

Public Document Pack
**HINCKLEY & BOSWORTH
BOROUGH COUNCIL**



**Hinckley & Bosworth
Borough Council**

A Borough to be proud of

**TO BE HELD ON
TUESDAY, 10 JANUARY 2017
at 6.30 pm**

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Date: 30 December 2016

Hinckley & Bosworth
Borough Council

A Borough to be proud of

Dear Sir/Madam

I hereby summon you to attend a meeting of the Hinckley & Bosworth Borough Council in the Council Chamber at these offices on **TUESDAY, 10 JANUARY 2017 at 6.30 pm**

Yours faithfully

A handwritten signature in black ink, appearing to read 'RK Owen'.

Miss RK Owen
Democratic Services Officer

AGENDA

1. Apologies
2. Minutes of the previous meeting (Pages 1 - 2)
To confirm the minutes of the meeting held on 1 November 2016.
3. Additional urgent business by reason of special circumstances
To be advised of any additional items of business which the Mayor decides by reason of special circumstances shall be taken as matters of urgency at this meeting. Items will be considered at the end of the agenda.
4. Declarations of interest
To receive verbally from Members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the Agenda.
5. Mayor's Communications
To receive such communications as the Mayor may decide to lay before the Council.
6. Questions
To deal with questions under Council Procedure Rule number 11.1

7. Petitions

To deal with petitions submitted in accordance with Council Procedure Rule 10.11.

8. Leader of the Council's Position Statement

To receive the Leader of the Council's Position Statement.

9. Minutes of the Scrutiny Commission (Pages 3 - 6)

To receive for information only the minutes of the Scrutiny Commission meeting held on 8 December 2016.

10. Local Development Scheme 2016-20 (Pages 7 - 36)

Report seeking approval for a revised Local Development Scheme (LDS) for the period 2016-20.

An extract from the minutes of the Scrutiny Commission's consideration of this item is attached.

11. Land at Ferness Road, Hinckley (Pages 37 - 40)

To seek approval to dispose of land in Ferness Road, Hinckley, to enable housing development.

12. Local Council Tax Support Scheme (Pages 41 - 54)

To provide an update on the current Local Council Tax Support Scheme (LCTS) and to seek agreement for the level of support to be provided.

The Scrutiny Commission gave consideration to this report on 8 December. An extract from the minutes of that meeting is attached.

13. Arrangements for the appointment of external auditors (Pages 55 - 62)

To summarise the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.

The Audit Committee have given consideration to and made recommendations on this matter – an extract from the minutes of that meeting is attached.

14. Appointment to outside body: Bardon Hill Quarry - Community Fund Sub Committee (Verbal Report)

To appoint one member to Bardon Hill Quarry – Community Fund Sub Committee.

15. Motions received in accordance with Council Procedure Rules 13.1 and 13.2

Any valid motions received by the deadline will be sent to follow.

Agenda Item 2

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

1 NOVEMBER 2016 AT 6.30 PM

PRESENT: MR RG ALLEN - MAYOR
MR LJP O'SHEA – DEPUTY MAYOR

Mr DC Bill MBE, Mr SL Bray, Mrs R Camamile, Mr MB Cartwright, Mrs MA Cook, Mr DS Cope, Mrs GAW Cope, Mr WJ Crooks, Mrs L Hodgkins, Mr E Hollick, Mr C Ladkin, Mr MR Lay, Mr KWP Lynch, Mr K Morrell, Mr M Nickerson, Mrs J Richards, Mr RB Roberts, Mr SL Rooney, Mrs MJ Surtees, Mr BE Sutton, Miss DM Taylor, Mr P Wallace, Mr R Ward, Mr HG Williams and Ms BM Witherford

Officers in attendance: Steve Atkinson, Bill Cullen, Julie Kenny, Rebecca Owen and Rob Parkinson

227 APOLOGIES

Apologies for absence were submitted on behalf of Councillors Boothby, Hall, Kirby, Nichols, Smith and Wright.

228 MINUTES OF THE PREVIOUS MEETING

Councillor Bill, seconded by Councillor Cartwright, requested that the word “unanimously” be removed from the resolution of minute no 149. Upon being put to the vote, the motion was carried and it was

RESOLVED – the minutes of the meeting held on 6 September 2016 be confirmed subject to the above amendment and signed by the Mayor.

229 DECLARATIONS OF INTEREST

No interests were declared at this stage.

230 MAYOR'S COMMUNICATIONS

The Mayor made reference to his forthcoming charity abseil at St Mary's Church, the Sea Cadets' bonfire the following weekend and the visit of a delegation from Grand Quevilly the same weekend, and the sad death of former Council Leader, Rupert Wood. Councillor Bill spoke about Mr Wood's work for the Council.

231 LEADER OF THE COUNCIL'S POSITION STATEMENT

The Deputy Leader presented the Leader's position statement in his absence. He particularly emphasised the success of the council in achieving a Gold Award from the RSPCA for its contribution to improved animal welfare and the reduction in carbon dioxide emissions since 2008. He acknowledged and commended the contribution of ex-Councillor Peter Hall in leading the Scrutiny Environment Group and championing environmental improvement. This was echoed by Councillors Lay and Bray.

In response to a question, the Deputy Leader agreed to update members outside of the meeting on the latest position regarding the Combined Authority and particularly the matter of an elected Mayor for the area.

In relation to the Co-op site, the Deputy Leader hoped that options for the future of the site would be available by December.

232 MINUTES OF THE SCRUTINY COMMISSION

The minutes of the Scrutiny Commission were noted.

233 STREET COLLECTION CHARITIES CONSENT AND CHARITIES POLICY

Consideration was given to the proposed Charitable House to House and Street Collections Policy following consultation thereon. Whilst in support of the report, concern was expressed in relation to charity clothes collections and it was suggested that a schedule of collections be posted on the council's website. Officers agreed to look into this possibility. It was moved by Councillor Morrell, seconded by Councillor Roberts and

RESOLVED – the Charitable House to House and Street Collections Policy be adopted.

234 STREET TRADING CONSENT POLICY

Council was recommended to approve a revised resolution in relation to Street Trading Consents in Hinckley Town Centre in accordance with Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982. It was moved by Councillor Morrell, seconded by Councillor Roberts and

RESOLVED –

- (i) In accordance with Section 3 of the Local Government (Miscellaneous Provisions) Act 1982, Schedule 4 of that Act shall apply to the Borough of Hinckley and Bosworth as from 1 January 2017;
- (ii) The streets set out in appendix A to the report be designated as consent streets and, following the adoption of Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982, the appropriate officers be authorised to advertise and give notice of the Council's intention to make a resolution in respect of those streets;
- (iii) The revised policy be approved.

235 HINCKLEY BID

It was moved by Councillor Morrell, seconded by Councillor Surtees and

RESOLVED – Bill Cullen be appointed as the Council's representative as Director on Hinckley BID, to replace Steve Atkinson, with effect from 1 January 2017.

(The Meeting closed at 7.05 pm)

MAYOR

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

8 DECEMBER 2016 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman
Mrs R Camamile and Mr KWP Lynch – Vice-Chairman

Mr SL Bray, Mr WJ Crooks, Mrs L Hodgkins (for Mr DC Bill MBE), Mrs J Richards, Mr BE Sutton, Mr R Ward and Mr HG Williams

Also in attendance: Councillor M Hall and Councillor J Kirby

Officers in attendance: Steve Atkinson, Valerie Bunting, Edwina Grant, Julie Kenny, Lisa Kirby, Rebecca Owen, Caroline Roffey, Sharon Stacey, Clive Taylor and Ashley Wilson

272 CHAIRMAN'S ANNOUNCEMENT

Prior to the commencement of the business on the agenda, the Chairman referred to this being the Chief Executive's last meeting of the Scrutiny Commission and thanked him for his support. The Commission echoed these comments.

273 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor Bill with Councillor Hodgkins substituting in accordance with council procedure rule 4.

274 MINUTES

It was moved by Councillor Camamile, seconded by Councillor Crooks and

RESOLVED – the minutes of the meeting held on 6 October 2016 be confirmed and signed by the Chairman.

275 DECLARATIONS OF INTEREST

No interests were declared at this stage.

276 PRESENTATION FROM TOGETHER FOR TENANTS

Together for Tenants gave a presentation about the group and its work. Members welcomed the presentation and congratulated the representatives on the group's achievements. Members gave some suggestions for increasing membership of the group and asked that they be invited to meetings in their local area. It was agreed that representatives of Together for Tenants would be invited again in future to update on progress and achievements.

277 CLOCKWISE CREDIT UNION UPDATE

The Scrutiny Commission was updated on progress and impact of the local credit union provision. A member suggested that more contact could be made with parish councils to promote Clockwise and the following suggestions were made:

- representatives could attend the rural conference the following week
- information could be provided to parish councillors as well as clerks to share

- laminated notices could be put on parish noticeboards
- asking borough councillors to pass on the information when attending their local parish council meetings.

Members congratulated those involved on the success of the credit union and endorsed the report.

278 AFFORDABLE HOUSING DELIVERY

Members were informed of the delivery of affordable housing in the borough. During discussion, the following points were raised:

- The more proactive parish councils seemed to receive a greater proportion of affordable housing
- The recent scheme in Markfield had resulted not only in housing local people, but the repatriation of those who had had to leave Markfield previously
- The lack of protection against the risk of affordable housing being sold on at market value and no longer being affordable, except on rural exception sites
- The lack of protection in relation to resale of shared ownership properties, except on rural exception sites
- The improved housing market leading to fewer developers trying to reduce numbers of affordable housing based on viability
- The need to discourage developers from building certain styles of properties due to the risk of social landlords not bidding for the properties
- The notion of gifted units was supported.

A member asked how many of the 828 completions were still in the social rented sector, how many were in shared ownership, how many of those had been sold on and which housing associations were responsible for those properties. It was agreed that a report answering these questions would be brought to the April meeting.

RESOLVED –

- (i) The report be noted;
- (ii) The above requested report be brought to the April meeting of the Scrutiny Commission.

