any government decision to freeze Council Tax increases.
- 2.7 A reconciliation from the 2023/23 net budget requirement of £12.595m to the estimated net budget requirement of £13.950m for 2023/24 is set out in Table 2 below. It can be seen from this that latest forecasts indicate that the Council is facing around **£3m of expenditure pressures** in the costs of running its core services, predominantly arising from the high levels of actual, and forecast, inflation.
- 2.8 Therefore, the budget gap has arisen from the fact that the indicative central government funding estimates will not, with any scenario, compensate the Council for the unavoidable cost pressures it is now facing.
- 2.9 Outside of central government and core funding, the only mechanisms for the Council to generate additional income is through increasing the charges it makes for services it provides (Fees & Charges) and through investment to generate returns.
- 2.10 The current administration has previously consulted on moving to “full cost recovery” where possible for the services it provides and, given the significant increase in the Council’s cost base, a comprehensive review of fees and charges has been undertaken.
- 2.11 The outcomes of this review are currently being analysed and discussed with Cabinet Members but initial indications are that increasing certain fees to move to, or closer to, full cost recovery could generate an additional £0.400m of Fees & Charges income. In its public consultation, the Council will also outline alternative increases to car parking charges. The draft budget proposals currently indicate that an additional **£0.565m of additional Fees & Charges income** could be generated to assist in offsetting the increased costs the Council is facing.
- 2.12 The Council approved a Recovery Investment Strategy (RIS) to invest in initiatives to meet corporate priorities but which would also generate a revenue return on that investment. This would assist in making the Council more financially self-sufficient and remove the reliance on central government funding which is uncertain and not necessarily in line with need. However, the recent significant increases in interest rates and the current UK economic turmoil mean that borrowing to invest on any significant scale would be unwise to undertake in the short to medium term.
- 2.13 There may still be opportunities that arise from time-to-time but these will be considered strictly on a business case basis taking into account any refresh of the budget and MTFs



proposals and the affordability of any borrowing at the time. If approved, any such initiatives will be added to the capital programme in the usual way.

- 2.14** The revenue budget proposals above include £0.133m of additional income for 2023/24 arising from initiatives already approved under the Recovery Investment Strategy.
- 2.15** Whilst the Council is facing unprecedented increases in its expenditure budgets, work has nonetheless been undertaken, working with our key partners, to identify opportunities for cost savings. In the draft revenue budget proposals for 2023/24 **total expenditure savings of £1.002m** have been identified.
- 2.16** At this stage of the annual budget planning cycle, it is assumed that any budget gap will be met from a draw down from usable revenue reserves. However, the Council recognises the need for more savings to reduce the gap on an ongoing basis and work will continue with partners to develop further savings proposals.
- 2.17** This report includes forecasts of the Council's reserves and illustrates that there will be sufficient reserves to enable a **balanced budget to be set for 2023/24** in the event that more time is needed to find the additional savings.
- 2.18** This report also includes estimates of the revenue budget position over the medium term but the projected MTFS financial position from 2024/25 onwards will require more work, ahead of the final proposals presented to Cabinet and Council in February 2023.
- 2.19** The capital programme approved in February 2022 has also been reviewed and the revised programme covering the period 2023/24 to 2026/27 can be found at Annex B.
- 2.20** The revised programme commits the Council to £27.171m of capital investment over the MTFS period and the draft revenue budget, in Table 1 above, includes the capital financing costs of the revised programme where borrowing has been identified as the source of funding.
- 2.21** Table 2 below illustrates how the Council's net budget position has changed from the 2022/23 base budget position but more detailed explanations on these changes and the matters discussed above are set out in the remainder of this report.



Table 2: - Reconciliation of changes from the 2023/23 net budget requirement

	£000s
Net budget requirement 2022/23	12,595
Core service expenditure increases	
Base budget pressures 2022/23	1,240
Annual pay award (retained officers)	35
Member allowances	13
Contract inflation & growth	1,051
Other budget pressures	640
Total service increases	2,979
(Expenditure savings)	
Third party contract savings	(500)
Corporate savings	(250)
Other expenditure savings	(252)
Total service savings	(1,002)
Capital Financing increase/(decrease)	11
Income budget pressures	
Investment properties	65
(Increases in income)	
Fees & charges increases/policy changes	(565)
Additional income from Recovery Investment Strategy	(133)
External grant or other funding	0
Other income savings	0
Total income changes	(633)
Net budget requirement 2023/24	13,950

3. FUNDING

- 3.1** The recent mini-budget announcements and subsequent reversals means that there will not be a formal spending review announcement in the autumn as has been the case in recent years. Therefore it is likely that there will only be a one-year Local Government Settlement and not a multi-year settlement. This will mean that financial planning over the MTFS period will remain uncertain and challenging.
- 3.2** There is currently much speculation as to whether the Local Government Settlement will include increased funding to offset the high levels of actual and forecast inflation but, given the recent events and UK economic uncertainty, there is now a widely held view that there will be no significant additional funding.



- 3.3** The Council receives its funding from Council Tax, Business Rates, specific central government grant funding and income it generates through charging for the services it provides (Fees & Charges).

Council Tax

- 3.4** In recent years, local government has been permitted to increase Council Tax by 1.99% or £5 for a Band D property, whichever is the greater, but there has been no indication as to whether this will be the case for 2023/24. For the draft budget it has been assumed that a £5 increase will be permissible or, if the government decides on a Council Tax freeze, that appropriate compensation will be given to local authorities. In the funding scenarios above a modest increase in the Council Tax base has been assumed.

Business Rates

- 3.5** Based on advice from the Council's professional advisors, the current MTFS proposals assume that the Fairer Funding Review (FFR) will be implemented from 2025/26 but this has yet to be confirmed by the current government. As can be seen from the MTFS proposals at Annex A, Cotswold District Council is likely to be a significant loser of funding from the implementation of any such scheme.
- 3.6** Business Rates income is linked to the rateable value of properties (which is reviewed at periodic intervals) multiplied by a number of pence in the £ and this is known as the multiplier. The next Business Rates revaluation is planned to take place on 1 April 2023 and this will result in changes to the rateable values of businesses.
- 3.7** The Valuations Office Agency (VOA) has indicated that data will not be available until later in the year and, therefore, it is unclear at this stage what impact the revaluation will have on business rates in the District.
- 3.8** Under statutory rules the Business Rates multiplier is increased each year by RPI (retail price index). The September 2022 figure for RPI is 12.6% which the government is unlikely to pass on to businesses given the current financial crisis.
- 3.9** In previous years, the government has either capped the increase to business at 2% or frozen the multiplier but compensated local government for this decision. Given the size of the September inflation figure, there is currently uncertainty as to what the government will do in this respect.

New Homes Bonus

- 3.10** One specific grant which is an important source of funding for district Councils is New Homes Bonus. This is a specific grant paid by central government to local councils to incentivise housing growth in their areas. The conditions around the calculation of this grant



has changed over recent years and so the amount receivable has been significantly diminishing (see table 3 below) and there is no guarantee that new homes bonus payments will be payable in any given financial year.

Table 3 – Historic New Homes Bonus Funding

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
NHB allocations	3.255	3.169	2.093	0.810	0.385*

*based on CTBI form submitted on 14 October 2022

The government has not yet confirmed whether there will be a further round of New Homes Bonus payments in 2023-24 although sector experts believe that they are likely to continue for at least one further year. The draft budget proposals for 2023/24 are based on the assumption that the government will pay at least two further years of NHB. On information drawn from the latest CTBI form submitted on 14 October 2022, the Council should receive £0.385m.

Scenarios of government funding

- 3.11** The level of Government funding available to the Council for 2022/23 has been modelled on three scenarios.
- 3.12 Scenario 1:** reflects the level retained Business Rates income derived from the financial forecast model provided by Pixel, a cash flat settlement, and Council Tax increase of £5 and a forecast Taxbase increase of 1.75%.
- 3.13 Scenario 2:** reflects the level retained Business Rates income derived from the 2022/23 forecast, a cash flat settlement less impact of the reversal of the 1.25% National Insurance contribution increase, and Council Tax increase of £5 and a forecast Taxbase increase of 1.50%. This is seen as the most likely and credible forecast at the time of writing this report.
- 3.14 Scenario 3:** reflects the level retained Business Rates income derived from the 2022/23 forecast, a cash flat settlement less impact of the reversal of the 1.25% National Insurance contribution increase, and Council Tax increase of £5 with no change to the Taxbase forecasts from the 2022/23 MTFS approved in February 2022.



Table 4 – Comparison of Funding

Funding	2022/23	Scenario 1 “Best” 2023/24	Scenario 2 “Mid” 2023/24	Scenario 3 “Worst” 2023/24
	£'000	£'000	£'000	£'000
Total Government Funding	6,468	6,799	6,028	5,712
Council Tax	6,073	6,384	6,369	6,284
Overall Funding	12,541	13,183	12,397	11,996
Increase/(decrease) in Government funding from 2022/23 base		331	(440)	(756)
Increase/(decrease) in overall funding from 2022/23 base		642	(144)	(545)

3.15 The impact of the Fairer Funding Review, changes to Business Rate Retention, levelling up and devolution over the medium term remain uncertain. The Council’s funding advisors are currently modelling for the Fairer Funding Review to be implemented from 2025/26 and estimates of government funding over the MTFS period is included in the table at Annex A.

