

EXECUTIVE

Monday, 4 January 2021

5.00 pm

Virtual Meeting via Zoom

Membership: Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair), Chris Burke, Bob Bushell, Rosanne Kirk and Neil Murray

Officers attending: Angela Andrews, Democratic Services, Kate Ellis, Jaclyn Gibson, Daren Turner, Simon Walters and Carolyn Wheeler

Virtual Meeting

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Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.

OUR PEOPLE AND RESOURCES

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Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Chris Burke,
Councillor Bob Bushell, Councillor Rosanne Kirk and
Councillor Neil Murray

Apologies for Absence: None.

50. Confirmation of Minutes - 23 November 2020

RESOLVED that the minutes of the meeting held on 23 November 2020 be confirmed.

51. Declarations of Interest

No declarations of interest were received.

52. Staff Recognition - Covid-19

Purpose of Report

To recognise the Council's staff and seek approval to award all employees an additional annual leave day.

Decision

That an additional day of annual leave for all City of Lincoln Council employees be approved, subject to this being calculated on a pro-rata basis dependent on the hours they were contracted to work and it being taken within the next two years.

Alternative Options Considered and Rejected

None.

Reason for Decision

During the Covid-19 pandemic the Council's priority had been to support its residents and businesses to help keep the city safe and ensure it continued to deliver essential services.

The Chief Executive, in presenting the report, highlighted the unprecedented nature of the Covid-19 pandemic, adding that she had never been as proud as she had been over the last few months in terms of the resilience of the Council's staff who had risen to the significant challenges faced as a result of the pandemic. She reported that the Council had dealt with the crisis as a 'One Council' team in a very proactive and innovative way, with the manner in which the Council's employees had worked together and responded to work differently and flexibility having been incredible.

It was therefore proposed, in recognition of these challenging times, to implement one day's additional annual leave to be awarded to all employees. This would be on a pro-rata basis dependent upon how many hours the employee was

contracted to work and could be taken within the next two years. It was recognised that many staff had been unable to take this year's annual leave allocation as a result of the work they were undertaking and their dedication to keep services running.

Councillor Ric Metcalfe echoed the Chief Executive's sentiments entirely and said that since the beginning of the pandemic the Council's priority was to keep services going. The way in which staff had adapted had been magnificent and their efforts were greatly appreciated. Although possibly perceived as a small token, Councillor Metcalfe emphasised that it in no way underestimated the regard the Executive had for everything staff had done for the Council and the city's residents.

Councillor Chris Burke added that the proposed additional day of annual leave was well deserved and was something other local authorities and organisations were doing to acknowledge the commitment of their staff.

53. Allocations Policy

Purpose of Report

To seek approval for minor amendments to the Council's Allocations Policy which was approved in March 2020.

Decision

That the minor amendments to the Council's Allocations Policy, as set out in the report, be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

Since approval of the Council's Housing Allocations Policy in March 2020, it had been noted that one section of the policy relating to Armed Forces did not fully reflect the latest legislation and guidance. The Policy had therefore been updated accordingly, with an additional appendix being included entitled 'Bypass Reasons' to ensure that the Council was completely transparent in all of its dealings with the allocation of accommodation.

Councillor Donald Nannestad welcomed the amendments to the document in relation to those serving in the Armed Forces. In addition, he highlighted some issues that had occurred in the implementation of the Allocations Policy since its approval in March from a systematic perspective. It was reported that the bidding process associated with allocating accommodation was solely undertaken online and significant changes to the software used to facilitate this as a result of the new Policy had been required. Unfortunately, as part of the first lockdown in relation to Covid-19 earlier in the year, the third party operator of the software had furloughed the majority of its staff and had only just returned to a full complement. It was therefore hoped that the system, including the new policy and subsequent amendments considered at this meeting, would be up and running by the end of December or the beginning of January.

Councillor Chris Burke took the opportunity to highlight the significance of recognising those who served in the Armed Forces.

54. Facilities Strategy

Purpose of Report

To present a final draft of the City Council's Facilities Strategy for approval.

Decision

That the Council's Facilities Strategy be approved.

Alternative Options Considered and Rejected

None.

Reasons for Decision

In light of recent changes to the future growth plans of the City of Lincoln, a comprehensive Facilities Strategy was required to better understand the need for sporting facilities.

The Strategy, attached as Appendix A to the report, provided the Council with a holistic review of the existing provision of grass pitches, artificial pitches and ancillary facilities across the city. It also provided a detailed, evidence-based, document for pitch provision across Lincoln and its boundaries having reviewed existing provision, current usage from sports clubs, predicted population growth and the demographics of the catchment areas that surrounded the facilities.

The Strategy set out a tiered system to ensure equity across the city in terms of the provision of pitch-based sports, as follows:

- Tier 1 – large multi-sport venues with indoor and outdoor sports;
- Tier 2 – single site and single sport venues with multiple pitches and facilities;
- Tier 3 – small sites with two separate sport or activity offerings, such as a cricket pitch alongside a football pitch;
- Tier 4 – small single sites with only one sport or activity offering.

Each tier would have a discreet strategy to either invest, maintain or dispose in these assets, which would be reviewed on a periodic basis.

It was recommended that tier one facilities should be strategically located across the city to provide a geographical split, based on demand, population density and available associated facilities. The remaining tiered facilities would then be chosen to support the principal site in that sub-region. This approach would enable the Council to retain control of the budget for sports and leisure facilities and strategically provide venues for sports teams and clubs based on a prescribed priority list. Over the longer term it was envisaged that this would bring about efficiency savings for the Council and a more organised approach to the provision of playing pitches in the city.

Councillor Donald Nannestad explained that this Strategy represented one element of a range of things the Council needed to do and that a key aspect was

to find ways of getting more people to become active. Lincoln compared favourably to other districts in the county, but not from a national perspective. In respect of the Covid-19 pandemic, Councillor Nannestad made the point that for some people this had led to them doing more than they usually would, however, some people as a consequence were doing much less.

It was noted that the proposed Strategy had been considered by the Council's Policy Scrutiny Committee.

Councillor Bob Bushell welcomed the Strategy which provided a good indication of what facilities were available in the city and surrounding areas. He said that encouragement was a significant factor in getting people more active and that the Facilities Strategy should be read in conjunction with the Physical Activity Strategy also scheduled for consideration at this meeting. Councillor Bushell added that it was amazing to see what facilities there already were in the city and how many incredible organisations there were supporting physical activity at all ages, citing his grandson's youth football club at grassroots level as an example. He added that the health of the city's residents was not a new issue but was something the City Council should take a lead on.

Councillor Chris Burke highlighted comments made at the Policy Scrutiny Committee in that there was an insufficient number of football pitches in the city and that the Strategy had not necessarily reflected the increased popularity of women's football. Questions had also been raised as to consultation with members of the public and users of facilities. It was noted that further consultation with the public would be undertaken in due course and that, in developing this Strategy, consultation at this stage had only taken place with partners, operators and individual clubs, as opposed to users of facilities.

Councillor Neil Murray questioned whether the provision of football pitches on the West Common would continue as they had not been reflected in the Strategy, asking whether it was the intention to keep them allocated as reserve pitches. The Strategic Director of Environment and Communities agreed to investigate this matter further and provide a response to the Executive outside of the meeting. Councillor Bushell highlighted that teams should be encouraged to play on the two new 3G pitches in the city, which had significantly less maintenance associated with them. Councillor Nannestad added that such encouragement occurred in other areas due to the fact that games could still be played in all weathers on 3G pitches, resulting in less fixtures being postponed.

Councillor Ric Metcalfe, on behalf of the Executive, conveyed his thanks to Steve Lockwood, Sports, Leisure and City Services Manager, for his work in developing the Strategy.

55. Physical Activity Strategy

Purpose of Report

To present the final version of the Council's Physical Activity Strategy for approval.

Decision

That the Council's Physical Activity Strategy be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

Historically, and in line with national trends, Lincoln had experienced generational improvements to the life expectancy of its residents. Over this same period, the quality of these life indices had also improved, which it was understood were closely linked to medical advances and an improved understanding of wider health issues.

Over the last ten years many of the more deprived areas of Lincoln had seen life expectancy measurements, along with various other quality of life indices, beginning to stall or, in some cases, decline. Although the reason for this decline could not be put down to a single cause, health experts agreed that this disappointing trend was closely related to the decline in the number of people taking part in regular physical exercise.

The Council's Physical Activity Strategy, attached to the report at Appendix A, included a five year action plan designed to improve the numbers taking part in physical activity, especially those from specifically targeted hard to reach groups. Interventions and programmes would also target specific deprived regions of Lincoln with challenging health and socio economic indices.

As part of implementing the Strategy, the City Council would work with various other organisations including its own leisure provider, Active Nation, to deliver a number of programmes and interventions to improve these activity levels.

In the longer term, the Physical Activity Strategy had the aspiration to develop and imbed a longer term 'Active City' Plan for the City Council. Work leading to this award would include at its core the establishment of a city wide management group to further develop the Council's approach to becoming an 'Active City'.

It was reported that the Strategy had been considered by the Council's Policy Scrutiny Committee, which had commended the document as inspirational.

Councillor Bob Bushell fully supported this document and reflected that lots of people were taking part in a range of activities, the vast majority of which were free and easy access. It was mental health as well as physical health that could be improved as a result of becoming more active, with the implications of Covid-19 resulting in people meeting up with friends or family for walks or other activities that they perhaps may not have done previously. In addition, there were lots of volunteering opportunities available, particularly in respect of the city's open spaces. Councillor Bushell acknowledged that there were still challenges, with some people still feeling effects of austerity and Lincoln sitting amongst the 20% of the most deprived authorities in the country. Average life expectancy in some areas of the city continued to be alarmingly low, with high levels of obesity also apparent. From the perspective of individual, social and economic benefits, Councillor Bushell made the point that all of these factors played a part in benefitting society, highlighting the importance of people becoming more active as a key contributor. Making reference to page 33 of the Strategy document, Councillor Bushell said that the flow chart outlining the stages of behavioural change influencing a person's decision making process was key in terms of helping people understand how they could change their circumstances. He was

also pleased to see that the Strategy sought to make better use of the Council's Community Centres.

Councillor Donald Nannestad agreed that it was not necessarily about what facilities were available but about change, stating that if people could change their behaviour and become more active it would improve their lives, with even a small change making a huge difference. He commended the Strategy, which he said was part of a series of such documents designed to help people become more active and take advantage of what was on offer in Lincoln.

Councillor Rosie Kirk supported that Strategy but was keen for more emphasis to be placed on walking, particularly linked to the city's heritage and history, suggesting heritage trails as an example of how this could be achieved. She advocated walking and cycling in the city, given its relatively small boundary, and was keen to make these activities safer in Lincoln.

Councillor Ric Metcalfe, on behalf of the Executive, conveyed his thanks to Steve Lockwood, Sports, Leisure and City Services Manager, for his work in developing the Strategy.

56. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

These items were considered in private as they were likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider these items in private.

57. Write-outs of Irrecoverable Non Domestic Rates, and Overpayment of Housing Benefit

Purpose of Report

To seek approval to write out debts deemed irrecoverable.

Decision

That the recommendations contained within the report be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The reasons for the decision were set out in the report.

58. Delivery of Housing Planned Maintenance

Purpose of Report

To consider the future delivery of the housing planned maintenance service.

Decision

That the recommendation contained within the report be approved.

Alternative Options Considered and Rejected

Alternative options considered were set out in the report.

Reason for Decision

The reasons for the decision were set out in the report.

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EXECUTIVE**4 JANUARY 2021**

SUBJECT: LOCALISED COUNCIL TAX SUPPORT SCHEME – 2021/22

DIRECTORATE: CHIEF EXECUTIVE

LEAD OFFICER: CLAIRE MOSES, REVENUES AND BENEFITS MANAGER

1. Purpose of Report

- 1.1 For Executive to review consultation responses and consider / approve the proposed changes to the Localised Council Tax Support Scheme 2021/22, as well as proposals made in relation to the Exceptional Hardship Scheme and Council Tax premium.