279 CAPACITY PRESSURES

Members received a report which requested additional capacity in the areas of private sector housing, town centre management, environmental enforcement, antisocial behaviour and domestic abuse.

In response to a member's question about the ASB officer post, it was noted that the funding of the post was split between the housing revenue account and general fund which reflected the demand on the post, but the post holder would be flexible between the two areas.

In relation to the Assistant Town Centre Manager posts, it was asked why there would be support for Earl Shilton, Barwell and Market Bosworth, but not Burbage. In response, it was explained that Hinckley was considered to be the local town centre for Burbage.

RESOLVED – the report be endorsed and costs be built into the budget for 2017/18 onwards.

280 CAPITAL PROJECTS AND MAJOR REGENERATION UPDATE

The Scrutiny Commission received an update on progress of the key capital and regeneration projects in the borough.

A member expressed concern about the impact of loss of revenue from the units in block C of the Crescent that were let later than projected. In response, it was acknowledged that the medium term financial strategy was constantly updating and the packages agreed with the tenants could offset the lower rental income.

In relation to the leisure centre, it was noted that the centre was performing well, although gym memberships were lower than anticipated due to competition with other local facilities.

In discussing the former leisure centre and Co-op sites, it was requested that ward members be kept informed of activity.

A member referred to paragraph 9.4 of the report and the comment about the potential for a healthcare facility or pub-restaurant in relation to Barwell SUE. He highlighted that these were two quite different uses and asked which it would be.

In relation to Ambion Court, it was confirmed that residents would be moved to other accommodation whilst the work was being undertaken. One to one meetings had taken place with all residents and their families to ensure all were supported during the move, which would be fully arranged and funded by the council.

A member referred to paragraph 3.5 of the report which stated that demolition of the former leisure centre was on programme and highlighted that completion was due in mid-November so had been delayed, whilst another member acknowledged that there had been a brief delay but congratulated the contractor on keeping residents informed and working hard to reduce disruption.

RESOLVED – the report be noted.

281 ENVIRONMENTAL ENFORCEMENT POLICY AND PROCEDURES

Members were advised of the updated enforcement policy and procedures for the Clean Neighbourhoods team. During discussion and in response to questions, the following points were made:

- 20 people had responded to the consultation, and all responses had been supportive of the updated policy
- The public space protection order signs would be erected over the following week
- Work was undertaken with schools but officers hoped to expand this. The work was mostly with primary schools as their curriculum could accommodate this.

RESOLVED – the report be endorsed and the Executive be RECOMMENDED to approve the updated policy.

282 LOCAL COUNCIL TAX SUPPORT SCHEME

An update on the Local Council Tax Support Scheme (LCTS) was provided to the Commission. It was noted that most other authorities in Leicestershire were recommending retention of the current maximum level of support. Members felt that we should be continuing to support the most vulnerable people and the current maximum level of 88% should be retained, as recommended by the Executive.

RESOLVED – Council be RECOMMENDED to retain the current maximum level of 88% support.

283 CORPORATE EQUALITIES

The Scrutiny Commission was advised of the current and planned actions of the Corporate Equalities' Steering Group and its refocus on the delivery of the Equality Policy. The significant progress made was acknowledged.

RESOLVED –

- (i) The achievements within the current action plan be noted;
- (ii) The refocus of the Corporate Equalities' Steering Group onto delivery of the Equality Policy be endorsed;
- (iii) The 2011 action plan be signed off as embedded practice;
- (iv) The Scrutiny Commission be the body charged with monitoring progress against the approved action plan.

284 LGA PEER CHALLENGE

Members received the formal report from the LGA Peer Challenge Team and were informed of the actions being taken in response to recommendations in the report. During discussion, the following points were raised:

- The report presented a positive reflection of officers, members and partners
- Whilst not mentioned in the report, the successes of the authority had been achieved despite a severe drop in government support
- The positive comments about overview and scrutiny were welcomed
- An increase in delegation to officers and members would be explored, although some members indicated they would not support this
- Whilst not a recommendation in the report, member training would be revisited and revitalised.

RESOLVED – the report be noted and welcomed and the action plan be endorsed.

285 SCRUTINY COMMISSION WORK PROGRAMME 2016-18

The work programme was agreed.

286 MINUTES OF FINANCE & PERFORMANCE SCRUTINY

The minutes of Finance & Performance Scrutiny were noted.

(The Meeting closed at 8.35 pm)

CHAIRMAN



Hinckley & Bosworth
Borough Council

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FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Scrutiny Commission	11 August 2016
Council	10 January 2017

WARDS AFFECTED: All Wards

Local Development Scheme 2016-20

Report of Deputy Chief Executive (Community Direction)

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out the requirements for and to seek approval to a revised Local Development Scheme (LDS) for the period 2016 - 2020. The report has been updated since it was considered at Scrutiny Commission to include proposed changes to the timetable for production of the new Local Plan to better reflect the Strategic Growth Plan timetable and will also allow for the development of a Local Growth Strategy to inform the new Local Plan.

2. RECOMMENDATION

2.1 That Council:

1. Note the requirements for a review of the existing Local Development Scheme
2. Approve the revised Local Development Scheme 2016 - 2020

3. BACKGROUND TO THE REPORT

- 3.1 A Local Development Scheme (LDS) is essentially each Local Planning Authority's project plan for the preparation of a Local Plan in accordance with the requirements of the Planning and Compulsory Purchase Act 2004.

- 3.2 The current Local Plan for Hinckley and Bosworth covers the period from 2006 – 2026 and comprises the following documents:

- i. Core Strategy (2009)
- ii. Hinckley Town Centre Area Action Plan (2011)
- iii. Earl Shilton and Barwell Area Action Plan (2014)
- iv. Site Allocations and Development Management Policies document (2016)

v. Supplementary Planning Documents

- 3.3 The Planning and Compulsory Purchase Act (PCPA) 2004 requires the Council, as the Local Planning Authority (LPA), to prepare and maintain its LDS and to revise it at such time as it considers appropriate.
- 3.4 The Localism Act 2011 and the National Planning Policy Framework (NPPF) have introduced changes which need to be reflected in the Council's LDS.
- 3.5 The existing Local Development Scheme was approved by Council and published in February 2015. The 2015 LDS programme set out the key dates for the preparation and adoption of what the remaining LDDs that the council originally planned to prepare to accompany the Core Strategy. Table 1 sets out these remaining LDDs and relevant timescales:

Table 1: Key dates in the LDS 2015

Local Development Document	Programmed date for Submission	Programmed date for Adoption
Site Allocations and Development Management Policies DPD	April 2015	January 2016
Gypsy and Traveller Allocations DPD	February 2017	October 2017
Local Plan Review	November 2017	August 2018

- 3.6 The Site Allocations and Development Management DPD has now been adopted and because of this it is appropriate to review the LDS and determine whether the remaining planned LDDs are still appropriate and should be progressed.

REVIEWING THE 2015 LDS PROGRAMME

- 3.7 Against the existing key dates set out in Table 1, a summary of the progress for each of the documents is set out below.
- i. **The Site Allocations and Development Management Policies DPD** was submitted to the Secretary of State in line with the LDS in late March 2015. Following an Examination in Public, including Hearing Sessions in September and October 2015, the Council received the Inspector's Report in May 2016. The document was adopted in July 2016
 - ii. **The Gypsy and Traveller Allocations DPD** was programmed to begin in September 2015, with an initial consultation on a scoping document in early 2016. Due to changes to the definition of gypsies and travellers by Central Government, significant changes are needed to the Borough Council's evidence to support the development of this document. A new Gypsy and Traveller Accommodation Needs Assessment has now been completed. Based on the level of need indicated in this new assessment, it is now considered appropriate to include allocations for gypsy and traveller provision in the Local Plan review where relevant rather than prepare a topic specific DPD.

- iii. The **Hinckley and Bosworth Local Plan Review** was programmed to commence in September 2015, following the projected dates of the hearing sessions into the Site Allocations and Development Management Policies DPD. Due to the delay in the holding of the hearing sessions, the consultation on Main Modifications and subsequent delay in adoption of the Site Allocations, progress on the Local Plan review did not commence in 2015. However, early engagement in the Plan, with particular reference to options for growth, took place in early 2016 and key evidence is continuing to be reviewed and updated.

REVISED LOCAL DEVELOPMENT SCHEME PROGRAMME

- 3.7 Appendix 1 sets out the draft Local Development Scheme, including the programme for the completion of an updated Local Plan. It is considered that a review of the Local Plan could be adopted by Autumn 2020. The NPPF states that a Local Plan should be drawn up over an appropriate time scale, preferably over a 15-year period. It is therefore proposed that the Local Plan look forward to the period to 2036. This will align with work being undertaken and the evidence base being compiled at the county wide level on the Strategic Growth Plan for Leicester and Leicestershire. The current timetable for the production for the Strategic Growth Plan is as follows:

STRATEGIC GROWTH PLAN FOR LEICESTER AND LEICESTERSHIRE	
Timescale	Action
Summer 2016	Consultation on the Strategic Growth Statement Continue to develop the evidence base (for example Housing and Economic Development Needs Assessment) Initial consideration of spatial options
Autumn 2016	Consideration of consultation responses on the Strategic Growth Statement Continue to develop the strategic evidence base Further consideration of spatial options
Winter 2016	Finalise housing numbers and employment land requirements – new Memorandum of Understanding
Summer 2017	Consultation Draft Strategic Growth Plan
Autumn 2017	Consideration of consultation responses on Draft Strategic Growth Plan

- 3.8 The inclusion of Neighbourhood Development Plans within the Local Development Scheme timetable is not necessary as they are prepared by the community who dictate the timetable for preparation; they are however referenced within the Local Development Scheme document as a critical element of the Council's Development Plan.
- 3.9 The LDS contains detail on any Supplementary Planning Documents which could be produced if resources allow. As with Neighbourhood Development Plans, it is not necessary to include these documents within the LDS timetable.
- 3.10 It was originally planned to take the revised LDS to the Full Council meeting on 9 September 2016. However, several factors necessitated delaying final consideration of the draft LDS at that Full Council, these being the recruitment of a new Planning Policy Manager whose remit includes delivery of the Local Plan, work continuing on development of a Local Growth Strategy and the timetable for the production of the Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA) slipped. Development of a Local Growth Strategy for the borough is ongoing and will feed directly into the Local Plan Issues and Options

consultation. It is intended that this will be available for consultation in summer 2017, therefore the Local Plan Issues and Options consultation needs to follow on from this. In addition, the HEDNA, which has been commissioned via the Strategic Planning Group, is an essential evidence component of the new Local Plan and needs to be close to a final draft for the council to take account of its findings in the new Local Plan.

