

# Public Document Pack

## Executive Board

Thursday, 13 January 2022

Time: 6.00 pm

Venue: Meeting Room A

Address: Blackburn Town Hall

---

### AGENDA

Information may be provided by each Executive Member relating to their area of responsibility

1. **Welcome and Apologies**
2. **Minutes of the Previous Meeting**  
**Executive Board Minutes December 2021** **3 - 7**
3. **Declarations of Interest**  
**DECLARATIONS OF INTEREST FORM** **8**
4. **Equality Implications**  
The Chair will ask Members to confirm that they have considered and understood any Equality Impact Assessments associated with reports on this agenda ahead of making any decisions.
5. **Public Forum**  
To receive written questions or statements submitted by members of the public no later than 4pm on the day prior to the meeting.
6. **Questions by Non-Executive Members**  
To receive written questions submitted by Non-Executive Members no later than 4pm on the day prior to the meeting.
7. **Youth MPs Update**  
To receive an update from the Youth MPs along with any issues they would like to raise.
8. **Executive Member Reports**  
Verbal updates may be given by each Executive Member.

**Leader**

**Adult Services & Prevention**

**Children, Young People & Education**

**Environmental Services**

**Public Health & Wellbeing**

**Digital & Customer Services**

**Growth & Development**

**8.1 Local Plan Reg 19 Public Consultation  
Final EB Report 04.01.22 9 - 18**

**Finance & Governance**

**8.2 Development of the General Fund Revenue Budget  
2022/23 (including details of the provisional Local  
Government Finance Settlement 2022/23)  
Executive Board - Report on Provisional Settlementv.2 19 - 35**

**8.3 Business Rates Covid-19 Discretionary Relief Charges  
for 2021/22 and 2022/23  
Business Rates Covid-19 36 - 49  
Appendix A**

**9. Corporate Issues**

**10. Matters referred to the Executive Board**

**PART 2 – THE PRESS AND PUBLIC MAY BE EXCLUDED DURING  
CONSIDERATION OF THE FOLLOWING ITEMS**

Date Published: Wednesday, 05 January 2022  
Denise Park, Chief Executive

## EXECUTIVE BOARD Thursday 9<sup>th</sup> December 2021

### PRESENT

#### **COUNCILLOR:**

Councillor Mohammed Khan CBE  
Councillor Julie Gunn  
Councillor Vicky McGurk  
Councillor Phil Riley  
Councillor Damian Talbot  
Councillor Quesir Mahmood  
Councillor Jim Smith

#### **PORTFOLIO:**

Leader of the Council  
Children, Young People and Education  
Finance and Governance  
Growth and Development  
Public Health and Wellbeing  
Digital and Customer Services  
Environmental Services

#### **EXECUTIVE MEMBER**

Councillor John Slater

#### **NON PORTFOLIO**

Leader of the Conservative Group

#### **ALL IN ATTENDANCE:**

Muhammed Bapu

Deputy Youth MP

	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p>The Leader of the Council, Councillor Mohammed Khan, welcomed all to the meeting. Apologies were received from Councillor Mustafa Desai, the Youth MP Zara Hyatt and Deputy Youth MP Zainab Dassu.</p>	
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The Minutes of the Meeting held on 11<sup>th</sup> November 2021 were agreed as a correct record.</p>	<b>Agreed</b>
3	<p><b><u>Declarations of Interest</u></b></p> <p>There were no Declarations of Interest submitted.</p>	
4	<p><b><u>Equality Implications</u></b></p> <p>The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.</p>	<b>Confirmed</b>
5	<p><b><u>Public Forum</u></b></p> <p>No questions from members of the public had been received.</p>	
6	<p><b><u>Questions by Non-Executive Members</u></b></p> <p>No questions from Non-Executive Members had been received.</p>	
7	<p><b><u>Youth MPs Update</u></b></p>	

	Item	Action
	<p>The Deputy Youth MP, Muhammed Bapu, verbally reported on recent events and activities including:</p> <ul style="list-style-type: none"> <li>• Following on from the update at the last meeting, a meeting had been held with Jo Siddle and Charlotte from public health to discuss the PSHE curriculum and mental health. The Forum discussed key issues they believed were affecting young people in the Borough alongside mental health support in primary, secondary and post 16 education.</li> <li>• The Forum had also been meeting regularly to discuss a wide variety of topics, such as vaccinations and the uptake of vaccinations amongst young people, lateral flow testing, mental health and the significant developments of the wellbeing champions project, the young inspectors project and much more.</li> <li>• The second SYA forum since the easing of lockdown had been held, which was chaired by Muhammed, Zara and Zainab. Young people from a variety of organisations shared their thoughts on different issues and topics, alongside some new ideas on development of the various projects.</li> <li>• Following on from the Leader's recent announcement that he would not be seeking re-election in May 2022, on behalf of the Youth MPs and the young people of the Borough, Muhammed thanked Cllr Khan for all the support and guidance he has provided over the years.</li> <li>• The Youth MPs were also coming to the conclusion of their two year tenure in the coming months as the Youth Elections were fast approaching. The candidates were set to embark on a three day residential to discuss their campaign issues and take part in team building activities as they prepared for a busy election period in the New Year.</li> <li>• Following on from this, Muhammed advised that he would be standing for re-election as Youth MP for Blackburn with Darwen for a two year term from 2022-24, with a fresh focus on mental health, alongside a focus on tackling food poverty within the Borough, as the impact of the pandemic has left an even more critical situation with regards to food poverty.</li> </ul> <p>Executive Board Members reflected on the excellent ongoing work of the Youth MPs and Youth Forum.</p>	<p><b>Noted</b></p>

	Item	Action
	<b><u>Executive Member Reports.</u></b>	
8	<p><b><u>Leader's Verbal Update</u></b></p> <p>Councillor Khan referred to the recent Government announcements relating to the implementation of Plan B to deal with the rise in Covid cases and advised that the situation would be closely monitored.</p>	<b>Noted</b>
	<b><u>Children, Young People &amp; Education</u></b>	
8.1	<p><b><u>Teachers's Pay Policy</u></b></p> <p>Members received a report, along with associated appendices, which advised that the School Teacher's Pay and Conditions Document 2021 ("the STPCD") had been issued, and therefore Blackburn with Darwen Borough Council's Teachers' Pay Policy had been updated as required to implement the new STPCD.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board approve the Teachers' Pay Policy for 2021-22.</p>	<b>Approved</b>
8.2	<p><b><u>Quarter 1 Fostering Report 2021/22</u></b></p> <p>A report was submitted which provided information on the management and performance of the Local Authority's Fostering Service and was revised each quarter. This report, alongside Appendix 1, provided analysis of the period 1 April to 30 June 2021, and reflected upon data and any patterns within the Service to determine development and progress. The report also outlined how the Service continued to respond to the COVID-19 pandemic.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board notes this Quarter 1 of 2021-22 report alongside Appendix 1 with service development updates and recommendations.</p>	<b>Noted</b>
	<b><u>Finance and Governance Verbal Update</u></b>	
	<p>Councillor Vicky McGurk advised that the Local Government Financial Settlement was expected around 15<sup>th</sup> December, and this may not be as good as the headline figures suggested, but indicated that Members would be advised of the details when they had been considered.</p>	<b>Noted</b>
9.1	<p><b><u>Climate Change Emergency Progress Report</u></b></p> <p>A report was submitted, which reminded Members that the Council's Climate Emergency Action Plan (CEAP) was published in February 2020 in support of the Council's Declaration to be</p>	