2. Executive Summary

- 2.1 Based on the caseload as at 1st September 2020, the current cost of the 2020/21 CTS scheme is £8,442,201 – with City of Lincoln Council's share of this being £1,262,488 (14.99%). This is in excess of the budgeted tax base level by £360,971, with the additional cost for City of Lincoln Council's share, being £54,110. This increase in cost is as a direct result of the increased caseload arising from the impact of Covid19.
- 2.2 Despite the scheme being a 'local' Council Tax Support scheme, due to the nature of protection provided to pensioners and vulnerable age working customers there will always be an element of cost that the Council has to incur and to for which it has no influence over. Due to this protection from changes to pensioners and vulnerable working age customers any 'savings' to be made to the projected scheme can only be applied to 3,874 customers or 42.90% of the caseload. This means out of the current Council spend of £1,262,488 – only £541,607 (42.9%) can be influenced by a change to the current CTS scheme.

The current caseload can be broken down as follows, to show those customers where the scheme changes would apply:

Caseload breakdown	Caseload	% of total caseload
Total caseload	9,031	
Pensioner	2,806	31.07%
Working age vulnerable	2,351	26.03%
Working age	3,874	42.90%

- 2.3 In order to try and contain the cost of the 2021/22 scheme within the budget parameters of the current Medium Term Financial Strategy a number of options have been modelled (and are set out in detail in the appendices), as follows:

- No change to current scheme;
- Change to minimum weekly CTS entitlement from £2.00, (range £2.50-£4.00);
- Capital cap to be reduced from £8,000, (range £6,000-£7,500);
- Maximum entitlement to be reduced from 100%, (range 80%-97.5%);

The reality is that out of the options above, the only one that may reduce the spend against budget in the MTFs is to decrease the 'maximum entitlement' – e.g. to reduce the maximum CTS customers can receive from 100% to a 80% or 85% - this means they would need to then pay at least 10% or 15% of their Council Tax charge, when they may not have had to pay anything previously. Based on an overall Council Tax increase of 1.9% and CTS caseload increase of 2%, this would mean on average a Council Tax payer would have to pay an additional £3.57 Council Tax per week or £2.47 per week, based on maximum entitlement of 80% or 85% respectively.

The other modelled options would reduce CTS expenditure, but would still be a 'cost' above the amount budgeted in the MTFs, with the additional cost being between £20,000 and £100,000+, depending on a range of caseload increase/decrease scenarios.

3. Background

- 3.1 The Council Tax Benefit system was abolished on 31st March 2013 and replaced by the Council Tax Support Scheme. This scheme can be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders and residents. There are currently 9,031 residents (as at 1st September) claiming Council Tax Support in the Lincoln District. 2,806 are pensioners who are protected under the legislation and receive Council Tax Support as prescribed by the Government (broadly similar to the level of Council Tax Benefit). It is 3,874 working age claimants where a local scheme can be determined, (i.e. 6,225 total working age caseload less 2,351 protected under vulnerable categories), which can change the level of support provided.
- 3.2 The Council agreed to a Local Council Tax Support Scheme which came into effect on 1st April 2013. This scheme matched the previous Council Tax Benefit scheme, giving 100% support for both pension age and working age customers.
- 3.3 The proposed CTS scheme must go through certain steps to comply with the provisions stated in the Local Government Finance Act 2012 before it can be adopted by this Council as a Billing Authority:-

Before making a scheme, the authority must (in the following order):-

- (a) *consult any major precepting authority which has power to issue a precept to it,*
- (b) *publish a draft scheme in such manner as it thinks fit, and*

(c) consult such other persons as it considers are likely to have an interest in the operation of the scheme

4. Impacts of Covid-19

4.1 Covid-19 has had an impact on the amount of CTS awarded, with significant increases in caseload and cost of the scheme – this is detailed further within this section of the report.

4.2 The caseload increase is a direct result of changes to the economic climate, with existing customers requiring more support and new customers making claims for Universal Credit, and in-turn Council Tax Support claims. In addition, prior to Covid-19, the Department for Work and Pensions (DWP) was going to move existing Housing Benefit customers on to Universal Credit (UC) via a managed process. Covid-19 has resulted in this process being fast-tracked and has seen a significant increase in new CTS claims. Previously, as CTS was not part of the DWP process, these claims were not always made at the point of UC being applied for, nor were the customer referred to the LA by the DWP. As part of support during Covid-19, the DWP have allowed for the UC claim notification to also serve as an intention to claim CTS.

The Council has also ensured those customers who have contacted, to advise they have been affected by Covid-19, resulting in financial difficulties, have had the opportunity to make a claim for Council Tax Support.

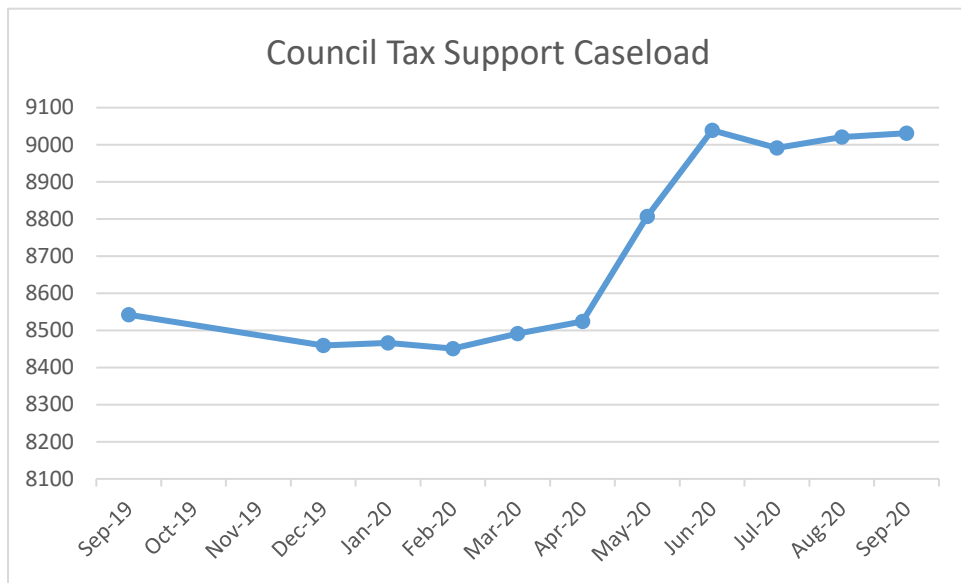
4.3 For 2020/21, the cost of the scheme as at 4 September 2020 is £8,442,201 – with City of Lincoln Council’s share of this being £1,262,488 (14.99%). In comparison to the taxbase that was set for the 2020/21 year, at £8,081,233, this is an increase of £360,971, with the Council’s share being £54,110.

4.4 The increase in cost is as a direct result of the increase in caseload. At this date in 2019, the total caseload was 8,542, and has increased by 489 to 9,031. The caseload has not been this high since October 2017 – which was prior to the introduction of Universal Credit Full Service.

Further details of caseload increase is shown in the table below:

1st of month	Working age	Pension age	Total
September 2019	5,639	2,903	8,542
December 2019	5,578	2,881	8,459
January 2020	5,601	2,865	8,466
February 2020	5,586	2,865	8,451
March 2020	5,638	2,853	8,491
April 2020	5,684	2,840	8,524
May 2020	5,972	2,835	8,807
June 2020	6,197	2,842	9,039
July 2020	6,159	2,832	8,991
August 2020	6,177	2,814	9,021
September 2020	6,225	2,806	9,031

This is shown in the graph below:



4.5 Since April 2020, the overall CTS caseload has increased by 5.9%, with working age claimants increasing by 9.5%. Although it is difficult to assess with any certainty what future increases in claimant numbers may be, due to the number of unknowns around economic recovery, ongoing national/local restrictions, etc, it can be reasonably assumed that there will be a further increase in claimants towards the end of the financial year. Based on a further increase of working age claimants of between 2.5-5% this could increase caseload by 150-300.

4.6 A caseload increase during 2020/21 will also impact the cost of the scheme for 2021/22. Officers have modelled a range of caseload increases for the 2021/22 scheme and these are shown in **Appendix 1** to this report.

5. Our Council Tax Support scheme

5.1 Our scheme has been updated by minor amendments each year to maintain the link with Housing Benefit and the previous Council Tax Benefit scheme.

5.2 The current scheme has the following restrictions for working age customers:

- Capital over £8,000;
- Minimum entitlement of £2 per week;
- Property banding capped at Band B e.g. a customer in Band C (and above) property, will only have their CTS calculated on Band B liability;
- Backdating restricted to 1 month; and
- Temporary absence from home in line with Housing Benefit.

5.3 The current scheme has the following Council Tax technical restrictions for all Council Tax Payers: -

- Introduction of additional 100% premium to empty properties over 5 years – total premium is 200% (total charge 300%);
- Care leavers council tax exemption – 100% for those aged between 18 and 25th birthday;
- Unoccupied discount 100% for the first month; and
- Second Home discount of 0%.

6. Proposed Council Tax Support Scheme for 2021-22

6.1 As explained in paragraph 4.3, the cost of the 2020/21 scheme is £8,442,201 – with City of Lincoln Council's share of this being £1,262,488 (14.99%). The increase in cost for City of Lincoln Council's share, against the tax base, is £54,110. Changes to the CTS scheme can only be applied to non-vulnerable working age customers (pensioners and vulnerable customers are exempt).

As a result, any changes will only apply to 3,874 customers or 42.90% of the caseload.

The current caseload can be broken down as follows, to show those customers where the scheme changes would apply:

Caseload breakdown	Caseload	% of total caseload
Total caseload	9,031	
Pensioner	2,806	31.07%
Working age vulnerable	2,351	26.03%
Working age	3,874	42.90%

6.2 Based on the current core elements of the existing scheme, various caseload increases have been modelled, along with an increase in Council Tax of 1.9%. These are summarised in **Appendix 1**, giving an indication of the potential cost and savings to City of Lincoln. Also included is the potential value for non-collection (based on a reduction of 1% to the current collection rate in the taxbase of 97.75% - as a result of COVID-19).

6.3 As a billing authority the Council can decide whether or not to amend core elements of its scheme each year. Officers are proposing changes to the core elements of the scheme, these are summarised in **Appendix 1**.

There will be some technical changes that will still need to be applied to ensure that the Council's scheme complied with the Prescribed Scheme Regulations (covering Universal Credit, premiums and discounts). These details are still awaiting from the Ministry of Housing, Communities and Local Government (MHCLG).

Technical amendments to the scheme in relation to uprating income, applicable amounts, disregards and allowances are to be collated once statutory details have been released by the Secretary of State. There will be no change to the adopted policy in the way CTS is calculated for these areas. Officers have considered if there is any need for any transitional arrangements to the revised scheme and concluded transitional arrangements are not needed for the 2021/22 scheme.

6.4 In developing the modelling for each of the Council Tax Support Scheme options a number of assumptions have been made, as follows:

- Uprating Freeze for social security benefits, based on the current national policy.
- As the Council and major preceptors are likely to set differing levels of Council Tax increases it creates a variety of modelling scenarios. An overall Council Tax increase on all elements of 1.9%% has therefore been assumed for modelling purposes. The final cost of the scheme will though be increased by the level of Council Tax increases applied. The modelling does not though take into consideration that the Council's percentage share of the overall cost of the scheme would slightly reduce if other preceptors increase their Band D by a greater percentage than the Council, this would in effect reduce the cost of the scheme to the Council.
- 1% to 3% increase in caseload for 2020/21. This is calculated on the already increased caseload so far for 2020/21. The caseload used at the time of modelling is 9,031, with working age of 6,225.
- Collection Rate of 97.75%. The current Council Tax base is calculated on the rate of 98.75%, which was set pre-Covid.

6.5 The options considered are as follows:

- **Option 1: No change to the current scheme:** With no changes to Council Tax or caseload;
- **Option 2 to 4: Various changes to current scheme:** With 1.9% Council Tax increase and:
 - Option 2 – will include a 1% caseload decrease
 - Option 3 – will include a 1% caseload increase
 - Option 4 – will include a 2% caseload increase
 - Option 5 – will include a 3% caseload increase

The various options modelled for each of the different caseloads are:

- a) **No change to current scheme**
- b) **Minimum weekly entitlement amendment – £2.50 to £4.00 per week:**
- c) **Capital reduction - £7,500 to £6,000**

- d) **Maximum award to be reduced – 97.5% to 80%**
- e) **Increase banding cap – Band C to D (this would be an additional cost to the scheme)**

- 6.6
- **Option 5: Council Tax empty homes premium:** From 1 April 2013, billing authorities have been able to charge a premium on a class of property that has been unoccupied and unfurnished for 2 years or more. Currently the premium can be up to 200% of the Council Tax on the property. From 1 April 2021, councils will have the powers to charge even greater premiums on homes left empty following an amendment to a government Bill.

