

CABINET

WEDNESDAY, 17TH OCTOBER, 2018, 6.00 PM

SHIELD ROOM, CIVIC CENTRE, WEST Paddock, LEYLAND, PR25
1DH

AGENDA

1 Apologies for Absence

2 Minutes of meeting Wednesday, 12 September 2018 of Cabinet

(Pages 5 - 18)

3 Declarations of Interest

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item. If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

Leader of the Council

4 Communicating with Residents and Businesses

(Pages 19 - 24)

Report of the Chief Executive attached.

Cabinet Member (Strategic Planning, Housing and Economic Growth)

5 Place Promotion

(Pages 25 - 30)

Report of the Director of Planning and Property attached.

Cabinet Member (Finance)

6 Business Rates Retention Pilots 2019/20 - Update Report

(Pages 31 - 44)

Report of the Interim Deputy Chief Executive (Resources and Transformation)/Section 151 Officer attached.

7 Exclusion of Press and Public

To consider the exclusion of the press and public for the following items of business on the ground that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

By Virtue of Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Condition:

Information is not exempt if it is required to be registered under-

The Companies Act 1985

The Friendly Societies Act 1974

The Friendly Societies Act 1992

The Industrial and Provident Societies Acts 1965 to 1978

The Building Societies Act 1986 (recorded in the public file of any building society, within the meaning of the Act)

The Charities Act 1993

Information is exempt to the extent that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Information is not exempt if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to Regulation 3 of the Town & Country Planning General Regulations 1992(a).

Cabinet Members (Assets and Transformation) and (strategic Planning, Housing and Economic Growth)

8 Station Road, Bamber Bridge - Site Conversion for Affordable Properties

(Pages 45 - 54)

Report of the Director of Planning and Property attached.

Cabinet Members (Assets and Transformation) and (Public Health, Leisure and Wellbeing)

9 Leisure Campus (Contract Award)

(Pages 55 - 64)

Report of the Director of Neighbourhoods and Development attached.

Heather McManus
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Cabinet Councillors Mary Green (Chair), Caroline Moon (Vice-Chair), Warren Bennett, Susan Snape, Karen Walton and Cliff Hughes

The minutes of this meeting will be available on the internet at www.southribble.gov.uk

Forthcoming Meetings

6.00 pm Wednesday, 21 November 2018 - Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

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MINUTES OF CABINET

MEETING DATE Wednesday, 12 September 2018

MEMBERS PRESENT: Councillors Mary Green (Chair), Caroline Moon (Vice-Chair), Warren Bennett, Susan Snape, Karen Walton and Cliff Hughes

OFFICERS: Heather McManus (Chief Executive), Jane Blundell (Deputy Section 151 Officer), Tracy Boustead (Specialist Consultant (Leadership and Organisational Development)), Catherine Conroy (Temporary Assistant Director (Property and Housing)), Darren Cranshaw (Assistant Director of Scrutiny & Democratic Services), Jonathan Noad (Director of Planning and Property), Andrew Richardson (Assistant Director of Neighbourhoods), Dave Whelan (Legal Services Manager/Interim Monitoring Officer), Dianne Scambler (Governance and Member Services Team Leader), Rebecca Heap (Senior Community Works Officer), Natalie Banks (Senior Public Relations Officer), Howard Anthony (South Ribble Partnership Manager), Jennifer Mullin (Director of Neighbourhoods and Development), Michael Jackson (Principal Management Accountant) and Mark Hodges (Partnership Development Manager)

OTHER MEMBERS AND OFFICERS: Councillor Jane Bell, Councillor Colin Clark, Councillor William Evans, Councillor Derek Forrest, Councillor Paul Foster (Leader of the Opposition and Leader of the Labour Group), Councillor Michael Green (Member Champion (Community Engagement and Communications)), Councillor Susan Jones JP, Councillor Peter Mullineaux, Councillor Alan Ogilvie (Member Champion (Armed Forces)), Councillor Phil Smith, Councillor Michael Titherington (Deputy Leader of the Opposition and Deputy Leader of the Labour Group) and Councillor Graham Walton

PUBLIC: 2

14 Apologies for Absence

None, all Members were present.

15 Minutes of meeting Wednesday, 11 July 2018 of Cabinet

Decision Made: (Unanimously):

That the minutes of the Cabinet meeting held on 11 July be approved as a correct record for signing by the Leader of the Council.

16 Declarations of Interest

There were no declarations of any interests.

17 Business Rates Retention Pilots 2019/20

The Leader of the Council accepted the following item of urgent business as the bid for the possible participation in a Business Rates Retention pilot scheme in 2019/20 had to be submitted to Government by 25 September 2018.

The Cabinet considered the report of the Interim Deputy Chief Executives (Resources and Transformation) that set out the case for participation in the pilot scheme. The proposal was that a substantial element of government funding of local authorities would be received by membership of a 75% Business Rates Retention Pilot pool in 2019/20.

It was noted that, should the Council enter such a pool, the financial benefit would not be gained until the rates had been collected, which would affect 2020/21 budgets through the transfer of surplus deficit from 2019/20.

The exact membership of the pool was still to be determined however, the guidance suggested that the pool should cover the economic areas with the current proposal for Lancashire being that the Lancashire Business Rates Pool member authorities, plus Blackburn with Darwen, Blackpool, Lancaster, Preston and the Lancashire Fire and Rescue Service could be considered.

The deadline for submitting a bid was 25 September 2018 and as the decision sat outside our policy framework would require a formal Council decision, As the next Council meeting is scheduled to meet on 26 September 2018, Cabinet were asked to consider the proposal as an urgent decision was needed by the Council on this matter to meet the deadline set by Government.

The Cabinet were unanimous in their decision to strengthen the Council's response to ensure that they did not lose out financially under the new arrangements.

Decision made: (Unanimously)

1. Approval in principle to the Council's participation in the Lancashire bid to be a pilot of 75% Business Rate Retention in 2019/20 subject to all the issues raised with in the report particularly those contained within paragraphs 3.1, 8.2 and 11.2 being met satisfactorily.
2. That due to the timescales set, approval to endorse the use of urgent powers to approve submission of the bid by the Section 151 Officer (or Deputy Section 151 Officer in her absence) signing off the decision in consultation with the Cabinet Member (Finance).

Reason(s) for the decision:

The deadline for submitting an application from Lancashire councils to the Government is 25 September 2018. Though specific details of the bid are yet to be finalised, agreement in principle is needed at this stage in order to continue as a member of the processed pool. This decision is made on the understanding that the Council will be in no worse a financial position, in entering the pilot, that what it would have been if we continue with our existing business rates retention pilot for Lancashire, and also if we take into account the funding principles for Revenue Support grant. Early consideration of the figures shows that there is sufficient funding for the Council to retain its current position, with Lancashire as a whole also

benefitting from the revised pooling arrangements. If the Council is not a member of a pool in 2019/20, it will lose the financial benefit of pool membership it has achieved from 2016/17 onwards.

18 Lead the development of the Borough Community Strategy

The Cabinet considered a report of the Director of Neighbourhoods and Development which provided details on the progress of the development of South Ribble's Community Strategy and provided reasons as to why the strategy is being developed and the intended outcomes. The Community Strategy is a key project within the Corporate Plan 2018-2023 with the intention of enabling partners across all sectors and the wider community to work collaboratively.

The Leader on behalf of the Cabinet thanked the team for all their work on the Strategy.

Decision made: (Unanimously)

That the report be noted.

Reason(s) for Decision:

The report provided Cabinet with an update on progress with developing the Community Strategy, as a key project within the Corporate Plan.

Alternative Options Considered and Rejected:

The alternative option was to do nothing and continue with the existing strategy until 2020. However the current strategy was considered not fit for purpose. However, it was composed in 2008 and designed against a backdrop of Local Area Agreements. The partners around the table are now different, the environment in which the Partnership operates is different and its financial resources are limited. Therefore the Partnership need to completely consider its strategy and structure to ensure it is fit for purpose and can support a co-ordinated and effective cross sector approach to public sector reform across South Ribble.