	Item	Action
--	------	--------

Signed at a meeting of the Board  
on 13<sup>th</sup> January 2022

(being the ensuing meeting on the Board)

Chair of the meeting at which the Minutes were confirmed

## DECLARATIONS OF INTEREST IN ITEMS ON THIS AGENDA

**Members attending a Council, Committee, Board or other meeting with a personal interest in a matter on the Agenda must disclose the existence and nature of the interest and, if it is a Disclosable Pecuniary Interest or an Other Interest under paragraph 16.1 of the Code of Conduct, should leave the meeting during discussion and voting on the item.**

**Members declaring an interest(s) should complete this form and hand it to the Democratic Services Officer at the commencement of the meeting and declare such an interest at the appropriate point on the agenda.**

MEETING:                      **EXECUTIVE BOARD**

DATE:                              **13<sup>th</sup> JANUARY 2022**

AGENDA ITEM NO.:

DESCRIPTION (BRIEF):

NATURE OF INTEREST:

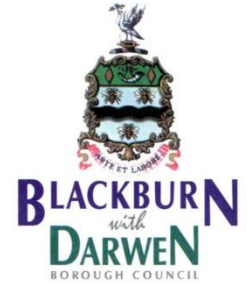
DISCLOSABLE PECUNIARY/OTHER (delete as appropriate)

SIGNED :

PRINT NAME:

(Paragraphs 8 to 17 of the Code of Conduct for Members of the Council refer)





## EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director of Place
<b>DATE:</b>	Thursday, 13 January 2022
<b>PORTFOLIO(S) AFFECTED:</b>	Growth and Development
<b>WARD/S AFFECTED:</b>	(All Wards);
<b>KEY DECISION:</b>	Y

### SUBJECT:

Local Plan Reg19 Public Consultation

### EXECUTIVE SUMMARY

Blackburn with Darwen Borough Council currently has a two-part Local Plan made up of the Core Strategy (adopted 2011) and Local Plan Part 2: Site Allocations and Development Management Policies (adopted 2015). Together these documents set out the land use planning strategy for the Borough up to 2026.

New planning regulations introduced in 2017 require local authorities to review Local Plans at least every five years from the date of their adoption. In response to the new regulations, an assessment of the two adopted local plan documents was undertaken. The Council approved a new Local Development Scheme (LDS) in February 2018 confirming its intention to develop a single new Local Plan.

The Council is preparing a new Local Plan for the Borough to cover the period 2021-2037. It will replace the existing two-part Local Plan made up of the Core Strategy (adopted 2011) and Local Plan Part 2: Site Allocations and Development Management Policies (adopted 2015). A number of key consultations on the new Local Plan have already taken place.

The Council has now prepared its final pre-submission Regulation 19<sup>1</sup> 'Publication' version of the new Local Plan ready for public consultation. Consultation on the 'Publication' version is the final opportunity for people and organisations to comment before submission of the Plan to the Government's Planning Inspectorate for independent Examination in Public.

The 'Publication' Plan ([Background Paper 1](#)) illustrates the Council's proposal for a "balanced growth" strategy in a way that ensures social, environmental and economic net gains. Evidence based policies seek to attract new homes (around 7,000), new jobs (around 5,000 net new jobs)

<sup>1</sup> [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

and new growth opportunities whilst tackling the climate emergency and addressing inequalities in health and deprivation.

A 'Climate Impacts Framework' (CIF) document ([Background Paper 2](#)) accompanies the Local Plan. The Plan proposes that all new development will be required to demonstrate how it contributes to reducing carbon emissions as part of mitigation and adaptation to climate change. The CIF is the practical way of doing so and will be subject to consultation alongside the 'Publication' Plan.

The Council should now undertake a statutory public consultation for a period of six weeks. At this final stage, comments must relate to legal or procedural compliance and whether or not the Plan is 'sound' by using the model representation form ([Background Paper 3](#)).

Despite the unwelcome resurgence of Covid, public consultation will take place in full accordance with the Council's published [Statement of Community Involvement](#). Government has urged Councils to continue at pace and have in place an 'up to date' Plan by the end of 2023 or risk intervention. The Council's [Local Development Scheme](#) anticipates the new Plan to be adopted by summer 2023.

## RECOMMENDATIONS

That the Executive Board:

1. Agree that the Regulation 19 'Publication' Local Plan, and its evidence base (including the Climate Impacts Framework) should be approved for consultation; and
2. Delegate to the Strategic Director for Place (in consultation with the Executive Member for Growth and Development) any editorial amendments to the Consultation Documents prior to their final publication for consultation.

## 1. BACKGROUND

- 1.1 Blackburn with Darwen Borough Council currently has a two-part Local Plan made up of the Core Strategy (adopted 2011) and Local Plan Part 2: Site Allocations and Development Management Policies (adopted 2015). Together these documents set out the land use planning strategy for the Borough up to 2026.
- 1.2 New planning regulations were published by Government in late 2017 which required local authorities to review Local Plans at least every five years from the date of their adoption. In response to the new regulations, an assessment of the two adopted Local Plans was undertaken. Key factors that needed to be considered with respect to the current Local Plans were:
  - Progress on the delivery of development set out in the Core Strategy and the Local Plan Part 2 and an evaluation of the strategy set out in the plans;
  - Government consultations including the Housing White Paper (2017) and the proposals for a Standard Housing Methodology; and
  - The publication of a revised National Planning Policy Framework (NPPF) in July 2018 and updated Planning Practice Guidance (PPG) in September 2018.
- 1.3 Following consideration of these factors, the Council approved a new Local Development Scheme in 2018 that set out the intention to develop a single Local Plan to replace the Core Strategy and Local Plan Part 2.