4. EXPENDITURE

4.1 As highlighted above, the Council is currently facing over £3m of expenditure pressures and these are analysed in the table below:

Table 5 – Estimates of Expenditure Budget Pressures 2023/24

Description of cost pressure	£'000
Base budget pressures 2022/23	1,240
Pay award (retained officers only)	35
Members allowances	13
Contract inflation (including partner indicative pay awards)	701
Growth required for post-Covid demand increases	350
Estimates of contract re-procurement increases	300
IT Cyber Security measures	100
Increased election costs	25
Additional forecast energy costs	95
Miscellaneous small budget pressures	120
Total service cost pressures	2,979
Increased capital financing costs	11
Total expenditure pressures	2,990



- 4.2** The base budget pressures include the additional costs of the indicative flat cash pay award of £1,925 per employee for 2022/23 over and above the 2.5% included in the approved February budget report. This includes both Publica and Ubico pay awards and altogether results in £0.622m of additional costs although confirmation of acceptance of the pay award by the Unions is awaited. For 2023/24 there is an assumption that there will be a 4% pay award but this is purely an estimate at this stage.
- 4.3** The 2022/23 base budget pressures also include an additional £0.310m of cost pressures in relation to fuel inflation. For 2023/24 there is currently an assumption that adding the £0.310m to the base budget will mean that there will be sufficient funds to contain any movements in fuel prices in 2023/24. However, this assumption will be revisited for the final budget.
- 4.4** Post-Covid there has been a permanent, stepped increase in the volume of recycling and residual waste collected and the Council has been in discussions with its partner Ubico regarding a potential contract variation. The Council is currently working with Ubico to see whether there is scope to mitigate the additional costs by utilising any spare capacity. An indicative figure of £0.350m has been included but it is anticipated that the amount required will reduce for the final budget.

Pension Fund

- 4.5** The Council is required to pay employer contribution rates based on the payroll costs for employees who are members of the Local Government Pension Scheme. Whilst Cotswold District Council has very few retained officers, it is still required to meet the costs of the scheme through its contracts with Publica and Ubico.
- 4.6** Historically, the Council also been required to pay lump sum payments to the Gloucestershire Pension Fund as a result of the Cotswold District Scheme being in an overall deficit position. Every three years, the scheme receives a formal revaluation (known as the Triennial Valuation) and the scheme is due to be revalued as at 31 March 2022.
- 4.7** The results of the Triennial will be available in the next few weeks and the draft budget proposals are currently based on estimates received from the Gloucestershire Pension Fund in July 2022 which will undoubtedly change.

5. OTHER INCOME

Fees & Charges

- 5.1** The Council provides a number of statutory and discretionary services which it is permitted to charge for. For some services, the amount the Council is permitted to charge is fixed



and/or set by government, whilst others it has discretion as to the charge although it is not permitted to make a profit.

- 5.2 As highlighted in the background section above, a comprehensive review of Fees & Charges has been undertaken to understand whether the Council is appropriately recovering its costs in the provision of statutory and discretionary services.
- 5.3 Initial analysis has indicated that there are number of services provided which fall considerably short of full cost recovery. However, it is acknowledged that, in some cases, moving to full cost recovery would require substantial increases in fees and so further analysis and benchmarking is required.
- 5.4 This initial review has indicated that the Council will be able to generate an estimated £0.400m of additional income through increasing fees and charges to full cost recovery.
- 5.5 The budget proposals also include an estimate of £0.165m of additional income from car parking charges and the approach to be taken will be outlined in the budget consultation. The table below provides a high-level analysis of the current proposed increases to Fees & Charges.

Table 6 – High-level Summary of proposed Fees & Charges increases 2023/24

Fees & Charges increases	£'000
Car Parking increases	165
General fees & charges increase	225
Garden waste increase	175
Total Fees & Charge/Income increases	565

- 5.6 A separate Fees & Charges report will be submitted to Cabinet for approval, prior to finalisation of the budget proposals for 2023/24, which will set out in detail the planned increases for all individual fees and charges.

Investment property returns

- 5.7 The Council has a number of investment properties which generate rental income to the Council as landlord. During the course of 2022/23 a number of rent reviews have taken place which have led to a reduction in the proposed rent charged.
- 5.8 Whilst the Council is endeavouring to challenge any reduction in rent, an estimate of a **£65k pressure** from lower rent has been included in the draft proposals in order to be prudent.



6. SAVINGS

6.1 In the two years prior to 2022/23 the Council delivered over £1m of revenue budget savings and had planned to deliver an additional £0.822m of savings from returns generated through the Recovery Investment Strategy (RIS). Two RIS investments totalling just over £2.4m have been approved and/or delivered in 2022/23:

- Purchase of Ridgeway House (used as homelessness accommodation) £1.441m
- Trinity Road Agile working project £0.975m

6.2 It is anticipated that positive returns will flow through in 2023/24 and an indicative net saving of £0.131 million from RIS investments has been included in the draft revenue budget proposals.

6.3 The Council's key partners, Publica and Ubico, have been allocated an efficiency target of £0.250m each. Some plans have already been developed, but further work will be required to confirm that the full £0.500m will be deliverable from 1 April 2023.

Table 6 – Savings identified

Description of cost pressure	£'000
Partner contract savings	500
Fees & Charges	565
Corporate savings	250
Miscellaneous service savings	252
RIS net returns	133
Total savings	1,700

6.4 As highlighted above, work is ongoing to identify further savings for inclusion in the final budget proposed in February 2023.

7. CAPITAL PROGRAMME

7.1 The February 2022 approved capital programme has been revised in light of more up-to-date information on existing projects, both in terms of costs and likely expenditure profiles, and the latest MTFS capital programme is attached at Annex B. Key investment planned for 2023/24 is:

- Leisure centres £1.2m
- New waste vehicles £1.6m
- Loan to HA for affordable/carbon neutral homes £2.6m
- Improved ICT and planning systems £0.5m
- Regeneration: Strategic property acquisition £4.4m



- 7.2** The total investment required over the MTFS period is estimated to be £27.1m and capital financing cost estimates have been included in the revenue budget proposals for those investments which it is anticipated will be funded through prudential borrowing.
- 7.3** As highlighted above, further planned investments in the Recovery Investment Strategy have now been removed from the revised capital programme and will only be added to the capital programme on an approved business case basis going forward.

8. RESERVES

- 8.1** Section 32 and 43 of the Local Government Act 1992 requires precepting authorities to have regard to the level of financial reserves (usable reserves) needed, for meeting future expenditure, when calculating the budget requirement. When reviewing their medium term plans and preparing the annual budget local authorities should ensure that they have appropriate levels of reserves to cover the following:
- A working balance to smooth the timing of cashflows and avoid temporary borrowing (General Fund balance);
 - A contingency for emergencies or to cover unforeseen events requiring funding (General Fund balance);
 - Reserves set aside to meet specific purposes and future expenditure (Earmarked Reserves).
- 8.2** There are no strict rules as to the level of General Reserve which should be maintained, and Councils will usually have a Reserves policy in place (reviewed annually) which will set out the minimum General Fund balance to be maintained taking into account the specific financial risks the Council is facing.
- 8.3** Councils are also permitted to hold earmarked reserves where funds are set aside to meet future specific costs and can be held for a variety of purposes. It is good practice to undertake an annual review of these earmarked reserves to ensure that the purpose that the funds were originally set aside for is still required.
- 8.4** Under Section 25 of the Local Government Act 2003, the local authority's Section 151 Officer is required to report on the adequacy of reserves when the authority is considering its budget requirement. Annex C illustrates that the Council is forecast to have usable reserve balances (revenue and capital) of £22.801m by the end of March 2023. This is considered by the S151 Officer to be adequate at this early stage of the budget setting process.



- 8.5** A review of the approved capital programme has also been undertaken together with the sources of funding for that programme ensuring that borrowing costs are mitigated given the recent, and forecast, increases in interest rates.