19 Communicating with residents and businesses

The Cabinet considered the report of the Chief Executive which outlined proposals for methods of communicating with residents and businesses in the borough until April 2019. The report sought the approval of the Cabinet on the production of three Forward newspapers, approval of its delivery method from two suggested options and approval of the evaluation of said newspapers, in line with the objectives of the Communications Strategy developed in 2017.

Councillors Mick Titherington and Paul Foster raised their concerns at the meeting that the recommendations made by the cross party working group to pursue an electronic version of the FORWARD had been ignored. It had been 18 months since its last publication and they considered the proposals to publish three editions over the next six months to be excessive in the run up to an all-out election.

The Cabinet explained, that whilst the electronic delivery of FORWARD was still being explored, there had been some software difficulties and rather than wait any

further, they had decided to revive the existing arrangements to improve on the authority's communications with its residents. In the future, the Cabinet planned to deliver the publication both electronically and in newspaper format so as to avoid digital exclusion for many of its residents especially those in deprived areas of the Borough. The use of community buildings such as local supermarkets, libraries and doctors surgeries had also been considered as places to deposit the publication in bulk, however a more personal delivery to residents was favoured by the community.

In response to a member of the public it was explained that the Council would be undertaking a review of its website and other online communications to improve on their content and accessibility.

Decision Made: (Unanimously)

That:

1. The production of three Forward newspapers be approved.
2. The newspaper to be posted out via Royal Mail.
3. The evaluation of both the paper edition of Forward and the email newsletter be approved with a report of the evaluation being presented to Cabinet at a later date.

Reason(s) for decision:

A Communications Strategy was developed in 2017 that would transform how we communicate with our key stakeholders. One of the objectives in the medium-term action plan was to undertake a rigorous and evidence-based review of the Forward newspaper.

The decision will revitalise the Forward newspaper as recommended by the Communications Strategy and will improve communications between the Council and residents and businesses.

Alternative Options Considered and Rejected:

None.

20 30 Rhodesway, Hoghton

The Cabinet considered a report of the Director of Planning and Property that provided an update on the property at 30 Rhodesway, Hoghton, Preston, PR5 0JY. The property posed a detriment to the environment and amenity of the local area and the report provided Cabinet with options of dealing with the property with emphasis placed on continued negotiations in hope of avoiding the need for a Compulsory Purchase Order (CPO).

Decision Made: (Unanimously)

That:

1. The Interim Assistant Director of Property & Housing continue negotiations and seek to conclude terms to acquire the property by agreement, to avoid the need for a Compulsory Purchase Order (CPO).

2. Subject to the outcome of negotiations, the use of powers of compulsory purchase and the making of an Order under Section 17 of the Housing Act 1985 and all other powers as appropriate for the compulsory purchase of land be approved.
3. The Legal Services Manager is authorised to take all necessary steps to secure the making, confirmation and implementation of the CPO, including the publication and service of all notices, and the presentation of the Council's case at any Public Inquiry and the subsequent service of Notices to Treat and Notices of Entry or the execution of General Vesting Declarations.
4. The Legal Services Manager is authorised to negotiate and enter into agreements and undertakings, prior to or following the making of the Order, with any owners of any interest in the land affected by the Order and any objectors to the confirmation of the Order setting out the terms for the withdrawal of objections to the Order and to authorise the Interim Assistant Director of Property & Housing and Legal Services Manager to draft, agree and execute all necessary legal documents to record any such agreements and/or undertakings.
5. The Legal Services Manager is authorised to appoint suitable Counsel to advise and represent the Council at any Public Inquiry held in respect of the Order and to provide legal support to the project team through the process.
6. Following the confirmation of the CPO or acquisition by agreement, the Interim Assistant Director of Property & Housing is authorised to enter into negotiations with a purchaser, identified following a marketing exercise and agreed in consultation with the Cabinet Member for Assets and Transformation, for the disposal and renovation of the property with minimal financial impact to the Council, to bring it back to a habitable condition for occupation.
7. The Legal Services Manager can approve and execute all legal documentation that is considered necessary to give effect to the above.

Reason(s) for Decision:

The CPO is necessary for the following reasons:

1. The property has been vacant for over fourteen years, having been registered as empty since April 2002 on Council Tax records;
2. The Council has sought to bring the property into acceptable use by way of negotiation to no avail;
3. The Council has made repeated attempts to acquire the property by agreement;
4. No works have been carried out to remedy the sub-standard condition and contribute to the property's re-use for housing purposes, despite having highlighted its condition and its effect on adjoining and neighbouring properties; and

5. The compulsory purchase will achieve a clear housing gain by bringing a sub-standard property back into residential use.
6. The Council also considers there to be no other prospect of the property being brought back into residential use.

Alternative Options Considered and Rejected:

None.

21 New Service Delivery Model of Preventative Health

Councillor Warren Bennett left the meeting.

The Cabinet considered a report of the Director of Neighbourhoods and Development which provided details of the development of a new service delivery model of preventative services and proposed the establishment of a cross-party member working group on Health and Wellbeing with the purpose of making recommendations to Cabinet.

The report promoted person-centred wellbeing and healthy lifestyle choices in comparison to the traditional medical model of care, in line with the authority's commitment to wellbeing for all as outlined in its Corporate Plan.

Decision Made: (Unanimously)

That the establishment of a Cross-Party Working Group on Leisure, Health and Wellbeing (to be supported by Democratic Services) that will make recommendations to the Cabinet on the Leisure, Health and Wellbeing agenda be approved.

Reasons for Decision:

A Cross-Party Working Group will position the Council at the forefront of the discussion of reshaping the debate on wellbeing and prevention. It will facilitate a move away from a medical model of care based on the treatment of disease and towards a holistic view of the promotion of person-centred wellbeing and healthy lifestyle choices.

Alternative Options Considered and Rejected:

None.

22 Approval of the Housing Enforcement Policy and Civil Penalties Guidance Document

Councillor Warren Bennett returned to the meeting.

The Cabinet considered a report of the Director of Neighbourhoods and Development which sought approval of the Private Sector Housing Enforcement Policy and the Private Sector Housing Civil Penalties Enforcement Guidance.

These policies outlined the enforcement approach, methods and powers of the Council, in line with the Housing and Planning Act 2016 and guidance issued by the Ministry of Housing, Communities and Local Government.

The comments of the Statutory Finance Officer were not included within the report. It was explained that the final version of the report did contain those comments but as they only stated: That the financial implications are set out in the body of the report. The report had not been reissued.

Decision Made: (Unanimously)

That the Private Sector Housing Enforcement Policy and Private Sector Housing Civil Penalties Enforcement Guidance be adopted.

Reason(s) for Decision:

The development of own policies and procedures on how new powers are to be implemented is in line with the statutory guidance issued by the Ministry of Housing, Communities and Local Government.

Alternative Options Considered and Rejected:

None.

23 Council Tax Support Scheme

The Cabinet considered a report of the Specialist Consultant (Leadership and Organisational Development) that updated on the current situation with the authority's Council Tax Support Scheme (CTSS) and sought agreement as to how to proceed with the scheme that included the undertaking of a consultation exercise for the proposal of introducing an amended scheme for the 2020/21.

Councillor Foster commented that it was his understanding that the Council had already voted upon the removal of the scheme at its budget setting meeting and asked that if the Council were continuing its provision in 2019/20 a reversal of the decision would also need Council approval. In response the Deputy Leader, Councillor Caroline Moon explained that the CTSS could not be removed at Budget Council, as legally there had to be a period of consultation with all preceptors on proposed options, and as such was a process that would take time. Whilst this consultation was being undertaken, the Cabinet considered it necessary to continue with the scheme in its present form especially with the recent introduction of Universal Credit.

There was general acceptance that the scheme was unfair and that the introduction of any future hardship scheme needed to be widely advertised so that it reached the right people.

Decision made: (Unanimously)

1. Approval of an Equality Impact Assessment to be carried out on the current Council Tax Support Scheme given the new operating context that is Universal Credit.