- 1.4 In the intervening period extensive work has been undertaken in preparing the new Local Plan ready for 'Publication'. This has included a number of different public and key stakeholder consultations (held under Regulation 18 of the Regulations), including:
- An initial "Issues and Options" formal public consultation in Feb-Apr 2019;
  - A "Consultation Draft" formal public consultation in Jan-Feb 2021, incorporating strategic policies only; and
  - An informal development management (DM) policy consultation in Jul-Aug 2021.
- 1.5 Outcomes of both formal public consultations were reported to previous Executive Board meetings. All of this previous consultation work, including preparation of a significant evidence base and supporting pack of documents, has been undertaken in accordance with Regulation 18 of the [Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#) (hereon referred to as 'the Regulations').
- 1.6 A significant evidence base has been prepared to assist in developing the new Local Plan. This suite of technical reports and studies, along with wider strategies of the Council and partner organisations, have helped inform the content of the Regulation 19 'Publication' Local Plan. A full list of evidence base documents is provided in Appendix G of [Background Paper 1](#) and will be provided on the Council's Local Plan webpage during the proposed consultation period.
- 1.7 Additional influences on the content and structure of the Local Plan has been the [National Planning Policy Framework](#) (the latest version of which was published in July 2021) and planning reforms set out in the Planning White Paper 'Planning for the Future' (August 2020). There remains considerable uncertainty at this stage as to how any potential planning reforms will be progressed. Current advice from Government remains to press on with Local Plan preparations in light of a deadline for all Councils to have up-to-date plans in place by the end of 2023. For this reason the 'Publication' version Local Plan differs significantly in content and structure from the previous 'Consultation Draft'. Further details are set out below under the section 'Key changes to the Local Plan'.
- 1.8 This final stage of public consultation, on the pre-submission 'Publication' Local Plan, marks a key milestone in the development of the new Local Plan for Blackburn with Darwen. It sets out the Council's proposals for a "balanced growth" strategy, to create new homes (over 7,000), new jobs (around 5,000 net new jobs from at least 46 hectares of new employment land) and economic growth whilst at the same time tackling the climate emergency and addressing inequalities in health and deprivation. The intention is to consult on the 'Publication' Local Plan document in February - March 2022 for a period of six weeks.
- 1.9 The 'Publication' Local Plan sets the new planning policy framework to 2037. The document is structured into five main sections and contains a number of important supporting appendices. The main sections include an Introduction followed by: The Plan (Vision and Objectives); The Spatial Strategy: Core Policies; Development Management (DM) Policies; and Implementation. Further information on each of these sections is set out below.

### **The Plan (Vision and Strategic Objectives)**

- 1.10 This section provides an overview of Blackburn with Darwen today, the challenges it currently faces, and the opportunities for the future. It then sets out a Vision to 2037 and a set of 12 strategic objectives. The objectives build upon those set out in previous consultations and reflect the current priority themes of the Council's Corporate Plan, which are 'People', 'Place' and 'Economy'.

## The Spatial Strategy: Core Policies

1.11 The overarching spatial strategy of the new Local Plan comprises Core Policy 1 (CP1): A Balanced Growth Strategy and Core Policy 2 (CP2): The Spatial Approach. A key diagram summarises the strategy illustratively, including the six key ideas which form the anchor points of the plan:

1. **The Blackburn Growth Axis** – an economic framework of strategic development sites and opportunities linking the M65, key growth corridors and Samlesbury Enterprise Zone, a future economic driver of the Borough, with Blackburn Town Centre;
2. **Darwen Town Investment Plan** – delivery of a series of wide-ranging improvements for Darwen including a transformed town centre core, and a combination of new and regenerated housing and employment sites supported by the Darwen Town Deal fund;
3. **North East Blackburn Strategic Housing Site** – a significant new urban extension neighbourhood providing up to 1,500 new homes over the plan period and beyond through an urban extension (on former safeguarded land);
4. **South East Blackburn Strategic Employment Site** – a large-scale employment site at a key motorway location to attract jobs and investment to help improve the qualitative offer of development opportunities;
5. **Blackburn Town Centre Major Development Sites** – a major mixed-use opportunity to boost the vitality of Blackburn Town Centre through new residential, commercial and educational developments; and
6. **Infrastructure Delivery Plan** – an important series of interventions to support development proposals and improve infrastructure for all including roads, schools, health facilities; green infrastructure and sustainable travel

1.12 A number of other strategic core policies based under the priority themes are then set out:

### People

Core Policy 3: Health and Well-being

Core Policy 4: Housing Development

### Place

Core Policy 5: Climate Change

Core Policy 6: The Natural Environment

Core Policy 7: The Historic Environment

Core Policy 8: Securing High Quality Design and Inclusive Design

Core Policy 9: Transport and Accessibility

### Economy

Core Policy 10: The Economy and Skills

Core Policy 11: Town Centres and Commercial Development

Core Policy 12: Infrastructure and Delivery

## Development Management Policies

1.13 Section 4 details 39 ‘DM’ development management policies, again structured around the priority themes. These policies are not considered to be strategic policies in their nature<sup>2</sup>, but will still play a key role in the determination of planning applications in the Borough. The majority of these policies update and replace existing policies in the adopted Local Plan Part 2 document. A policy-mapping schedule is provided in Appendix F of the ‘Publication’ Local Plan confirming whether existing policies are superseded or no longer considered relevant.

### Implementation

1.14 Section 5 sets out how all of the planning policies set out in the Local Plan will be delivered, and includes a site-specific policy for each proposed site allocation. These set out key development considerations for each new growth site, along with anticipated site delivery timescales. Appendices B and C of the ‘Publication’ Local Plan show the anticipated housing and employment trajectories in graphical form. Section 5 also summarises how the Council will go about monitoring the delivery of policy objectives.

### Local Plan Appendices

1.15 The Local Plan contains a number of additional appendices not already referenced above. These are included either as a means to provide important context and reference for readers of the plan, or to meet relevant legislative requirements. For example: Appendix H provides information on the status of existing guidance documents and plans to save, delete or replace those once the new Local Plan is in force.

### Key Changes to the Local Plan

1.16 The ‘Publication’ Local Plan includes a number of significant changes from the previous version consulted on in early 2021.

1.17 **Structural** – the new Local Plan moves away from a zonal ‘permission in principle’ based approach to planning that the Government was advocating at the time of the Regulation 18 Local Plan being prepared<sup>3</sup>. There remains considerable uncertainty around the status of any future reforms and significant delays in the Government’s originally stated time-frame. Any planning reforms that are implemented through a new Planning Bill (announced in the Queen’s Speech in May 2021) will be integrated into a future Local Plan for the Borough through the requirement to review it at least 5 years after adoption.

1.18 **Comprehensive evidence base** – a number of significant additional evidence base reports have been prepared to support the Regulation 19 Local Plan. These are listed in Appendix G of the Local Plan and will all be published alongside the plan itself on the Council’s website as part of the consultation package. They include:

- Housing and economic needs update (to reflect post Covid and post-Brexit impacts);
- Retail and leisure update (as above);
- Transport studies (to highlight transport impacts of proposed growth and highway and sustainable transport mitigation measures);
- Plan viability study (to evidence the deliverability of growth sites set out in the Local Plan and to support the planning contributions strategy); and

---

<sup>2</sup> The National Planning Policy Framework requires Local Plans to confirm which policies are strategic and non-strategic

<sup>3</sup> Details were provided in the Executive Board report of December 2020, and proposals set out in the Planning White Paper of August 2020

- Various further studies to support the Junction 5 Strategic Employment Site (including on green belt compensation measures, highways impacts, and a preliminary risk assessment).