- 3.11 To allow for all of these factors to be taken account of, the timetable for production of the Local Plan has been amended and it is this updated Local Plan timetable set out in the attached draft LDS that the report seeks Member endorsement for.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 This report will be taken in open session.

5. FINANCIAL IMPLICATIONS [TF]

- 5.1 The Local Development Plan has a reserve of £676K at 31 March 2016. This reserve has been created for the purpose of expenses based on the timetable in the report.

6. LEGAL IMPLICATIONS [MR]

- 6.1 Set out in the body of the report.

7. CORPORATE PLAN IMPLICATIONS

- 7.1 The LDS sets out the programme for the preparation of the Borough Council's Local Plan. The documents comprising the Local Plan will contain policies and objectives contributing to the following aims of the Corporate Plan, which will be specified through individual reporting on each document.

- Creating a vibrant place to work and live.
- Empowering communities.
- Supporting individuals

8. CONSULTATION

- 8.1 The Local Plan would be prepared in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012.

9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
The Local Plan is not considered legally compliant.	Ensure the publication and submission dates conform to the LDS.	Chief Planning and Development Officer

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 To set out a programme for the preparation of Local Plan for the Borough, identifying key stages for future consultation on the emerging and future planning framework.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Draft Local Development Scheme 2016 – 2020

Contact Officer: Kirstie Rea - 5857
 Executive Member: Councillor M Surtees

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Hinckley & Bosworth
Borough Council

A Borough to be proud of

**Local Development Scheme
2016 – 2020**

January 2017

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1	Local Development Scheme Programme	

1 INTRODUCTION

What is the Local Development Scheme?

- 1.1 The Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011) requires local planning authorities to prepare, maintain and publish a Local Development Scheme (LDS).
- 1.2 The LDS sets out the programme for the production of Development Plan Documents (DPDs) such as the Local Plan and other complimentary planning documents and includes key stages such as public consultation. This enables local communities, businesses, developers, service and infrastructure providers and anyone else with an interest in the borough to know what is being prepared for their area and when they will be able to get involved.
- 1.3 This LDS covers the period from 2016 to 2019 and updates and supersedes the previous LDS published in February 2015. It provides information about the Hinckley and Bosworth Local Plan 2036 and other related documents that may be produced.

2 Current Hinckley and Bosworth Local Plan

- 2.1 The adopted Hinckley and Bosworth Local Plan consists of:
 - Core Strategy (2009)
 - Hinckley Town Centre Area Action Plan (2011)
 - Earl Shilton and Barwell Area Action Plan (2014) and
 - Site Allocations and Development Management Policies (2016).
- 2.2 There are also a number of supporting Supplementary Planning Documents (SPDs) which provide further guidance on specific themes and policies. Development Plan Documents form part of the Statutory Local Plan, which will form the legal basis for all future planning decisions in the borough. Some of the DPDs and SPDs were produced under the previous Local Development Framework (LDF) system which advocated the production of a portfolio of individual planning policy documents.
- 2.3 Following changes to the planning system over the past few years, the LDF system has been superseded and national policy now advocates the production of a single Local Plan for an area with any additional development plan documents prepared only where there is clear justification or where existing DPDs or 'saved' policies remain in force. The new Local Plan will eventually replace the current suite of adopted local planning documents.

3. Local Development Documents

- 3.1 All documents which comprise or support the delivery of the Local Plan are Local Development Documents.

Development Plan Documents

- 3.2 Development Plan Documents (DPDs) detail the planning strategies for development within the borough. They set out policies and guidance for the use, protection and/or development of land and will normally include the allocation and designation of land for particular uses such as housing or play and open space. These must be in general conformity with government guidance, in particular the National Planning Policy Framework. DPDs carry the most weight for determining planning applications and form the 'Development Plan' for the borough in conjunction with any Neighbourhood Development Plans once made.

Neighbourhood Development Plan

- 3.3 Neighbourhood Development Plans (NDP) are community-led plans for guiding the future development and growth of a local area. They were introduced by the Localism Act (2011) and although not compulsory, once they are duly prepared and legally come into force they become a statutory document that forms part of the development plan. An NDP can be used to set a shared vision for an area, shape and direct sustainable development and set policies to aid determination of planning applications. They must be in general conformity with the strategic policies of the Local Plan and are prepared to a timescale that is set by the Parish, Town Council or Neighbourhood Forum that is producing it. As local planning authorities are not responsible for the preparation or timetabling of any NDPs that are proposed, they are not detailed in this LDS.
- 3.4 A number of parishes have or are in the process of producing Neighbourhood Plans. The Council provides officer support and advice in preparing these plans. More information about Neighbourhood Planning can be found on the borough council's web site.

Supplementary Planning Documents

- 3.5 Supplementary Planning Documents (SPDs) are documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. SPDs are capable of being a material consideration in planning decisions but do not form part of the development plan.

Statement of Community Involvement

- 3.6 This Statement of Community Involvement (SCI) document sets out the standards to which the Local Planning Authority (LPA) will engage and consult the public and other stakeholders during the production of the Local Plan and when dealing with planning applications.

Authority Monitoring Report

- 3.7 The council is required to monitor annually how effective its policies and proposals are. An Authority Monitoring Report (AMR) will be published by the council each year to inform LDS reviews and will be made available for public inspection.
- 3.8 As part of the monitoring process, the council will assess:
- Whether it is meeting, or is on target to meet, the milestones set out in the LDS and, if not, the reasons why
 - What impact Local Development Documents are having on other national and locally set targets
 - Whether any policies need to be reviewed or replaced to meet sustainable development objectives
 - What action needs to be taken if policies need to be replaced
- 3.9 As a result of monitoring, the council will consider what changes, if any, need to be made. If changes are appropriate, these will be brought forward through the review of the LDS.

4. Other Key Plans and Strategies

Leicester and Leicestershire Strategic Growth Plan

- 4.1 Hinckley and Bosworth is part of the defined wider housing market for Leicestershire. Currently the nine local authorities in Leicester and Leicestershire and the Local Enterprise Partnership are working together to determine the future need for homes and jobs and agree how these should be distributed across Leicester and Leicestershire districts. A Strategic Growth Plan is being jointly prepared to demonstrate these needs and detail how jobs and homes can be planned for in a coordinated way through local plans. There are three distinct phases to development of the Strategic Growth Plan, these being:
- Strategic Growth Statement – Summer 2016
 - Draft Strategic Growth Plan – Summer 2017
 - Final Strategic Growth Plan – Autumn 2017

- 4.2 The Strategic Growth Plan is a positive response to the Duty to Cooperate requirement introduced by the Localism Act 2011. The broader strategy and jobs and homes figures contained in the Strategic Growth Plan and its timetable for production will directly influence development of the next Hinckley and Bosworth Local Plan. Therefore, the relationship between work on the Strategic Growth Plan and preparation of the Local Plan is an important one and is recognised in the risk considerations in Section 7.

Hinckley and Bosworth Local Growth Strategy

- 4.3 Early in 2016, the borough council engaged with parishes and developers through two growth workshops. The object of these workshops was to facilitate early engagement in discussing possible growth options and opportunities for the Borough. The workshops explained that a new Local Plan is being prepared for the plan period beyond 2026 and the borough would need to provide for additional housing, employment or other development needs identified through evidence. Four possible options for delivering identified needs were discussed, these being:

- New settlement(s)
- Urban concentration
- Key rural centres and villages
- Key rural centres relating to Leicester

Participants were also asked for any alternative options. Consideration was given to each option in terms of infrastructure, the environment, social and economic aspects. The feedback from these sessions and future ones, along with relevant evidence will be used to inform the spatial strategy in the new Local Plan. It will also be a stand alone strategy to illustrate the borough council's ambitions in terms of the future direction for growth of the borough post 2026.

Minerals and Waste Local Plans

- 4.3 Leicestershire County Council is responsible for preparing Minerals and Waste Local Plans and determining planning applications for minerals and waste uses across Leicestershire. The current planning framework comprises the Waste Core Strategy and Development Control Policies and Minerals Core Strategy and Development Control Policies DPDs (adopted 2009) and some 'saved' policies from the Waste Local Plan (adopted 2002). The County Council consulted upon the scope of the new Minerals and Waste Local Plan in November 2013 – January 2014.

Local Transport Plan

- 4.4 Leicestershire County Council, as the highways authority is responsible for preparing the Local Transport Plan (LTP). LTP 3 was published in 2011 and sets out the highways authority will seek to ensure that

transport continues to play its important role in helping Leicestershire to continue to be a prosperous, safe and attractive County.

- 4.5 A number of other important Borough Council, County Council and external strategies and evidence base documents are also taken into account when preparing DPDs and SPDs. The documents are considered during the scoping of a DPD/SPD and throughout the Sustainability Appraisal process.

5. Programme of work 2016 – 2020

- 5.1 The council’s priority over the above four year period is to prepare and submit for examination a single Local Plan.

- 5.2 The Local Plan will use the existing suite of adopted development plan documents as the baseline strategy and vision for Hinckley and Bosworth to 2036 and will compile new, up to date robust evidence and undertake wide ranging consultation to review these documents to check they are still appropriate and meet current government policy and guidance. Existing commitments for housing, employment and other land uses will be taken into account and the new plan will also identify further sites in the borough to meet identified needs of its communities. The Local Plan will also include specific policies to aid the determination of planning applications for the development of land and buildings as well as an updated proposals map. The new Local Plan on its adoption will supersede documents and policies which currently make up the local development plan.