2. Approval for the Council to consult with all major preceptors on potential scheme changes (as outlined in the report) that could be introduced in the year 2020/21.
3. That the result of the informal consultation with major preceptors to be reported back to Cabinet, along with any impact assessments that need to be considered on the wider effects of the schemes which will affect residents.
4. Approval for the Council to continue with its existing scheme for 2019/20, and to strengthen and promote the exceptional hardship funds available to residents.

Reason(s) for the decision:

To carry out a review of all existing policies in this area and to consult on possible changes to the Council Tax Support Scheme in order that it is efficient and equitable as possible.

Alternative Options Considered and Rejected:

The Council does have the option to seek to amend the current South Ribble Council Tax Support Scheme in 2019/20, however this would not allow for the impact

24 Corporate Peer Challenge Action plan and response to Statutory Recommendation (under Section 24 of the Local Audit and Accountability Act 2014)

The Cabinet considered a report of the Chief Executive which provided an update on progress made against the recommendations from the LGA Peer review from 2017 and subsequent revisit in March 2018.

The report also addressed the recommendations of the Annual Audit of the Statement of Accounts (SOA) 2017-18, particularly those that related to the LGA Peer review. The Council was required to submit a formal response within prescribed timelines and a Plan detailing those actions taken was appended to the report.

Decision Made: (Unanimously)

That:

1. The Council will accept the recommendation made by the external auditor.
2. The Council will provide a formal response to the external auditors advising that all actions recommended within the Original Peer Review visit and actions suggested in the revisited Peer review have been actioned and are either complete, or are currently in implementation.

Reason(s) for Decision:

To provide the Cabinet with an update on progress with Developing the Community Strategy, as a key project within the Corporate Plan.

Alternative Options Considered and Rejected:

None.

25 Cabinet Forward Plan

Decision made: (Unanimously)

That the Cabinet Forward Plan be noted.

26 Exclusion of Press and Public

Decision made: (Unanimously)

That the press and public be excluded from the meeting during the consideration of the following item of business as it involved the discussion of information defined as exempt from publication under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information) ' and in which the public interest in maintaining the exemption outweighed the public interest in disclosing it.

27 One asset approach to refurbishment and future management of Civic Centre

The Cabinet considered a report of the Director of Planning and Property which sought approval of the development and implementation of an Asset Management Plan for the Civic Centre to ensure that the Council's assets were being appropriately used for the transformation of wider public service sector delivery, in line with item no.7 on the agenda ('New Service Delivery Model of Preventative Wellbeing').

Decision made: (Unanimously)

1. Development of an Asset Management Plan/Strategy for the Civic Centre, informed by a condition survey, planned maintenance and refurbishment programmes, incorporating a refresh of current plans for third floor, to ensure consistent 'corporate South Ribble/campus brand'.
2. To receive a further future report regarding cost and programming of works to achieve a consistent fit-out across the building on a 'whole asset approach' including Gateway space, to enable a refreshed 'Gateway to a Seamless Public Service' within the building.
3. The principle of Lancashire Care locating within the building as part as an integral service delivery model to be located on second floor, subject to agreement of contractual terms.
4. Delegate authority to Corporate Property Officer and Section 151 Officer in consultation with the Cabinet Members for Asset and Transformation and Finance to agree detailed occupational terms with Lancashire Care.
5. Halt for now development of the catering framework and explore use of kitchen in line with LCFT's scope and work with the Civic Project group to look

at how they can provide a USP in terms of a socially responsible business model and as part of the offer for external agencies to use the Civic Suite.

6. Utilise existing allocation within the Capital programme to fund Condition Survey, development of planned maintenance and refurbishment programmes in most cost effective and efficient way.
7. Continue to proactively explore potential of further utilisation of the building, engaging with public sector partners including LCC, Police and MoJ.

Reason(s) for the Decision:

1. The Civic Centre is crucial to the continued delivery of South Ribble services in the future. In addition it constitutes a fundamental element to successful implementation of the Council's aspirations regarding new services delivery models of preventative wellbeing and the Campus Concept Model.
2. Consequently it is imperative that the physical condition of the building is maintained to a good standard, that a planned maintenance programme is identified and budgeted for, and that the asset is 'future-proofed' as far as possible. In order to ascertain the extent of backlog maintenance and likely timescale for repair/replacement being required, a survey of current condition is required.
3. Works are currently underway on the ground floor Civic suite, with a second phase of works under review (see paragraph 5.2 of the report), and following extensive staff consultation aspirations to refurbish the third floor of the building have been reflected in the Capital Strategy.
4. It is proposed to pull together these elements and aspirations, align to the direction of travel regarding integrated service delivery (see paper entitled New Service Delivery Model of Preventative Health on this agenda) into a cohesive 'Asset Management Plan/Strategy' for the Civic Centre as one asset best fit to support the Council's ambitions moving forward.

Alternative Options Considered and Rejected:

Individual 'floor by floor' piecemeal refurbishment of the building could be progressed although this approach would not maximise the opportunities to reduce cost of overall programme, support robust budget planning and monitoring, develop a clear physical 'branding/image' as a visible statement of Transformational change, being 'open for business' and attract multiple occupiers.

28 Leisure Campus (Contract Award)

The Cabinet considered a report by the Director of Neighbourhoods and Development which sought delegated authority to enter into a contract with Faithful and Gould Limited via the PAGABO Framework to procure the services of a comprehensive design and development team to aid the progress of the Leyland Campus project.

Councillor Paul Foster expressed his concern about the lack of detail within the report that included, the commercial terms of the consultants, the format of a design team, schedule of fees, development programme and risk register.

At meetings of the cross party working group, Members had been assured that any financial decisions would be taken by the full Council and as the final Masterplan for the Campus had not yet been completed, asked for this decision to be deferred.

In response, the Cabinet Member (Asset and Transformation) indicated that he was satisfied with the measures that had been undertaken by officers on the project so far and was happy to support the recommendation.

Decision made: (Unanimously)

1. That Cabinet endorses the utilisation of the PAGABO's national framework for Professional Services in Construction and Premises, as the preferred procurement route for developing the leisure element of the Leyland Campus detailed within the report.
2. That Cabinet grant delegated authority to the Director of Neighbourhoods and Development in consultation with the Cabinet Member (Asset and Transformation and Cabinet Member (Public Health, Leisure and Wellbeing) to enter into a contract with Faithful+Gould to design, manage construction and deliver the leisure building element of the Leyland Campus project on the basis that the final proposal does not exceed £1.8m under the trims of a full RIBA scheme of works appended to the report.

Reason(s) for the Decision:

1. Development of campuses is a key element of the Health and Wellbeing priority within the approved Corporate Plan and Capital Strategy. Cabinet at its meeting on 21 June 2018, gave authority to go down a route of a single source, direct award framework.
2. The appointment of a development team for the leisure element of the Leyland Campus is essential to move the project forward. Without this the project and hence the whole programme would stall. The single source direct award via the PAGABO framework is the preferred route for the Council to secure the wide range of services required. This route does ensure compliance with the Official Journal of European Union (OJEU) procurement process, secures best value and enables the Council to move forward with the project. This chosen route via PAGABO will also allow the Council to build in flexibility and adjust the resources required as the project evolves.

Alternative Options Considered and Rejected:

None.

29 South Ribble Home Build

The Cabinet considered a report of the Director of Planning and Property which provided an update on the progress of the South Ribble Home Build project and sought approval to progress with site investigations on three identified sites, utilising One Public Estate (OPE) Land Release Funding (LRF). The report also sought approval to commence a procurement process to secure a Registered Provider

partner to deliver and manage new housing on the three identified sites, utilising the Commuted Sums funding pot.

The Home Build concept was aligned to a wider plan transforming the Borough and City Deal, to build modular homes on relatively small sites of under-utilised Council owned land, quality homes to be targeted at identified housing need.

Decision made: (Unanimously)

1. That Cabinet approves the release of the following three sites to undertake immediate site investigations for residential development:
 - Bridge Road/Todd Lane, Lostock Hall
 - Kingsfold Drive, Penwortham
 - Balcarres Green, Leyland
2. That Cabinet approves the continued exploration of other Council assets for the Home Build project.
3. That the procurement of specialist financial and legal advisors to support development of a Full Business Case for establishing a Council House Development Company, utilising funding (25k) identified in the 2018/19 budget be approved.
4. That Cabinet approves the principle of utilising the Commuted Sums funding to contribute towards build costs to deliver affordable housing for rent.
5. That Cabinet approves the principle of procuring a Registered Provider partner to develop and therefore manage the development, subject to detailed terms being reported back to Cabinet.