General Fund

- 8.6** The General Fund balance was £4.032m as at 31 March 2022. This is forecast to reduce to £2.792m at the end of March 2023 due to the provision for the 2022/23 unbudgeted pressures identified to-date totalling £1.240m.
- 8.7** The Quarter 2 financial monitoring is currently underway which may lead to further pressures being highlighted. Any forecast overspend greater than £1.240m will lead to a further reduction in the General Fund balance as at 31 March 2023.
- 8.8** As highlighted above, there are no specific rules as to the level of General Fund reserve balance which should be maintained. However, the forecast balance represents 22.1% of the net budget requirement for 2022/23 of £12.595m which is a relatively high balance with a general rule of thumb being between 5-10%.
- 8.9** As set out Table 1, the draft budget proposals indicate that, with any of the government funding scenarios, the Council is currently facing a budget gap ranging from £0.0797m to £1.953m. Whilst, further savings proposals are being developed, it would be possible to use part of the General Fund reserve to fund any residual budget gap and enable a balanced budget to be set. Reducing the General Fund balance to around £1.5m would still represent 10.75% of the net budget requirement for 2023/24 (£13.950m).
- 8.10** The appropriate level of General Fund balance will be considered by the Council's S151 Officer in conjunction, with the Deputy Leader and Cabinet Member for Finance, in finalising the budget for 2023/24. Any funds in excess of this minimum level can then be considered for use to bridge any residual budget gap for 2023/24.

Earmarked Reserves

- 8.11** A review of earmarked reserves has been undertaken to establish whether there are any earmarked reserves that have previously been set aside for specific but events may mean that they are no longer required.
- 8.12** In addition, a review of the capital programme, its funding sources and any use of earmarked reserves has similarly been undertaken. This review has identified that previous approval had been given to use £1.875m of the Council Priorities Fund to part-fund the strategic property acquisition, with the balance being funded from the capital receipts reserve.



- 8.13** Recent information provided to officers has indicated that the proposed property acquisition is unlikely to go ahead until later in 2023/24, at the earliest, and therefore it is now proposed that the £1.875m be transferred to a new Financial Resilience Reserve instead.
- 8.14** This reserve will then provide the Council with funds which can be used to smooth the delivery of savings and ensure the Council is able to continue to set a balanced budget.
- 8.15** The intention is that any balance of funding required for the strategic property acquisition will be met through borrowing and the capital financing costs associated with that borrowing have been included within the draft budget and MTFS proposals.
- 8.16** As can be seen from Annex C, the review has also resulted in just over £0.340m of previously earmarked reserves now being identified by officers as potentially available for re-use. The Deputy Leader and Cabinet Member for Finance will review these reserves, in conjunction with his Cabinet colleagues, to confirm that they are no longer required for the intended purpose.
- 8.17** Following this review it is proposed that any reserves which have been agreed are no longer required will also be transferred to the Financial Resilience Reserve which could potentially increase this reserve to £2.215m.

Capital reserves

- 8.18** In addition, local authorities will also maintain usable capital reserves:
- **Capital receipts reserve** - holds the proceeds from the sale of assets, and can only be used for those purposes specified in the capital finance and accounting regulations.
 - **Capital Grants Unapplied Reserve** – this reserve holds capital grants that have been received but have yet to be used to finance capital expenditure.
- 8.19** Following the Council's transfer of its housing stock and the proceeds arising from this transfer, the capital receipts reserve has been an important source of funding for capital investment, mitigating the need to undertake external borrowing.
- 9. RISK ASSESSMENT**
- 9.1** As set highlighted above, the S151 Officer in considering the adequacy of reserves will need to undertake an assessment of the strategic, operational and financial risks facing the Council. The key financial risks currently facing the Council are:



- 9.1.1 Uncertainty of government funding** – as this report highlights, Cotswold District Council is currently facing significant cost pressures arising from the high levels of inflation. At the same time, the recent turmoil in the Government, the likelihood of the UK officially entering a recession and the high levels of government borrowing indicate that there the UK is likely to be entering into a new era of austerity. Therefore, there is the real risk that not only does the Government not compensate local government for the cost pressures but that there is actually a cut to government funding.
- 9.1.2 Fairer funding review** - Longer term, the impact of the Fairer Funding Review and proposed changes to the Retained Business Rates Scheme pose a significant risk to the level of core Government funding available to Cotswold District Council.
- 9.1.3 Reduced income** – as set out in this report, outside of core funding the main mechanism which the Council has to generate additional income is through charging for the services it provides, outside of those covered by Council Tax. The cost of living crisis, coupled with changes to post-Covid demand for some services, means that there is the risk that the Council is unable to generate the income levels set out in the budget proposals.
- 9.1.4 General cost increases** – whilst the draft budget and MTFS proposals includes assumptions around future levels of cost inflation e.g. pay award, these estimates may prove to be incorrect. There is the possibility that future costs increase higher than projected.
- 9.1.5 Interest rate rises** – With interest rates increasing and forecast to increase even further in 2023/24, any borrowing required to undertake capital investment may become more expensive and lead to additional revenue pressures from increased capital financing costs. As is now the case, any future capital investment proposals will be subject to a robust business case which will include an assessment of affordability of the project over the MTFS period.
- 9.1.6 Pension Fund** – the results of the Triennial Pension Fund valuation could lead to increases (or decreases) to the lump sum deficit payments and/or the employer primary pension contribution rate.
- 9.1.7 Demand for core services** – there is the risk that demand for core services increases which then results in additional costs. An example of this is the sustained increased volumes of recycling and residual waste which have emerged post-Covid as a result of changes to residents' behaviour e.g. permanent or hybrid home-working and permanent shift to on-line purchasing. These changes in behaviour result in increased residual waste and higher volumes of recycling resulting from increased packaging from home deliveries.
- 9.1.8 Legislative changes** - with any changes to legislation there could be additional costs arising for the Council in implementing these changes. There is an assumption that any increased costs will be met from “new burdens” funding provided by the Government. There is always the risk that the new burdens funding does not cover all of the costs incurred.



- 9.1.9 Savings** – the draft budget proposals include savings identified together with savings targets for the Council’s partners. Partners are working closely with the Council to develop their plans to achieve the savings targets, there remains an element of risk associated with these targets.

10. CONSULTATION

- 10.1** The budget consultation will be run through the Council’s new online consultation and engagement platform – Commonplace. This will be complimented by physical copies of the survey available in the Council offices for those who cannot complete the online survey.
- 10.2** The Council plans to use a wide range of communications channels to share the key budget messages and highlight the consultation to as many residents, businesses and community organisations as possible, encouraging them to take part. This will include:
- 10.2.1** An article in the next edition of “Cotswold News” which is delivered to all households across the District in early November
 - 10.2.2** The use of all Council social media channels including Facebook, Twitter, Instagram, Nextdoor and LinkedIn. It will also be shared in local social media groups
 - 10.2.3** Videos with Cabinet members explaining the Council’s budget and an animated video explaining budget proposals
 - 10.2.4** Promotion via the Council’s website homepage and banner
 - 10.2.5** Media engagement to get local media to cover the consultation
 - 10.2.6** A bespoke webpage covering key messages and linking to an online survey
 - 10.2.7** Promotion through Town and Parish Councils
 - 10.2.8** Promotion in the Council’s new E-newsletter
 - 10.2.9** Boards positioned in towns and villages across the district
 - 10.2.10** Information to businesses via the councils Business Matters newsletter
 - 10.2.11** Pull up banners in council customer service spaces
 - 10.2.12** Website advertising
 - 10.2.13** Promotion to staff and Councillors through internal communications and the Council’s Overview and Scrutiny Committee.
- 10.3** This will be complemented by engagement events in supermarkets across the district where residents will be able to speak to Cabinet members and officers about the budget. They will be held in Cirencester, Tetbury, Moreton-in-Marsh and Stow-on-the-Wold and the dates and times will be promoted in the communications.
- 10.4** The Consultation will run from 8 November to 9 December 2022. Feedback will be provided to the Cabinet in January 2023.



11. CONCLUSIONS

- 11.1** The report sets out the Council's budget proposals for 2023/24 which will be subject to consultation. Feedback from the consultation process together with any further budget adjustments for 2023/24 will be reported to the Cabinet in January 2023. The final budget proposals, incorporating the Government funding for the Council, will be presented to the Cabinet in February 2023 and will be debated at Council on 15 February 2023.

12. FINANCIAL IMPLICATIONS

- 12.1** There are no direct financial implications of this report itself.

13. LEGAL IMPLICATIONS

- 13.1** Save for any legal duties and requirements set out in the body of the report there are no further legal implications arising directly from the recommendations and the report.

14. EQUALITIES IMPACT

- 14.1** There are no direct implications arising from this result. The equalities impact of policy change or through the implementation of projects referred to in this report will be considered in subsequent reports to the Cabinet or Council as appropriate.

15. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 15.1** The budget proposals for 2023/24 and include potential capital investment and associated revenue financing costs for investment in carbon zero affordable homes, electric vehicles charging points and council offices carbon efficiency works.

16. ALTERNATIVE OPTIONS

- 16.1** The Cabinet may consider alternative budget proposals either at the meeting or following the consultation process in January and February 2023.