- 5.3 As with past individual development plan documents, the new Local Plan will be produced in stages with several opportunities for the public and other interested parties to participate in the decision-making process on a wide range of planning issues. In concert with this, the council will continue to engage with specific prescribed bodies such as national agencies, service providers and neighbouring local authorities in line with the Duty to Cooperate requirements.

- 5.4 Although legislation no longer requires council’s to undertake three formal stages of public consultation on the preparation of a Local Plan, it is still felt that this approach presents the most appropriate method of undertaking effective engagement. Section eight contains a detailed preparation profile but the key milestones for the Local Plan are as follows:

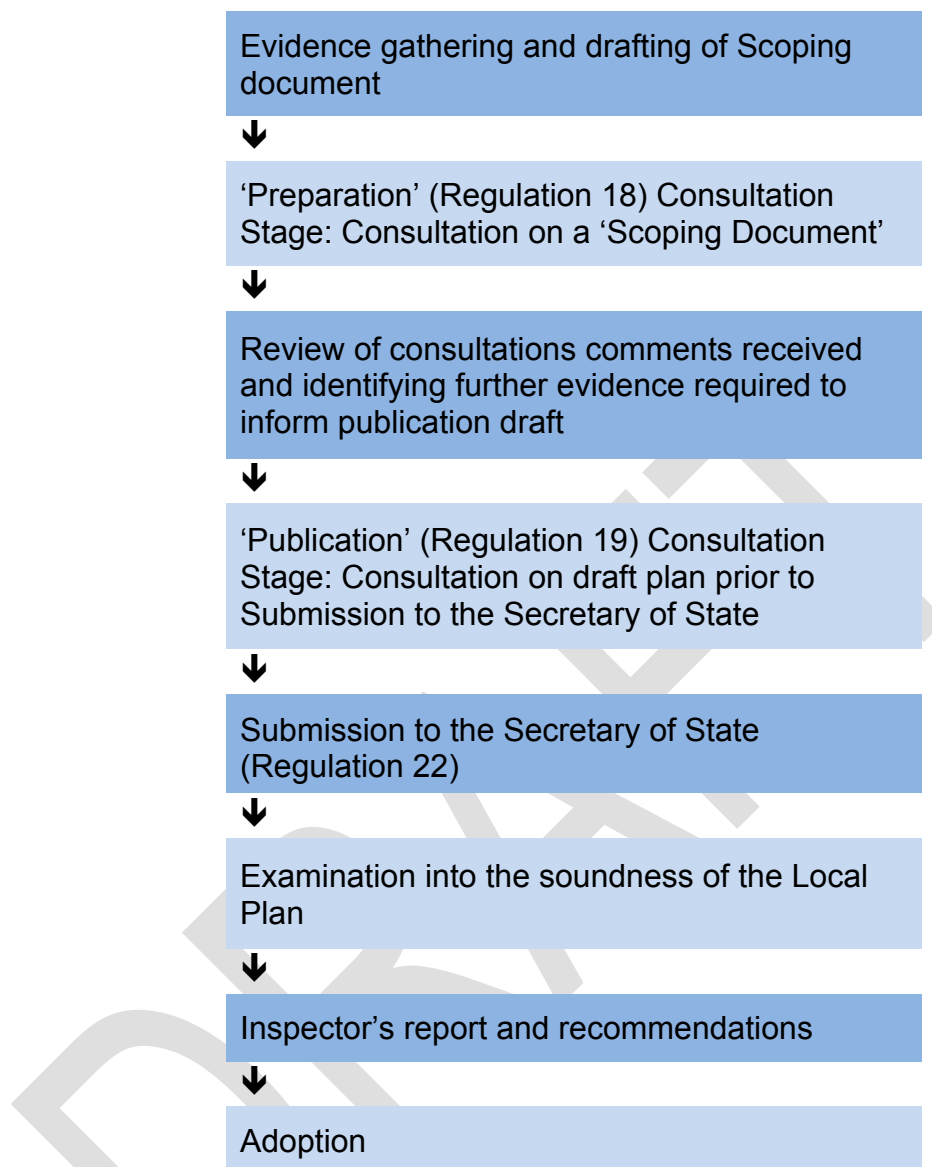
Stage	Target date
Regulation 18 public consultation on the scope, key issues and options of the Local Plan	August - September 2017
Draft Plan public consultation	April 2019

Proposed pre-submission document public consultation	November 2019
Submission to the Secretary of State for Independent Examination	February 2020
Examination hearings	June 2020
Adoption by Full Council	November 2020

- 5.5 The timetable for production could change during preparation of the Local Plan. Where this occurs this would necessitate an update to the LDS.
- 5.6 Full details in relation to the regulatory and consultation requirements for production of a Local Plan can be found in the Town and Country Planning (Local Planning) (England) Regulations 2012. However for information the process of producing DPDs is summarised in Figure 1 below:

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Figure 1: Stages for Preparing a Development Plan Document



- 6.1 The LDS programme for the preparation of the Local Plan is provided in Appendix 1. It identifies the delivery of the Local Plan as the priority along with potential Supplementary Planning Documents considered necessary to amplify local planning policy.
- 6.2 The Local Plan (2016 – 2036) for the borough will therefore comprise of the following:
- **The Local Plan Development Plan Document** provides the strategic policies in order to deliver the vision for Hinckley and Bosworth borough up to 2036. It will take account of the Strategic Growth Plan for Leicester and Leicestershire and will include the identification of sites to meet any recognised development needs as well as land use designations and policies by which to determine planning applications. The Local Plan will eventually replace the current suite of adopted Development Plan Documents.
 - **Infrastructure Planning and Developer Contributions SPD** will set out how the council will approach securing planning obligations from developers towards a range of infrastructure to support the delivery of truly sustainable development. This SPD will include, but will not be limited to:
 - Transport
 - Affordable Housing
 - Education
 - Health
 - Play and Open Space
 - Sport and Recreation
 - Waste Management
 - Library Services
 - Emergency Services
 - Utilities
 - Telecommunications
 - Public realm

The document will supersede the following Supplementary Planning Documents:

- Affordable Housing SPD (2011)
- **Design Supplementary Planning Document (SPD)** will provide a guide for the future development of the towns, villages and wider rural areas in Hinckley and Bosworth Borough. The intention is not to make the prescriptive in terms of requirements or standards, rather it will seek to encourage developers and designers to think

about the context of the site and how a development might contribute to and enhance an area. Potentially the SPD may include urban design principles and the planning context for enriching the public realm, particularly where there are heritage considerations, with any resultant contributions requirement contained in the comprehensive Infrastructure Planning and Developer Contributions SPD. The aim is to ensure high quality development throughout the district regardless of scale or location. National guidance and good practice from other sources will be signposted alongside more detailed local guidance specific to particular areas that can respond to rather than detract from local character enhance.

- 6.3 The Hinckley and Bosworth Policies Map (including inset plans) will be updated to illustrate Development Plan Documents as they are adopted.

Changes to the LDS Programme since 2015

- 6.4 A number of changes have been made to the LDS programme from 2015, accommodating the council's approach to preparing and reviewing its Local Plan and a review of the Supplementary Planning Documents. The most significant changes are summarised below and set out in Table 1.
- 6.5 **The Site Allocations and Development Management Policies DPD**
Following the hearing sessions held in September and October 2015 and the Main Modifications consultation earlier this year, the council received the Inspector's Report in May 2016. The final Site allocations and Development Management Policies DPD was considered and adopted by Full Council in July 2016. The Site Allocations and Development Management Policies DPD now forms part of Hinckley and Bosworth Borough's Local Plan.
- 6.6 **The Gypsy and Traveller Allocations DPD** was programmed to begin in September 2015, with an initial consultation on a scoping document in early 2016. Due to changes to the definition of gypsies and travellers by Central Government, significant changes are needed to the Borough Council's evidence to support the development of this document. Updated evidence on Gypsy and Traveller needs has just been finalized and due to its findings, it is considered appropriate to include allocations for gypsy and traveller provision in the Local Plan review where relevant rather than have a separate DPD.
- 6.8 The Hinckley and Bosworth **Local Plan Review** was originally programmed to commence in December 2014. Work on the evidence base to inform the plan was started in the form of a Strategic Housing Market Assessment which was completed in June 2014. Significant work was not started on the Local Plan in December 2014 as planned as it was decided to focus resources on the completion of the Site Allocations and Development Management Policies DPD as a further round of consultation was required on the document prior to

submission, which was not foreseen when the 2013 timetable was compiled. Now that the Site Allocations and Development Management Policies DPD has been completed and adopted, the LDS is being reviewed in order to refresh the programming of the preparation of a single Local Plan.

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3 MANAGEMENT OF DEVELOPMENT PLAN PREPARATION

Project Management and Resources

- 7.1 The Planning Policy Team is responsible for preparing the Local Plan and coordinating work required to support the delivery of the documents set out in this LDS on a day to day basis. The council will work closely with colleagues from other Service Areas and external agencies to prepare evidence base documents and inform policies in the Local Plan.
- 7.2 Consultants will be engaged on specific projects to provide technical expertise or where there is a need for independent advice. Some work will be undertaken in conjunction with Leicestershire County Council particularly to identify infrastructure and highways requirements and where opportunities arise with other districts to avoid duplication of effort across the county such as the preparation of a Strategic Flood Risk Assessment.
- 7.3 The council makes annual contributions from its revenue budget to an earmarked reserve to fund the plan preparation process. The Development Services department has a business plan which provides a framework for project delivery and this plan is reviewed annually.
- 7.4 Resource and financial implications have been considered through the preparation of this LDS. Measures are being taken to address existing staffing shortages and vacancies are being actively recruited so it is not envisaged that the team would not be able to sufficiently resource preparation of the Local Plan throughout the proposed timeframe. Furthermore the council will continue to explore appropriate opportunities for joint working with neighbouring authorities.
- 7.5 The profiles in Section 4 identify management responsibilities for each area of work.
- 7.6 Regular meetings are held between the Chief Planning and Development Officer and the Planning Policy Manager to ensure lines of communication are working and to review progress of plan preparation.
- 7.7 Progress on the LDS programme and the preparation of the Local Plan will be reported at various Senior Management and Member briefings as and when considered necessary. Furthermore, DPDs are subject to consideration and approval through the relevant committee process prior to consultation at each stage. The levels of political responsibility include the following:

- Consideration at the Planning Policy and Regeneration Member Working Group as and when required throughout the preparation of DPDs and SPDs, including evidence base documents.
- Council Resolution required for consultation, submission and adoption stages

Risk Assessment

7.8 In preparing the LDS a risk assessment has been carried out to identify key factors that could impact on the ability of the council to deliver the Local Plan in line with the specified programme. The key risks and mitigation measures include:

Identified Risk	Level of Risk	Potential Mitigation
Staff resources	High	<p>Consider options for increasing skills and capacity/resources, including filling vacant posts and/or recruiting temporary staff.</p> <p>Look at joint working arrangements with other local authorities and other agencies.</p> <p>Review timescales where capacity issues arise.</p>
Changes to national policy and/or legislation	Medium/High	<p>Keep up to date with national policy and/or legislative change.</p> <p>Make appropriate changes to emerging plans and policies as necessary and undertake further evidence gathering and consultation where required.</p> <p>Review timescales where necessary.</p>
Lack of capacity/resources within external	Medium	<p>Early and ongoing engagement with key organisations will help</p>

organisations including the Planning Inspectorate		<p>to identify capacity issues should they seem likely.</p> <p>Enter into a Service Level Agreement with the Planning Inspectorate.</p> <p>Review timescales where necessary.</p>
Political issues	Low/Medium	<p>Have in place robust political management arrangements.</p> <p>Early and ongoing dialogue with Members, particularly at key stages of the plan preparation.</p>
Financial considerations	Low - High	<p>Continue to make annual contributions to Local Plan preparation reserve.</p> <p>Keep the Planning department business plan up to date.</p>
Slippage in strategic evidence gathering/planning timetable or other Duty to Cooperate matters	Medium/High	<p>Continued representation and engagement in strategic work will ensure any slippage is identified early.</p> <p>Review timescales where necessary.</p>
Legal compliance and soundness tests not met at examination or post examination legal challenge	High	<p>Ensure legal and procedural requirements as set out in the relevant regulations have been met.</p> <p>Seek appropriate legal advice as necessary.</p>

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4 LOCAL DEVELOPMENT DOCUMENT PROFILES

8.1 Local Plan Development Plan Document

OVERVIEW	
Role and subject	The Local Plan will set out the overall development strategy for Hinckley and Bosworth Borough for the period up to 2036. It will include strategic policies and allocate sites to meet identified development needs such as for homes, jobs retail, recreation/open space, nature conservation and other required land uses as identified by evidence. It will provide appropriate policies and guidance by which to determine planning applications for example design guidance, conservation and protection of natural resources.
Geographical coverage	Borough-wide
Document type	Development Plan Document
Chain of conformity	It must be in conformity with the National Planning Policy Framework and reflect the Leicester and Leicestershire Strategic Growth Plan
TIMETABLE	
Stage	Target date
Document preparation and stakeholder engagement	January 2016 – July 2017
Consultation on the Scope and Issues and Options	August - September 2017
Consideration of representations and Stakeholder discussions	October 2017 – March 2018
Public consultation on Draft Plan	April – May 2019
Pre-Submission Modifications public consultation	September – November 2019
Submission to Secretary of State	February 2020
Estimated programmed date for examination	June 2020
Programmed date for adoption	November 2020

ARRANGEMENTS FOR PRODUCTION	
Organisational lead	The Planning Policy Team
Management arrangements	The Planning Policy Team will co-ordinate and manage work on a day to day basis. Elected Members will be briefed at pertinent stages in order to inform recommendations to relevant meetings as appropriate.
External resources	Formal and informal consultation responses from external stakeholders and service and infrastructure providers. Consultants to assist with the preparation of evidence based documents and attendance at examination as required.
Stakeholder and community involvement	Stakeholder and community engagement and consultation will be essential at each stage of production and the arrangements for this will be in line with the Town and Country Planning Regulations and the Statement of Community Involvement.
Monitoring and review	The DPD will be subject to regular monitoring and review to test the effectiveness of the policies and delivery of site allocations and the findings reported on an annual basis through the Authority Monitoring Report.

4.5 **Infrastructure Planning and Developer Contributions
Supplementary Planning Document**

OVERVIEW	
Role and subject	The purpose of the SPD will be to set out how the council will approach securing planning obligations from developers towards a range of infrastructure to support the delivery of truly sustainable development.
Geographical coverage	Borough-wide
Status	Supplementary Planning Document
Priority	High
Chain of conformity	Must be in conformity with relevant national policy and policy within the Local Plan DPD.
ARRANGEMENTS FOR PRODUCTION	
Organisational lead	The Planning Policy Team
Management arrangements	The Policy Team will co-ordinate and manage work on a day to day basis. Senior Management and Members will be regularly briefed and offer an opportunity to inform recommendations to Executive and other Council meetings as appropriate.
External resources	No external resources are currently envisaged to prepare the SPD as it will be prepared internally. However external stakeholders will be contacted to gather the evidence to inform the contents of the SPD.
Stakeholder and community involvement	As described above the SPD will be compiled in conjunction with key stakeholders to inform the contents. A draft SPD will be subject to a formal consultation exercise in line with the Town and Country Planning Regulations and the Statement of Community Involvement.
Monitoring and review	The effectiveness of the policies and delivery of the relevant DPDs will be monitored on an annual basis through the Authority Monitoring Report. The implications of any changes to relevant plan policies to the SPD as a result of monitoring will be considered.

4.6 Design Supplementary Planning Document

OVERVIEW	
Role and subject	<p>The SPD will provide guidance for developers and designers where good design in context can contribute to and enhance areas in the borough, especially with regard to the public realm</p> <p>The SPD will supplement relevant policy within the Local Plan DPD.</p>
Geographical coverage	Borough-wide
Status	Supplementary Planning Document
Priority	High
Chain of conformity	Must be in conformity with relevant national policy and policy within the Local Plan DPD.
ARRANGEMENTS FOR PRODUCTION	
Organisational lead	The Planning Policy Team
Management Arrangements	The Policy Team will co-ordinate and manage work on a day to day basis. Senior Management and Members will be regularly briefed and offer an opportunity to inform recommendations to Executive and other Council meetings as appropriate.
External resources	No external resources are currently envisaged to prepare the SPD as it will be prepared internally. However external stakeholders will be contacted to gather the evidence to inform the contents of the SPD.
Stakeholder and community involvement	A draft SPD will be subject to a formal consultation exercise in line with the Town and Country Planning Regulations and the Statement of Community Involvement.
Monitoring and review	The effectiveness of the policies and delivery of the relevant DPDs will be monitored on an annual basis through the Authority Monitoring Report. The implications of any changes to relevant plan policies to the SPD as a result of monitoring will be considered.

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HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

11 AUGUST 2016 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman
Mrs R Camamile – Vice-Chairman

Mr DC Bill MBE, Mr SL Bray, Mr WJ Crooks, Mrs J Richards, Mr BE Sutton,
Mr P Wallace, Mr R Ward, Mr HG Williams and Ms BM Witherford (for Mr KWP Lynch)

Also in attendance: Councillor J Kirby, Councillor C Ladkin, Councillor M Nickerson and
Councillor SL Rooney

Officers in attendance: Steve Atkinson, Bill Cullen, Edwina Grant, Simon D Jones, Julie
Kenny, Rebecca Owen and Nic Thomas

106 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor Lynch with the substitution
of Councillor Witherford authorised in accordance with Council Procedure Rule 4.

108 DECLARATIONS OF INTEREST

No interests were declared at this stage.

112 LOCAL DEVELOPMENT SCHEME UPDATE

Members received a report which proposed a revised Local Development Scheme (LDS)
for 2016-19 which was a statutory requirement and crucial in decision making. During
discussion and in response to questions asked, the following points were made:

- The significant weight of the local plan in decision making
- The need to commit to support all parishes and defined communities, particularly
on approaching the end of the period covered by the document in 2019
- The need to keep abreast of housing numbers and delivery of affordable housing
(it was noted that a report on affordable housing delivery was on the work
programme for the October meeting)
- The gypsy and traveller study, the outcome of which would be reported to the
planning policy working group, was queried and it was requested that it be
presented to a future meeting of the Commission
- The important need to explain reasons for housing growth to the public.

RESOLVED –

- (i) Council be RECOMMENDED to make a commitment to
neighbourhood planning;
- (ii) The outcome of the gypsy and traveller study be brought to a
future meeting.

(The Meeting closed at 9.05 pm)

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Hinckley & Bosworth
Borough Council

A Borough to be proud of

COUNCIL 10 January 2017
WARDS AFFECTED: HINCKLEY TRINITY WARD

LAND AT FERNESS ROAD

Report of The Director of Corporate Services

1. PURPOSE OF REPORT

- 1.1 To seek approval to dispose of land in Hinckley Ferness Way to enable housing development.

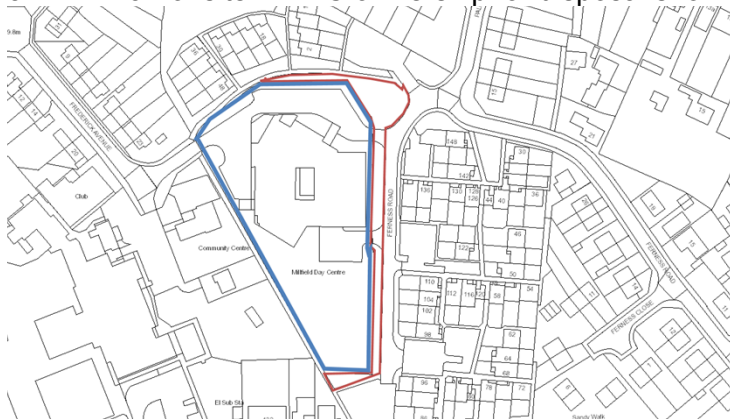
2. RECOMMENDATIONS

- 2.1 That Council approves that the site is withdrawn as informal Open Space and is designated as surplus to requirements.
- 2.2 That Council approves disposal of the site for development in conjunction with the adjacent site owned by Leicestershire County Council at a price of not less than 14% of the net joint sale proceeds of the combined site.