**1.19 Key Policy Changes** – a number of policy changes have taken place between the ‘Consultation Draft’ and ‘Publication’ stage versions of the new Local Plan. In the main these have been made in response to updated evidence-base work, comments received during the last public consultation, or in response to the findings of sustainability appraisal work. Many relate to measures assisting with the Council’s Climate Emergency agenda. The most significant policy changes include:

- **Core Policy CP4 – Housing Need:** the overall housing requirement figure has increased from 411 dwellings per annum (dpa) to 447dpa, reflecting latest demographic projections and a more sustainable future-commuting scenario (forecast population growth reflects a 1:1 commuting ratio i.e. no net in-commuting). Despite an increase in the annual housing requirement, the overall contribution of dwellings from new growth sites set out in the plan has reduced<sup>4</sup>. The only new housing growth sites identified include those at: Blackburn Golf Course Practice Ground (site ref H009 - est. 68 units); Land at St Silas’ Church, Preston New Rd, Blackburn (site ref H217 - est. 10 units); Land at Blackburn Rugby Club (site ref H222 - est. 23 units); and Land off Bog Height Road, Blackburn (site ref H224 - est. 75 units).
- **Core Policy CP5 – Climate Impacts Framework:** development of a Climate Impacts Framework (CIF) and embedding into the core policy on Climate Change. The CIF is a tool to ensure that consideration of the climate impacts of new development are a central part of future decision-making and to help support the Climate Emergency Action Plan. The draft CIF is included as [Background Paper 2](#);
- **Core Policy CP12 – Infrastructure Delivery:** the potential for implementing a fixed development tariff known as the Community Infrastructure Levy (CIL) in the Borough has been investigated in detail through the Local Plan evidence base work<sup>5</sup>. The conclusion of this work is that Section 106 agreements are recommended as a more appropriate method of securing developer contributions due to the type and nature of developments expected in the Borough over the plan period<sup>6</sup> and would result in higher overall receipts. The Local Plan therefore sets out an appropriate strategy based around this method, with minimum anticipated contribution rates set out for many of the housing growth sites, and indicative figures for windfall sites set out in the supporting text of Policy CP12.
- **Policy DM6 – Houses in Multiple Occupation (HMOs):** a strengthening of policy to restrict any new HMOs from being granted planning permission in the Borough. The policy also confirms that occupancy conditions may be imposed on planning applications for other forms of accommodation to prevent them from becoming HMOs in the future;
- **Policy DM12 – Clean and Green Energy:** further refinement of locations identified as suitable for wind, and identification of areas of potential for heat networks in the Borough (subject to further techno-feasibility work);

<sup>4</sup> Due to changes in assumptions in relation to windfalls, long-term vacant properties returning into use, and updating of planning commitment info

<sup>5</sup> Local Plan Viability Study (Keppie Massie) (2021)

<sup>6</sup> S106 agreements can provide a greater degree of flexibility on a site-by-site basis in securing contributions and allow the Council to determine policy priorities in terms of affordable housing and education for example where viability may be an issue

- **Policy DM17 – Tree Planting:** introduction of a minimum 3:1 compensatory planting ratio (up from 1:1);
- **Policy DM33 – Town Centres:** amendment of the town centre boundary for Darwen to exclude the Belgrave Mill site (housing commitment) and to include the new mixed-use growth site at Orchard Mill (site ref: MU220);
- **Policy DM34 – 20-minute neighbourhood:** identification of Local Centres and related policy into the new Local Plan. This reflects the 20-minute neighbourhood concept and aspiration to enhance accessibility to local facilities and services, where possible, through new development over the Plan period.

## Public Consultation & next steps

- 1.20 The Regulation 19 ‘Publication’ Local Plan should now be subject to a final period of statutory public consultation (lasting 6 weeks). The Regulations (and the NPPF) set out that at this final stage comments must relate to ‘legal and procedural requirements’ or whether the plan is ‘sound’ (meaning ‘positively prepared’, ‘justified’, ‘effective’ and ‘consistent with national policy’)<sup>7</sup> only. A model representation form must be used at this stage to ensure that all appropriate details are collected from the individual/organisation responding. This includes whether they wish to participate in hearing sessions at the examination (see below) where they propose a modification to the plan. A copy of the form is provided as Background Paper 3 and will be provided via an online survey option from the Council’s Local Plan webpage [www.blackburn.gov.uk/localplan](http://www.blackburn.gov.uk/localplan).
- 1.21 All valid comments received during the consultation period will form part of the package of documents to be submitted to the Planning Inspectorate to commence the independent examination of the Local Plan, referred to as Examination in Public (EiP). The full Council will need to approve submission of the ‘Publication’ Local Plan (intended to be brought to its July 2022 meeting), which can include responses to comments received at this stage where this is deemed appropriate.
- 1.22 All relevant consultation material will be available online via the Council’s main Local Plan webpage at [www.blackburn.gov.uk/localplan](http://www.blackburn.gov.uk/localplan). The public consultation will be publicised in full accordance with the Council’s Statement of Community Involvement and will include:
- a statutory notice;
  - press release, social media and Council website publicity;
  - hard copy documents available for reference during opening hours of all Council libraries and the Barlow at Edgworth;
  - self-service exhibition boards on display in Blackburn and Darwen markets; and
  - properties and businesses located in proximity to proposed Growth Sites will be directly notified by letter, along with all statutory and non-statutory consultees registered on the Council’s Local Plan contacts database.
- 1.23 The Council will also seek to arrange public drop-in events at Blackburn Library and Darwen Youth Centre. These however are optional and will be subject to an assessment of the ongoing Covid situation and any restrictions in place at the time.

## 2. KEY ISSUES & RISKS

<sup>7</sup> Definitions of these are set out in paragraph 35 of the [NPPF](#)

- 2.1 The Risks set out below are similar to those set out at the Local Plan 'Consultation Draft' stage, reported to Executive Board in December 2020.
- 2.2 Inevitably the focus will fall on the growth sites. The key point to note is that an Economic Growth Scenario is proposed, as part of a Balanced Growth Strategy, because this is considered to be the most appropriate way to support a positive economic future for the Borough. If the growth scenario is not taken forward, forecasts show that the bulk of household growth would be in those households headed by people aged 65 years or more along with a decline in households headed by people aged 16 to 64. This would inevitably have an impact on the size of the working age population in the Borough and hence the ability of employers to grow their businesses within the area. To clarify, doing nothing would lead to a forecast decline of working age population of the Borough and economic decline. Our policy-on analysis shows that the Balanced Growth Strategy is both ambitious and evidence-based, and is the best option to support a positive economic future for the Borough.
- 2.3 The review of existing employment land illustrated that the required employment land allocations cannot all be accommodated within the urban area. Therefore a Green Belt Review has taken place and the 'Publication' Local Plan proposes to amend the Green Belt boundary in order to create a new strategic employment site close to the M65. Concerns were raised during the Regulation 18 consultation around the impacts of development of this strategic employment site of buried nuclear waste that was deposited down nearby mineshafts in the 1950s. These claims have been thoroughly investigated and a preliminary risk assessment report accompanies the plan in the supporting package of evidence base material. No significant risks are identified to warrant removal of the site as an allocation in the new Local Plan. The site-specific policy for the site (Policy E179) requires further contamination and geo-technical assessments, along with a remediation strategy to be proposed, prior to any development taking place.
- 2.4 The Council has investigated the continued economic case for a new strategic employment site in light of the considerable economic impacts of Covid-19 (and Brexit). The long timeframe of the Local Plan, the current shortage of employment land supply, and the prospects for supporting both economic recovery and long term Council and LEP ambitions for growth, innovation, increased productivity and social mobility justify this approach.
- 2.5 A further area of risk at this stage is associated with a failure to progress the new Local Plan. The Core Strategy was adopted in 2011 and the evidence base that informed it is in some cases over 10 years old. It is therefore clearly in need of review, notwithstanding the requirement, introduced by regulations in late 2017, to review Local Plans every five years. If the Council does not have an up to date Local Plan in place by the end of 2023, the Government has threatened to intervene in Local Plan making itself.