17. BACKGROUND PAPERS

- 17.1** None

(END)

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MTFS Revenue MTFS Forecasts 2023/24 to 2026/27 – Scenarios of Government Funding

	Best					Mid					Worst				
	22/23 £000s	23/24 £000s	24/25 £000s	25/26 £000s	26/27 £000s	22/23 £000s	23/24 £000s	24/25 £000s	25/26 £000s	26/27 £000s	22/23 £000s	23/24 £000s	24/25 £000s	25/26 £000s	26/27 £000s
Council tax - Band D equivalent	6,073	6,384	6,714	7,053	7,403	6,073	6,369	6,681	7,002	7,330	6,073	6,284	6,611	6,948	7,303
Other changes to Council Tax															
Non- recurring CT grants	85					85					85				
Retained business rates	3,462	4,218	4,497	3,020	3,063	3,462	3,448	3,517	3,000	3,060	3,462	3,448	3,517	3,000	3,060
Collection fund (deficit)/surplus															
Grant funding															
Revenue support grant (inc negative RSG)			(75)	(1,137)	(1,162)			(75)	(1,137)	(1,162)			(75)	(1,137)	(1,162)
Rural sparsity delivery grant	632	632	632	632	632	632	632	632	632	632	632	632	632	632	632
Social care support grant															
Market sustainability and fair cost of care funding															
Lower tier services grant **	1,435	1,435	1,435			1,435	1,435	1,435			1,435	1,361			
Services grant	129	129	129			129	129	129			129	129			
Returned NHB		0	62	113	113	0	0	0	0	0	0	0	0	0	0
New Homes Bonus*	810	385	142	0	0	810	385	142	0	0	810	142	142	0	0
Scaling back to fund damping				1,334	410				1,334	410				1,334	410
Total grant funding	3,006	2,581	2,325	942	(7)	3,006	2,581	2,263	829	(120)	3,006	2,264	699	829	(120)
Total Funding	12,626	13,183	13,536	11,015	10,459	12,626	12,397	12,461	10,831	10,270	12,626	11,996	10,827	10,777	10,243
Net budget requirement brought forward	12,595	12,595	13,950	13,626	13,118	12,595	12,595	13,950	13,626	13,118	12,595	12,595	13,950	13,626	13,118
Add:															
Core service cost pressures		2,979	449	429	437		2,979	449	429	437		2,979	449	429	437
Less:															
Core service savings identified		(1,002)	(557)	(967)	(25)		(1,002)	(557)	(967)	(25)		(1,002)	(557)	(967)	(25)
Income increases		(565)	0	0	0		(565)	0	0	0		(565)	0	0	0
Recovery Investment Strategy net income		(133)	0	0	0		(133)	0	0	0		(133)	0	0	0
Other grant/external funding increases		0	(315)	0	0		0	(315)	0	0		0	(315)	0	0
Investment property net income (increases)/decreases		65	0	0	0		65	0	0	0		65	0	0	0
Capital financing costs Increases/(decreases)		11	99	30	15		11	99	30	15		11	99	30	15
Revised net budget requirement	12,595	13,950	13,626	13,118	13,545	12,595	13,950	13,626	13,118	13,545	12,595	13,950	13,626	13,118	13,545
Revised Budget surplus/(deficit)	31	(767)	(90)	(2,103)	(3,086)	31	(1,553)	(1,165)	(2,287)	(3,275)	31	(1,954)	(2,799)	(2,341)	(3,302)

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Revised Capital Programme 2023/24 to 2026/27

	2022/23	2023/24	2024/25	2025/26	2026/27		TOTAL						
Scheme Name	Forecast £'000	Budget £'000	Budget £'000	Budget £'000	Budget £'000	Total scheme budget £'000	Capital receipts £'000	Grant & funding cont £'000	Reserves £'000	Revenue £'000	CMI £'000	Prudential borrowing £'000	Total £'000
Leisure and Communities													
Replacement Leisure Equipment	380				500	880	880	0	0	0	0	0	880
Investment in Leisure Centres	0	1,200	0	0	0	1,200	1,200	0	0	0	0	0	1,200
CLC Pool Works		110				110	110	0	0	0	0	0	110
Government funded decarbonisation	7	27				34	0	34	0	0	0	0	34
Crowdfund Cotswold	41	50	50	50	50	241	241	0	0	0	0	0	241
	428	1,387	50	50	550	2,465	2,431	34	0	0	0	0	2,465
Housing/Planning and Strategic Housing													
Private Sector Housing Renewal Grant (DFG)	1,300	700	700	700	700	4,100	0	4,100	0	0	0	0	4,100
Affordable Housing-Stockwells MiM	550	0	0	0	0	550	0	550	0	0	0	0	550
Affordable Housing - Davies Road MiM (S106)	0	479	0	0	0	479	0	479	0	0	0	0	479
Affordable Housing - Davies Road MiM (S106) Environmental Improvements	0	102	0	0	0	102	0	102	0	0	0	0	102
Affordable Housing - Sunground Avening (S106)	400	0	0	0	0	400	0	400	0	0	0	0	400
Cottsway Housing Association Loan	200	2,600	0	0	0	2,800	2,800	0	0	0	0	0	2,800
Bromford Joint Venture Partnership - Carbon Zero aff homes - feasibility studies, planning etc.	0	0	600	0	0	600	600	0	0	0	0	0	600
	2,450	3,881	1,300	700	700	9,031	3,400	5,631	0	0	0	0	9,031
Environment													
Waste receptacles and growth in properties	55	55	55	55	55	275	275	0	0	0	0	0	275
Litter Bin Replacement	10	10	10	10	10	50	50	0	0	0	0	0	50
Replace/upgrade pay and display machines/upgrade	25			125		150	150	0	0	0	0	0	150
Provision for financing of Ubico Vehicles	198	1,646	46	187	3,550	5,627	198	0	0	0	0	5,429	5,627
Packers Lease Depot - Flood prevention works	13	0	0	0	0	13	13	0	0	0	0	0	13
Electric Vehicle Charging Points	90	150	0	0	0	240	34	6	0	0	200	0	240
Car Park enforcement - vehicle purchase		45				45	45	0	0	0	0	0	45
Car Park improvements - Rissington Road	407					407	315	0	92	0	0	0	407
Changing Places Toilets	163	0	0	0	0	163	0	163	0	0	0	0	163
	961	1,906	111	377	3,615	6,970	1,080	169	92	0	200	5,429	6,970
Retained and Corporate													
Investment in Dyer Street Property Roofs	146	0	0	0	0	146	0	0	146	0	0	0	146
	146	0	0	0	0	146	0	0	146	0	0	0	146
ICT, Change and Customer Services													
ICT Capital	70	150	150	150	150	670	0	0	0	670	0	0	670
Replacement of Idox and Uniform System	0	150	0	0	0	150	150	0	0	0	0	0	150
Planning Documents and Scanning Solution	0	200	0	0	0	200	151	49	0	0	0	0	200
	70	500	150	150	150	1,020	301	49	0	670	0	0	1,020
Rural Broadband	0	0	0	0	0	0	0	0	0	0	0	0	0
UK Shared Prosperity Fund Projects	11	28	134	0	0	173	0	173	0	0	0	0	173
	11	28	134	0	0	173	0	173	0	0	0	0	173
Land, Legal and Property													
Trinity Road Carbon Efficiency Works (Council March 2022)	370	0	0	0	0	370	70	0	0	0	300	0	370
	370	0	0	0	0	370	70	0	0	0	300	0	370
Recovery Investment Strategy													
Tetbury Homeless Property (Cabinet May 2022)	1,441	0	0	0	0	1,441	1,441	0	0	0	0	0	1441
Trinity Road Agile Working (Council March 2022)	1,195	0	0	0	0	1,195	1,195	0	0	0	0	0	1195
Strategic Property Acquisition	0	4,360	0	0	0	4,360	2,485	0	0	0	0	1,875	4360
	2,636	4,360	0	0	0	6,996	5,121	0	0	0	0	1,875	6,996
Total	7,072	12,062	1,745	1,277	5,015	27,171	12,403	6,056	238	670	500	7,304	27,171