The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 allows billing authorities to charge higher premiums on homes left empty.

The legislation provides for the following: –

- April 2021 – any property empty over ten years to receive a premium of 300% (incurring a 400% charge).

Decisions on whether to charge a premium, and the exact rates to be charged will remain a matter for Councils, taking local circumstances into account. Officers propose a number of considerations to be taken into account when applying the premium.

- 6.7
- Continuation of the Exceptional Hardship Scheme:** Exceptional Hardship Payments (EHP) assist persons who have applied for Council Tax Support and who are facing 'exceptional hardship' – it is similar to the Discretionary Housing Payment for Housing Benefit shortfalls. EHP provides a further financial contribution where an applicant is in receipt of Council Tax Support but the level of support being paid by the Council does not meet their full Council Tax liability.

The Council is required to provide financial assistance to the most vulnerable residents, who have been disproportionately affected by the changes made in 2021 to the Council Tax Support Scheme. Since April 2013, the Council agreed to introduce an Exceptional Hardship scheme each year, in order to provide a safety net for customers, in receipt of Council Tax Support who were experiencing difficulty paying their council tax. Exceptional Hardship falls within Section 13A(1) of the Local Government Finance Act 1992 and forms part of the Council Tax Support Scheme.

The current EHP budget is £20,000 and the cost of EHP awards is being borne solely by City of Lincoln. As at 31 August 2020, a total of £14,389 EHP has been awarded.

The EHP has supported those customers that have been affected by Covid-19 whereby additional support has been requested and applications have been successful.

7. Consultation and communication

7.1 Executive met on 26 October 2020 to consider the options modelled, as outlined in section 6 of this report.

The decision by Executive was for these options to be included within the public consultation.

7.2 Consultation began on 28 October 2020 and ran to 9 December 2020. Consultation has been undertaken with major precepting authorities, stakeholders and residents through a variety of methods as detailed below: -

- An online consultation survey;
- All City of Lincoln Council Members were issued with an email advising them of the consultation;
- Partner organisations were also advised of the proposed scheme – including Citizens Advice; and
- Major preceptors – Police and Crime Commissioner (**Appendix 5**) and Lincolnshire County Council (**Appendix 6**)

7.3 There was a total of 85 surveys completed. **Appendix 3** shows the key findings from the consultation.

7.4 Policy Scrutiny Committee also considered proposed scheme options on 24th November 2020.

8. Council Tax exemption for Special Constables

8.1 The consultation response from the Police and Crime Commissioner proposed a 25% Council Tax Discount Scheme for Special Constables be introduced in Lincolnshire.

8.2 The mechanism for such an award would be for the discount to be awarded through Section 13A of the Local Government Finance Act 1992. This provides the council with a discretionary power to discount the amount of council tax that is payable to us on a case by case basis or to specify a specific class where several council tax payers may fall into a group due to similar circumstances.

8.3 The Collection Fund Regulations require that the Billing Authority funds the amount of any discretionary award made under Section 13A(1)(c) in full, by making a transfer payment from its General Fund to the Collection Fund of

the amount of the award. This means that Council is effectively paying the shares of the Council Tax that are allocated to the County Council, the Police and Crime Commissioner. However, the proportionate shares will then be charged back to the preceptors so the Council will only pay its share, this is currently estimated to cost £2,241.

9. Timetable

9.1 The timetable to approve any change to the new scheme takes into account the existing calendar of meetings. The full council as Billing Authority needs to approve the scheme after consultation as outlined in section 6.

9.2 The timetable is as follows: -

- Council – 19 January 2021 - the Local Government Finance Act 2012 requires a full review of the scheme by the Billing Authority. City of Lincoln Council will need to approve a new scheme after consultation by 31 January 2021.

10. Significant Policy Impacts

10.1 Strategic Priorities

Let's drive inclusive economic growth - Council Tax Support has a key role in Reducing Poverty and disadvantage by ensuring residents in those households who cannot afford to pay their Council Tax receive financial support. The changes to Council Tax Support form part of the national welfare reform agenda, with the risks of changes to numbers of claimants due to economic change and funding gap costs being passed from central government to local authorities. Central government now has a fixed cost funding arrangement whereas local government must set a scheme in advance of the financial year it applies to but cannot change it should circumstances change unexpectedly or if the assumptions used to decide the scheme are not realised. Central government states that this places responsibility for the local economy such as creating businesses and jobs on local government as part of the localism agenda

Let's reduce all kinds of inequality - The Authority will be obliged to comply with its general equality duty under the Equality Act 2010. The scheme is being amended in line with statutory requirements and uprating the financial allowances. Early modelling shows the number of customers affected and pay how much (total and average per week). Once a decision has been made regarding the options of modelling, an equality impact assessment will be undertaken.

Council Tax Support awards are notified on Council Tax bills. If the scheme were likely to change, consultation with precepting authorities, stakeholders (such as Citizens Advice and Financial Inclusion Partnership) and residents would be required. Once a decision has been made, notification within

Council Tax bills and annual CTS uprating letters would be issued advising claimants of the decision once their award for the new financial year is known.

10.2 Organisational Impacts

Finance (including whole life costs where applicable)

The actual cost of the discount scheme in 2021/22 will not be known for certain until the end of the financial year and will be dependent on the actual caseload in year as well as the levels of Council Tax set by the City Council and the major precepting authorities.

An indicative range of costs based on various scenarios and the options set out in section 6 of this report for 2021/22 are set out in **Appendix 1**. Of all of the options the only one that may reduce the spend against budget in the MTFS, is to decrease the 'maximum entitlement' – e.g. to reduce the maximum CTS customers can receive from 100% to a 80% or 85%, otherwise the cost of the scheme in 2021/22 will exceed the amount currently assumed in the MTFS.

As part of the Spending Round 2020 a £670m unringfenced grant was announced aimed at directly at supporting councils to meet the anticipated additional costs of providing Local Council Tax support in 2021/22, resulting from increased unemployment. Unlike the £500m Hardship Fund announced in 2020/21 this grant is not money to be passported to council tax payers and is instead to provide additional funding to Councils. The Council's provisional allocation has been announced as £200,492 and should be taken into consideration when agreeing any changes to the scheme for 2021/22.

The estimated cost of the scheme, based on current caseload, is taken into consideration when calculating the Council's tax base for the financial year and will impact on the estimated Council Tax yield for the year. Any difference in the actual cost of the discount scheme to that estimated in the tax base calculation will be accounted for within the Collection Fund and will be taken into account when future years surpluses or deficits are declared.

The exceptional hardship fund of £20,000, made available during 2020/21, will continue to be available into 2021/22.

Should the Executive wish to propose the approval of the Council Tax exemption for Police Special Constables as put forward by the Police & Crime Commissioner this will be a direct cost to the General Fund of c£2,241 in 2021/22.

10.3 Legal implications inc Procurement Rules

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, laid before Parliament on 22nd November 2012, set out the regulations for a default scheme and this was adopted by the Council subject

to local policy needs in January 2013. The Secretary of State has issued amendment regulations setting out some changes that must be adopted by the Council for pensioners and the Council has also decided in 2013 to keep the schemes allowances and premiums in line with those for Housing Benefit for working age claimants. These are incorporated into amendments to the local scheme for approval by the Council.

The regulations for the City of Lincoln Council scheme proposed to be adopted are to be collated and made available for Council in January 2021.

10.4 Equality, Diversity and Human Rights

The Authority will be obliged to comply with its general equality duty under the Equality Act 2010 and is shown in **Appendix 4**. The scheme is being amended in line with statutory requirements and uprating the financial allowances.

10.5 Staffing

No change to current staffing arrangements as a result of this policy.

11. Risk Implications

11.1 The Council, along with the other preceptors, bears the risk of the cost of the Council Tax Support scheme should caseload increase causing the cost to increase more than predicted.

11.2 Any revisions to the scheme must be approved by 31 January 2021 before the financial year begins.

11.3 The scheme cannot be changed mid-year and therefore it is vital the correct scheme is in place.

12. Recommendations

12.1 Executive is asked to recommend to Council that it: -

- 1) Reviews consultation responses relating to the Localised Council Tax Support Scheme for 2021/22;
- 2) Considers the proposed change to the core element of the Council Tax Support scheme for 2020/21 as set out in Section 6, paragraph 6.5;
- 3) Considers the proposed change to the Council Tax Technical premium as set out in Section 6, paragraph 6.6 – from 1 April 2022, any property empty over ten years to receive a premium of 300% (incurring a 400% charge);

- 4) Approves the continuation of the £20,000 Exceptional Hardship fund for 2021/22 to top up Council Tax Support awards in appropriate cases (this amount is funded through the collection fund) as set out in Section 6, paragraph 6.7; and
- 5) Considers the request from the Police and Crime Commissioner to implement a Council Tax exemption for Special Constables as referenced in Section 8.

Key Decision No

Do the Exempt Information Categories Apply No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? Yes

If Yes, how many Appendices? 6

Appendix 1 – Council Tax Modelling 2021/22
 Appendix 2 – Lincolnshire Districts Schemes
 Appendix 3 – Public consultation responses
 Appendix 4 – Equality Impact Assessment
 Appendix 5 – Police and Crime Commissioner consultation response
 Appendix 6 – Lincolnshire County Council consultation response

List of Background Papers: None

Lead Officer: Claire Moses – Telephone 01522 873764

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 1: Council Tax Support Scheme ‘no change’ proposal as at 4 September 2020

Option 1a: No change to current scheme	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme only – No assumptions, no change to caseload, no change to Council Tax costs	£8,442,201	£1,265,486	(£54,487)	£53,261

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Yellow = original modelling with 1.9% Council Tax increase and 1% caseload **d**ecrease = Page 2 to 4

Orange = 1.9% Council Tax increase and 1% caseload **i**ncrease = Page 5 to 7

Green = 1.9% Council Tax increase and 2% caseload **i**ncrease = Page 8 to 10

Blue = 1.9% Council Tax increase and 3% caseload **i**ncrease = Page 11 to 13

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 2: Council Tax Support Scheme – various change proposals as at 4 September 2020 – Council Tax with 1.9% and 1% caseload decrease

Assumptions have been made that all applicable amounts have been frozen, income with 0% increase

Option 2a: No change to current scheme	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme only – 1.9% Council Tax increase	£8,557,528	£1,282,774	(£71,775)	£70,160

Option 2b: Minimum weekly entitlement amendment	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme: Minimum entitlement of £2 per week				
Minimum weekly entitlement of £2.50 per week	£8,555,806	£1,282,515	(£71,516)	£69,907
Minimum weekly entitlement of £3.00 per week	£8,552,340	£1,281,996	(£70,997)	£69,399
Minimum weekly entitlement of £3.50 per week	£8,545,978	£1,281,042	(£70,043)	£68,467
Minimum weekly entitlement of £4.00 per week	£8,533,765	£1,279,211	(£68,212)	£66,678

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 2c: Capital cap to be reduced Current scheme: Capital cap is £8,000	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Capital cap of £7,500	£8,557,528	£1,282,774	(£71,775)	£70,160
Capital cap of £7,000	£8,552,055	£1,281,953	(£70,954)	£69,357
Capital cap of £6,500	£8,551,223	£1,281,829	(£70,830)	£69,236
Capital cap of £6,000	£8,549,344	£1,281,549	(£70,548)	£69,960

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Option 2d: Maximum entitlement award Current scheme: 100% award	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Maximum entitlement of 97.5%	£8,474,295	£1,270,297	(£59,298)	£57,964
Maximum entitlement of 95%	£8,390,560	£1,257,745	(£46,746)	£45,694
Maximum entitlement of 90%	£8,224,931	£1,232,917	(£21,918)	£21,425
Maximum entitlement of 85%	£8,064,277	£1,208,836	£2,164	£2,116
Maximum entitlement of 80%	£7,903,686	£1,184,763	£26,236	£25,646

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 3: Council Tax Support Scheme – various change proposals as at 4 September 2020 - Council Tax with 1.9% and 1% caseload increase

Assumptions have been made that all applicable amounts have been frozen, income with 0% increase

Option 3a: No change to current scheme	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme only – 1.9% Council Tax increase	£8,636,322	£1,294,585	(£83,585)	£81,705

Option 3b: Minimum weekly entitlement amendment	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme: Minimum entitlement of £2 per week				
Minimum weekly entitlement of £2.50 per week	£8,634,013	£1,294,239	(£83,240)	£91,367
Minimum weekly entitlement of £3.00 per week	£8,630,615	£1,293,729	(£82,730)	£80,869
Minimum weekly entitlement of £3.50 per week	£8,624,348	£1,292,790	(£81,791)	£79,950
Minimum weekly entitlement of £4.00 per week	£8,612,333	£1,290,989	(£79,990)	£78,190