Reason(s) for the decision:

1. The report is required to secure approval to the principle of releasing the Council owned sites, to undertake site investigations on three of those sites immediately, utilising OPE/LRF funding in preparation for procuring a development partner to build and manage modular built housing. In addition, continue to explore options for the fourth site seeking to maximise the financial and social value of public sector assets in the vicinity.
2. This initial phase of development will be progressed alongside development of a Full Business Case (FBC) to support the roll out of the South Ribble Home Build programme and Company delivery vehicle, in line with the Corporate Plan and Campus Strategy.
3. On-going strategic asset review will seek to establish a portfolio of Council owned small-medium sized sites, suitable for residential development which will provide a future pipeline for development via the Company structure to be developed as outlined in the report.

Alternative Options Considered and Rejected:

If progress is not made in taking forward an initial tranche of sites within the overall Home Build concept, then further OPE/?LRF funding will not be forthcoming., the funding already received is likely to be withdrawn and the Council will suffer reputational damage for failure to deliver and spend grant allocation.

Chair

Date

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REPORT TO	ON
CABINET	17 October 2018



TITLE	PORTFOLIO	REPORT OF
Communicating with residents and businesses	The Council Leader	Chief Executive

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	No
Is this report on the Statutory Cabinet Forward Plan ?	No
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

1. PURPOSE OF THE REPORT

- 1.1 To propose the way the Council will communicate with residents and businesses in the borough.

2. PORTFOLIO RECOMMENDATIONS

- 2.1 Cabinet approve the production of two Forward newspapers the first produced in October 2018 and the second produced in February 2019 alongside a Forward Christmas newsletter detailing Christmas events in South Ribble.
- 2.2 Cabinet approve a delivery method of the paper editions of Forward and newsletter via Royal Mail delivery.
- 2.3 Cabinet approve the evaluation of both the paper edition of Forward and e-mail newsletter with a report of the evaluation being presented to Cabinet at a future date.

REASONS FOR THE DECISION

A Communications Strategy was developed in 2017 that would transform how we communicate with our key stakeholders. One of the objectives in the medium-term action plan was to undertake a rigorous and evidence-based review of the Forward newspaper. The report sets out below the recommendations for the delivery of two editions Forward newspapers alongside a Forward Christmas newsletter this financial year and the development of a new way of communicating via an electronic mailing system.

3. CORPORATE PRIORITIES

- 3.1 The report relates to the following corporate priorities:

Excellence and Financial Sustainability	✓
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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4. BACKGROUND TO THE REPORT

- 4.1 In March 2017 a Communications Strategy was approved by Cabinet. One of the objectives in the medium-term action plan was to undertake a rigorous and evidence-based review of Forward newspaper, to review its effectiveness, cost, demand on resources and ways to simplify the process.
- 4.2 On the 6th September 2017 a proposal to establish a cross party member working group to review the way the Council should communicate with residents and businesses in the borough in the future was approved by Cabinet.
- 4.3 The cross party group met to discuss the options for the future which were:
- Continuing to produce Invest (for business) and Forward (for residents), supplemented by existing social media channels (no change)
 - Merging the two publications as a new product aimed at both businesses and residents, supplemented by existing social media channels
 - Continuing to produce the Invest newsletter, but to distribute Forward as an e-newsletter with the option for residents to select areas / services they are most interested in hearing news about, supplemented by existing social media channels
 - Cease all production of paper newsletters in favour of electronic means
- 4.4 A presentation was made to the group detailing the current position in relation to communicating with both residents and businesses. This included the methods and costs of existing mechanisms. Information was also provided on current communication trends nationally and resident preferences identified in the 2017 Residents' Survey.
- 4.5 The cross party working group agreed the following course of action:
- Invest in e-mail distribution software paid for from the existing PR budget (following an appropriate procurement process). This will enable the production of a monthly e-mail version of 'Forward' for residents who sign up for this, in addition to a weekly member newsletter and staff newsletters for staff who don't have access to Staff Connect.
 - Produce an annual paper edition of Forward to provide a roundup of key messages that have been distributed throughout the year via e mail distribution. This will be delivered to every property in the Borough.
 - Seek feedback on the value of Forward in the next scheduled residents' survey in September 2018.
 - Ask residents in the next paper edition of Forward if they wish to continue to receive it.
 - Evaluate the impact of e-mail distribution via the analytics provided by the software and in the residents' survey and feedback referred to in actions above.
 - Report the outcome of the evaluation referred to above to Cabinet at a future date (in 2019) for a decision on whether to continue with Forward newspaper in the longer term.

5 PROPOSALS

- 5.1 A full investigation was undertaken into email newsletter distribution software, which enables organisations to issue attractive newsletters (based on simple templates) with links to more detailed information. This approach facilitates quick and effective evaluation through access to statistics on how many recipients have opened the newsletter and how many have clicked through to more information. This can subsequently be used to target future communications more effectively and enables newsletters to be customised to very specific audiences, e.g. small businesses as well as to a general audience.
- 5.2 Following this investigation and recommendations of the cross working party, new email distribution software was purchased.
- 5.3 The Council's website is integral to this process as the electronic newsletters will be accessed via the website. The website is currently being reviewed to ensure that it can be accessed using mobile technology and once this is in place the distribution software can be used to communicate with our residents.
- 5.4 As the Council is not in a position to go ahead with the electronic newsletter due to the web site review, it is proposed to produce two printed copies of the Forward Newspaper; the first edition produced in October 2018 and the second produced in February 2019 alongside a Forward Christmas newsletter detailing Christmas events in South Ribble.
- 5.5 As part of the Council's priorities of being an efficient, effective and exceptional Council it is prudent to consider the costs :
- The cost of production for the newspaper is £5,190 for 49,000 copies and 13p delivery charge per copy. Total cost £11,560 per edition
 - The cost of production of a newsletter will be lower with an estimated cost of £2,500 and 13p delivery charge per copy. Total cost £8,870
- 5.6 The Communications team will continue to seek feedback on the value of Forward newspaper and views will be sought from our residents in the next scheduled residents' survey and in the paper editions of Forward when residents will be asked if they wish to continue to receive it.
- 5.7 Once the e-mail distribution is up and running a review of both the e-mail and paper Forward, via the analytics provided by the software and in the residents' survey, will be undertaken and a report of the evaluation will be presented to Cabinet at a future date for a decision on whether to continue with Forward newspaper in the longer term.

6 FINANCE IMPLICATIONS

- 6.1 The production, delivery and e-mail distribution software will be delivered through existing resources within the Council's Public Relations and Place Promotion budgets.

7. LEGAL IMPLICATIONS

- 7.1 None

8. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

8.1 None

9. ICT/TECHNOLOGY IMPLICATIONS

9.1 The Communications team will be working closely with the ICT team to ensure that the website is able to be accessed via mobile technology to ensure the electronic newsletter is accessible.

10. PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

10.1 None

11. RISK MANAGEMENT

11.1 A team has been established which will guide the Council's work towards delivering this project. A project plan will be developed and key milestones will be monitored by the project group.

12. EQUALITY AND DIVERSITY IMPACT

12.1 There are many positive equality implications emerging from the recommendations in this report. Every resident, regardless of demographic or geographic factors, will be able to receive current, up to date and useful information on public services and activities within their community.

13. RELEVANT DIRECTORS RECOMMENDATIONS

13.1 Cabinet approve the production of two Forward newspapers the first produced in October 2018 and the second produced in February 2019 alongside a Forward Christmas newsletter detailing Christmas events in South Ribble.

13.2 Cabinet approve a delivery method of the paper editions of Forward and the newsletter via Royal Mail delivery.

13.3 Cabinet approve the evaluation of both the paper edition of Forward and e-mail newsletter with a report of the evaluation being presented to Cabinet at a future date.