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Usable Reserves Forecasts

Reserve type	Opening Bal 1/4/22	Base budgets 22/23	Budgeted transfer to 22/23	Decisions taken since Budget	Forecast Use	Closing Bal 31/3/23	Closing Bal 23/24	Closing Bal 24/25	Closing Bal 25/26	Closing Bal 26/27
	£	£	£	£	£	£	£	£	£	£
GENERAL FUND	(2,552,710)	(31,000)	(1,634,000)	215,000	1,210,000	(2,792,710)	(1,792,710)	(1,792,710)	(1,792,710)	(1,792,710)
EARMARKED RESERVES										
Specific										
*Council Priorities Fund	(2,767,122)	0	(4,055)	1,700,000	146,407	(924,770)	(1,304,770)	(1,652,770)	(2,002,770)	(2,352,770)
*Financial Resilience Reserve	0	0	0	(1,875,000)	0	(1,875,000)	(1,875,000)	(1,875,000)	(1,875,000)	(1,875,000)
*Recovery Investment Strategy [RIS]	(218,410)	0	0	0	162,726	(55,684)	0	0	0	0
*Business Rate Movement Reserve	(4,120,162)	0	0	0	-79,838	(4,200,000)	(400,000)	(400,000)	(400,000)	(400,000)
*Local Plan	(819,241)	0	0	0	228,000	(591,241)	(132,241)	(0)	(0)	(0)
*Covid-19 Reserves	(88,011)	0	0	0	88,011	0	0	0	0	0
*Community-Led Housing Grant	(806,334)	0	0	0	0	(806,334)	(776,334)	(746,334)	(714,334)	(681,334)
	(8,819,280)	0	(4,055)	(175,000)	545,306	(8,453,029)	(4,488,345)	(4,674,104)	(4,992,104)	(5,309,104)
Previously earmarked now available for general use	(732,990)	131,067	0	0	260,384	(341,538)	(341,538)	(341,538)	(341,538)	(341,538)
Committed and Ring-fenced	(3,146,845)	106,807	36,569	209,095	771,977	(2,022,397)	(1,438,170)	(1,271,736)	(1,285,111)	(1,330,479)
Total Earmarked Revenue Reserves	(12,699,114)	237,874	32,514	34,095	1,577,667	(10,816,964)	(6,268,053)	(6,287,378)	(6,618,753)	(6,981,121)
Total Revenue Reserves	(15,251,824)	206,874	(1,601,486)	249,095	2,787,667	(13,609,674)	(8,060,763)	(8,080,088)	(8,411,463)	(8,773,831)
Capital Receipts Reserve	(9,674,000)		(1,655,000)		3,943,000	(7,386,000)	(2,457,904)	(2,840,904)	(3,622,904)	(4,105,904)
Capital Grants Unapplied	(810,285)	0	0	0	(995,614)	(1,805,899)	(1,305,899)	(750,536)	(750,536)	(750,536)
Earmarked Capital										
Car Parking	0	0	(92,514)	0	92,514	0	0	0	0	0
Total Capital Reserves	(10,484,285)	0	(1,747,514)	0	3,039,900	(9,191,899)	(3,763,803)	(3,591,440)	(4,373,440)	(4,856,440)
TOTAL USABLE RESERVES	(25,736,109)	206,874	(3,349,000)	249,095	5,827,567	(22,801,573)	(11,824,566)	(11,671,528)	(12,784,903)	(13,630,271)

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COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET 7 NOVEMBER 2022
Report Number	AGENDA ITEM 11
Subject	RURAL ENGLAND PROSPERITY FUND
Wards affected	All
Accountable member	Cllr Tony Dale, Cabinet Member for Economy and Transformation Email: tony.dale@cotswold.gov.uk
Accountable officer	Paul James, Economic Development Lead Email: paul.james@cotswold.gov.uk Claire Locke, Group Manager (Property and Regeneration) Email: claire.locke@publicagroup.uk
Summary/Purpose	To inform Cabinet of the Council's indicative allocation of funding under the Rural England Prosperity Fund, to seek in principle approval of the overall approach to use of that funding and to seek delegated authority to finalise the submission to Government which is due by 30 th November.
Annexes	None
Recommendation(s)	That Cabinet resolves to: a) <i>note the Council's indicative allocation of £764,292 from the Government's Rural Prosperity Fund;</i> b) <i>approve the proposed approach to the use of the fund set out in Section 4 of this report;</i> c) <i>delegate authority to the Chief Executive to finalise the submission to Government in consultation with the Cabinet Member for Economy and Transformation.</i>
Corporate priorities	<ul style="list-style-type: none"> • Responding to the challenges presented by the climate crisis • Helping residents and communities access the support they need for good health and wellbeing • Supporting businesses to grow in a green, sustainable manner, and

	to provide high value jobs
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Cabinet, Senior Management. Gloucestershire Rural Community Council, Cotswold National Landscape, Cotswold Economic Advisory Group, Farm491, Royal Agricultural University.

BACKGROUND

- 1.1 On 3rd September, the Government published its prospectus for the Rural England Prosperity Fund (REPF). Cotswold District Council has been indicatively allocated £764,292 over two years, starting in April 2023. It is fair to say that the announcement of funding, whilst very welcome, was unexpected. The Council has to make a submission to the Government by 30th November 2022 setting out how it intends to use this funding.
- 1.2 The fund is intended to be complementary to the UK Shared Prosperity Fund (UKSPF), about which Cabinet received a report in July 2022. Cabinet may recall that the Council was allocated £1 million over three years, ending in March 2025, and has submitted a 'Local Investment Plan' to the Government setting out how the Council proposes to spend the funding. At the time of writing, approval was still awaited from the Government.
- 1.3 Whereas the UKSPF was a mix of revenue and capital, the REPF is purely capital. It is intended to succeed EU funding programmes LEADER and the Growth Fund, which was part of the Rural Development Programme for England (RDPE).
- 1.4 The fund is designed to address the specific rural challenges of lower productivity, poorer connectivity and access to key services. These align with the UKSPF investment priorities of 'Supporting Local Business' and 'Communities and Place'. The funding is provided to support new and existing small businesses to develop new products and facilities that will be of benefit to the local economy and to provide new and improved community infrastructure.
- 1.5 The funding must be used in rural towns, villages and hamlets with a population of less than 10,000 people or in market or 'hub' towns, which serve rural areas for employment and



services, of up to 30,000 people. In effect this means the whole of the District is eligible for funding.

- 1.6 The funding cannot be used for projects which have already received other DEFRA funding, such as the Farming in Protected Landscapes (FIPL) fund, the Farming Investment Fund or the Platinum Jubilee Village Hall Fund.
- 1.7 As with the UKSPF, spending from the REPF has to be aligned to 'interventions' with associated outputs and outcomes as set out in the relevant document published on the gov.uk website - see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1101590/Rural_England_Prosperty_Fund_interventions_objectives_outputs_and_outcomes_list.pdf

2. STAKEHOLDER ENGAGEMENT

- 2.1 The REPF prospectus sets out a requirement to consult rural stakeholders on how the funding should be used. Officers have spoken to a range of relevant partners, including the Cotswolds National Landscape, Gloucestershire Rural Community Council, the Farming and Wildlife Advisory Group (FWAG) and Farm491. The matter was also discussed at the Cotswold Economic Advisory Group, which counts the Royal Agricultural University amongst its membership.
- 2.2 In addition, officers have worked with colleagues at Forest of Dean Council to arrange a half day workshop on this subject on 21st October at Hartpury College/University, which was opened up to all four District Councils in Gloucestershire who have received an indicative allocation under this fund.
- 2.3 A 'Call for Projects' has been issued via a special Business Matters newsletter, to Town and Parish Councils and other stakeholders and also put on the Business Support page of the Council's website. This asks interested parties to submit details of potential projects which can then help shape our submission to Government. It is not a formal application process and does not commit the Council to funding any projects - it is merely an exercise for the Council to understand what potential projects may come forward in a future application process. The closing date for the 'Call for Projects' is 5pm on Friday 21st October.

3. NEEDS OF THE AREA

- 3.1 Our submission must also be based on the needs of the area. Officers have undertaken an analysis of a wide range of data and the District scores well on most indicators. However, the District performs relatively poorly in terms of 'Barriers to Housing and Services'. It is in



the top 20% of rural authorities for travel time to key services.

The District also performs relatively poorly in the subsets of access to services and access to green space.

3.2 The District has the lowest median income in the County and the highest property prices, making housing difficult to afford for many - hence creating good quality, well-paid jobs in the District is a priority for the Council.

3.3 The District has a higher proportion of over 65s than the County and national average and it is growing at a faster rate than those comparators. The District saw the second highest population growth of any district in Gloucestershire between 2011-21 and is forecast to remain in this position for the period to 2043. Therefore ensuring that there is sufficient community infrastructure to service a growing population is important.

4. CONCLUSIONS

4.1 The Council has been indicatively awarded £764,292 from the Rural England Prosperity Fund and must submit a report to the Government setting out how it is proposed to be used. A 'Call for Projects' is being undertaken and the results of this will be reported to Cabinet either at or before the meeting.

4.2 The recommendations of Officers is that a grant scheme should be run to enable all eligible projects to be assessed against the Fund's criteria. It is anticipated that an Assessment Panel made up of internal and external members will judge applications from both businesses and community groups, in a similar way to that used to allocate funds from the UK Shared Prosperity Fund.

4.3 It is further recommended that The Old Station project in Cirencester is supported with funding from the REPF. This will assist this heritage building to be brought back into use for community purposes in line with the Fund's objective around local arts, culture, heritage and creative activities.

4.4 The Call for Projects, at the time of writing, has generated significant interest from both businesses and community groups and this will guide the interventions included within the submission to the Government. In order to meet the Council's objectives around growing a vibrant economy with high quality jobs, it is recommended that the intervention relating to small scale investment in micro and small enterprises is included. Given the issues the District faces around access to services and its commitment to tackling climate change, it is recommended that the intervention around active travel is included.