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 3c: Capital cap to be reduced Current scheme: Capital cap is £8,000	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Capital cap of £7,500	£8,635,685	£1,294,489	(£83,490)	£81,611
Capital cap of £7,000	£8,630,205	£1,293,668	(£82,669)	£80,809
Capital cap of £6,500	£8,629,371	£1,293,543	(£82,544)	£80,686
Capital cap of £6,000	£8,627,487	£1,293,260	(£82,261)	£80,410

Option 3d: Maximum entitlement award Current scheme: 100% award	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Maximum entitlement of 97.5%	£8,551,801	£1,281,915	(£70,916)	£69,320
Maximum entitlement of 95%	£8,467,439	£1,269,269	(£58,270)	£56,959
Maximum entitlement of 90%	£8,300,544	£1,244,252	(£33,253)	£32,504
Maximum entitlement of 85%	£8,138,582	£1,219,973	(£8,974)	£8,772
Maximum entitlement of 80%	£7,976,811	£1,195,724	£15,275	£14,931

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 4: Council Tax Support Scheme – various change proposals as at 4 September 2020 - Council Tax with 1.9% and 2% caseload increase

Assumptions have been made that all applicable amounts have been frozen, income with 0% increase

Option 4a: No change to current scheme	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme only – 1.9% Council Tax increase	£8,719,823	£1,307,101	(£96,102)	£93,940

Option 4b: Minimum weekly entitlement amendment	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme: Minimum entitlement of £2 per week				
Minimum weekly entitlement of £2.50 per week	£8,718,221	£1,306,861	(£95,862)	£93,705
Minimum weekly entitlement of £3.00 per week	£8,714,916	£1,306,366	(£95,367)	£93,221
Minimum weekly entitlement of £3.50 per week	£8,708,793	£1,305,447	(£94,449)	£92,624
Minimum weekly entitlement of £4.00 per week	£8,697,082	£1,303,693	(£92,694)	£90,608

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 4c: Capital cap to be reduced Current scheme: Capital cap is £8,000	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Capital cap of £7,500	£8,719,823	£1,307,101	(£96,102)	£93,940
Capital cap of £7,000	£8,714,337	£1,306,279	(£95,280)	£93,136
Capital cap of £6,500	£8,713,494	£1,306,153	(£95,154)	£93,013
Capital cap of £6,000	£8,711,611	£1,305,870	(£94,871)	£92,737

Option 4d: Maximum entitlement award Current scheme: 100% award	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Maximum entitlement of 97.5%	£8,635,204	£1,294,417	(£83,418)	£81,541
Maximum entitlement of 95%	£8,550,141	£1,281,666	(£70,667)	£69,077
Maximum entitlement of 90%	£8,381,837	£1,256,437	(£45,438)	£44,416
Maximum entitlement of 85%	£8,218,396	£1,231,938	(£20,939)	£20,467
Maximum entitlement of 80%	£8,055,299	£1,207,489	£3,510	£3,431

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 5: Council Tax Support Scheme – various change proposals as at 4 September 2020 - Council Tax with 1.9% and 3% caseload increase

Assumptions have been made that all applicable amounts have been frozen, income with 0% increase

Option 5a: No change to current scheme	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme only – 1.9% Council Tax increase	£8,803,961	£1,319,714	(£108,715)	£106,269

Option 5b: Minimum weekly entitlement amendment	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Current scheme: Minimum entitlement of £2 per week				
Minimum weekly entitlement of £2.50 per week	£8,802,429	£1,319,484	(£108,485)	£106,044
Minimum weekly entitlement of £3.00 per week	£8,799,218	£1,319,003	(£108,004)	£105,574
Minimum weekly entitlement of £3.50 per week	£8,793,239	£1,318,106	(£107,107)	£104,698
Minimum weekly entitlement of £4.00 per week	£8,781,830	£1,316,396	(£105,397)	£103,026

Appendix 1: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Option 5c: Capital cap to be reduced Current scheme: Capital cap is £8,000	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Capital cap of £7,500	£8,803,961	£1,319,714	(£108,715)	£106,269
Capital cap of £7,000	£8,798,468	£1,318,890	(£107,891)	£105,464
Capital cap of £6,500	£8,797,618	£1,318,763	(£107,764)	£105,339
Capital cap of £6,000	£8,795,734	£1,318,481	(£107,482)	£106,269

Option 5d: Maximum entitlement award Current scheme: 100% award	Estimated Total Spend	City of Lincoln Spend – 14.99%	Difference to MTFS (£1,210,999) – saving / (cost)	Amount expected to be collected using collection figure of 97.75%
Maximum entitlement of 97.5%	£8,718,607	£1,306,919	(£95,920)	£93,762
Maximum entitlement of 95%	£8,632,843	£1,294,063	(£83,064)	£81,195
Maximum entitlement of 90%	£8,463,130	£1,268,623	(£57,624)	£56,328
Maximum entitlement of 85%	£8,298,210	£1,243,902	(£32,903)	£32,162
Maximum entitlement of 80%	£8,133,787	£1,219,255	(£8,256)	£8,070

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Appendix 2: 4 January 2021 - Executive - City of Lincoln Council – Council Tax Support 2021/22 scheme

Council Tax Support Schemes - Lincolnshire Districts

The table below shows the schemes for the Lincolnshire Districts for 2020/21

	Minimum weekly entitlement	Capital cap	Cap on maximum entitlement	Banding cap
Boston Borough	N/A	£10,000	75%	Band D
City of Lincoln	£2.00	£8,000	100%	*Band B
East Lindsey	N/A	N/A	75%	Band D
North Kesteven	£3.50	£8,000	90%	Band D
South Holland	£5.00	£8,000	70%	Band D
South Kesteven	N/A	N/A	80%	N/A
West Lindsey	£3.00	No cap - £16,000	90%	Band E

*City of Lincoln have a higher proportion of Band B properties in comparison to other Districts

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Council Tax Support Survey – proposed scheme for 2021/22

Total responses = 85

Q1. We have designed our proposed support scheme taking into account the following principles:

- Reduced support where it is likely that a household has more income coming in or have savings to pay Council Tax
- Pension age – protection is statutory under Central Government Legislation

Do you agree with these principles? (tick one)

Yes = 51

No = 26

Don't Know = 8

Q2. We offer an exceptional hardship scheme to help those affected by changes to the Council Tax Support scheme to top up entitlement if they cannot afford the Council Tax and the scheme cannot help them in their circumstances. We propose to continue this in future years.

Do you agree with this principle? (tick one)

Yes = 78

No = 1

Don't Know = 7

Q2. We offer an exemption from Council Tax for care leavers up to the age of 25. We propose to continue this in future years.

Do you agree with this propose change? (tick one)

Yes = 71

No = 5

Don't Know = 10

Q4. Council Tax Support currently has a capital limit of £8,000. We are considering changing this to the following:

- a) £7,500
- b) £7,000
- c) £6,500
- d) £6,000

Do you agree with this propose change? (tick one)

Yes = 32

No = 39

Don't Know = 15

If you agree, which option do you agree with (tick one)

Option a = 18

Option b = 9

Option c = 3

Option d = 2

Q5. Council Tax Support currently has a minimum entitlement threshold of £2 per week. We are considering changing this to the following:

a) £2.50 per week

b) £3.00 per week

c) £3.50 per week

d) £4.00 per week

Do you agree with this propose change? (tick one)

Yes = 50

No = 16

Don't Know = 19

If you agree, which option do you agree with (tick one)

Option a = 15

Option b = 12

Option c = 5

Option d = 18

Q6. Council Tax Support currently has a 100% maximum award, meaning you up to 100% of your Council Tax is eligible for Council Tax Support. We are considering changing this to the following:

a) 97.5%

b) 95%

c) 90%

d) 85%

e) 80%

Do you agree with this propose change? (tick one)

Yes = 29

No = 48

Don't Know = 9

If you agree, which option do you agree with (tick one)

Option a = 10

Option b = 7

Option c = 7

Option d = 2

Option e = 3

Q7. Council Tax Support is currently capped at Band B liability, for example, a customer in Band C (and above) would have their entitlement calculated on Band B liability. We are considering changing this to the following:

- a) Cap at Band C – a customer in Band D (and above) would have their entitlement calculated on Band C liability**
- b) Cap at Band D – a customer in Band E (and above) would have their entitlement calculated on Band D liability**

Do you agree with this propose change? (tick one)

Yes = 34

No = 21

Don't Know = 30

If you agree, which option do you agree with (tick one)

Option a = 25

Option b = 11

Q8. A Council Tax Premium of 200% is currently charged for property that have been empty for over 5 years. It is proposed, in line with Government legislation, to increase this to 300% for properties empty over 10 years from 1 April 2021.

Do you agree with this propose change? (tick one)

Yes = 58

No = 10

Don't Know = 17

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Equality with Human Rights Analysis Toolkit



SECTION A

<p>Name of policy / project / service</p>	<p>Council Tax Support Scheme 2021/22</p>
<p>Background and aims of policy / project / service at outset</p>	<p>In January 2020, the meeting of Full Council approved City of Lincoln Councils Council Tax Support Scheme (CTS) for 2020/21. There were a number of changes made to the scheme.</p> <p>The Council must review and reapprove its Council Tax Support scheme each year as part of its budget setting process, and make any necessary changes for 1 April 2021</p> <p>It is recognised that the combined effects of the wider welfare reform package on the residents of the District requires a robust and detailed Equality Impact Assessment.</p> <p>The current document contains data derived from the current Council Tax Support caseload.</p> <p>Following publication of the draft scheme, formal consultation commenced on 28 October 2020 and ran to 9 December 2020, utilising a combination of the council’s consultation web-portal and letters issued to all those in receipt of Council Tax Support directing them to the on-line consultation documents. Emails were issued to relevant stakeholders, including Citizens Advice.</p> <p>The level of changes to the current scheme have been modelled and individuals / groups impacted by the selection of changes is shown below: -</p> <ul style="list-style-type: none"> • Retain current scheme with a Council Tax increase of 1.9% and a caseload decrease of 1% and increase between 15 and 3% – 3,874 working age CTS customers are affected; • Various changes to be considered: <ul style="list-style-type: none"> ○ Minimum weekly entitlement amendment – £2.50 to £4.00 per week: ○ Capital reduction - £7,500 to £6,000 ○ Maximum award to be reduced – 97.5% to 80% ○ Increase banding cap – Band C to D (this would be an additional cost to the scheme)

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	<ul style="list-style-type: none"> • Council Tax Empty Homes Premium to be increased from 200% to 300% (charge from 300% to 400%) - 26 council tax payers affected <p>Each of these will be considered in relation to how the changes might differently and / or adversely affect people with protected characteristics.</p> <p>The Equality Assessment provided support in approach to the consultation on the proposed scheme. Details of the responses to the consultation will be presented in the Localised Council Tax Support 2020/21 report pack which will be presented to Strategic Review Group on 16 December 2019.</p>
<p>Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis</p>	<p>Claire Moses – Revenues and Benefits Manager (Shared Service)</p>
<p>Key people involved <i>i.e. decision-makers, staff implementing it</i></p>	<p>Decision Makers – City of Lincoln Members, and Executive Staff implementing any changes</p>

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SECTION B

This is to be completed and reviewed as policy / project / service development progresses

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this?*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	Negative	None			
Age 41	Y	Y		<p>Pensioners are a protected group for the purposes of council tax support scheme so will not be financially affected, therefore the reduction in benefit will be borne by the remainder of those in receipt of Council Tax Support (those of working age who are not carers, war widows/ war disablement pensioners and the sick and disabled).</p> <p>There could be a risk people of working age who will bear all the financial impact of the changes, may resent the fact that pensioners are exempt.</p> <p>Due to the current economic climate, it is more difficult for younger people to access employment providing further financial difficulties. Council Tax Support will only be available to those young people who are liable to pay Council Tax and this only applies to householders over 18 years of age. If the young person is living in their parent or other householder's home they will not be liable to</p>	Yes	<p>Action dependant on outcome of consultation and Executive recommendation on 4 January 2021</p> <p>With effect from 1 April 2021</p>