3. BACKGROUND TO THE REPORT

- 3.1 The Council owns land forming part of the highway verge and informal open space in Ferness Road which adjoins the site owned by the Leicestershire County Council known as the Millfield Centre

- 3.2 Plan of site. HBBC ownership for disposal shown Red, LCC ownership shown Blue.



- 3.4 Leicestershire County Council has approved disposal of their site for housing development and will shortly commence public consultation prior to marketing.
- 3.5 The development proposal intends to form vehicular access from Ferness Road with blocking of the exiting access from Frederick Avenue as that is the preference expressed by the Highways Service. Whilst there are two existing vehicular access points in Ferness Road, the development would be better composed by changing the existing arrangements.
- 3.6 The area proposed for disposal excludes other land to the south as it is thought important to retain an informal area for casual use by nearby residents.
- 3.7 An independent external valuation has not been obtained as this is difficult to assess as the site is being sold with the existing buildings and full site investigation not undertaken. However, advisers for LCC expect a minimum net price of £150,000 per acre which is calculated to be a minimum £21,000 for HBBC. The intention is for LCC to widely and openly market the site to seek best offers. On its own, the HBBC land has no intrinsic value but a development value will be obtained through this proposal.
- 3.8 Terms for marketing and sharing the costs and net proceeds have been negotiated with LCC who intend to now commence public consultation.
- 3.9 This matter was considered and Recommended by the Asset & Regeneration Strategy Group at a meeting on 9th August 2016

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 To be taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

- 5.1 Disposals costs will be incurred by the County Council. This Councils element of the disposal cost will be deducted from the sale proceeds. Therefore HBBC will receive its receipts net of disposal costs.
- 5.2 The receipt generated will go towards funding the capital programme.

6. LEGAL IMPLICATIONS [AR]

- 6.1 Section 123 of the Local Government Act 1972 empowers the Council to dispose of its land provided the Council secures the best consideration that can reasonably be obtained when disposing of the land.
- 6.2 This statutory power also sets out requirements in any disposal of Public Open Space. This includes the requirement for the proposed disposal to be advertised for two consecutive weeks in a local newspaper, with any objections being considered by the Council

7. CORPORATE PLAN IMPLICATIONS

- 7.1 The proposal, by enabling new housing, meets the objective of *Creating a vibrant place to work and live.*

8. CONSULTATION

8.1 No external consultations have been undertaken but will be as part of the planning application.

9. RISK IMPLICATIONS

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Not able to achieve an optimum layout and highway access	Inclusion of HBBC land within the development.	Robert Vaughan

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 This proposal enables further housing development to meet the needs of the community.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: none

Contact Officer: Robert Vaughan, Principal Surveyor, 01455 255867
Executive Member: Councillor M Surtees

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Hinckley & Bosworth
Borough Council

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FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION
COUNCIL

8 December 2016
10 January 2017

WARDS AFFECTED: ALL WARDS

Local Council Tax Support Scheme

Report of the Chief Executive

1. PURPOSE OF REPORT

- 1.1 To provide an update on the current Local Council Tax Support Scheme (LCTS) and to seek approval that the current level of support (88%) is maintained from 2017/18 or that it is reduced to a level no lower than 80%, for the reasons stated in the report.

2. RECOMMENDATION

- 2.1 Members consider the options provided and approve the retention of the current level of maximum Council Tax support at 88% or a reduction to a level no lower than 80% as from 1 April 2017.

3. BACKGROUND TO THE REPORT

- 3.1 Local Council Tax Support helps those on low incomes to pay their council tax. In 2013, LCTS replaced the old Council Tax Benefit scheme, in which the Government set rules about who could claim help towards their council tax bill. Hinckley and Bosworth Borough Council (HBBC) is part of the Leicestershire & Rutland Welfare Practitioners Group (LRWPG), which has been directed by the Leicestershire Treasurers group to review the council tax support scheme and establish co-operation and share best practice across Leicestershire and Rutland for welfare benefits administration and processing. The objectives of HBBC, and the wider LRWPG project, are to:

- successfully review the current scheme and to implement changes to the scheme, on time and to budget;
- establish appropriate co-operation across Leicestershire councils directly affected by the project, whether or not currently responsible for local council tax support;
- identify and maximise opportunities for county-wide efficiency within the schemes;

- review their schemes with a view to reducing costs on the current schemes whilst meeting established principles i.e. protecting the most vulnerable and incentivising work.
- 3.5 The following CTS scheme options are modelled against the updated current scheme for working age households.
- Model 1 – Maximum Council Tax Support reduced to 70% for all households
 - Model 2 – Maximum Council Tax Support reduced to 80% for all households
 - Model 3 – Introducing a band cap at band D, and a capital limit of £6,000
- 3.6 The schemes were agreed with the council as being relevant for consideration, as part of a coordinated review of the existing LCTS schemes in Leicestershire, with a view to adopting new schemes from 1st April 2017. A reduction on LCTS also interacts with other support offered to households in the area; a list of wider welfare considerations noted in the consultation report is set out at Appendix 1. The options covered below have financial information in relation to the whole of Council Tax for all precepting bodies and are not just in relation to HBBC.
- 3.6.1 Consultation has been carried out in relation to these options, plus a question on Council Tax Support being reduced to 75% for all households. The majority of respondents (61% for HBBC and 59% for the Leicestershire area) replied they wished there to be no change to the current level of LCTS given. However, there were only 53 respondents for the HBBC area. The potential options have been discussed informally with the other District Council Leaders in Leicestershire who have concluded that there is no appetite from any District Council in Leicestershire to move to a level below 80%, although no figure was agreed.

Current scheme and Options

- 3.7 The current scheme (2016/17) is modelled on the pre-2013 Council Tax Benefit scheme, but with support capped at 88% for working-age households. All councils must retain this scheme in respect of pensioner households; therefore, modelling for revised schemes is for working age households only. Our current caseload in receipt of LCTS is 5,837 households of which 3,102 are pensioners (who are protected and will continue to receive 100% support), with the remainder of 2,735 working age households will all lose some level of support under either of the reduced schemes.
- 3.8 The cost of the current scheme is £4.66m, with £1.98m spent on working age households, who could potentially be impacted by changes in LCTS. The remaining £2.68m is spent on pension age households, who are fully protected from any changes in support. Council Tax Liability has been modelled to increase by 3.99% in 2017/18. This will increase the costs of support by 4.1% to £4.88m, or £2.05m for working age households.

Model 1 - Maximum Council Tax Support reduced to 70% for all households

- 3.9 Council tax support falls on average by £3.32 per week (£172.53/year) for working age households. Looking at the effects of this scheme across different household groups, we observe a few variations. Households living in band C (or higher) properties, private tenants, lone parents and in work households face the highest reduction in CTS, compared to the amount of support they would receive if the current scheme was maintained in 2017/18.

Annual cost of modelled scheme - working age households			
	Scheme Cost	Comparison to uprated current scheme cost	
	£/annum	Change/£ annum	% change
Working age	£1,598,213	-£454,797	-22.20%
Pension age	£2,796,355	£0	0.00%
Total	£4,394,568	-£454,797	-9.90%

3.10 Under this proposal 81 households would be removed from receiving any support. However, a far wider number of households will face reductions in their income as noted above (para 3.7).

Model 2: Maximum Council Tax Support reduced to 80% for all working age households

3.11 Scheme 2 models a reduction in maximum support from 88% to 80% for all working age households. Our analysis finds that, under this scheme, council tax support falls on average £1.49 per week (£77.23 / year) for working age households. Similar to Model 1, households living in band C or higher properties, owner occupiers, couples with children and households that are self-employed will face the highest drops in the level of support received

Annual cost of modelled scheme - working age households			
	Scheme Cost	Comparison to uprated current scheme cost	
	£/annum	Change/£ annum	% change
Working age	£1,849,428	-£203,582	-9.90%
Pension age	£2,796,355	£0	0.00%
Total	£4,645,783	-£203,582	-4.20%

3.12 Under this proposal 33 households would be removed from receiving any support. Again, a far wider number of households will face reductions in their income.

Model 3 – Introducing a band cap at band D, and a capital limit of £6,000

3.13 Council tax falls by an average of 22p per week (£15.37 / year). 36 working age households would lose their support altogether, 25 of them due to the lower capital limit of £6,000. Owner-occupiers living in higher banded properties (E, F, G) are impacted the most. This will need a higher level of administration as it is targeting a subset of households and includes consideration of the level of savings held. This may incur additional costs to the council.

Annual cost of modelled scheme - working age households			
	Scheme Cost	Comparison to uprated current scheme cost	
	£/annum	Change/£ annum	% change
Working age	£2,012,500	-£40,510	-9.90%
Pension age	£2,796,355	£0	0.00%
Total	£4,808,855	-£40,510	-4.20%

- 3.14 Each of the schemes seeks to make savings, but does so to different extents with a corresponding impact on low income households. They are each modelled on the current scheme, which is in turn modelled on the original Council Tax Benefit scheme, retained for pensioners. This helps to ensure each of the proposed schemes can be administered effectively, without significant changes in administration.
- 3.15 There are no protected groups within the scheme itself, but there is a discretionary council tax hardship scheme to support households who may need additional support to pay their council tax. There are 447 lone parents with children under five and 824 households in receipt of ESA, DLA or Carer's Allowance, who may qualify for this type of support.
- 3.16 Migration to Universal Credit has not been included when modelling the specified schemes, as it is unlikely to have a significant impact in 2017/18.
- 3.17 A high level summary of the impact of the three options is given at Appendix 2

Equality Impact assessment

- 3.18 Part of the considerations of the Council Members in deciding on which option to take is to ensure any decision is balanced and ensures that the financial savings made from changes to the level of LCTS is balanced against the impact on the families and individuals affected. The options noted above have included information on household removed from support under the various scenarios described, and Appendix 1 covers some wider welfare issues.
- 3.19 We have engaged a third party (Policy in Practice) to determine the cumulative impact of welfare reform on each individual household which is currently in receipt of housing benefit or council tax support. The household dataset being considered will cover a range of differing areas, including:
- Household characteristics
 - The impact of Coalition reforms (LHA freeze, under-occupation, £26k benefit cap, council tax support)
 - The impact of major reforms in the current parliament (reduced benefit cap (£23k / £20k), Universal Credit)
 - Reforms affecting new claimants
 - Mitigating measures put in place including the introduction of the National Living Wage, increased income tax allowance, an extra 15 hours of free childcare for 3-4 year olds Details of records that the local authority should investigate further to mitigate the impact of reforms (e.g. Benefit Cap households in work, receiving ESA or households earning below minimum wage), and

- Barriers to work
- Disabilities or caring responsibilities for adults / young children

3.20 **Among other things, the dataset can be used to proactively identify households** negatively impacted by future reforms (e.g. benefit cap or Universal Credit) and identify households affected by current reforms.