### **3. POLICY IMPLICATIONS**

- 3.1 The consultation on the 'Publication' Local Plan marks a key stage in the development of the new Local Plan. Whilst it does not yet form part of the statutory development plan for the Borough (as it has not been through Examination in Public) the Council can place weight in decision making on emerging policies within it. The degree of weight attached to emerging policies depends upon the level and nature of outstanding objections to them.

### **4. FINANCIAL IMPLICATIONS**



4.1 The consultation will be funded from existing budgets allocated for the Local Plan.

## 5. LEGAL IMPLICATIONS

5.1 Local Planning Authorities have a statutory requirement to produce a Local Development Plan, as described by the National Planning Policy Framework, the National Planning Practice Guidance, the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Planning & Compulsory Purchase Act 2004. This consultation on a 'Publication' Local Plan forms the final part of public consultation work towards meeting this statutory requirement.

## 6. RESOURCE IMPLICATIONS

6.1 The consultation will be managed by existing resources and budgets allocated for the Local Plan within the Council's Growth and Development Team.

## 7. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below.

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision.

## 8. CONSULTATIONS

8.1 The public consultation regarding this document will take place for 6 weeks during February – March 2022. Consultation will be undertaken using the Council website, direct mailing to statutory and non-statutory consultees and addresses closest to proposed site allocations (over 5,000 homes / businesses), public advertisements, and via other Council communication avenues such as social media. Exhibition boards will be on display throughout the duration of the consultation period in both Blackburn and Darwen market halls. The Council will hold a public drop-in event in both towns of Blackburn and Darwen if Covid restrictions allow, however these are not essential to fulfil the commitments of consultation set out in the [Statement of Community Involvement](#). Statutory press notices will also be published.

## 9. STATEMENT OF COMPLIANCE

9.1 The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 10. DECLARATION OF INTEREST

10.1 All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

<b>CONTACT OFFICER:</b>	Darren Tweed, <a href="mailto:darren.tweed@blackburn.gov.uk">darren.tweed@blackburn.gov.uk</a>
<b>DATE:</b>	14 <sup>th</sup> December 2021
<b>BACKGROUND PAPER:</b>	<ol style="list-style-type: none"><li>1. Local Plan 2021-2037: Regulation 19 Publication Plan Consultation (including Policy Maps)</li><li>2. Draft Climate Impacts Framework</li><li>3. Model Representation Form for Local Plans</li></ol> <p>All the above background papers are available to view on the Council's Local Plan webpage at <a href="http://www.blackburn.gov.uk/localplan">www.blackburn.gov.uk/localplan</a></p>



**REPORT OF:** Executive Member for Finance and Governance

**LEAD OFFICER:** Director of Finance

**DATE:** 13<sup>th</sup> January 2022

**PORTFOLIOS AFFECTED:** All

**WARDS AFFECTED:** All

---

**TITLE OF REPORT:** Development of the General Fund Revenue Budget 2022/23 (including details of the provisional Local Government Finance Settlement 2022/23)

---

## 1. PURPOSE

1.1 The purpose of this report is to provide an update on the development of the Council's budget for 2022/23. In particular, an update is provided on the outcome of the provisional Local Government Finance Settlement and what this means for the Council's Medium Term Financial Plan.

## 2. RECOMMENDATIONS

2.1 It is recommended that Executive Board:-

- a) note the outcome of the provisional Local Government Finance Settlement for 2022/23 as set out in the report;
- b) note the response to the provisional Local Government Finance Settlement for 2022/23 as set out at **Appendix A**;
- c) note that further work is required to determine the estimate of Business Rates Retained for 2022/23 which will reflect the Council's local knowledge/circumstances and that this work has begun following the release of guidance from Government on this matter;
- d) acknowledge that the estimates of Council Tax income presented in the report are subject to decision by Finance Council on 28<sup>th</sup> February 2022 and are, therefore, indicative at this stage;
- e) note the updated Medium Term Financial Plan 2022/25 and this will be further updated once decisions on the Council's budget are taken at Finance Council on 28<sup>th</sup> February 2022.

## 3. BACKGROUND

3.1 Annually, the Government provides local authorities with an indication of how much funding it will provide towards the cost of delivering services. Combined with notional assessment of business rates amounts and referendum limits for Council, this is referred to as the provisional Local Government Finance Settlement.

- 3.2 This report sets out details of the provisional Local Government Finance Settlement for 2022/23 which was released on 16<sup>th</sup> December and includes the Council's response to the consultation on this matter. The report also describes what it may mean for the Council's medium term financial position although, as it is a one-year only settlement, there remains significant uncertainty about the future funding of the Council.
- 3.3 The final Local Government Finance Settlement is not expected until early February 2022. In the meantime, work on the development of the Council's budget will continue and ultimately it is a matter for Finance Council on 28<sup>th</sup> February 2022 to determine both the budget (revenue and capital) and Council Tax for the next financial year.

#### **4. RATIONALE**

- 4.1 The development of the budget is a key element of the Council's financial governance processes. Now that the Government has provisionally provided details of the Council's funding for 2022/23, the Council will need to determine its budget for the year.
- 4.2 As the Executive Board may be aware, as part of a new approach to an assessment of the Council's Value for Money arrangements, the Council's External Auditors will assess what arrangements the Council has in place to deliver a balanced budget including the adequacy of savings schemes. It is important that the Council has developed a robust and deliverable set of options for achieving a balanced and sustainable budget. This will also avoid any adverse commentary in the Auditor's report on Value for Money.

#### **5. KEY ISSUES**

##### **Provisional Local Government Finance Settlement**

- 5.1 Details of the provisional Local Government Finance Settlement for 2022/23 were announced on 16<sup>th</sup> December 2021. Releasing the provisional Settlement signals the opening of a period of consultation by the Government on the details of the Settlement for which the deadline for responses is 13<sup>th</sup> January 2021. Thereafter, the Government normally publishes the final Settlement towards the end of January/early February.
- 5.2 Contrary to what was intimated in the Comprehensive Spending Review 2021, the provisional Settlement represents the Government's view of the Council's funding position for 2022/23 only, with no information provided for subsequent years. In particular, the provisional Settlement provides the Government's assessment of the Council's Core Spending Power comprising funding such as Business Rates retained, Revenue Support Grant, Council Tax and other grants payable to the Council (examples include the Social Care Grant and the Improved Better Care Fund).
- 5.3 For both the Revenue Support Grant and other grants payable to the Council, the amounts given in the provisional Settlement reflect the actual grants that will be paid to the Council. The amount of Business Rates Retained and Council Tax reflect the Government's assessment of what the Council might raise; in both cases, the actual amounts will be subject to determination by the Council according to local assessment and/or decision making (both of which will be influenced by local factors).
- 5.4 A response to the consultation on the Provisional Settlement has been submitted to the Government as required and is provided at **Appendix A** to this report.