				<p>pay Council Tax so will not be affected by this Support scheme unless they are a non-dependent in the householder's home because the non-dependant deductions are being increased across all age groups and based on the level of income they receive. The personal allowances for under-25's is lower than for those over the age of 25 years. This means that they could get less.</p>		
<p>Disability including carers (see Glossary)</p> <p>42</p>	<p>Y</p>			<p>The proposal to protected vulnerable groups will include those with a disability.</p> <p>The Department for Work and Pensions state that disabled people remain far less likely to be in employment, therefore the proposals do not impact on this group to the extent that they are regarded as a vulnerable group. The scheme protects disabled persons from the proposed changes except for the general uprating of all allowances and premiums.</p> <p>To qualify as 'disabled' the person must</p> <ul style="list-style-type: none"> • Qualify for a disability, enhanced disability or severe disability premium for the claimant or partner, or • Qualify for disability or enhanced disability premium for a dependent, or • Qualify for a disability earnings disregard, or • Receive a disability related council tax reduction. • Be in receipt of Employment and Support Allowance (Work Related or 	<p>NA</p>	<p>Action dependant on outcome of consultation and Executive recommendation on 4 January 2021</p> <p>With effect from 1 April 2021</p>

Appendix 4 – 4 January 2021 - Executive – Council Tax Support Scheme 2021/22 Equality Impact Assessment

				Support Group component		
Gender re-assignment			Y	There is no evidence at this stage of an impact	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021
Pregnancy and maternity			Y	This does not have any effect on the decisions made under this policy.	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021
43 Race			Y	Persons from abroad are excluded from provision by statute but race or ethnicity itself does not have any effect on the application of the scheme. Scheme rules do not take into account race or ethnicity. Council Tax Support is proposed to be reduced for all working age customers.	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021
Religion or belief			Y	There is no evidence at this stage of an impact	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021

Appendix 4 – 4 January 2021 - Executive – Council Tax Support Scheme 2021/22 Equality Impact Assessment

Sex			Y	There is no evidence at this stage of an impact	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021
Sexual orientation			Y	This does not have any effect on the decisions made under this policy.	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021
Marriage/civil partnership			Y	This does not have any effect on the decisions made under this policy.	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021
Human Rights (see page 8)			Y	This does not have any effect on the decisions made under this policy.	NA	Action dependant on outcome of consultation and Executive recommendation on 4 January 2021 With effect from 1 April 2021

- Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies

Did any information gaps exist?	Y/N/NA	If so what were they and what will you do to fill these?

SECTION C

Decision Point - Outcome of Assessment so far:

Based on the information in section B, what is the decision of the responsible officer (please select one option below):

- | | |
|---|------------------|
| | Tick here |
| ✓ No equality or human right Impact (your analysis shows there is no impact) - sign assessment below | [] |
| ✓ No major change required (your analysis shows no potential for unlawful discrimination, harassment)- sign assessment below | [] |
| ✓ Adverse Impact but continue (record objective justification for continuing despite the impact)-complete sections below | [x] |
| 45 ✓ Adjust the policy (Change the proposal to mitigate potential effect) -progress below only AFTER changes made | [] |
| ✓ Put Policy on hold (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress | [] |

<p>Conclusion of Equality Analysis (describe objective justification for continuing)</p>	<p>Council Tax has to be paid by all those liable to pay it but some people will have limited means to do this because of their low income or they have higher living costs due to illnesses, disabilities or family or personal circumstances.</p> <p>Council Tax is required to raise month to fund Council Services but a certain amount of money is directed to those who cannot afford to pay the Council Tax to reduce the financial burden on those households because they need it or because society considers that financial support is beneficial to help certain categories of people in certain situations.</p> <p>The aim of the proposed changes is to save some scheme expenditure in light of further reductions to local government finance.</p>
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<p>When and how will you review and measure the impact after implementation?*</p>	<p>The policy and CTS is the responsibility of City of Lincoln Council. It is approved by Executive and then Full Council. It will be administered by the Council's Shared Revenues and Benefits Service.</p>
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	The Council will analyse its current caseload and produce figures showing the main groups of working age claimants getting Council Tax Support now and likely to be affected by changes to the current scheme. Extracts of the data will allow monitoring of the main types of people affected by the policy can take place as required
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Checked and approved by responsible officer(s) (Sign and Print Name)	 Claire Moses	Date	10/12/2020
Checked and approved by Assistant Director (Sign and Print Name)	Martin Walmsley	Date	10/12/2020



Lincolnshire
POLICE & CRIME COMMISSIONER

SAFER TOGETHER

Deepdale Lane, Nettleham, Lincoln LN2 2LT
Telephone (01522) 947192 Fax (01522) 558739
E-Mail: lincolnshire-pcc@lincs.pnn.police.uk Website: www.lincolnshire-pcc.gov.uk

Date: 16th December 2020
Our Ref: JF/ch/2020-1021

Jaclyn Gibson
Chief Finance Officer
City of Lincoln Council
City Hall
Beaumont Fee
LINCOLN
LN1 1DD

By Email: jaclyn.gibson@lincoln.gov.uk

Dear Jaclyn

Council Tax Support Scheme 2021/22

Thank you for your letter of 11th November 2020 in which you invite comment on the above. I note and have no specific comments on the proposals included within your letter.

The Police and Crime Commissioner is proposing the introduction from April 2021, within Local Council Tax Support Schemes, of a council tax discount for members of the Special Constabulary details of which are attached at Appendix A to this letter. The proposal has previously been presented to and discussed with the Leaders of all Lincolnshire councils.

Yours sincerely

Julie Flint
Chief Finance Officer

LINCOLNSHIRE SPECIAL CONSTABULARY COUNCIL TAX DISCOUNT SCHEME

Background

1. The Special Constabulary consists of members of the public who give up their spare time to assist with the policing of Lincolnshire. Special Constables (SCs) are warranted officers who have the same powers as a regular officer, wear the same uniform, and carry the same equipment. They are volunteers, so do not receive any pay for their efforts.
2. SCs perform police duties under the supervision of regular officers and experienced specials. They take on a diverse range of roles including:
 - conducting local, intelligence based patrols
 - taking part in crime prevention initiatives
 - policing major incidents
 - conducting inquiries
 - assisting at scenes of accidents
 - safeguarding the public at local and major events
 - tackling anti-social behaviour
 - spending time at local schools to educate on safety
 - providing operational support to regular officers
3. SCs are a vital part of the police service, helping to prevent crime and interacting with the diverse communities they serve. The contribution which SCs make in supporting their regular colleagues is invaluable; during the 12 months to the end of May 2020 the Special Constabulary contributed over 49,000 hours to Lincolnshire Police, with each SC volunteering an average of 29 hours per month.
4. There are currently 140 SCs in the Force, including a current cohort of 20 new SCs going through training. The Force is also looking to have another intake of SCs in the autumn.

Proposal

5. The PCC wishes formally to recognise the huge contribution which SCs make to keeping our county safe and is proposing that they be offered a discount to their Council Tax charge. This would reward their community service and act as a positive incentive to assist Police with recruitment and retention of SCs.
6. Where the scheme has been introduced elsewhere in the country e.g. the Humberside force area, anecdotal evidence suggests that it has received broad public support recognising the unique nature of the voluntary office of Special Constable.
7. A rough calculation, based upon current Special Constabulary numbers, their current residential distribution (some live out of county), Band D properties and 2020/21 levels of Council Tax provides an indicative cost for the county of £53,000 broken down as below.

	Number of Specials	County £	PCC £	District £	Total £
City of Lincoln	32	10,701	2,011	2,241	14,952
Boston	10	3,344	628	633	4,605

	Number of Specials	County £	PCC £	District £	Total £
East Lindsey	18	6,019	1,131	661	7,811
West Lindsey	10	3,344	628	544	4,517
North Kesteven	14	4,682	880	594	6,155
South Kesteven	22	7,357	1,383	825	9,564
South Holland	12	4,013	754	539	5,306
Total	118	39,459	7,415	6,036	52,910

Eligibility Criteria

8. A liable party will be able to apply for a maximum 25% discount of their council tax charge where the following criteria are met.
 - 8.1. The liable party is a member of the Lincolnshire Police Special Constabulary.
 - 8.2. The majority of their duties are to benefit the residents of Lincolnshire.
 - 8.3. They must be liable as an individual for the [Insert District Council] Council Tax Charge or they must be jointly or severally liable for the Council Tax Charge.
 - 8.4. Only one application per household can be made.
 - 8.5. Where more than one Special Constable is in occupation of a single property, a total 50% discount of the full band charge will be awarded. Where a discount based on an individual's circumstances has already reached 50%, for some other reason, no further discount will be awarded.
 - 8.6. Where a single occupier claims the discount, a further discount of 25% of the full band charge will be made (as a 25% reduction will already be awarded as a single occupier). Where a discount based on an individual's circumstances has already reached 50%, for some other reason, no further discount will be awarded.
 - 8.7. A person who is not liable to pay the Council Tax charge direct to [Insert District Council] cannot apply for a discount.
 - 8.8. That any discount awarded be calculated on a daily basis to reflect new starters and leavers within the Special Constabulary.
 - 8.9. The allowance will only be paid where the applicant is up to date with their current year Council Tax payments.
 - 8.10. A Special Constable must undertake a minimum of 16 hours duty per four weeks to be eligible for the Council Tax allowance.
 - 8.11. Payments will be reimbursed at the end of any given financial year.

A charge payer is as defined by Section 6 Local Government Finance Act 1992.

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Lincolnshire County Council email response to Localised Council Tax Support 2021/22 consultation

Thank you for your letter and the opportunity to comment on the proposals being considered for changes to the City of Lincoln Council's proposed Council Tax Reduction Scheme for 2021/22.

Clearly we have concerns regarding the impact Covid has on the uptake on the scheme and would like to support the options that mitigate this exposure as much as possible.

- We would support the option to increase the weekly entitlement level.
- We would support the option to reduce the capital allowance.
- We would support the option to reduce the maximum entitlement from 100%. This is the option that is most likely to mitigate increasing costs to the scheme and to ourselves, and would reflect the levels operated within the schemes of other Lincolnshire Districts.
- Increasing the banding cap would be likely to increase the cost to the scheme, so we would not see this change as necessary.

We are also aware of the proposal put forward by the PCC for reliefs to Special Constables, and LCC are supportive of this proposal.

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SUBJECT: COLLECTION FUND DEFICIT – COUNCIL TAX

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON – CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To inform Members of the estimated balance for the Council Tax element of the Collection Fund and the surplus or deficit to be declared for 2020/21.

2. Executive Summary

- 2.1 Prior to setting the Council Tax for 2021/22 the City Council is required to estimate whether there is to be a surplus or deficit on Council Tax element of the Collection Fund for the current financial year (2020/21).
- 2.2 The Council will declare a deficit on Council Tax £1,105,616 for the financial year 2020/21, with the City Council's share being £165,680.

3. Background

- 3.1 As a Council Tax Billing Authority the City Council is required to estimate whether there is to be a surplus or deficit on the Collection Fund for the current financial year, prior to setting its Council Tax for the next year. The calculation is based on an estimate of tax collected in year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit and the expected year-end arrears position.
- 3.2 The calculation of Council Tax is based on an estimate of tax collected in year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit, and a forecast for the remainder of the current year.
- 3.3 A surplus or deficit may occur in the Collection Fund if actual performance during the year is higher or lower than originally estimated when Council was set. Areas of variance include:
- Council Tax base is larger or smaller than originally anticipated (reasons may be increased property development or changes in exemptions and discounts)
 - Claimant numbers for the Local Council Tax Support scheme are higher or lower than expected.
 - In year collection rates are higher or lower than expected,
 - Arrears collection rates are higher or lower than expected

- 3.4 The Council is required to declare any surplus or deficit during January of each financial year and once approved has an obligation to notify its major precepting authorities (Lincolnshire County Council and Lincolnshire Police) of their share of the estimated surplus or deficit.
- 3.5 As the result of the Covid-19 pandemic, the Council, in line with many other local authorities is predicting a significant deficit on its Collection Fund. Under normal circumstances a surplus or deficit reported in year is carried forward in the Collection Fund into the following financial year, when it then impacts on the General Fund budget. However, on 1st December 2020 the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 came into effect. These regulations, which are mandatory, amend the rules governing the apportionment of Collection Fund surpluses and deficits for Council Tax and Non-domestic Rates. The key element of the Regulations is that Collection Fund deficits arising in 2020/21 can be spread over the following three years, rather than the usual period of one year. This only refers to the in year deficit, net of Covid related grants. Any surpluses or deficits relating to previous financial years must be transferred to the General Fund in 2021/22 in the normal way.