14. COMMENTS OF THE STATUTORY FINANCE OFFICER

14.1 The report considers options for more efficient and effective communication with residents and businesses. The financial implications are set out in the body of the report.

15. COMMENTS OF THE MONITORING OFFICER

15.1 There are no issues or concerns to raise from a Monitoring Officer perspective.

16. BACKGROUND DOCUMENTS

16.1 Communicating with residents and businesses: Cross Party Working Group minutes.

17. APPENDICES

17.1 There are no appendices to this report

Heather McManus
Chief Executive

Report Author:	Telephone:	Date:
Jennifer Mullin Director of Neighbourhoods and Development	01772 625329	05/10/18

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REPORT TO	ON
CABINET	17 October 2018



TITLE	PORTFOLIO	REPORT OF
Place Promotion	Strategic Planning, Housing and Economic Growth	Director of Planning and Property

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Statutory Cabinet Forward Plan ?	No
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

1. PURPOSE OF THE REPORT

- 1.1 To inform Cabinet about the proposals for use of part of the Place Promotion budget to deliver Invest Central Lancashire and South Ribble inward investment marketing activity as set out in the Corporate Plan.

2. PORTFOLIO RECOMMENDATIONS

- 2.1 Cabinet to agree the general scope of inward investment marketing activities set out in this report.

3. REASONS FOR THE DECISION

- 3.1 Place Promotion is one of the projects within the approved Corporate Plan 2018-2023. These proposals provide further detail about the implementation and use of the funding to deliver Invest Central Lancashire and South Ribble inward investment marketing.

4. CORPORATE PRIORITIES

- 4.1 The report relates to the following corporate priorities:

Excellence and Financial Sustainability	
Health and Wellbeing	
Place	✓

Projects relating to People in the Corporate Plan:

People	
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5. BACKGROUND TO THE REPORT

- 5.1 The South Ribble Corporate Plan 2018-2023 identifies Place as one of the three main priorities. Section 5.3 of the Corporate Plan sets out the focus on economic growth and place promotion to support a mixed economy where large and small businesses have equal opportunity to thrive.
- 5.2 Delivery of an inward investment place promotion programme has been identified as one means of addressing the required outcomes for place, which include increased numbers of enterprises in the borough, increased numbers of higher level jobs and improved skills. There are 3 related corporate projects, which are supported by the place promotion budget, The Ambassador Programme, the Events Programme and the Apprentice Factory. A budget of £100,000 was approved by Council to support this activity.
- 5.3 Investment place promotion campaigns are also being developed for both Lancashire as a whole and for the Preston, South Ribble and Lancashire City Deal area. A South Ribble campaign can build on the awareness raised by those campaigns and present tailored messages about the benefits and opportunities specifically within South Ribble.
- 5.4 The Lancashire Enterprise Partnership (LEP) launched 'We Are Lancashire: The Place for Growth' brand in 2016. The brand includes a new, integrated approach to marketing the county's four Enterprise Zone (EZ) sites as one investment destination 'the Lancashire Advanced Manufacturing and Energy Cluster' and also showcases the county's other economic assets, capital investment programmes and development opportunities underpinned by the LEP's growth strategy. The brand has been used at events such as MIPIM (Le marché international des professionnels de l'immobilier), the international property market event, and also the trade exhibition at Farnborough International Airshow. A video was commissioned as part of the brand <https://www.youtube.com/watch?v=dhVsX2Kq7C0> to use at such regional and national events to raise awareness of the opportunities and strengths of Lancashire. The brand is managed by Marketing Lancashire.
- 5.5 Marketing Lancashire also manages a visitor-economy sector-specific website, www.visitlancashire.com, which attracts over 2 million unique visitors per year, promoting Lancashire as a destination and a place for visitors. This targets staying visitors, day-trips, events such as Leyland Festival and also business tourism, which is more significant for South Ribble.
- 5.6 The City Deal partners have developed a brochure 'Invest Central Lancashire' to highlight the development sites within City Deal and the support available to investors. The brochure is hosted on the City Deal website <http://www.lancashirelep.co.uk/city-deal/invest.aspx> and was launched in partnership with Place North West at a special event on 1st March 2018. The half day conference provided an update for businesses on the first three years of the £400 million City Deal programme and examined central Lancashire as a place to live, work and do business.
- 5.7 Channel 4 announced in 2017 that South Ribble was the UK's Best Place to Live. This provided welcome, independent, corroboration of the fact that the borough offers an ideal combination of factors such as affordable housing and access to good jobs, which makes it a good location for people to develop their careers.
- 5.8 A South Ribble investment website www.businessinsouthribble.com is already in place to provide information to investors about the opportunities and support available for businesses. The website has been updated during the past year to make use of new functionality and meet industry guidelines. It is supported by a 2016 brochure 'Time to do Business in South Ribble', which introduces people from outside the region to the 'look and feel' of the borough.
- 5.9 The Council's Forward newspaper is distributed to the households within the borough and features news about developments and successful projects. New software is also in place to offer the option of an electronic version of newsletters to existing resident and business contacts.

5.10 Inward investment is a competitive area and a specific campaign is needed to build on the Lancashire awareness raising by focussing on the specific locational advantages of South Ribble for businesses and skilled workers.

6. PROPOSALS

6.1 A programme of activity is being proposed to meet Corporate Plan objectives and to contribute to delivering City Deal targets, especially the target growth sectors identified by the LEP. The place promotion programme aims to build on existing activity with new complementary activity to target specific audiences using the most relevant means and to be adaptable so it can be topical and responsive to news to maximise coverage, The proposals are as follows.

6.2 Aims: The aims of Invest Central Lancashire and South Ribble inward investment marketing are:

- To raise the profile of the South Ribble offer to attract investors, visitors and skilled workers to support economic growth;
- To reinforce the message that South Ribble is the UK's Best Place to Live;
- To engage property professionals and intermediaries in promoting the borough's offer;
- To generate enquiries for City Deal employment sites, especially Cuerden; and
- To raise awareness of the benefits of locating businesses in South Ribble

6.3 Audiences: The audiences for the campaign are

- Existing residents (to further their careers here)
- Skilled workers from outside the borough
- Indigenous, growing businesses
- Partner organisations supporting business growth
- Developers and intermediaries
- New / regional / national / international businesses wishing to expand or relocate
- The media, in particular, the business media

6.4 Activity: The package of activity includes the following:

- MIPIM UK Partnership package for 2018 with Marketing Lancashire including digital profile on the Lancashire stand
- Invest in South Ribble Business Magazine. 2018 edition of the magazine illustrating business successes to promote South Ribble as a great business location. Print and on-line versions.
- Industry press advertising / sponsorship / editorial (Insider, Lancashire Business View, Commercial Property Monthly and others reaching target audiences)
- Designing new infographics for key topics and messages for use in press, social media and direct engagement
- Creating new video content for specific themes, developments and sites
- New still photography and drone footage of investment opportunities and assets
- Researching and writing new case studies illustrating investment strengths and business support programmes
- Researching and writing regular business advice articles for the website and other media

- Researching and writing new content for use in e-marketing, social media engagement and lined websites, focussing on businesses through LinkedIn, Twitter and direct engagement
- Creating Apprentice Factory promotional materials for events and business engagement, focussed on skills messages
- Sourcing new GDPR compliant business contact and investment lead data
- Producing new banner stands for use at events to promote investment opportunities
- Search engine optimisation (SEO) work to move the www.businessinsouthribble.com website up the page rankings and to drive higher volumes of traffic to the site. The new design creates space for increased Twitter integration and for business blog / advice posts on relevant, timely topics to engage the audience. Additional SEO activity will include on-going updates to maintain fit with Google search algorithms, identifying new, appropriate, reciprocal links to build, securing reciprocal link arrangements, researching competing websites and pay per click advertising to support specific messages

6.5 Outcomes: The outcomes from the campaign will be aligned with the Corporate Plan, in particular, increased numbers of micro, small, medium and large enterprises in the borough and an increase in the number of higher level jobs. The outcomes will also contribute to delivering City Deal targets including creating 20,000 jobs and increasing the number of apprenticeship starts and the number of people leaving higher education and moving into graduate jobs.