Discretionary Discount Fund

3.21 The discretionary fund will continue to be in place and is used to support those people who will have great difficulty paying council tax. The discretionary fund is a fundamental part of the scheme; it provides districts with the flexibility to assess on a case by case basis requests for financial assistance from people who are vulnerable or suffering from severe financial hardship.

3.22 The discretionary fund also mitigates the potential increase in the number of small bad debts and impact on demand for public services more generally. The Fund will have common eligibility criteria enabling discretionary discounts to be offered to residents on a case by case base. The fund is proposed to be cash limited with the option to increase the limit in exceptional circumstances if deemed necessary. The table below gives the most recent information on the amounts set aside for the Discretionary Discount Fund, which dates from 2013/14 and totals £348,114. It is likely that this will need to be more highly funded

	BLA	CHA	HAR	HIN	MEL	NWL	OAD
Billing Authority	£6,543	£11,085	£4,792	£6,151	£3,447	£8,589	£4,201
County Council	£32,759	£67,463	£25,044	£42,981	£18,118	£41,489	£22,046
Leics Fire	£1,644	£3,384	£1,256	£2,157	£910	£2,080	£1,105
Leics Police	£5,358	£11,035	£4,096	£7,027	£2,963	£6,785	£3,606
Total Gross Cost	£46,304	£92,967	£35,188	£58,316	£25,438	£58,943	£30,958

3.23 When the Discretionary Discount Fund it was made clear it would be for those in significant financial hardship. It also noted that applications for Discretionary Council Tax Support (DCTS) should be one of last resort. Applicants will be expected to have explored and secured any lawful entitlement to other benefits, incomes and reductions in preference to claiming DCTS. Applicants will need to ensure they are able to satisfy the Council that they have taken all reasonable steps to resolve their own situation prior to application.

3.24 Of the £58,316 available for the HBBC area, £12,722 has been awarded to the end of September 2016 to applicants able to satisfy the requirements needed to be awarded assistance from this fund.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 Report to be taken in open session

5. FINANCIAL IMPLICATIONS [AW]

5.1 Contained within the body of the report

6. LEGAL IMPLICATIONS [AR]

6.1 The Schedule 1A of Local Government Finance Act 1992 requires all local authorities to consider each financial year whether to revise its Local Scheme for Council Tax. For any changes to the Scheme to have effect in the 2017/2018 financial year the revision must be made by 31 January 2017.

7. CORPORATE PLAN IMPLICATIONS

7.1 This report and its outcomes contribute to all the Council aims, but particularly that of "Providing value for money and proactive services".

8. CONSULTATION

8.1 The Local Government Finance Bill imposes a duty on billing authorities to consult with major precepting authorities and such other persons as it considers likely to have an interest in the scheme.

8.2 All authorities within Leicestershire have consulted on plans to make changes to the benefit cap based on the models noted at 3.5 above.

8.3 The different participating councils in the consultation used differing methods to complete the survey of views. HBBC included the option to take part in the survey either on-line or by completing a paper copy which was available on request. A summary of the responses, excluding Leicester City Council, indicate that all district councils the largest response was for "No change" at 59% (970 responses), for HBBC this was also the case at 61% (53 Responses). Leicester City Council responses only covered options for 75% and 70% as the level of support, and 49% of respondents supported "No change". Further detail is in Appendix 3.

8.4 Leicestershire County Council has requested that Districts, as the scheme administrators, give serious consideration to a standard level of support at 70%, as a means of securing the highest possible level of income, most of which will accrue to the County Council. The County Council has given an informal commitment that discretionary funding for 'hardship' would be made available to District Councils. It is for the Members of each District Council to agree the level they feel is most appropriate, taking into account the residual impacts on individuals and families and, therefore, on the consequent increase in demand for our own services.

9. RISK IMPLICATIONS

9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The risk in relation to the changes in the level of LCTS is that of unforeseen consequences. As 2,735 working age households will all lose some level of support under either of the two reduced schemes, there is an increased risk they will require alternative support, fall into arrears and generally have less disposable income. The collection rates were report to the FAP Committee in February 2016 as being less than expected, being partially due to reduction in LCTS, and in April 2015 annual collection rates were reported to the same Committee since 2007/08 which indicated a fall in the collection rate following the introduction of the LCTS of around 0.5% compared to the historical level of collection (see table below). This indicates that a further reduction may further reduce the level of council tax collection.

Indicator	2007/08	2008/09	2010/11	2011/12	2012/13	2013/14	2014/15
Collection (%)	98.75	98.53	98.61	98.44	97.93	98.00	<i>Target</i>
							98.1

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 The budget process for the LCTS will impact on all areas of the Borough and all groups within the population. Further details on specific impacts are set out in the 'Modelling Report' by Policy in Practice, available as a background paper.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Medium Term Financial Strategy, Budget Monitoring Reports, 'Council Tax Support Modelling for Hinckley and Bosworth Borough Council' (Paper from Policy in Practice)

Contact Officer: Ashley Wilson, Interim Head of Finance, ext 5609

Executive Member: Cllr M Hall

Appendix 1

Work incentives

In work support under Universal Credit will be significantly less generous than under the current benefit regime. The Local Government Association (LGA) calculated that even before the Autumn Statement 2015, a third of welfare reform savings would be from the working poor. The authority may wish to consider the effects of possible further hardship to this group together with the effect on work incentives. Particularly vulnerable are the working poor who are also private tenants. This group is likely to migrate to Universal Credit at a faster rate than owner occupiers or social housing tenants. Private tenants show a significantly higher level of change of circumstances, resulting in a new claim and thus hastening migration to Universal Credit.

The self-employed are also likely to be affected by the move to Universal Credit as income will be assessed on the minimum wage rather than actual earnings. For many, this will result in benefit support based on a significantly higher notional income than is actually received by the household.

Protection of vulnerable groups

The LGA has calculated that at least 20% of welfare benefit savings will come from cuts in benefit to the disabled. As the local authority has a statutory duty to support vulnerable adults and children, it may wish to consider the impact on other services if there is further hardship to this group.

Tenants

At least 20% of welfare benefit savings have come from tenants. Currently, three quarters of this amount has been saved from private tenants, mostly through implementation of local housing allowances. The extension of local housing allowances to the social rented sector may see an increase in hardship for tenants in this sector. The LGA calculated that private tenants have already lost about £25 per week in benefits, while the figure for those in the social rented sector is about £14 per week. The authority may wish to consider the hardship implications of reduced support for these groups, particularly if tenants fall within more than one group shown to be especially hard hit by welfare reform. For example, 34% of private tenants receiving Housing Benefit are working and 33% of private tenants are in receipt of DLA/PIP or attendance allowance. The groups that have multiple risk factors will be at significant risk of hardship and non-payment of Council Tax if a CTS scheme reduces support over more than one of these areas.

Impact on other discretionary schemes

Any reduction in CT support is likely to have an impact on other discretionary schemes. There may be more pressure on these schemes with the introduction of LHA to the social rented sector and the roll out of Universal Credit. The reduction in support through CTS should also be considered next to the impact of these changes.

Some of the impact of reduced CTS will continue to be managed through the existing discretionary scheme which has support from MBC, County Council, Police and Fire Authorities and provides targeted support to those in financial hardship.

CTS subsidy

Central government funding for CTS is predicted to fall, meaning that councils will increasingly need to meet scheme costs through other means. Subsidy for payment of CTS was initially set at 90% of forecast expenditure for the year 2014/15. Although funding for council tax support was identified within councils' overall Settlement Funding Assessment figures in 2013/14, from 2014/15 onwards it has not been possible to separately identify the level of funding to each council. A report by the LGA states that "although the government claims that the top level transfer indicates that CTS funding has not been cut further, in practice allocations to councils are reducing."² The LGA also calculates that if funding for CTS is reduced in line with overall funding to councils, there will be a reduction of 28% by 2017/3.

Appendix 2

	Current Scheme	Baseline current scheme (Uprated)	Option 1 (70%)	Option 2 (80%)	Option 3 (Band cap & capital limit £6,000)
Scheme description	The current scheme caps supports for working age households AT 88%	Current scheme (CTS @ 88%) uprated by 3.99% for 2017/18, taking into accounts National Living Wage and Tax allowance	Maximum CTS set at 70% for all working age households.	Maximum CTS set at 80% for all working age households.	CTS limited to properties limited to properties at Band D and below and to households with savings below £6,000.
Total cost of Scheme	£4,658,166	£4,849,364	£4,394,668	£4,645,783	£4,808,855
Support to working age households	£1,982,663	£2,053,010	£1,598,213	£1,849,428	£2,012,500
Estimated CT savings relative to current uprated scheme	N/A	N/A	-£454,797	-£203,582	-£40,510
Estimated CT savings relative to current uprated scheme (%)	N/A	N/A	-9.40%	-4.20%	0.80%
Average annual loss in support, working age (Compared to uprated scheme)	N/A	N/A	-£172.53	-£77.23	-£15.37
Number of households losing support all together.	N/A	9	81	33	36

Overview	N/A	The overall cost of support increases in line with the costs of liability.	Council tax support falls on average by £3.32 per week (£172.53/year) for working age households compared to the uprated scheme. 81 in-work households lose support.	Council tax support falls on average by £1.49 per week (£77.23/year) for working age households compared to the uprated scheme. 33 in-work households lose support.	Council tax falls by 50p per week (£15.37/year), 36 households lose support.
Impacts	N/A	Households in higher banded properties will see the highest increases in CTS, while households in work will see an average loss.	Lone Parents, private tenants and in work households are particularly affected.	Lone Parents, private tenants and in work households are particularly affected.	Owner-occupiers in higher banded properties (Particularly couples with children) are more negatively impacted upon.