- 4.5** It is also recommended that the interventions around climate change measures and broadband at village halls and other community buildings are included, along with improvements to local rural green spaces and 'impactful volunteering' and social action projects. The success of Crowdfund Cotswold could be leveraged to maximise the added investment brought in as a result of the REPF funding.

5. FINANCIAL IMPLICATIONS

- 5.1** There are no direct financial implications at this stage. Projects agreed will be included in the capital programme and be funded from the REPF. Any allocation unspent will be returned to the Government at the end of each financial year.

6. LEGAL IMPLICATIONS

- 6.1** There are no legal implications arising directly from this Report.

7. RISK ASSESSMENT

- 7.1** Each project will be assessed in terms of risks and managed using the Project Management Framework.

8. EQUALITIES IMPACT

- 8.1** Each project supported by the REPF will be assessed for its equalities impact.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 9.1** The REPF prospectus states that Councils should consider how any investments from the Fund contribute to nature recovery and Net Zero objectives, including reaching Net Zero by 2050, resilience to natural hazards and the 25 Year Environment Plan.

10. ALTERNATIVE OPTIONS

- 10.1** The Council could choose not to submit the addendum to the Local Investment Plan to the Government, but this would mean it would be unlikely to be able to draw down the indicative funding made available. It could also choose to put forward other priorities without undertaking engagement with stakeholders, but this would not be in accordance with the prospectus and may result in our Local Investment Plan not being approved. Neither option is recommended.

II. BACKGROUND PAPERS

II.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- List or add none. (examples may include risk assessment and consultation records)

These documents will be available for inspection online at www.cotswold.gov.uk or by contacting democratic services democratic@cotswold.gov.uk for a period of up to 4 years from the date of the meeting.

(END)



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 NOVEMBER 2022 COUNCIL – 16 NOVEMBER 2022
Report Number	AGENDA ITEM 12
Subject	RESPONSE TO WARM PLACES MOTION AND FUNDING TO SUPPORT COST OF LIVING CRISIS
Wards affected	ALL
Accountable member	Cllr Jenny Forde - Cabinet Member for Health and Wellbeing Email: jenny.forde@cotswold.gov.uk
Accountable officer	Claire Locke, Group Manager for Commissioning Tel: 01285 623427 Email: claire.locke@publicagroup.uk
Summary/Purpose	To set out how the Council is responding to the Cost of Living and Warm Places Motions and to make recommendations for funding allocations for specific initiatives.
Annexes	None
Recommendation(s)	That Cabinet resolves to: <ul style="list-style-type: none"> a) <i>Note the response to the Cost of Living and Warm Places Motion detailed in this report and,</i> b) <i>Recommend to Council to agree to allocate match funding of £20,000 for the Council Tax Hardship Fund from the balance of the Covid-19 Hardship Fund earmarked reserve, and,</i> c) <i>Recommend to Council to agree to allocate £40,000 from the Council Priorities Fund towards establishing a Food Network.</i>
Corporate priorities	<ul style="list-style-type: none"> ● Delivering our services to the highest standards ● Responding to the challenges presented by the climate crisis ● Helping residents and communities access the support they need for good health and wellbeing



Key Decision	NO
Exempt	NO
Consultees/ Consultation	Chief Finance Officer Monitoring Officer Leader (Chair of Cost of Living Steering Group) Deputy Leader and Cabinet Member for Finance Cabinet Member for Health and Wellbeing

I. BACKGROUND

- I.1. At its meeting in July Council agreed a Motion relating to the Cost of Living Crisis, agreeing to lobby Government for action and to determine how additional support should be provided to those in need, and where the funds could be found to enable it to be delivered. The Council also agreed to "... set up a cross party working group in response to the motion which would report back, in advance of the budget setting process, with recommendations that Council could take to help address the cost of living crisis."
- I.2. In September Council agreed a Motion, part of which required a cross party group be set up urgently to implement 'public warm places' and also to look at other ways to help our Cotswold residents most negatively impacted by unaffordable heating and living costs.
- I.3. A Member led cross party Cost of Living Crisis steering group has been formed and held its first meeting on 3rd October. The Group is meeting every 2 - 3 weeks to oversee progress on assessing what additional support the Council could offer to residents in relation to coping with the Cost of Living Crisis.
- I.4. The Council already assists many residents with advice and support on matters like housing and homelessness, benefits and Council Tax. The Communities team also engages with many voluntary sector and community groups, working together to provide valuable support tailored to local needs.

2. ADDITIONAL SUPPORT

2.1 Communications

With a large amount of advice and support already available from both statutory bodies, charitable organisations and community groups, a key focus has been on ensuring these offers are communicated clearly to residents, so they know what support is available and where and how to access it. The Council started a campaign in July to highlight support available to residents and this has been developed over recent months.

As part of the campaign the Council has initiated a number of things:

- A website has been set up which provides a series of links to the support available covering everything from benefits advice, food and energy costs, through to help with childcare costs. The webpage also suggests ways people can help support others.
<https://www.cotswold.gov.uk/council-tax-and-benefits/help-if-you-re-struggling-with-the-cost-of-living/>
- A leaflet has also been produced and is being distributed via Council officers and Voluntary Sector partners.
- Town and Parish Councils were briefed at a recent Town and Parish Forum on the support being offered and where to signpost residents for assistance.
- The council is posting via all its digital channels including social media and the e-newsletter which now includes a specific cost of living section
- Working with local media to highlight support available
- A double page spread has been included in the next edition of Cotswold News due to go to all households in early November to reach those not able to access digital channels, setting out what services and support the Council is offering and how to access them. (if this is what has been done)
- All Councillors have been informed of the campaign and have been encouraged to support it

There is a Warm and Welcome network which supports organisations to open their doors and provide a warm welcome to those struggling to heat their homes this winter.

Organisations can receive guidance and register their space and residents can find spaces near them via the website www.warmwelcome.uk The Council will be promoting this network as well as promoting other community based support, highlighted later in this report.

2.2 Housing and Homelessness prevention

The Council's Housing and Revenues and Benefits teams continue to offer support to residents who may be struggling to pay their rent. It is likely that there will be an increase in the number of people at risk of becoming homeless, as people struggle to afford housing and other living expenses. Advice is provided on issues including suitability and affordability of accommodation including applying for affordable housing via HomeseeckerPlus, liaising with landlords, resolving family breakdown issues and domestic abuse. In some circumstances financial support can be offered through the Homeless Prevention Fund or Discretionary Housing payments to reduce rent arrears. Whilst support is offered to those who are struggling to pay their Council Tax, the Council does not currently have a Hardship Fund, which could be used to provide one-off support in specific financial circumstances. This has been identified by the Member Steering Group as a specific area of need and it is therefore recommended that £20,000 be allocated (from the Covid-19 Hardship fund earmarked

reserve) to create a 'Council Tax Hardship fund'. The County Council have agreed to match fund any allocation, creating a bigger funding pool for Cotswold residents.

2.3 Community Support

The Council continues to work with its Voluntary Sector partners and the many community groups that provide essential support at a local level. This support includes facilitating access to services for people who may be struggling financially, have physical or mental health conditions or feel isolated. There are a wide range of activities delivered at a local level which help address some of these issues such as coffee mornings, activity based events like Knit and Natter and Family Fun days.

However, there is an opportunity to further increase community resilience during the current cost of living crisis and beyond through seedcorn funding. A one-off '**Cotswold Connected Community and Food Programme**' has therefore been developed which complements the Council's 'Crowdfund Cotswold' initiative and forms part of our asset based community development approach. It aims to flexibly support initiatives that can be realised in the near future to increase community resilience during the current cost of living crisis and beyond. The intention of the programme is that the work and funding builds on the assets that are found in the community and mobilises individuals, associations, and institutions to come together to realise and develop their strengths.

Funding will be allocated to projects which are community-led, self-sustaining by the communities themselves and reflect a true partnership approach.

Examples for projects include:

- Community Food projects such as Community Fridges/larders/pantries
- Community Hubs
- Friendship/Talking Café's
- Intergenerational projects
- Community activities aiming to connect people
- Community transport
- Development of Community Partnerships

Hence, the 'Cotswold Connected Community and Food Programme' aims to create 'welcoming spaces' that provide holistic and community minded activities without the stigma of addressing the 'most vulnerable' and solely providing a warm space. It is hoped that this approach leads to community projects that leave a meaningful legacy and that will increase community resilience in the longer term, whilst also providing warm places for those that need it.

This programme is open to not-for-profit Voluntary and Community Sector organisations and Social Enterprises. The Council would also like to hear from individuals or a small non-constituted group with a great idea, although cannot be awarded directly to them. Private businesses, sole traders or statutory organisations are not eligible.

Existing external funding of £75,000 which the Council receives for community based activity has been identified and the Steering Group has agreed to ringfence the funding for this project.

Food Network

Residents can receive free food and other essential household supplies from the several Food Banks located within the district. However, there are other forms of provision that can complement food bank services and add a great deal of value to communities.