4. Estimated Surplus/Deficit for 2020/21 – Council Tax

- 4.1 As at 31st March 2021 the Collection Fund is estimated to have a deficit of £892,766 for Council Tax relating to the Financial Year 2020/21.
- 4.2 The primary reasons for this significant deficit in year are due to an increase in working age claimant numbers under the Local Council Tax support scheme along with a reduction in the in-year collection rate, both of which are as a result of the Covid19 pandemic.
- 4.3 In addition to declaring the estimated surplus or deficit position on the Collection Fund for the current financial year the Council is also required to declare any surplus or deficit relating to the difference between previously declared surplus/deficit positions and the actual outturn position as reported in the Council's Statement of Accounts. In 2020/21 there is a deficit balance of £212,850 in the Collection Fund relating to previous years.
- 4.4 Based on the forecast position of the in-year Collection Fund as at 31st March 2021 and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn it is estimated that there will be a deficit of £1,105,616 on the Council Tax element of the Collection Fund in 2020/21.
- 4.5 The deficit brought forward of £212,850 will be distributed in 2021/22 whereas the in-year deficit of £892,766 will be distributed over the next three years, as follows:

	2021/22 £	2022/23 £	2023/24 £	Total £
Council Tax – 20/21 estimate deficit	297,589	297,589	297,588	892,766
Council Tax - prior years deficit	212,850	0	0	212,850
Total Deficit	510,439	297,589	297,588	1,105,616

5. Strategic Priorities

- 5.1 There are no direct implications for the Council's Strategic Priorities arising as a result of this report.

6. Organisational Impacts

- 6.1 Finance

For City of Lincoln the financial implications of the report are summarised below:

	2021/22 £	2022/23 £	2023/24 £	Total £
Council Tax – 20/21 estimate deficit	44,595	44,595	44,594	133,784
Council Tax - prior years deficit	31,896	0	0	31,896
Total Deficit	76,491	44,595	44,594	165,680

The Council's share of the estimated deficit will be distributed as set out in the above table and will form part of the Medium Term Financial Strategy 2021-26.

As part of the Spending Round 2020 and with further details provided in the Provisional Local Government Finance Settlement, MHCLG have announced a new local tax income guarantee for 2020/21. This proposed scheme will compensate councils for 75% of irrecoverable losses incurred during 2020/21. Based on the Collection Fund deficit set out in this report, it is estimated that c£100k of compensation would be due to the Council. The actual level of compensation will be known at the end of the financial year and will be accounted for in 2020/21 and transferred to an earmarked reserve to offset against the deficits set out above.

- 6.2 Legal Implications including Procurement Rules

The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to establish and maintain a Collection Fund and report each year on surplus and deficits by the 15th January each year.

7. Risk Implications

- 7.1 The key risks associated to this report are financial, in terms of the accuracy of forecasts to arrive at the estimation of the deficit determined for the year 2020/21. Officers will continue to track and monitor the collection fund performance. The Council's performance on recovery of Council Tax, both in-year and for its overall recovery rate needs careful monitoring as does monitoring of trends in Local Council Tax Support scheme claimant numbers. The performance of the Collection Fund is included within the relevant directorate risk register and monitored accordingly.

8. Recommendations

- 8.1 The Executive are recommended to confirm the action of the Chief Finance Officer in declaring a Council Tax deficit of £1,105,616.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Jaclyn Gibson, Chief Finance Officer
Telephone (01522) 873258

SUBJECT:	COUNCIL TAX BASE 2021/22
DIRECTORATE:	CHIEF EXECUTIVE
LEAD OFFICER:	CLAIRE MOSES, REVENUES AND BENEFITS MANAGER (SHARED SERVICE)

1. Purpose of Report

1.1 The purpose of this report is to seek Executives' recommendation of the Council Tax Base for the financial year 2021/22.

2. Executive Summary

2.1 This report is submitted to the Executive each year and sets out the calculation of the Council Tax Base for the following financial year.

3. Background

3.1 The Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) require the Council to formally set its Tax Base as the first stage of the Council Tax setting process.

4. Special Items

4.1 Before setting the Council Tax Base, the issue of any special items relating to a part of the Council's area must be considered. If there are any items of expenditure that relate to one part of the local authority area, then that expenditure can be levied on those residents in that area and not on others.

4.2 There are no items of special expenditure.

5. Council Tax Base

5.1 Certain assumptions have to be made in order to determine the number of dwellings within the Authority's area, and these are set out in Appendix A.

5.2 The calculation of the Council Tax base, detailed in Appendix B, shows the number of Band D equivalent chargeable dwellings as being 24,372.38. This is based on the Regulations in paragraph 3.1 above and assumes that 97.75% of the Council Tax due for 2021/22 will be collected.

5.3 The Council Tax base number of Band D equivalent chargeable dwellings for 2021/22 has been calculated as 29,072.16– less 4,699.78 deduction calculated for the localised Council Tax Support scheme – resulting in a proposed Council Tax base for 2021/22 of 24,372.38.

6. Organisational Impacts

- 6.1 Finance: The Council must confirm its Council Tax Base as a pre-requisite to setting the Council Tax charge for 2021/22.
- 6.2 Legal Implications: The Local Government Finance Act 1992 and Statutory Instrument No 1992/612 – Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) set out the requirement for the Council to confirm and formally approve its Council Tax Base and notify it to its precepting bodies. The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 provide for Councils to make technical changes to certain discounts from April 2013.
- 6.3 Equality and Diversity: There are no specific equality and diversity impacts as a direct result of this report.

7. Recommendations

- 7.1 The Executive is asked to recommend to Council that it:
- a) Notes that there are no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area;
 - b) Approves the Chief Finance Officers' calculation of the Council Tax Base for the financial year commencing 1 April 2021 and ending 31 March 2022, as set out in Appendix B of this report;
 - c) Approves, in accordance with the Chief Finance Officers' calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2021/22 financial year is 24,372.38.

Key Decision	No
Do the Exempt Information Categories Apply	No
Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	Yes
If Yes, how many Appendices?	Two
List of Background Papers:	None

Lead Officer: Claire Moses, Revenues and Benefits Manager (Shared Service), Telephone (01522) 873764

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APPENDIX A: Executive 4 January 2021

Assumptions made in the Calculation of the Council Tax Base (See APPENDIX B)

Number of Dwellings:	The number of dwellings on the Council's database as at 30 November 2020
Exempt properties:	These are laid down by Regulations and are properties exempt from Council Tax, e.g. student occupied property. The total in each of the exemption categories has been calculated as at 30 November 2020 and it has been assumed that the exemption will remain throughout 2021/22.
Disabled relief:	These are properties that are occupied by disabled persons and may be placed in a lower valuation band if they fulfil the criteria laid down by the Regulations. The number of these properties has been calculated at 30 November 2020 and it has been assumed that the relief will remain throughout 2021/22.
Discounts on relevant Day – i.e. 25%, 50%, 10% + 100% levy:	These are laid down by Regulations, in addition to technical changes introduced from April 2013, and are properties subject to a percentage discount from the Council Tax, i.e. second homes, single person households or empty properties. The total in each of the discount categories has been calculated as at 30 November 2020 and it has been assumed that the discount will remain throughout 2021/22.
Net additions expected In year:	This is an estimate of the number of dwellings known to be currently under construction plus the anticipated number to be constructed throughout 2021/22. Account is taken where dwellings will not come into a charge until part way through the year. Adjustments to discounts and exemptions and appeals are also taken into account
Collection Rate:	It is assumed that 97.75% of the Council Tax due for 2021/22 will be collected.
Council Tax Support:	These are estimates of the amount of Council Tax Support to be granted in 2021/22 (localised replacement scheme for Council Tax Benefit from April 2013).

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City of Lincoln - 2021/22 Council Tax Base Estimate as at 30 November 2020

Line	Valuation Bands	A-	A	B	C	D	E	F	G	H	TOTAL
1	Properties	0.00	27848.00	9033.00	4917.00	2545.00	1366.00	422.00	135.00	47.00	46313.00
2	Exempt properties	0.00	-2002.00	-441.00	-215.00	-109.00	-287.00	-43.00	-6.00	-23.00	-3126.00
3	Disabled Band Reductions	50.00	4.00	-10.00	-19.00	-16.00	-3.00	-3.00	9.00	-12.00	0.00
4	Adjusted Chargable Dwellings	50.00	25850.00	8582.00	4683.00	2420.00	1076.00	376.00	138.00	12.00	43187.00
5	25% Discounts (SPD and disregards)	-4.25	-3073.00	-693.25	-323.00	-138.75	-50.50	-18.00	-2.75	0.00	-4303.50
6	25% Discounts (less than 2 years)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	50% Discounts (empty properties)	1.00	11.00	5.00	1.50	3.00	2.00	2.50	6.50	3.50	36.00
8	20% Discounts (second homes)	0.00	-59.80	-23.80	-8.50	-2.50	-5.70	-0.40	-0.10	0.00	-100.80
8A	25% and 100% Discounts	0.00	-1.18	-0.33	-0.26	-0.05	-0.01	0.00	-0.04	0.00	-1.87
8B	50% and 100% levy (premiums empty homes)	0.00	1.47	0.08	0.07	0.05	0.53	0.02	0.01	0.00	2.23
9	0% Discounts	0.00	-5.30	-1.40	-0.62	-0.33	-0.14	-0.04	-0.04	0.00	-7.87
10	300% levy (premium empty homes)	0.00	70.00	10.00	2.00	2.00	0.00	0.00	0.00	0.00	84.00
11	Estimated Future Adjustment	0.00	160.00	20.00	10.00	5.00	3.00	1.00	1.00	0.00	200.00
12	Adjusted Dwellings	46.75	22953.19	7898.30	4364.19	2288.42	1025.18	361.08	142.58	15.50	39095.19
13	Ratio to Band D	5/9th	6/9th	7/9th	8/9th	9/9th	11/9th	13/9th	15/9th	18/9th	
14	Band D Equivalent	25.97	15302.13	6143.12	3879.28	2288.42	1253.00	521.56	237.63	31.00	29682.11
15	Less Estimated non-collection (2.25%)	-0.58	-344.30	-138.22	-87.28	-51.49	-28.19	-11.74	-5.35	-0.70	-667.85
16	Crown Properties	0.00	34.82	11.29	6.15	3.18	1.71	0.53	0.17	0.06	57.90
17	Adjusted to Band D Equivalent	25.39	14992.64	6016.19	3798.14	2240.11	1226.51	510.35	232.46	30.36	29072.16
18	CTR (Working Age)	-9.98	-2835.13	-257.50	-62.98	-28.01	-9.45	-2.14	0.00	0.00	-3205.19
19	CTR (Pension Age)	-2.67	-1134.07	-217.70	-110.67	-22.50	-5.26	-1.73	0.00	0.00	-1494.59
20	Council Tax Base	12.74	11023.45	5540.99	3624.50	2189.60	1211.81	506.48	232.46	30.36	24372.38

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SUBJECT:	HUMAN RESOURCES POLICIES (REDUNDANCY AND PENSIONS)
DIRECTORATE:	CHIEF EXECUTIVE
REPORT AUTHOR:	ALI THACKER (HR AND PAYROLL TEAM LEADER)

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval from the Executive to implement the proposed policy changes, which must be made to ensure they comply with The Restriction of Public Sector Exit Payments Regulations 2020.

2. Executive Summary

- 2.1 On 4th November 2020 The Restriction of Public Sector Exit Payments Regulations came into force which puts a £95k cap on all exit payments.
- 2.2 This report provides an overview of the changes the Council must make to existing policy, in order to comply with the new regulations.

3. Background

- 3.1 On 4 November 2020, The Restriction of Public Sector Exit Payments Regulations 2020 came into force which puts a £95k cap on all exit payments.

This means that all exit payments for Council employees, will be limited to a combined total of £95,000.

Exit Payments include:

- Redundancy payments (including statutory redundancy payments),
- Severance payments,
- Pension strain costs – which arise when an LGPS pension is paid unreduced before a member's normal pension age – and other payments made as a consequence of termination of employment.

The cap applies to all exit payments that arise within a 28 day period and the regulations cover the process to follow if an individual has multiple exits from public sector employment within 28 days.

Where the total exit payment exceeds the cap the employee's enhanced redundancy payment will be reduced to ensure the total exit payment does not exceed the cap. We are however awaiting further advice and guidance on the specific details of how the new regulations will work in practice.