Appendix 3

All responses excluding Leicester City Council

Main options	NO CTS		Receiving CTS		total	
	numbers	No CTS %	numbers	receiving CTS %	numbers	total %
1 - no change	224	23	353	36	577	59
2 - 80%	72	7	104	11	176	18
3 - 75%	53	5	46	5	99	10
4 - 70%	76	8	42	4	118	12
total	425	44	545	56	970	100

Other options	yes	YES %	no	NO %	don't know	Don't Know %	total
Align to HB	370	39	249	26	335	35	954
Restrict to band D	365	41	307	35	210	24	882
Capital £6K	243	48	205	41	58	11	506

HBBC

main options	NO CTS		Receiving CTS		total	
	numbers	No CTS %	numbers	Receiving CTS %	numbers	total %
1 - no change	31	58	3	6	34	64
2 - 80%	4	8	3	6	7	13
3 - 75%	4	8	0	0	4	8
4 - 70%	8	15	0	0	8	15
total	47	89	6	11	53	100

other options	yes numbers	YES %	no numbers	NO %	don't know numbers	Don't Know %	total numbers
align to HB	18	40	16	36	11	24	45
restrict to band D	24	52	16	35	6	13	46
capital £6K	17	40	23	53	3	7	43

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

8 DECEMBER 2016 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman
Mrs R Camamile and Mr KWP Lynch – Vice-Chairman

Mr SL Bray, Mr WJ Crooks, Mrs L Hodgkins (for Mr DC Bill MBE), Mrs J Richards, Mr BE Sutton, Mr R Ward and Mr HG Williams

Also in attendance: Councillor M Hall and Councillor J Kirby

Officers in attendance: Steve Atkinson, Valerie Bunting, Edwina Grant, Julie Kenny, Lisa Kirby, Rebecca Owen, Caroline Roffey, Sharon Stacey, Clive Taylor and Ashley Wilson

273 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor Bill with Councillor Hodgkins substituting in accordance with council procedure rule 4.

275 DECLARATIONS OF INTEREST

No interests were declared at this stage.

282 LOCAL COUNCIL TAX SUPPORT SCHEME

An update on the Local Council Tax Support Scheme (LCTS) was provided to the Commission. It was noted that most other authorities in Leicestershire were recommending retention of the current maximum level of support. Members felt that we should be continuing to support the most vulnerable people and the current maximum level of 88% should be retained, as recommended by the Executive.

RESOLVED – Council be RECOMMENDED to retain the current maximum level of 88% support.

(The Meeting closed at 8.35 pm)

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Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Audit Committee	13 October 2016
Council	10 January 2017

WARDS AFFECTED: All Wards

ARRANGEMENTS FOR THE APPOINTMENT OF EXTERNAL AUDITORS

Report of Interim Head of Finance

1. PURPOSE OF REPORT

- 1.1 This report summarises the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.
- 1.2 The Council has a statutory responsibility to appoint an external auditor to audit its 2018/19 accounts by the 31 December 2017 and will need to consider the options available and put in place new arrangements in time to make a first appointment by that date.

2. RECOMMENDATION

- 2.1 The Council Committee is asked to note the future implications for external audit procurement arrangements.
- 2.2 The Council is asked to confirm the Audit Committee's preferred option, which is option 3, and to 'opt-in' to a Sector Led Body appointment process led by Public Sector Audit Appointments Limited (PSAA).

3. BACKGROUND TO THE REPORT

- 3.1 The Local Audit and Accountability Act 2014 (the Act) brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. On 5th October 2015, the Secretary of State for Communities and Local Government determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.
- 3.2 The Council's current external auditor is Ernst & Young LLP; this appointment having been made under a contract managed by PSAA, the transitional body set up by the

Local Government Association (LGA) with delegated authority from the Secretary of State for Communities and Local Government. The Council's current external audit fees are £49,410 per annum (excluding certification of claims and returns).

- 3.3 When the current transitional arrangements come to an end on 31st March 2018, the Council will move to the local appointment of its auditor. There are a number of options by which this can be achieved. Current fees are based on rates negotiated by the Audit Commission and its following transitional body (PSAA) and reflect substantial market share offered in framework contracts. When the contracts were last negotiated nationally by the Audit Commission, they covered NHS and local government bodies and offered maximum economies of scale.
- 3.4 The scope of the audit will still be specified nationally by the National Audit Office (NAO), which is responsible for writing the Code of Audit Practice which all audit firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work as they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The number of eligible firms under the previous process was only eight including the council current external auditors. These firms are currently covered by contracts by PSAA. It is unlikely that small local independent firms will meet the eligibility criteria.
- 3.5 The Council has until December 2017 to make an appointment, therefore to ensure appointment progresses controlled way, one of the options outlined in this report will need to be in place by Spring 2017 in order that the contract negotiation process can be carried out during 2017.

Options for local appointment of External Auditors

Option One – To make a stand-alone appointment

- 3.6 In order to make a stand-alone appointment the Council will need to set up an Auditor Panel. The members of the panel must be wholly (or a majority) independent members as defined by the Act. Independent members for this purpose are independent appointees; this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Council's external audit. A new independent auditor panel established by the Council will be responsible for selecting the auditor.

Advantages / benefits

- 3.7 Setting up an auditor panel allows the Council to take advantage of the new local appointment regime and have local input to the decision. Also, the Council will have full control over which external audit company will be appointed.

Disadvantages / risks

- 3.8 Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus on going expenses and allowances.
- 3.9 The Council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts.

- 3.10 The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.

Option 2 Set up a Joint Auditor Panel/local joint procurement arrangements

- 3.11 The Act enables the Council to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council need to liaise with other local authorities to assess the appetite for such an arrangement.

Advantages/benefits

- 3.12 The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.
- 3.13 There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

- 3.14 The decision making body will be further removed from local input, with potentially no input from elected members (where a wholly independent auditor panel is used) or possibly only one elected member representing each Council, depending on the constitution agreed with the other bodies involved.
- 3.15 The choice of auditor could be complicated where individual Councils have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the Council. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Council, for example PWC who supply Internal Audit services, then the Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

Option 3 Opt-in to a sector led body

- 3.16 In response to the consultation on the new appointment arrangement, the LGA successfully lobbied for Councils to be able to 'opt-in' to a Sector Led Body appointed by the Secretary of State under the Act. PSAA has been approved by the Department of Communities & Local Government (DCLG) as the Sector Led Body and has the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

Advantages / benefits

- 3.17 The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities. By offering large contract values, the firms would be able to offer better rates and lower fees than are likely to result from local negotiation. Any conflicts at individual authorities would be managed by the Sector Led Body who would have a number of contracted firms to call upon. The appointment process would not be ceded to locally appointed independent members.

Instead a separate body set is up to act in the collective interests of the 'opt-in' authorities.

Disadvantages / risks

- 3.18 Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and / or stakeholder representative groups.
- 3.19 In order for the Sector Led Body to be viable and to be placed in the strongest possible negotiating position it will need Councils to indicate their intention to opt-in before final contract prices are known.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 This report can be taken in open session

5. FINANCIAL IMPLICATIONS [AW]

- 5.1 The LGA expect that current external fees levels are likely to increase when the current contracts end in 2018. However, competition between auditors may mean this is not the case when bids are reviewed.
- 5.2 The cost of establishing a local or joint Auditor Panel outlined in options 1 and 2 above will need to be estimated and included in the Council's budget for 2016/17 and 2017/18. This will include the cost of recruiting independent appointees (members), servicing the Panel, running a bidding and tender evaluation process, letting a contract and paying members fees and allowances.
- 5.3 Opting-in to a national SLB provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel.

6. LEGAL IMPLICATIONS [AR]

- 6.1 Contained within the body of this report.

7. CORPORATE PLAN IMPLICATIONS

- 7.1 Adoption of the proposal in this paper will contribute to the achievement of the following Corporate Aims:
 - Creating a vibrant place to work and live
 - Empowering communities

8. CONSULTATION

- 8.1 Consultation and discussion, at a formal and informal level, have taken place between the Council and the Hinckley Town Centre Partnership/Business Improvement District (BID) and the Hinckley Chamber of Trade.

9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 There is no immediate risk to the Council, however, early consideration by the Council of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner.

10. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: None

Contact Officer: Ashley Wilson
Executive Member: Cllr M Hall.

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HINCKLEY AND BOSWORTH BOROUGH COUNCIL

AUDIT COMMITTEE

13 OCTOBER 2016 AT 6.30 PM

PRESENT: Mrs R Camamile - Chairman
Mr P Wallace – Vice-Chairman
Mrs MA Cook, Mr DS Cope, Mrs L Hodgkins, Mr MR Lay, Mr KWP Lynch,
Mrs J Richards, Miss DM Taylor and Mr HG Williams

Officers in attendance: Rebecca Owen, Jodie Stead (PWC) and Ashley Wilson

Avtar Sohal, Ernst & Young, was also in attendance.

209 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor O’Shea.

211 DECLARATIONS OF INTEREST

No interests were declared at this stage.

214 APPOINTMENT OF EXTERNAL AUDITOR

Members were informed of the changes to the arrangements for appointing external auditors following the closure of the Audit Commission and the forthcoming end of the transitional arrangements at the conclusion of the 2017/18 audits. The committee was informed that an External Auditor would need to be appointed by 31 December 2017 and the options available were highlighted. Following discussion, members agreed that they would prefer the third option listed whereby the authority would be able to opt in to a sector led body appointed by the Secretary of State.

RECOMMENDED – option 3 be RECOMMENDED.

(The Meeting closed at 7.00 pm)

CHAIRMAN

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