6.6 Measurement: The reach of any social media activity will be measured and website analytics will be used to assess demand for different types of information and assistance. Business enquiries will also continue to be monitored to gauge general demand trends, such as for commercial property and business support.

6.7 Delivery: Invest Central Lancashire activities are delivered by the City Deal Communications Group. South Ribble inward investment marketing activities will be delivered to complement and build on the City Deal activity. Each element will be procured from the most appropriate supplier, following procurement guidelines.

7. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7.1 An alternative option was considered to procure a single, specialist agency to deliver a place promotion campaign. This was rejected on the grounds of cost.

8. FINANCIAL IMPLICATIONS

8.1 An annual revenue budget of £100,000 was approved by the Council for Place Promotion. To date less than £4,000 has been spent or committed against this budget in 2018/19. The costs of the inward investment activities outlined in paragraph 6.4 above are estimated at £45,000. Any funding required for the Ambassador Programme and the Events Programme projects will be set out in future reports.

9. LEGAL IMPLICATIONS

9.1 Please see the MO comments.

10. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

10.1 A new Digital Marketing Apprentice is being recruited to join the Investment and Skills Team as part of the approved development plan for the Apprentice Factory Project. The new apprentice will assist directly with business engagement and delivery of the Apprentice Factory Project and can also support delivery of the place promotion project.

11. ICT/TECHNOLOGY IMPLICATIONS

11.1 The implementation of this place promotion programme will largely be through external agencies, which will be made responsible for managing any ICT activity. The Business in South Ribble website has a robust content management system in place and is stored on secure servers. On-going website support and hosting is funded through existing, approved Investment and Skills budgets.

12. PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

12.1 There are none arising directly from this report at the current time.

13. RISK MANAGEMENT

13.1 A risk log will be maintained on GRACE. The key risks are competition from other areas for inward investment, that costs will rise from those estimated in this report and that additional activities will be required to generate sufficient awareness of the South Ribble offer. These risks will be managed by keeping expenditure within the available budget, by monitoring competing areas and through procurement.

14. EQUALITY AND DIVERSITY IMPACT

14.1 None.

15. RELEVANT DIRECTORS RECOMMENDATIONS

15.1 This report has implications in the following areas: Investment and Skills, the relevant Directors' recommendations are included.

16. COMMENTS OF THE STATUTORY FINANCE OFFICER

16.1 The costs of the proposals, estimated at £45,000, are well within the remaining funds available from the 2018/19 Place Promotion budget.

17. COMMENTS OF THE MONITORING OFFICER

17.1 There are no concerns or issues with what is proposed from a legal perspective.

18. BACKGROUND DOCUMENTS

18.1 There are no background papers to this report.

19. APPENDICES

19.1 There are no appendices to this report.

Jonathan Noad
Director of Planning and Property

Report Author:	Telephone:	Date:
Jennifer Clough (Investment and Skills Manager)	01772 625567	24/08/2018

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REPORT TO	ON
CABINET COUNCIL	17 October 2018 5 December 2018



TITLE	PORTFOLIO	REPORT OF
Business Rates Retention Pilots 2019/20 – Update report	Finance	Interim Deputy Chief Executive (Resources & Transformation)/S151 Officer

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Statutory Cabinet Forward Plan ?	No
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	Yes
Is this report confidential?	No

1. PURPOSE OF THE REPORT

- 1.1 The Government invited councils in England to bid to pilot 75% retention of business rates in 2019/20 only. The deadline for submitting an application from Lancashire councils to the Government was 25th September 2018.
- 1.2 This report informs members of the decision for South Ribble to participate in the pilot bid.

2. PORTFOLIO RECOMMENDATIONS

- 2.1 That members note the decision appended to this report for South Ribble to participate in the Lancashire bid to be a pilot of 75% Business Rate Retention in 2019/20.

3. REASONS FOR THE DECISION

- 3.1 The decision was made on the understanding that the Council will be in no worse a financial position, in entering the pilot, and if not successful the default position will be to continue with the existing pooling arrangement.

4. BACKGROUND/EXECUTIVE SUMMARY

- 4.1 The Government invited councils in England to bid to pilot 75% retention of business rates in 2019/20 only. The deadline for submitting an application from Lancashire councils to the Government was 25th September 2018.
- 4.2 The decision was a key decision, and sat outside our policy framework which would require a formal Council decision. As full Council was set for the 26th September, Cabinet were asked to consider this proposal in principle as a prelude to urgent decision making powers being exercised.
- 4.3 At the last Cabinet meeting the decision was made to approve in principle the Council's participation in the Lancashire bid to be a pilot of 75% Business Rate Retention in 2019/20, subject to all the issues raised within the September Cabinet report (particularly those contained within paragraphs 3.1, 8.2 and 11.2) being met satisfactorily.
- 4.4 Due to the timescales set for submitting a pilot bid, Cabinet also endorsed the use of urgent powers to approve submission of the bid by the Section 151 Officer (or Deputy Section 151 Officer in her absence) signing off the decision in consultation with the Cabinet Member (Finance).
- 4.5 The signed urgent decision is appended to this report.

5. CORPORATE PRIORITIES

- 5.1 The report relates to the following corporate priorities:

Excellence and Financial Sustainability	✓
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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6. CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

- 6.1 None.

7. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 7.1 If this Council hadn't participated in the bid, it may affect the chance of the Lancashire bid being accepted.
- 7.2 If not part of a pool in 2019/20, the financial benefits of pool membership to the Council would be foregone.

8. FINANCIAL IMPLICATIONS

- 8.1 Membership of a Lancashire 75% BRR Pool in 2019/20 should enable the council to retain more of the growth in rates income. The specific financial implications will depend on the final

composition of the pool, and the agreed mechanism for sharing the benefit of growth. Indicative figures based on the 2018/19 income levels are set out in the decision note attached.

9. LEGAL IMPLICATIONS

9.1 A formal legal agreement will need to be entered into in due course – this will be dealt with by Legal Services.

10. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

10.1 None.

11. ICT/TECHNOLOGY IMPLICATIONS

11.1 None.

12. PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

12.1 None.

13. RISK MANAGEMENT

13.1 Estimated growth arising from membership of a 75% BRR pilot has been based on the councils' NNDR1 returns for 2018/19. Should NNDR income in 2019/20 not match these estimates, the growth anticipated in the bid would not materialise. Indicative figures for the proposed pool suggest that large reductions in rates income would be required before pool members were worse-off through being in a pilot pool than in the current Lancashire pool.

14. EQUALITY AND DIVERSITY IMPACT

14.1 None.

15. COMMENTS OF THE STATUTORY FINANCE OFFICER

15.1 The 75% BRR pilot scheme gives the Council the opportunity to participate in the development of the system which the Government intends to apply to all councils in England from 2020/21 onwards. In addition, it is expected that there should be a financial benefit in 2019/20, though the specific benefit cannot be confirmed at this stage of the development of the Lancashire pool.

15.2 If the bid is not successful, then Lancashire councils aim to continue the existing pooling arrangement into 2019/20 to retain the current benefit of pooling.

16. COMMENTS OF THE MONITORING OFFICER

16.1 There are no issues of concern that the Monitoring Officer needs to raise. Because of the extremely tight deadline there was a need for an urgent decision to be taken by the Section 151 Officer or her Deputy.

17. BACKGROUND DOCUMENTS

Cabinet 2th September 2018: Business Rates Retention Pilots 2019/20

18. APPENDICES

Appendix A: Record of Urgent Decision 25th September 2018 - Business Rates Retention Pilots 2019/20 Bid Submission

Jane Blundell
Principal Management Accountant/ Interim Deputy S151 officer

Report Author:	Telephone:	Date:
Jane Blundell	01772 625245	08/10/2018

RECORD OF URGENT DECISION



Decision Taker:

Section 151 Officer /
Deputy S151 Officer

Cabinet Member:

Councillor Susan Snape
Cabinet Member for Finance

Subject:

Business Rates Retention Pilot 2019/2020 Bid Submission

Decision:

For the Council to support the application to become a 75% business rates pool pilot for the Lancashire region for financial year 2019/20.