Community larders/pantries and fridges provide access to food at low or no cost through access to surplus groceries and therefore have the added benefit of tackling the growing issue of food waste. They differ from food banks which offer emergency food to people in crisis through a referral system. Community fridges and larders offer fresh or frozen food that may be locally grown, shop produce nearing its sell by date or home cooked meals that people have prepared. Larders enable people to choose what they would like and make a donation for what they take, based on what they can afford. This is a sustainable way to provide good quality food to people at hyperlocal level.

Community kitchens or cooking initiatives bring people together to cook and eat. These initiatives not only offer a healthy cooked meal but company and conversation. The Community Interest Company, the Long Table in Stroud (thelongtableonline.com) is a very successful example of a community kitchen which aimed to tackle food waste and isolation. The Council is already working with the Long Table to encourage communities to host cheerful and good quality 'community feasts' during Christmas time.

There are already some community groups keen to increase the food based activities in their area. The Council is keen to support the establishment of a food Network, offering a range of opportunities such as Larders, Community Fridges and Community kitchens to support local people. Some funding would help the creation of this network and is likely to help lever in additional Crowdfund Cotswold or charity funding.

2.4 Tackling Financial Hardship

The Member Steering Group is liaising with the Citizens Advice Bureau and there is a shared concern regarding those residents who may sit just outside the benefits system and are therefore not eligible for additional payments such as the £650 cost of living payment.



Further work is needed to understand the income band this may cover, the number of households affected and the potential cost involved in providing some discretionary assistance. As this is a recently identified issue the financial implications are not included in this report but may be the subject of a future report.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The suggested allocation for the Council Tax Hardship fund is £20,000. This will be funded from the balance of the Covid19 - Hardship Fund earmarked reserve. With match funding from the County Council this would provide £40,000 to help support those that meet certain criteria and cannot afford to pay their Council Tax.
- 4.2 It is recommended that funding of £40,000 is allocated to support the establishment of a Food Network. There is no budget available for this funding and the allocation will need to be funded from the Council Priorities Fund.
- 4.3 Existing external funding of £75,000 which the Council receives for community based activity has been identified and earmarked for the 'Cotswold Connected Community and Food Programme' project.
- 4.4 Funding for the above initiatives would be included as part of the budget setting process for 2023/24 with a report to Council in February 2023.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council undertakes a number of statutory services which will support people through the Cost of Living Crisis, these include benefit payments and advice on homelessness prevention. However, the additional support being offered, which is set out within this report is discretionary.

6. RISK ASSESSMENT

- 6.1 There is a risk the funding allocated for the Hardship fund is insufficient to meet demand or that households continue to need support, as the fund does not resolve financial issues, it provides a one-off relief to households struggling to pay their bills.

7. EQUALITIES IMPACT

- 7.1 The support offered through the cost of living crisis is targeted at any one in need. The Hardship fund would assist those in financial difficulty who could be anyone of any age, if they are liable for Council Tax payments and are in receipt of Council Tax Support. The Cotswold Connected Community and Food Programme would benefit a wide range of residents, across different ages and to meet different needs. The programme is focussed on promoting equality



and diversity with people caring for each other and sharing resources, regardless of background. The Food Network would not only assist those who may struggle to afford food but would also bring communities together and reduce food waste. Anyone irrespective of age or financial standing, could play a part in this and benefit from the inclusivity it creates.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1 The Community based activity advocated in this report delivers support at a local level. This reduces the need for people to travel outside the immediate area in which they live. This is particularly important as many of the Cotswolds rural communities have limited access to public transport and would therefore be reliant on car use.
- 8.2 The Food Network would reduce food waste, promoting locally grown food, use of shop produce nearing its sell by date and donation of excess meals cooked at home.

9. ALTERNATIVE OPTIONS

- 9.1 The Council could decide not to allocate funding for the initiatives described in this report.

10. BACKGROUND PAPERS

- 10.1 None

(END)

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CABINET – 7 NOVEMBER 2022

SCHEDULE OF DECISION(S) TAKEN BY THE LEADER OF THE COUNCIL AND INDIVIDUAL CABINET MEMBERS

Note: Further details regarding the decisions are available in the relevant Decision Notices.

Cabinet Member	Meeting Date	Subject	Decision(s)
Cabinet Member for Economy and Transformation	14 October 2022	Upgrade of parking machines to support the roll out of cashless parking	<p>The Cabinet Member considered the recommendations of the Officer and approved the recommendations a) – d) to complete the roll-out of cashless parking within the car parks highlighted within the report:</p> <ul style="list-style-type: none">a) Note the outcome of the trial,b) Approve the removal of cash from car parks detailed in paragraph 2.6 of this report,c) Approve the software upgrade to all machines to allow off-line payment processing; and,d) Approve the use of Capital Funds to fund this project
Cabinet Member for Development Management and Licensing	21 October 2022	Neighbourhood Planning: Regulation 15 Decision for the Fairford Neighbourhood Development Plan	<p>The Cabinet Member considered the recommendations of the officer and resolved to accept recommendations a) and b) of the report:</p> <ul style="list-style-type: none">a) Agree that the submitted documents meet the requirement of Regulation 15 of the Neighbourhood Planning Regulations 2012;b) Agree that the Council will launch the statutory 'Regulation 16' publicity period for the standard six week period.

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COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET - 7 NOVEMBER 2022
Report Number	AGENDA ITEM 15
Subject	DELIVERY OF CARBON ZERO AFFORDABLE HOMES THROUGH A COLLABORATION AGREEMENT WITH BROMFORD HOUSING ASSOCIATION AND THE TRANSFER OF LAND AT BROADLEAZE, DOWN AMPNEY
Wards affected	The Ampneys & Hampton
Accountable member	CLlr Joe Harris – Council Leader. Email: joe.harris@cotswold.gov.uk
Accountable officer	Claire Locke, Group Manager - Property and Regeneration Tel: 01285 623427 Email: claire.locke@publicagroup.uk
Summary/Purpose	To seek agreement to enter into a Collaboration Agreement with Bromford Housing Association to facilitate the delivery of carbon zero affordable homes on land at Broadleaze, Down Ampney and other future sites and to agree to the transfer of the above land for development within the terms of the Collaboration Agreement.
Annexes	Annex A - Draft Collaboration Agreement (Exempt) Annex B - Funding requirements (Exempt)
Recommendation(s)	That Cabinet resolves to: <i>(a) Enter into a Collaboration Agreement with Bromford Housing Association to deliver carbon zero affordable homes, based on the delivery, management and ownership terms set out in the Agreement.</i> <i>(b) Delegate authority for the final negotiation on the terms of the Collaboration Agreement and any subsequent variations to it, to the Chief Finance Officer in consultation with the Leader and Cabinet Member for Finance.</i> <i>(c) Agree to proceed, subject to planning permission being granted, with the development of the site at Broadleaze, Down Ampney in partnership</i>



	<p><i>with Bromford Housing Association to deliver carbon zero affordable homes.</i></p> <p><i>(d) Agree, based on indicative costs, to fund the gap in funding and to delegate authority to the Chief Finance Officer in consultation with the Leader and Cabinet Member for Finance to agree the final contribution, based on funding within the MTFS and capital receipt from the Sale of the Cotswold Club.</i></p> <p><i>(e) Enter into a Collaboration Agreement with Bromford Housing Association to enable them to submit a planning application including land at this site that is in both the Council's ownership (vacant plot) and Bromford's ownership (adjacent garages).</i></p> <p><i>(f) Allocate a further £10,000 for legal costs in the completion of the legal agreements.</i></p> <p><i>(g) Agree to transfer the land at Broadleaze, Down Ampney to Bromford Housing Association once Planning permission has been granted, a Collaboration Agreement signed and financial terms for the development agreed.</i></p>
Corporate priorities	<ul style="list-style-type: none"> • Provide Social rented homes • Responding to the Climate Crisis
Key Decision	YES
Exempt	Cover Report NO Annexes YES
Consultees/ Consultation	<p>Bromford Housing Association</p> <p>Down Ampney Parish Council</p> <p>Bromford tenants in homes at Broadleaze, Down Ampney</p> <p>Down Ampney Football Club</p> <p>Wider public via stakeholder engagement is planned in September</p>



I. BACKGROUND

- 1.1. In 2019, the Council identified the delivery of good quality social rented homes as a key focus in delivering its Corporate Plan.
- 1.2. With high house prices across Cotswold District, market rents are unaffordable for many and there is a shortage of good quality rented accommodation that is genuinely affordable. Affordable housing helps meet this housing need and can include low cost home ownership or rented accommodation which typically has a discount of around 20% on the market rent. However, this may still not be truly affordable for some residents. Social rented homes have a rent that is lower than affordable rent and therefore provides homes for those on lower incomes or in receipt of full Housing Benefit. The Council already has targets and a programme to deliver affordable housing, although this is through facilitation rather than any form of direct provision.
- 1.3. In February 2021 Cabinet adopted an Affordable Housing Delivery Strategy and agreed to obtain specialist advice on establishing a formal delivery partnership with a Registered Provider. Delegated authority was granted to then progress with the procurement of a suitable partnership to bring forward exemplar carbon zero social rented schemes. It was also agreed that officers should review Council owned sites to enable further reports to be brought forward.
- 1.4. At that time a Council owned site at Station Road, Kemble was considered as the development scheme most likely to be brought forward first. However, that was subsequently reviewed and the appointment of Bromford Housing Association as the partner Registered Provider, provided the opportunity to develop a site at Broadleaze, Down Ampney, which is a less environmentally sensitive site. The Council owned site was land locked. However, Bromford Housing Association (Bromford HA) own the domestic garages which link the Council land with the highway. This provided the potential to assemble both plots and utilise the Bromford HA land as an access route to the Council land for housing development.
- 1.5. Since the appointment of Bromford HA, the Council has worked in partnership with them jointly to agree ambitions and terms which align with the priorities for social housing delivery and net carbon zero homes of both organisations. The principle of the partnership delivery is collaboration at every stage whilst building on the expertise of each organisation.