## Change in Core Spending Power

- 5.5 Core Spending Power (CSP) is a measure used by the Government to set out the resources available to a Council to fund service delivery. It combines actual cash grants payable to Councils with estimates of Business Rates and Council Tax receipts that a local authority might receive based on Government assumptions. CSP is used by the Government to make comparisons of the resources available to different Councils. For the reasons set out below, it is not necessarily the actual funding a Council will receive to fund service delivery.
- 5.6 On the basis of the provisional Settlement, the Council's CSP for 2022/23 will increase by 8.1% when compared to CSP in 2021/22 and including an assumption by Government that Council's will increase their Council by the maximum allowable under the Council Tax Referendum Principles. This is In comparison to the average CSP for all Councils in England of 6.9% (meaning the Council has the 47<sup>th</sup> highest increase in CSP out of 364 Local Authorities (including Fire Authorities)).

### Provisional Settlement compared to Medium Term Financial Plan

- 5.7 The year-on-year change in the CSP provides one measure of the change in the Council's funding position. Of more importance is how the provisional Settlement compares to what the Council has been assuming in its Medium Term Financial Plan.
- 5.8 Table 1 below provides a summary of the Council's funding position as set in the provisional Settlement compared to the position included in the Council's developing Medium Term Financial Plan for 2022/25. The table shows the calculation of the Baseline Funding Assessment, the Settlement Funding Assessment and the Core Spending Power for the Council:-

**Table 1: Provisional Settlement 2022/23 (compared to MTFP as at March 2021)**

	MTFP *2 2022/23 £000	Provisional Settlement 2022/23 £000	Variance £000	Variance %
Business Rates Retained (IABR*1)	20,494	20,291	(203)	(1.0%)
Business Rates Top Up	24,518	24,275	(243)	(1.0%)
<b>Baseline Funding Assessment</b>	<b>45,012</b>	<b>44,566</b>	<b>(446)</b>	<b>(1.0%)</b>
Revenue Support Grant	13,597	14,016	+419	3.1%
<b>Settlement Funding Assessment</b>	<b>58,609</b>	<b>58,582</b>	<b>(27)</b>	<b>0.0%</b>
Under-indexing Business Rates	2,400	3,662	+1,262	52.6%
Improved Better Care Fund	8,103	8,349	+246	3.0%
Social Care Grant	6,551	8,813	+2,262	34.5%
Market Sustainability and Fair Funding	0	516	+516	100.0%
New Homes Bonus	185	1,006	+821	443.7%
Lower Tier Services Grant	0	334	+334	100.0%
Services Grant	0	3,072	+3,072	100.0%
Council Tax (excl Parish Precepts)	59,632	59,770	+138	0.2%
<b>Core Spending Power</b>	<b>135,480</b>	<b>144,104</b>	<b>+8,624</b>	<b>6.4%</b>

\*1 – Individual Authority Business Rates Assessment

\*2 – As per Medium Term Financial Plan reported to Finance Council in March 2021 but with updated assumption on Social Care Grant and Adult Social Care Precept following announcement on Social Care Reforms in September 2021.

- 5.9 As the table indicates, subject to further work on Business Rates Retained, the Council's decisions on the level of Council Tax for 2022/23 and confirmation of the final Settlement, the funding position set out in the Provisional Settlement is £8.624m than was forecasted. More details of the provisional Settlement are provided below:-

#### *Business Rates Retained*

- 5.10 At this stage, the estimate of Business Rates Retained is the Government's assessment of the Council's amount of business rates the Council will retain from the net collectable Business Rates generated in the Borough (based on a 49% share, with the balance shared between the Lancashire Fire Authority (1%) and the Government (50%)). This is based on their knowledge of the Business Rates taxbase, exemptions and reliefs.
- 5.11 Work on the Council's own assessment of the estimate of Business Rates Retained will begin in the next fortnight subject to the Government releasing the necessary guidance on this matter. This will be based on the Council's knowledge of the expected growth/decline in the taxbase, exemptions, reliefs and provision for bad debts and appeals. Ordinarily, this work will conclude during late January 2021. ***The Business Rates Retained estimate for 2022/23 may therefore change.***
- 5.12 For information, for the current financial year, the Council's own assessment of Business Rates Retained was £20.545m compared to the Government's assessment of £20.291m. This means we expect to retain £254k more than assumed by the Government.

#### *Business Rates Top Up*

- 5.13 In simple terms, the Business Rates Top-Up is the amount payable to the Council to reflect the difference in the Council's Baseline Funding Assessment (the assessment of funding needed to deliver services (last undertaken in 2013/14)) and its ability to raise income from Business Rates (the Individual Authority Business Rates Assessment). ***The Business Rates Top-Up is cash amount and is unlikely to change between the provisional and final Settlement.***

#### *Revenue Support Grant*

- 5.14 Revenue Support Grant is a general cash grant payable to the Council. ***This is unlikely to change between provisional and final settlement.***

#### *Other Grants*

- 5.15 As indicated in the table, the Government includes a number of other cash grants payable to the Council in the calculation of the Core Spending Power.
- ***Under-Indexing of Business Rates*** – this is a cash grant payable to the Council to reflect the Government's decision previously to not increase the national business rates multiplier by inflation (as is normally required by Business Rate legislation). The policy intention was to relieve businesses of the burden of additional business rates costs and the purpose of the grant is to compensate Councils for the loss of income that they would otherwise have received. ***For the purposes of the provisional/final Settlement, this amount is unlikely to change but the actual grant payable to the Council will be based on the performance of business rates during the year;***

- **Funding for Social Care** – these are cash grants payable to the Council for investment in Adult and Children’s Social Care, either directly by the Council or as part of a pooling arrangement with the NHS. **They are unlikely to change between the provisional and final Settlement.** As the Executive Board will be aware, the grants have come in different forms over recent year, as Table 2 below illustrates:-

**Table 2: Additional Grant Funding for Social Care (excl Social Care Precept)**

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Adult Social Care	768	478	-	-	-	-
Improved Better Care Fund	4,307	5,901	7,339	8,104	8,104	8,349
Social Care Grant	-	-	-	4,925	6,551	8,813
Social Care Support Grant	-	-	1,306	-	-	-
Winter Pressures Grants	-	764	764	-	-	-
Market Sust/Fair Funding	-	-	-	-	-	516
<b>Total</b>	<b>5,075</b>	<b>7,143</b>	<b>9,409</b>	<b>13,029</b>	<b>14,655</b>	<b>17,678</b>

- Table 2 above includes an additional £2.262m for Social Care and a new Market Sustainability and Fair Funding Grant with the Council’s share being £516k. It is assumed that this is a one-off grant and according to Government guidance, it is intended to be used to:-
  - conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it;
  - engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market;
  - strengthen capacity to plan for, and execute, greater market oversight (as a result of increased section 18(3) commissioning) and improved market management to ensure markets are well positioned to deliver on our reform ambitions; and
  - use this additional funding to genuinely increase fee rates, as appropriate to local circumstances.