Details and Reasoning:

Cabinet on 12 September 2018 approved in principle to the Council's participation in the Lancashire bid to be a pilot of 75% Business Rate Retention in 2019/20 subject to all the issues raised with in the report particularly those contained within paragraphs 3.1, 8.2 and 11.2 being met satisfactorily.

The purpose of this report is to capture the key risks and developments since approval on 12 September, and to provide an updated opinion.

The key risk as outlined in paragraph 3.1 (and repeated in 11.2) is that of losing the benefit of current pool membership if the bid for pilot status is unsuccessful. Given clarification from MHCLG, this risk is considered to be a low risk.

Further mitigation will be provided by including a covering letter with the pilot application form requesting the application not to be considered if it places the current pool at risk.

The key risk as outlined in paragraph 8.2 related to potential risk of losses arising from other councils that may impact adversely on the overall pool. Of particular concern was the potential for income loss in respect of Lancaster's nuclear power stations. However, Lancaster has decided not to be part of the pilot bid. In addition, a risk resilience reserve is to be established at 5% of the growth value. Any losses over and above this will be contained by individual councils, which is in line with the approach of the existing pool. This means that safety net provisions are not available, which is the same as the current pool.

The 2018/19 Local Government Finance Settlement indicated negative Revenue Support Grant of £493k in 2019/20 for this council. This is reflected in the current MTFs assumptions. The government has indicated that it wishes to eliminate negative RSG, and currently is consulting on how this could be achieved. This will mean that if the proposals as set out in the consultation go ahead, South Ribble should benefit from £493k returned business rates income. It is not clear, however, how this would be dealt with in the pilot arrangement, and therefore uncertainty remains about the potential impact of negative RSG.

Appendix A

Across Lancashire there is an expectation that all existing pool members will participate in the pilot bid in order for the bid to have any chance of success, recognising that Lancashire will be transitioning from the existing pool arrangement to greater devolution through a pilot. In addition, it is expected that Preston, Blackburn with Darwen, Blackpool, and Lancashire Fire and rescue will participate in the bid.

An exemplification of potential financial impact has been prepared using budgeted figures for 2018/19. This exemplification provides for a contribution to the Risk Resilience Reserve and a contribution to a Lancashire-wide fund to be used to target strategic economic growth and improve financial sustainability across the region. After these amounts have been set aside, the balance will be available for discretionary use by the Council. All in all, 70% of the extra growth arising from the 75% retention pilot will be available for the Council.

**Wider Implications
(including Financial, Legal,
Equality and Risk):**

Exemplification of impact of pilot using 2018/19 budget figures

	£000
Current growth	2,386
Pilot growth	3,340
Extra growth	954
Contribution towards Risk Resilience Reserve	48
25% for Lancashire-wide fund	238
Retained for Council's discretionary use	668

The above figures are after contributions are given to Lancashire County Council using current pool methodology; and Lancashire Fire and Rescue, as non-billing authorities, using the methodology as proposed by the Lancashire CFOs' Business Rates Working Group. In summary, this means the 75% is allocated as follows: 56% South Ribble, 17.5% Lancashire County Council, and 1.5% Lancashire Fire & Rescue. In unitary authorities (Blackpool and Blackburn with Darwen), the split is 73.5% unitary authority, and 1.5%.

**Report attached?
Exempt from publication?
If exempt, give reason(s):**

Yes / No
Yes / No / N/A

Appendix A

Approved by Section 151 Officer in consultation with the Cabinet Member for Finance - Signed:

JBlundell
Date: 25/9/18

Section 151
Officer /
Deputy S151
Officer


Date: 25/9/18

S Snape
Cabinet
Member

Appendix A

REPORT TO	ON
CABINET	12 September 2018



TITLE	PORTFOLIO	REPORT OF
Business Rates Retention Pilots 2019/20	Finance	Interim Deputy Chief Executive (Resources & Transformation)

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Statutory Cabinet Forward Plan ?	No
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	Yes
Is this report confidential?	No

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the case for the Council's possible participation in a pilot scheme. The proposal is that a substantial element of government funding of local authorities would be received by membership of a 75% Business Rates Retention Pilot pool in 2019/20. It should be noted that, should the council enter such a pool, the financial benefit would not be gained until the rates have been collected, which would affect 2020/21 budgets through the transfer of a surplus or deficit from 2019/20.
- 1.2 The exact membership of the pool is still to be determined however, the guidance has suggested that the pool should cover economic areas. The current proposal for Lancashire is that Lancashire Business Rates Pool member authorities, plus Blackburn with Darwen, Blackpool, Lancaster, Preston and the Lancashire Fire and Rescue Service could be considered.
- 1.3 The deadline for submitting a bid is 25th September 2018. The decision is a key decision, and will sit outside our policy framework which would require a formal Council decision. As full Council is set for the 26th September, Cabinet are asked to consider this proposal. An 'Urgent decision' will need to be made by this Council on this matter to meet the deadline set by Government.

2. PORTFOLIO RECOMMENDATIONS

- 2.1 Cabinet approve in principle the Council's participation in the Lancashire bid to be a pilot of 75% Business Rate Retention in 2019/20.
- 2.2 Cabinet acknowledge that this matter is a Council decision, however, due to the timescales set, endorse the use of urgent powers to approve the submission of the bid. The S151 Officer (or Deputy S151 Officer in her absence) in consultation with the Cabinet Member for Finance will sign off the decision.

Appendix A

3. REASONS FOR THE DECISION

- 3.1 The deadline for submitting an application from Lancashire councils to the Government is 25th September 2018. Though specific details of the bid are yet to be finalised, agreement in principle is needed at this stage in order to continue as a member of the proposed pool. This decision is made on the understanding that the Council will be in no worse a financial position, in entering the pilot, that what it would have been if we continue with our existing business rates retention pilot for Lancashire, and also we take into account the funding principles for Revenue Support grant. Early consideration of the figures shows that there is sufficient funding for the council to retain its current position, with Lancashire as a whole also benefitting from the revised pooling arrangements. If the Council is not a member of a pool in 2019/20, it will lose the financial benefit of pool membership it has achieved from 2016/17 onwards.

4. EXECUTIVE SUMMARY

- 4.1 The Government has invited councils in England to bid to pilot 75% retention of business rates in 2019/20 only. The funds cannot be spent until the rates are collected, so the one year scheme will have an effect on our 2020/21 budget position through a transfer of any surplus or deficit arising during 2019/20.
- 4.2 Bids should consist of pools of authorities in an economically beneficial geographical area. Individual authorities should not bid. The deadline for bids is 25th September 2018.
- 4.3 If the bid by Lancashire councils is successful, current calculations suggest that members of the pool should retain a greater share of business rates growth than at present (current estimates are c£10m in total). However, there are also risks of pool membership, which are highlighted in the report.
- 4.4 If the pilot bid does not proceed or is not successful, Lancashire councils should seek to continue the existing pooling arrangement in 2019/20 to continue the benefits already being achieved.