Essentially these regulations will affect all public service employees whose exit payment would exceed £95k - this could affect both higher earning employees as well as longer serving employees.

- 3.2 Enclosed to this report are the following policies, which are required to be amended to comply with the new regulations:

The Redundancy Compensation Payments Scheme (appendix 1)
The Pension Policy Statement (appendix 2)

The proposed changes are as follows:

Redundancy Policy

Section 5 – the following wording has been inserted:

In line with the above regulations which came into force in November 2020, all exit payments will be limited to a total combined cost of £95,000. Exit payments will include:

- *Redundancy payments (including statutory redundancy payments),*
- *Severance payments,*
- *Pension strain costs*
- *and other payments made as a consequence of the termination of employment.*

The cap applies to all exit payments that arise within a 28 day period and the regulations cover the process to follow if an individual has multiple exits from public sector employment within 28 days.

Section 6 – the following wording underlined has been inserted:

The lump sum will be subject to a maximum payment of 104 weeks' pay (or a maximum payment £95,000 - inclusive of any other exit payment outlined in section 5 - whichever is lower) and will be calculated on the basis of four weeks' pay for each complete year of service subject to a minimum of two years' service and a maximum of 26 years' service being counted.

Section 7.2 – the following wording has been inserted:

In the event where an employees redundancy and pension strain combined cost exceed the £95,000 exit cap, the employees enhanced redundancy payment will be reduced to ensure that both payments combined do not exceed the exit cap.

3.3 The Pension Policy

The following wording has been inserted:

The Restriction of Public Sector Exit Payments Regulations 2020

In line with the above regulations which came into force in November 2020, all exit payments will be limited to a total combined cost of £95,000. Exit payments will include:

- *Redundancy payments (including statutory redundancy payments),*
- *Severance payments,*
- *Pension strain costs*

- and other payments made as a consequence of the termination of employment.

The cap applies to all exit payments that arise within a 28 day period and the regulations cover the process to follow if an individual has multiple exits from public sector employment within 28 days.

The exit payment cap will not apply to:

- *Payments related to death in service or ill health retirement,*
- *Flexible retirements (as this is not an exit and is a contract variation).*

In the Regulation 30(8), Retirement below normal pension age section the following wording underlined has been inserted:

The Council will use these discretions where an employee has requested early payment of benefits on or after age 55 and before 60 on a case by case basis in accordance with the principles set out in section 4 however in line with the above regulations, these must not exceed the £95,000 exit payment cap.

Within the Regulation 30(7), Retirement on Grounds of Redundancy section the following wording has been inserted:

In the event where an employees redundancy and pension strain combined cost exceed the £95,000 exit cap, the employees enhanced redundancy payment will be reduced to ensure that both payments combined do not exceed the £95,000 exit payment cap.

Within the Regulation 30(7), Retirement on the Grounds of Business Efficiency – Employer Consent section the following wording has been inserted:

In the event where an employees retirement is on the grounds of business efficiency, the combined cost of any severance payment and pension strain cannot exceed the £95,000 exit cap, the employees severance payment will be reduced to ensure that both payments combined do not exceed the £95,000 exit payment cap.

- 3.5 As the proposed changes relate to new regulations coming into force, there were no concerns raised by JCC in relation to the proposed policy changes to the Redundancy and Pension Policies.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)

There are no specific financial implications arising from this report.

4.2 Legal Implications including Procurement Rules

The attached policies have been updated in line with the new regulations, however the Unions, Lawyers in Local Government and Association of Local Authorities Chief Executives have issued judicial review proceedings against the Government seeking to quash the Exit Pay Cap Regulations citing procedural flaws and substantive issues on which the regulations have been made, some of which affect the draft pension regulations.

4.3 Human Resources

The enclosed policies have been updated in line with the new regulations, and the changes in regulations have been outlined to Trade Unions as part of a Union/CMT meeting.

HR will also continue to review any changes in guidance on these regulations and will review our policy again once a decision has been made on any additional reforms.

5. Risk Implications

5.1 The Council must make changes to the above policies to ensure they are compliant with the new regulations.

6. Recommendation

6.1 That the Executive note the content of the report.
That the Executive agree to the proposed policy changes.

Is this a key decision? No

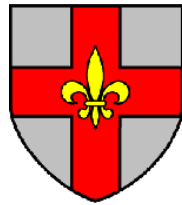
Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? 2

List of Background Papers: None

Lead Officer: Ali Thacker , HR and Payroll Team Leader
Telephone (01522) 873801



Redundancy Compensation Payments Scheme

1. The Purpose of this Scheme

- 1.1 This scheme sets out the arrangements for compensation payments including early access to pension for employees dismissed by reason of redundancy.

2. Scope

- 2.1 This scheme applies to all employees of the Council who, at the date of termination of their employment, have at least two years' of continuous service.

3. Responsibilities

3.1 Responsibility of the HR Service

HR will provide calculations to employees at risk of redundancy or those considering submitting an application for voluntary redundancy including any pension implications. It is also HR's responsibility to review and update this policy in line with new legislative requirements.

4. Eligibility

- 4.1 The following conditions must be met if an employee is to be eligible for a payment:

- The employee is aged over 16 with at least two years' qualifying employment
- The employee's employment is terminated on the grounds of redundancy

- 4.2 Employees shall not be entitled to redundancy payments or early access to their pension on the grounds of redundancy if:

- They are dismissed for reasons of misconduct, with or without notice;
- At their employment termination date they have obtained without a break, or with a break not exceeding four weeks, suitable alternative employment with the Council or with a body listed under the Redundancy Payments (Continuity of Employment in Local Government)(Modification) Order 1999;
- They unreasonably refuse to accept, or apply for, suitable alternative employment with the Council or another 'Modification Order' body;
- Leave their employment before expiry of notice, except if they have written confirmation agreeing early release from their line manager.

- 4.2 In addition, where the Council is entering into an arrangement with another organisation and employees are to be transferred to another employer under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), employees will not be entitled to redundancy if they do not wish to transfer.

5 The Restriction of Public Sector Exit Payments Regulations 2020

- 5.1 In line with the above regulations which came into force in November 2020, all exit payments will be limited to a total combined cost of £95,000. Exit payments will include:
- Redundancy payments (including statutory redundancy payments),
 - Severance payments,
 - Pension strain costs
 - and other payments made as a consequence of termination of employment.

The cap applies to all exit payments that arise within a 28 day period and the regulations cover the process to follow if an individual has multiple exits from public sector employment within 28 days.

6. Redundancy payment

- 6.1 The redundancy payment will take the form of a lump sum, dependant on the employee's length of service at the termination of employment date. The lump sum will be subject to a maximum payment of 104 weeks pay (or a maximum payment £95,000 - inclusive of any other exit payment outlined in section 5 - whichever is lower) and will be calculated on the basis of four weeks' pay for each complete year of service subject to a minimum of two years' service and a maximum of 26 years' service being counted.
- 6.2 In accordance with the Council's Pension Policy Statement, the Council has adopted the discretion to award additional pensions (up to the pension limit defined in the regulations) to employees in the Local Government Pension Scheme who have more than two year's service. However the Council will only exercise this discretion in exceptional circumstances and only at the discretion of the Chief Executive and Town Clerk or Director of Resources. In the event that this is granted, employees would only be entitled to the statutory redundancy entitlement as set out in Appendix 1 and not the enhanced entitlement set out in 6.1.

7 Redundancy and early access to pension for employees aged over 55 who are members of the Local Government Pension Scheme

- 7.1 Employees aged 55 or over who are members of the Local Government Pension Scheme and who are made redundant with more than two year's service will be able to receive the full value of their pension without the actuarial reduction that might occur with a resignation not linked to redundancy. The cost of early release of their pension (known as the pension strain) will be paid by the Council.
- 7.2 In the event where an employees redundancy and pension strain combined cost exceed the £95,000 exit cap, the employees enhanced redundancy payment will be reduced to ensure that both payments combined do not exceed the exit cap.

8 Retrospective pay awards

- 8.1 If a retrospective pay award is notified after the employment termination date, the redundancy payment and/or pension will be recalculated and any arrears due paid.

9 Taxation of Payments

- 9.1 All redundancy payments will be subject to HMRC rules.
- 9.2 Current rules mean that redundancy lump sum payments and any additional payments arising from redundancy are, in aggregate, tax and national insurance free for the first £30,000. Amounts over £30,000 are taxable but are free from national insurance.
- 9.3 Lump sum pension benefits are not taxable but annual pensions are taxable. Any employee who receives a return of contributions will have to pay tax.

10 Definition of Terms

10.1 A week's pay – A week's pay is calculated in accordance with s220 of the Employment rights Act 1996. Overtime does not count unless the Council is contractually bound to provide it and the employee is contractually bound to work it.

10.2 Calculating a weeks pay

If the employee's earnings change from one week to another because of piecework or productivity bonus arrangements, a week's pay is worked out by multiplying the number of hours normally worked in a week by the average hourly earnings over the 12 complete weeks of work before the calculation date. Only hours actually worked are taken into account. If the hours used in the calculation include hours outside normal working hours and paid at higher rates, the higher rate is ignored and the hours are worked out at the normal basic rate.

- 10.3 If the employee's normal working hours vary from week to week because of shift work, and earnings vary as a result, a similar calculation is done but the average hourly earnings are multiplied by the average weekly hours over the same 12 weeks. If there are no fixed working hours, a week's pay will be the average weekly earnings in the 12 weeks before the calculation date.
- 10.4 For employees paid a regular salary this is the weekly amount payable on the date that either contractual notice of redundancy is given or the date on which employment ends (the calculation date) in the event that early release is granted. The payment will include any contractual enhancement provided to the employee in line with S220 of the Employment Rights Act. Overtime payments do not count unless the Council is contractually bound to provide it and the employee is bound to work it.
- 10.5 Continuous Service** – The Employment Rights Act 1996 (ERA) provides that an employee must have two years' continuous service with the same employer in order to qualify for a redundancy payment (calculated as at the relevant date of redundancy)
- 10.6 Under s.216 of the ERA, any period during which an employee takes strike action will not count towards continuous service. However, continuity of service will not be broken.
- 10.7 Qualifying Local Government Service** – In calculating entitlement to, and the amount of, a redundancy payment all continuous local government service and other relevant service will be counted.

10.8 The relevant service is with local government employers and bodies named on the Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999 (as amended).

Revised October 2020

Approving Body & Date

JCC

Executive

Appendix 1

Ready reckoner for statutory redundancy payments

Service (years)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Age (years)																				
18	1	1½	2	-																
19	1	1½	2	2½	-															
20	1	1½	2	2½	3	-														
21	1	1½	2	2½	3	3½	-													
22	1	1½	2	2½	3	3½	4	-												
23	1½	2	2½	3	3½	4	4½	5	-											
24	2	2½	3	3½	4	4½	5	5½	6	-										
25	2	3	3½	4	4½	5	5½	6	6½	7	-									
26	2	3	4	4½	5	5½	6	6½	7	7½	8	-								
27	2	3	4	5	5½	6	6½	7	7½	8	8½	9	-							
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	10	-						
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	11	-					
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	12	-				
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	13	-			
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	14	-		
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	15	-	
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	16	
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½	
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19	
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½	
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24	
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½	
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25	
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½	
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26	
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½	
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27	
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½	
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28	
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½	
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29	
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½	
61+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30	

Pensions Policy Statement

1. Introduction

This policy statement will comply with the regulations relating to the Local Government Pension Scheme 2014 (LGPS). It defines the employer's discretions in the regulations and clarifies the Council's approach to different retirement options.

2. Scope

This policy statement applies to all members of staff who are eligible to be members of the local government pension scheme, as defined in the regulations.

Currently these are employees with a contract of employment of over 3 month's duration and who are under 75 years of age.

Employees who are members of the pension scheme are only entitled to receive pension benefits if they have 2 years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within 2 years of the start of their employment, their contributions are repayable unless, in accordance with Regulation 19, that person:

(a) becomes an active member again within one month and one day of ceasing active membership in an employment, or before the date a return of contributions has been issued by the appropriate administering authority, whichever is the later;

(b) left the employment because of—

- (i) an offence of a fraudulent character, or
- (ii) grave misconduct, in connection with the employment;

(c) benefits from a transfer payment to another registered pension scheme or to a qualifying recognised overseas pension scheme;

(d) continues as an active member in another employment held concurrently with the employment in which that person has ceased to be an active member; or

(e) is an active member and dies in service.