#### *New Homes Bonus*

- 5.16 The New Homes Bonus (NHB) is now in its tenth year as part of the Local Government Finance system. The original policy intention of NHB was to provide a financial incentive to local authorities to encourage the building of new homes and/or bringing empty homes back into use.
- 5.17 Despite consulting on proposals earlier this year to amend the NHB Scheme, the Government has decided to roll-forward the present scheme for a further financial year. As a consequence, rather than just providing for legacy amounts from previous years (£185k), the Government has provided NHB to reflect new housing and empty houses brought into use in the period to October 2021. This amounts to £820k giving an overall NHB payment of £1.005m for 2022/23.
- 5.18 It has been assumed that there will be no further NHB payments after 2022/23.

#### *Lower Tier Services Grant*

- 5.19 This grant was first paid in the current financial year and was, when announced, badged as one-year only. Contrary to their initial view, the Government has chosen to pay Lower Tier Services grant again in 2022/23 and the Council will receive £334k.

### *Services Grant*

- 5.20 The Services Grant is a new grant for 2022/23. The Council will receive £3.072m (out of a total £822m) with the distribution of the grant based on the Council's Settlement Funding Assessment from 2013/14 (the last time the Council's funding was based on an assessment of its relative needs).
- 5.21 The Government has indicated that the grant is one-off and is not ringfenced. However, in doing so, it has set out a clear intention to retain the £822m allocated nationally for Local Government spending from 2023/24 and to work with the Sector on how best to use the funding from then onwards. For the purposes of the MTFP, it is assumed the Council will retain its share of this grant funding at 2022/23 levels.

### *Council Tax*

- 5.22 The Government has assumed that the Council will raise £59.770m in Council Tax in 2022/23 as part of their assessment of the Core Spending Power. This is based on the following assumptions:-
- applying the average annual growth in the Council Tax Base between 2017/18 and 2021/22 to project growth in the tax base for 2022/23; and
  - that the Council will increase its Council Tax in line with the maximum allowable level set out by the Council Tax Referendum Principles for 2022/23. That is 1.99% for general Council Tax and 1% for the Adult Social Care Precept.
- 5.23 At this stage, the estimate of Council Tax receipts assumed in the Medium Term Financial Plan (version 3) is based on the following assumptions:-
- an increase in the Council Taxbase of c0.5% for 2022/23 (although this is subject to change once the final Taxbase has been agreed);
  - an increase in the general Council Tax of 1.99% and an increase in the Social Care Precept of 2% (comprising 1% not implemented in 2021/22 and 1% for 2022/23). Both of these reflect the maximum allowable levels set out by the Council Tax Referendum Principles for 2022/23.
- 5.24 Whilst the Executive Board should note the assumptions in the MTFP at stage, the decision to increase Council Tax is ultimately a matter for Council to take. ***It is, therefore, possible that the Council Tax yield assumed may change subject to the outcome of that decision.***

### **Update Medium Term Financial Plan 2022/25**

- 5.25 The Provisional Settlement is one of the key building blocks of the Council's Medium Term Financial Plan (MTFP) 2022/25. Given the release of the Settlement, an opportunity has been taken to update the MTFP. The MTFP has been developed using a range of assumptions, not least those necessary to estimate the amount of funding available to the Council. In the light of the provisional Settlement, it is now possible to update the MTFP with the Council's funding allocations (accepting that both Business Rates Retained and Council Tax amounts are subject to change for the reasons set out above). A summary of the updated MTFP is provided in the Table 3 below:-



**Table 3: Medium Term Financial Plan 2022/25 (as at December 2021)**

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Portfolio Budgets	122,728	124,278	124,424	124,507
Other Corporate I & E	12,157	20,456	27,364	34,543
<b>Net Revenue Expenditure</b>	<b>134,885</b>	<b>144,734</b>	<b>151,788</b>	<b>159,050</b>
Less Core Funding	(81,543)	(84,732)	(84,974)	(85,881)
Less Council Tax	(49,324)	(58,906)	(61,553)	(64,071)
<b>Shortfall before Reserves</b>	<b>4,018</b>	<b>1,097</b>	<b>5,261</b>	<b>9,098</b>
Change in Specific Reserves	(4,463)	80	(920)	(920)
Change in GF Balance	445	-	-	-
<b>Funding 'Gap'</b>	<b>-</b>	<b>1,177</b>	<b>4,341</b>	<b>8,178</b>
<b>In Year Funding 'Gap'</b>	<b>-</b>	<b>1,177</b>	<b>3,165</b>	<b>3,837</b>

5.26 As the table indicates, the forecast funding gap for the period to 2024/25 is now estimated to be £8.2m. For clarity, it should be noted that the MTFP as set out above has the following items of growth included:-

- £165k to deal with the spread of Ash Dieback across the Borough. This comprises £45k to employ an additional Arboriculture Officer and £120k annual maintenance budget to deal with the disease. This is not a matter unique to Blackburn with Darwen and as a land owner that has Ash Trees in situ, the Council has a responsibility to take action in line with Government guidance;
- Budget provision of £300k to support the delivery of the Climate Change Emergency Action Plan which was the subject of a report to the last meeting of the Executive Board;
- inclusion of £1.0m additional budget provision for Special Guardianship Orders reflecting the Council's actual expenditure in this area. A forecast of the likely cost of SGOs has been undertaken in support of this additional provision although further work is required to understand the relationship between the SGO provision and other methods of permanence. To fund this, £1.0m of the additional Social Care Grant received in 2022/23 has been used.

5.27 The Executive Board is asked to note these matters.

*Other Budget Changes/Policy Decisions*

5.28 A review of the robustness of the Council's Base Budget has been ongoing. This is with a view to ensuring that any underlying and, arguably, unavoidable budget pressures are reflected properly in the budget. Likewise, it is being used to identify any compensating areas of budget surplus. At the same time, a range of policy matters are arising which equally need consideration. At this stage, further work is required to determine whether any of these matters should feature in the Council's budget.

5.29 It should be noted that this includes Covid-related pressures including, for example, the impact on income streams such as car parking, leisure and home-to-school transport income. Notably, there is current mention of additional Covid-19 support in the provisional Settlement for 2022/23 and it must therefore be assumed that any such costs are to be contained within the Council's own resources.

## **Next Steps**

5.30 As indicated above, this report provides an update on the Provisional Local Government Finance Settlement and the Council's Medium Term Financial Plan. Now that the details of the Settlement, further work will be undertaken on the development of the budget. Subject to confirmation of the final Local Government Finance Settlement, ultimately, it is for the Finance Council on 28<sup>th</sup> February 2022 to agree the Council's budget for the next financial year.