5. CORPORATE PRIORITIES

- 5.1 The report relates to the following corporate priorities:

Excellence and Financial Sustainability	✓
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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Appendix A

6. BACKGROUND TO THE REPORT

- 6.1 On 24 July 2018, the Government published an invitation to councils in England to apply to participate in a 75% business rates retention (BRR) pilot. Bids need to be submitted by proposed pools to the Government by 25 September 2018.
- 6.2 In December 2017 the Government announced the aim of increasing the share of business rates retained by local government from the current 50% to 75% from April 2020 onwards. The purpose of the 2019/20 pilots is to test increased business rates retention and to aid understanding of the transition into a reformed BRR system in April 2020. We are currently seeking clarification from the government whether Participating authorities would forego Revenue Support Grant (RSG) and Rural Services Grant in return for retaining additional business rates income.
- 6.3 Several Lancashire authorities have negative RSG entitlement in 2019/20, including this Council. If the Council did not participate in the 75% rates retention pilot, it would be likely that the negative RSG would be treated as an increase in the business rates tariff. The Government launched consultation on this issue on 24th July 2018 and the method of eliminating negative RSG to be adopted in 2019/20 will not be known at the time of submitting the 75% retention bid. Unfortunately it is not clear how negative RSG should be treated within a pilot pool. Ribbles Valley Borough Council has asked for clarification from the Ministry of Housing, Communities and Local Government but at the time of preparing this report a response was not available.
- 6.4 The Government is interested in exploring how 75% rates retention can operate across more than one authority to promote financial sustainability and to support coherent decision-making across functional economic areas.
- 6.5 The Government would like to see authorities form pools with agreement in place from all participating authorities, to apply jointly for pilot status. They expect a proposed pool to comprise a county council and all of the district councils; a group of unitary authorities; or a two-tier area and adjoining unitaries.
- 6.6 The Government would use the 2019/20 pilots to improve its understanding of how different local arrangements work in relation to 75% BRR. Participating authorities would be expected to work with Government officials on the design of the new BRR system, and share data and information as required.
- 6.7 The bids will need to show that all proposed participating authorities have agreed to become part of the pool, and have agreed a methodology for sharing additional business rates income growth. The Section 151 Officer (Chief Financial Officer) of each authority will need to sign the bid before its submission.
- 6.8 Under the 75% BRR pilots, unlike the previous 100% BRR pilots, a 'no detriment' clause will not be applied. In current and previous pilots, this clause ensured that the member authorities would be no worse-off in the pilot than they would have been in the previous 50% BRR scheme. Instead the successful pilots will be testing a 95% 'safety net' to reflect the increased risk in the proposed increased BRR system. The current safety net is 92.5%.
- 6.9 Bidding is competitive. It is likely that there will be more bids than approved pilots, because of the financial cost to the Government. There is no certainty that the Lancashire bid will be approved by the Government.

Appendix A

7. LANCASHIRE BID

- 7.1 Lancashire councils are proposing to make a bid to be one of the 75% BRR pilot pools in 2019/20, with Ribble Valley Borough Council as the lead authority. At present it is intended that the Lancashire pilot would include the current membership of the Lancashire Business Rates Pool 2018/19, plus Lancaster and Preston, Lancashire Fire and Rescue Service (LFARS), and the unitary authorities Blackburn with Darwen and Blackpool. Final membership is still to be determined, as each potential participant will need to seek approval to be part of the bid.
- 7.2 The intention is that the Lancashire bid should include the county council, all districts, the unitary authorities, and LFARS. This combination of authorities may appeal to the Government as a pilot. However, it is possible that similar combinations of authorities might be included in bids from other counties.
- 7.3 There are a number of different ways that growth from a BRR pilot could be shared between participating authorities. The exact split is yet to be determined. However, at present it is proposed that individual councils would retain most of their growth, though part of it would be paid to Blackpool and Preston to cover their estimated losses arising from membership of the pool. An alternative approach would be to top-slice the growth to allocate to specific purposes. These could include creating an economic development pot. Such top-slicing has been discussed but there are no specific proposals at present. What is clear amongst many authorities is that the current business rates support scheme contributes significantly to the MTFS of each individual council. In agreeing to this proposal, while the government will not assure an overall principle of 'no detriment', Lancashire authorities could agree that, within the scope of the funding available, each council will draw down sufficient funds to cover off current commitments to their MTFS, with the remainder being pooled at a Lancashire level. It should be noted that, the use of the funds at a local level, will also contribute significantly to the economic agenda for Lancashire. District councils' service delivery is a key foundation to the delivery of economic growth, and without it, many economic initiatives would fail.
- 7.4 The allocation of business rates income in the pool will be set by pool members. At this stage, there is no agreement as to the current allocation of the new pool.
- 7.5 The benefits of membership of the existing Lancashire pool in 2016/17 and 2017/18 are shown in Appendix A. A total of £6.011m which otherwise would have been paid to the Government as a levy was retained by pool members.
- 7.6 Options for allocation of the additional funding arising from participation in the 75% retention pilot will be presented in reports during the 2019/20 budget preparation cycle.

8. RISK OF 75% BRR PILOT POOL MEMBERSHIP

- 8.1 Participating councils in Lancashire will be exposed to a higher level of business rate risk for the duration of the pilot in 2019/20. There will be a higher share of any losses, arising due to appeals, bad debts, and empty premises, being 75% rather than the current 50%. There will not be 'no detriment' support from the Government.
- 8.2 The estimates of additional growth available to share in 2019/20 are based on the councils' NNDR1 returns for 2018/19. Should NNDR income fall below 2018/19 levels, the growth anticipated in the bid would not materialise. However, indicative figures

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suggest that total rates income would need to reduce significantly before councils were worse-off through pilot membership than continuing with existing pools.

- 8.3 In designing the mechanism for sharing risks and rewards, the proposed Lancashire pool should consider how an equivalent to 'no detriment' support within the pool should be provided in order to protect the resource position of individual authorities.
- 8.4 Currently there is uncertainty about how negative RSG entitlement in 2019/20 would be dealt with in the context of a 75% retention pilot pool.

9. CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

- 9.1 None.

10. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 10.1 Should this Council not participate in the bid, it may reduce the chance of the Lancashire bid being accepted.
- 10.2 If not part of a pool in 2019/20, the existing financial benefits of pool membership to the Council would be foregone. See Appendix A.

11. FINANCIAL IMPLICATIONS

- 11.1 Membership of a Lancashire 75% BRR Pool in 2019/20 should enable the council to retain more of the growth in rates income. Should the bid be accepted by the Government, the effect on business rates income budget for 2019/20 will be reflected in the Medium Term Financial Strategy. The specific financial implications will depend on the final composition of the pool, and the agreed mechanism for sharing the benefit of growth.
- 11.2 As the Government is not providing 'no detriment' support to the 75% retention pilots, it is important that the resource position of pool members is protected by a local equivalent of 'no detriment'.

12. LEGAL IMPLICATIONS

- 12.1 A formal legal agreement will need to be entered into in due course – this will be dealt with by Legal Services.

13. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

- 13.1 None.

14. ICT/TECHNOLOGY IMPLICATIONS

- 14.1 None.

15. PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

- 15.1 None.

16. RISK MANAGEMENT

- 16.1 Estimated growth arising from membership of a 75% BRR pilot has been based on the councils' NNDR1 returns for 2018/19. Should NNDR income in 2019/20 not match

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these estimates, the growth anticipated in the bid would not materialise. Indicative figures for the proposed pool suggest that large reductions in rates income would be required before pool members were worse-off through being in a pilot pool than in the current Lancashire pool.

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17. EQUALITY AND DIVERSITY IMPACT

17.1 None.

18. COMMENTS OF THE STATUTORY FINANCE OFFICER

18.1 The 75% BRR pilot scheme gives the Council the opportunity to participate in the development of the system which the Government intends to apply to all councils in England from 2020/21 onwards. In addition, it is expected that there should be a financial benefit in 2019/20, though the specific benefit cannot be confirmed at this stage of the development of the Lancashire pool.

18.2 In the absence of Government 'no detriment' support, it is important that the design of resource allocation within the Lancashire pool includes equivalent 'no detriment' support to protect the resource position of individual authorities.

18.3 Should the Council choose not to participate in the pool bid, and the bid is successful, it would not get the financial benefit of pool membership in 2019/20. The benefit of membership of the 2017/18 pool is indicated in Appendix A.

18.4 Should the pool bid not proceed, or the bid not be successful if it does proceed, then Lancashire councils would aim to continue the existing pooling arrangement into 2019/20 to retain the current benefit of pooling.

19. COMMENTS OF THE MONITORING OFFICER

19.1 There are no issues of concern that the Monitoring Officer needs to raise. Because of the extremely tight deadline there is a need for an urgent decision to be taken by the Section 151 Officer or her Deputy.

20. BACKGROUND DOCUMENTS

Ministry of Housing, Communities & Local Government (MHCLG), "Invitation to Local Authorities in England to pilot 75% Business Rates Retention in 2019/20", July 2018

MHCLG, "Frequently asked questions", August 2018

21. APPENDICES

Appendix A – Lancashire Business Rates Pool 2017/18

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