3. Objectives

This policy statement clarifies the Council's position on the discretions it can exercise in accordance with the Local Government Pensions Scheme (LGPS) 2014 regulations and guidance on how they apply to different retirement options.

It also provides clear guiding principles to assist decision making given that consideration of an employee's retirement, in a range of circumstances, will be considered on its own merits on a case by case basis.

4. Principles

The Council will treat any individual retirement case and decision on its merits.

Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law consideration, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills and skills retention and impact on service delivery.

The definition of business efficiency shall include, but not be limited to financial savings and/or quality improvements judged on a case by case basis.

Each decision will be made free from discrimination on the grounds of any protected characteristic - age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation or any other personal criteria.

The Council's decisions relating to retirement and the release of a pension will be in line with the current pension regulations. These regulations may be updated from time to time and the Council's policy is to default to the regulations if the policy is not explicit on any current or future regulation.

Decisions relating to retirement for any current employee will be based on the regulations in place at the time of the decision and will incorporate any relevant transitional arrangements that are put in place in relation to the pre 2008 scheme and the new look 2008 – 2013 scheme.

Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable to their pre 2014 service. In all such cases, the decision as to the release of deferred benefits will be on a case by case basis and will take into account the criteria detailed in these principles. Guidance may be sought from the pension administrators as required.

Compassionate grounds are defined as: situations of severe personal distress resulting from non financial circumstances affecting the individual or close family member (e.g. partner/spouse/child/parent) leading to unavoidable financial hardship.

5. Transitional Arrangements

5.1 Rule of 85 Transitional Protections

The rule of 85 is satisfied if the age at which an employee draws their benefits and scheme memberships in whole years add up to 85 or more. However not all membership may count towards the 85 year rule but generally

- If an employee would not satisfy the 85 year rule by the time they are 65, then all the benefits are reduced if the employee chooses to retire before 65. The reduction will be based on how many years prior to 65 the employee chooses to draw benefits.
- If the employee will be age 60 or over by the 31 March 2016 and they choose to retire before age 65, then, provided they satisfy the 85 year rule when they start to draw a pension, the benefits built up to the 31 March 2016 will not be reduced.
- If the employee will be under age 60 by the 31 March 2016 and choose to retire before age 65, then, provided the employee meets the 85 year rule when pension is started, the benefits built up to the 31 March 2008 will not be reduced.
- If the employee will be age 60 between the 1 April 2016 and the 31 March 2020 and meet the 85 year rule by the 31 March 2020, some or all of the benefits built up between the 1 April 2008 and the 31 March 2020 will not have a full reduction.

If you have the 85 year rule protection this continues to apply from 1 April 2014. The only occasion where this protection does not automatically apply is if you choose to voluntarily draw your pension on or after age 55 and before age 60.

If you choose to voluntarily draw your pension on or after age 55 and before age 60 and you have rule 85 protections, these will not automatically apply. The Council has the discretion to choose to allow the rule of 85 to apply. If the Council does not choose to allow the rule of 85 to apply, benefits will be reduced.

Because of the complexities of the transitional rule of 85 protections any employee considering leaving who believe they have acquired protection under this rule should contact the Pension provider prior to retiring.

5.2 The Underpin

Statutory Underpin applies to:

- Those who were age 55 or over at 1st April 2012 and who are members of the 2014 scheme; and
- have not had a disqualifying break since 1st April 2012; and
- have not already drawn benefits under the 2014 scheme; and

- who are active members of the 2014 scheme and entitled to take their benefits, including early retirement, from age 55

In these cases employees will have a specific protection applied known as the 'underpin'. As some of these employee will have an increase in their state pension age, calculations will be completed on retirement at age 65 to ensure they will get pension at least equal to that they would have received in the 2008 LGPS. Employees who believe they have protection in relation to underpin should contact the Pension provider, prior to retiring.

6. Discretions

Within the regulations there are a number of discretionary statements that require the Council to explicitly state their position. The discretions detailed below relate to the current LGPS 2014 regulations and guidance. They also reflect discretions approved by the Council for the previous pension scheme policies. These should be read alongside the principles in section 4 and the retirement options in section 7.

Regulation 9, Contributions

The Council will apply the nationally determined employee contribution rates and bands. These are subject to an annual review and may be varied.

The Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.

Where an employee has variable pensionable pay throughout the year, the Council will determine the contribution rate based on the total pensionable pay of the previous year and guidance from the relevant line manager and will annually review the contribution rate to ensure the correct rate is being applied.

Where an employee changes their employment within the Council and there is a material change to their pensionable pay during a year (working hours and / or grade), the Council will change the employee's contribution rate when the material change takes effect.

The Council will write to all employees notifying them of their individual contribution rate prior to the LGPS 2014 effective date (1st April 2014) and thereafter when any changes are planned.

Regulation 74(1), Appointment of Adjudicator

The Council will designate its City Solicitor, as its adjudicator for appeals against pension decisions. The Council reserves the right to nominate another Director or Senior Manager to act as adjudicator to cover for absence and to ensure fair consideration of any appeal.

Regulation 22 (7b&8b) Aggregation of benefits

Employees can transfer any previous benefits into the LGPS provided they express an interest within 12 months of starting the new period of membership. The Council has the discretion to extend this period beyond 12 months.

The Council will not normally allow an extension except where the employee believed they had made a request but the administrators to the pension scheme are unable to find any paperwork relating to the request. The decision whether to extend this period will be made on a case by case basis by the Chief Executive and Town Clerk.

Regulations 16 (2)e and (4)d, Additional Pension Contributions

The Council will not adopt the discretion to fund whole or in part the additional pension contributions whether paid as a regular contribution or a lump sum.

Regulation 31, Award of Additional Pension.

The Council has discretion to award additional pension (up to the additional pension limit defined in the regulations) to employees in the pension scheme or staff who are dismissed on grounds of redundancy, business efficiency or terminated on the grounds of mutual concerns on the grounds of efficiency.

The Council will only exercise this discretion in exceptional circumstances and only at the discretion of Chief Executive and Town Clerk. Examples of exceptional circumstances could be in relation to experience, loyalty or exceptional compassionate grounds to agree the termination of employment.

Regulation 91(1), Forfeiture of pension rights after convictions for employment related offences.

The Council will adopt the discretion to apply to the Secretary of State for a forfeiture certification if any employee who is a member of the pension scheme is convicted of a relevant offence committed during their employment and for which they left their employment.

This discretion will be exercised in line with regulations. In such circumstances, the Council will adopt those discretions detailed in regulation 91(7), 93(1), 93(2) to mitigate any loss subject to the protection of guaranteed minimum pension rights detailed on regulation 95.

7. Retirement

Retirement at Normal Pension Age.

The LGPS 2014 defines the normal pension age for each member as equal to their state pension age. At the employees normal pension age their pension benefits are paid unreduced and will be based on their Career Average Re-valued contributions in their pension account for service after 01/04/2014.

The accrual rate for contributions after this date is 1/49th of pensionable pay and the Council will pay employee contributions and the employer contributions to the pension scheme administrations in line with the regulations and triennial reviews.

All pensions contributions paid into the local government pension scheme before 01/04/2014 are fully protected in line with the transitional arrangements.

Late Retirements

Employees who are members of the pension scheme and who work beyond their normal pension age will receive enhanced benefits in line with the Government's Actuaries Department guidance and the regulations.

The Restriction of Public Sector Exit Payments Regulations 2020

In line with the above regulations which came into force in November 2020, all exit payments will be limited to a total combined cost of £95,000. Exit payments will include:

- Redundancy payments (including statutory redundancy payments),
- Severance payments,
- Pension strain costs
- and other payments made as a consequence of termination of employment.

The cap applies to all exit payments that arise within a 28 day period and the regulations cover the process to follow if an individual has multiple exits from public sector employment within 28 days.

The exit payment cap will not apply to:

- Payments related to death in service or ill health retirement,
- Flexible retirements

Regulation 30(8), Retirement below normal pension age

The LGPS 2014 permits current employees to choose to take their retirement pensions from age 55. This election is without employers consent and therefore is subject to an actuarial reduction. In such cases of voluntary retirement between the ages of 55 to 60, the Rule of 85 protections do not generally apply however, the Council has discretion to waive the actuarial reduction applied to benefits paid early.

A deferred member may also elect to take their retirement pensions from age 55 and this will be subject to an actuarial reduction. In such cases of voluntary retirement between the ages of 55 to 60, the Rule of 85 protections do not generally apply however, the Council has discretion to waive the actuarial reduction applied to benefits paid early.

The Council will use these discretions where an employee has requested early payment of benefits on or after age 55 and before 60 on a case by case basis in accordance with the principles set out in section 4 however in line with the above regulations, these must not exceed the £95,000 exit payment cap.

The decision to waive the actuarial reduction applied to benefits paid early can only be made by the Chief Executive and Town Clerk.

Regulation 30(7), Retirement on Grounds of Redundancy.

Where an employee aged 55 or over is dismissed on the grounds of redundancy, they are entitled to receive immediate payment of their pension and it is not subject to an actuarial adjustment. The actuarial strain continues to be taken by the Council.

If the employee has been paying additional pension contributions, those additional pension contributions are subject to actuarial reduction in line with the regulation 30(7a) and any further guidance.

In the event where an employees redundancy and pension strain combined cost exceed the £95,000 exit cap, the employees enhanced redundancy payment will be reduced to ensure that both payments combined do not exceed the £95,000 exit payment cap.

Regulation 30(7), Retirement on the Grounds of Business Efficiency – Employer Consent

Where an employee aged 55 or over is dismissed or their employment terminated by mutual consent on the ground of business efficiency (employers consent), they may be entitled to receive immediate payment of their pension and it is not subject to an actuarial adjustment. The actuarial strain continues to be taken by the Council.

If the employee has been paying additional pension contributions, those additional pension contributions are subject to actuarial reduction in line with the regulation 30(7a) and any further guidance.

In the event where an employees retirement is on the grounds of business efficiency, the combined cost of any severance payment and pension strain cannot exceed the £95,000 exit cap, the employees severance payment will be reduced to ensure that both payments combined do not exceed the £95,000 exit payment cap.

Regulation 30(6&8) 32(4), Flexible Retirement

The Council will adopt this discretion and may give consent to flexible retirement and the release of pension benefits.

The payment of flexible retirement pension scheme benefits will become payable on the date of the reduction in hours &/or grade in line with Regulation 32 (4).

The Council will consider applications under this Regulation and decisions will be made on the merits of each case having particular regard to:-

- the operating requirements of the employing department
- the Council's ability to meet the cost of granting such a request

- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place for time for time can be made
- the members personal circumstances
- whether to permit the member to choose to draw all, part of none of the pension benefits they have built up after 1 April 2008

Regulations 35,36,37,38,39, Ill Health Retirement

The Council will approve the release of pension benefits on the termination of employment when an employee meets the following two conditions:

- That the member is, as a result of ill health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of the employment the member was engaged in, and,
- The member, as a result of ill health or infirmity of mind and body is not immediately capable of undertaking gainful employment.

Ill Health retirement benefits are based upon one of three tiers. The tier an employee retires under will determine whether benefits are enhanced and by how much. The tiers are as follows:

Tier 1 No prospect of other gainful employment at any age before normal retirement age.

Tier 2 No prospect of other gainful employment now or any time in the next 3 years; but there IS good prospect before normal retirement age..

Tier 3 Good prospect of other gainful employment straight away or any time in the next 3 years. The pension is paid for a maximum of 3 years but may stop earlier following the 18 month review or taking up gainful employment.

The Council will investigate whether the reasons for retirement is on ill health grounds as laid out in the LGPS regulations and obtain a certified opinion from a registered independent medical practitioner. The decision as to which if any award will be made will be made by the Chief Executive and Town Clerk.

Former employees who are deferred members of the pension scheme may request a release of their pension on ill-health grounds at any age. The Council will investigate whether the reasons for retirement is on ill health grounds as laid out in the LGPS regulations and obtain a certified opinion from a registered independent medical practitioner. The decision as to which if any award will be made will be made by the Chief Executive and Town Clerk.

8. More information and Links to Other Policies and Guidance.

<http://www.lgpsregs.org/index.php/regs-legislation/timeline-regulations-2014>

<http://www.lgps2014.org/>

<http://www.lgps2014.org/content/frequently-asked-questions-0>

March 2014

Revised May 2014

Revised June 2015 (adoption of flexible retirement discretion)

Reviewed April 2018 – no changes necessary.

Reviewed January 2020 (updated to include partial flexible retirement)

Revised October 2020 (in line with new exit cap regulations)

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