Collaboration Agreement

- 1.6. Supported by Trowers and Hamlins, a Collaboration Agreement has been drafted which covers:
 - The principal outcomes each partner wishes to see:
 - net carbon zero affordable homes,
 - on-site ecological enhancement,



- design and build that seeks to achieve development that longer term is affordable without developer subsidy (noting initial schemes may require gap funding)
- **Delivery and management framework:**
 - partners to collaborate on consultant and contractor appointment but Bromford HA legally to appointment.
 - Bromford HA to submit Planning Application.
 - The Council to retain land ownership until planning approval is granted and then transfer the land under an Agreement that sets out development requirements.
 - Bromford HA to build homes to a mutually agreed specification.
 - The partners share any gap funding that is required, based on specific business case calculations.
 - The homes to be owned and managed by Bromford HA on completion.

The draft Collaboration Agreement is not scheme specific. It is intended as an overarching legal agreement which provides the framework for any housing scheme which will be delivered by the partnership. The Agreement is included in Annex A. This item is as expected as it holds value in the public domain.

Delegated authority is sought to agree any minor changes to the Agreement both before and after it is signed, which do not affect the underlying principles set out in this report.

Proposed development

The Council owns land at Broadleaze, Down Ampney which is identified as Site DA8 in the Local Plan and earmarked for 10 units. In addition to this is the neighbouring plot which contains Bromford HA garages, which could provide vehicular access to the site and additional land for housing development. Both plots are unattractive and would benefit from enhancement, with opportunities to provide onsite ecological enhancement and improve the visual appearance of this area, which is on the settlement boundary.

A communication strategy has been developed to ensure appropriate engagement with the Parish Council, neighbouring Bromford Housing Association tenants, the tenants who currently lease the Bromford owned garages, and users of the neighbouring football clubhouse and other stakeholders. Both partners have been keen to engage with these stakeholders to shape the design of the development. Consultation therefore commenced in May and further public engagement took place in August/September with the sharing of concept designs. This approach, with local people involved in the early design stages rather than once final drawings for a planning submission have been prepared, has been well received. This programme of engagement will continue throughout design, planning submission and build.



Recognising that good design is key to the success of the Council and Bromford Housing Association's ambitions, an architect selection process focussed on companies with a track record of innovative and carbon zero development. Ridge and Partners LLP were appointed and have now commenced detailed design work. Site surveys are also being carried out to inform the planning application.

An urgent decision was sought in July and reported to Cabinet in September, to secure agreement to underwrite scheme costs that Bromford HA are incurring in the scheme preparation. This was to provide some assurance to Bromford HA that the Council, as the primary landowner would not withdraw from the scheme after they had incurred considerable costs.

It is anticipated that a planning application will be submitted by December 2022.

There is a risk that the Planning Application Decision is delayed for reasons outside the Council's control. The site sits within the 8 Km Zone of Influence of North Meadow in Cricklade, which is a site of Special Area Conservation. This means a Habitat Regulations Assessment would need to be undertaken and the Council and Bromford HA would have to submit a Mitigation Strategy. At present a Strategic Recreation Mitigation Strategy for dealing with Planning Applications that fall within the zone is being developed led by Natural England, Swindon Borough Council and Wiltshire Council. It is likely this will offer the option for developers to pay a sum per dwelling (in the region of £1,000 per dwelling) where they cannot provide alternative green space for recreation as part of the development. The determination of the Down Ampney planning application may therefore be delayed whilst this Strategic Recreation Mitigation Strategy is agreed.

If planning permission is granted the Council will transfer the ownership of the land to Bromford HA before development commences. A land transfer agreement will be put in place requiring that the land is developed in line with the approved planning permission and on the terms set out in the Collaboration Agreement. This protects the Council's interests and ensures the land is used for the purposes the Council intends, that being net carbon zero affordable homes. Delegated authority is sought to approve the final terms of the Agreement as this may be further shaped by the design process and subsequent planning permission.

2. FINANCIAL IMPLICATIONS

- 2.1. The high level funding requirements, estimated at this time, are set out in Annex B. The net carbon zero element of this development is likely to mean capital build costs would render the scheme unaffordable to a Housing Association without subsidy.



Therefore it is likely that the Council will need partially to bridge the funding gap. These costs are subject to change particularly as designs and materials may change through the planning process. At this stage and with the assumed Home England subsidy, the Council would have to provide funding up to the region of £560,000. The cost is dependent on the tenure and the number of homes being built. A small number of social rented homes would be least viable and require more funding, while a large number of shared ownership homes would provide a financial return.

- 2.2. Funding has been allocated from the Council's capital receipts reserve and in part through receipts received from the sale of the Cotswold Club of £360,000 to meet this cost.
- 2.3. By transferring the land to Bromford Housing Association, the Council is potentially foregoing a capital receipt of approximately £470,000 (value per fixed asset register 31 March 2022) which could have been used to fund future capital expenditure and avoid the need to borrow at current PWLB rates of 5.5% and set aside a minimum repayment provision for the repayment of the associated borrowing.
- 2.4. Funding of £10,000 has been allocated from the Recovery Investment Strategy Reserve to cover the legal costs associated with this project.
- 2.5. Whilst these costs will be finalised at a later date once planning permission has been approved and contractors have been appointed, the principle of the funding agreement needs to be agreed now if the Council is to proceed with the Collaboration Agreement.

3. CONCLUSIONS

- 3.1. The site at Broadleaze, Down Ampney offers the opportunity to work in partnership with Bromford Housing Association to drive innovation in affordable homes, creating net carbon zero homes that are well designed and somewhere everyone would want to live. The Collaboration Agreement provides scope to learn through this project, developing and improving a delivery model over future projects which demonstrates longer term that net carbon zero affordable homes can be built without significant subsidy.

4. LEGAL IMPLICATIONS

- 4.1. The Collaboration Agreement sets out the terms of the partnership to ensure the Council's objectives are met. By retaining ownership of the land until after planning permission has been granted, the Council can ensure the development progresses.
- 4.2. Making a grant available to a housing association potentially raises Subsidy Control (formerly known as State Aid) implications. This is because public funds are being used to support a specific housing association within the overall market of social housing providers. The Council



sought advice from Trowers and Hamlin LLP in February 2021 and provided certain conditions are followed, the grant arrangement for affordable housing will be compatible with the Subsidy Control rules.

4.3. In terms of the land transfer, the position on Subsidy Control will need to be addressed when the terms of the land transfer are determined. There are potential reputational and legal risks depending on how the land is transferred particularly if the disposal is deemed to be at an undervalue. Any decisions should be made in a transparent and robust way.

4.4. Save from the above, there are no other legal implications arising directly from this report.

5. RISK ASSESSMENT

5.1. If Planning permission is not granted, the Council will have incurred costs in preparing this scheme.

5.2. There is a risk that the build costs exceed estimates as the construction market is currently experiencing significant rises in material costs and supply chain issues. This has been considered as part of estimates prepared. However, world markets remain very volatile.

6. EQUALITIES IMPACT

6.1. Equalities will be considered as part of general site design considerations. This development is aimed at those on lower incomes but is not for specific age groups and does not impact on other groups with protected characteristics.

6.2. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

6.3. The development will embed the successful Carbon Zero Toolkit that was developed by the Council and provide a built example of net carbon zero housing in the Cotswolds. The carbon impact of materials, design and construction methods will be taken into account.

6.4. The homes will use renewable energy and will have lower utility bills for their tenants, helping to tackle the cost of living and fuel poverty crisis.

7. ALTERNATIVE OPTIONS

7.1. The Council could choose not to enter into a Collaboration Agreement and to continue to develop individual sites. However, this would not maximise the opportunity to develop and improve schemes incrementally.



COTSWOLD
DISTRICT COUNCIL

- 7.2. The Council could choose not to develop the Down Ampney site but it is earmarked for Housing development in the Local Plan and was assessed by officers as being the best Council owned site for this first exemplar development.

BACKGROUND PAPERS

- 7.3. None

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