## **6. POLICY IMPLICATIONS**

6.1 There are no policy implications arising directly from this report.

## **7. FINANCIAL IMPLICATIONS**

7.1 The financial implications are as given in the report.

## **8. LEGAL IMPLICATIONS**

8.1 There are no legal implications arising directly from the contents of this report.

## **9. RESOURCE IMPLICATIONS**

9.1 There are no other resources implications arising from the contents of this report.

## **10. EQUALITY AND HEALTH IMPLICATIONS**

10.1 There are no equality and health implications arising from the contents of this report.

## **11. CONSULTATIONS**

11.1 None arising from the contents of this report.

## **12. STATEMENT OF COMPLIANCE**

12.1 None arising from the contents of this report.

## **Appendices**

Appendix A – Response to the provisional Local Government Finance Settlement 2022/23

<b>VERSION:</b>	1
<b>CONTACT OFFICER:</b>	Dean Langton – Director of Finance
<b>DATE:</b>	17 <sup>th</sup> December 2021
<b>BACKGROUND PAPERS:</b>	None

Date:  
Our Ref:  
Ask for: Dean Langton  
Direct Line:  
E-Mail: dean.langton@blackburn.gov.uk

Local Government Finance Settlement Team  
MHCLG  
2<sup>nd</sup> Floor, Fry Building  
2 Marsham Street  
London

***Sent via e-mail***

Dear Sir,

**Provisional Local Government Finance Settlement 2022/23  
Response to Consultation**

I am writing on behalf of Blackburn with Darwen Council in response to your consultation on the Local Government Finance Settlement for 2022/23. Responses to the specific consultation questions are provided at the end of this letter. In the meantime, I would like to make the following comments and suggestions.

I acknowledge these continue to be extraordinary times for all public services. Nevertheless, I am disappointed that details of the Provisional Settlement were only released on 17<sup>th</sup> December 2020. This is despite the recommendation of the Hudson Review (into Local Government Finance: Review of Governance and Processes) which stated that the provisional settlement should be announced around 5<sup>th</sup> December each year. As you will appreciate, delays in issuing the provisional settlement have a consequential impact on the development of our budget at a time when, after years of austerity, there is a need to consider carefully and in detail decisions which could have a significant impact on the delivery of critical services.

Returning to the provisional Settlement, we are grateful that the Government has recognised the funding needs of local authorities, particularly with the distribution of the new Services Grant. We have long held the view that funding allocations based on the relative needs of local authorities are crucial to ensuring that funding from Government is distributed to those local authorities like Blackburn with Darwen that need it the most. Indeed, it is my view that this needs to be a central tenet of the Government's Levelling Up policy.

On the other matters related to the Provisional Settlement, we have the following comments:-

- *Review of the Funding Regime and Multi-Year Settlements*

Whilst acknowledging the circumstances in which the decision was taken, a further single-year settlement for 2022/23 (following on from the single year settlement for the last three years) provides no basis on which the Council can plan effectively for the medium term, particularly given the significant reduction in resources after more than a decade of austerity.

With the announcement of the Comprehensive Spending Review earlier this year, it is my view that this presented the best opportunity to provide Local Authorities with a multi-year Settlement which would allow them to plan with certainty. It is disappointing that the Department has not taken this opportunity to provide stability in funding for Local Government.

Combined with a delayed consultation on the Fair Funding Review, if indeed that is to happen, changes to the Business Rates Retention System and the proposed reform of the New Homes Bonus Scheme, for which we have yet see the outcome of the consultation conducted earlier this year, I remain concerned that these changes will create significant turbulence and uncertainty in the funding system for local government. Each of these changes alone is potentially significant but taken together, with limited useful information on which to model future funding scenarios and the continuing pressures and uncertainty of the Covid-19 Pandemic, the ability of local authorities like Blackburn with Darwen to forecast funding levels with any accuracy from 2023/24 is incredibly difficult, if not impossible.

I believe the Fair Funding Review is necessary to bring up to date the relative needs and resources of local councils (given that it was last considered in 2013/14). I am pleased the Government has restated its commitment to ensuring that the funding allocations for Councils are based on an up-to-date assessment of their needs and resources. As that is the case, ***we would urge the Government to consider deferring the implementation of any changes in Business Rates Retention allowing the impact of any changes in funding from the updated needs/resources assessment to be bedded in.***

In the event the Government presses ahead with these reviews, we ask that the Government considers the impact carefully on each individual local authority. In particular, if delaying the implementation of one or other of the reviews is not possible, we ask that you consider including transitional arrangements such as 'floors' and 'ceilings' (as it has done with the Lower Tier Services Grant) to manage the changes in funding from one year to the next so that no individual authority suffers a disproportionate loss of funding.

- *Funding based on Needs*

We acknowledge the Government's intention to review the funding regime for local government, although note that this will not now take place until 2022 with a likely implementation from April 2023. We have previously commented that the move away from a funding regime based on the relative needs of Councils puts authorities such as Blackburn with Darwen, which has cost pressures arising from areas of high deprivation in parts of our urban areas combined with some degree of sparsity across the rest of the Borough, at a significant disadvantage in comparison to other more affluent areas.

As we have previously set out, despite our best efforts, it has not been possible for Blackburn with Darwen Council to generate sufficient resources locally to counter the cumulative loss of Revenue Support Grant. This is because some of the economic and social issues in Blackburn with Darwen – a difficult housing market, lack of inward investment due to limited connectivity, low skills levels and significant levels of worklessness – are deep seated and, as demonstrated in previous years with programmes such as Housing Market Renewal, Neighbourhood Renewal, require significant funding from Central Government to deliver the necessary step change. That funding has not been made available by Government because the policies employed, as with the New Homes Bonus Scheme, redirect such funding away from Councils like ours.

At the heart of this issue is the absolute disconnect between the Council's Taxbases and any funding received direct from Government in the form of Revenue Support Grant. Previously, Councils with a low taxbase due to the nature of their housing stock, received a higher share of Revenue Support Grant funding to compensate this inability to raise tax locally (a policy known as 'equalisation'). Since 2013/14, that method of equalisation is less prominent in the Funding Settlement and, given the Government's control on Council Tax increases through the Referendum Principles, any ability of the Council to raise Council Tax to compensate for the loss of Revenue Support Grant has been inhibited.

To that end, I urge the Government to consider whether, for those Councils that have long-standing economic and social issues that constrain their ability to be self-financing, the needs-based assessment of funding allocations should adequately reflect these matters to ensure that a basic level of service provision is possible. Given Blackburn with Darwen has a number of areas of high deprivation, this is an issue which needs to be properly factored into any formulaic approach to future funding allocations and the link between a low taxbase and the calculation of Revenue Support Grant needs to be restored.

At the same time, Government needs to provide adequate resources for investment in infrastructure in places like Blackburn with Darwen to make up for the underlying lack of investment experienced over many years that has led to the inability of the local economy to grow and compete with other places. We acknowledge investments such as the Darwen Town Deal and the Community Renewal Fund, we note our Priority 1 designation for the Levelling Up Fund and, as with the UK Shared Prosperity Fund, we are developing our capacity to bid for these funds to ensure we can receive our fair share of investment. Equally, we are also actively involved in the development of a County Deal for Lancashire which I hope will lead to the devolution of powers and resources that will transform the economy of Lancashire as it has done in other places.

However, I would urge the Government to move away from the 'hand to mouth' policy of grant funding allocations which, in my view, is too dependent on a competitive bid-based approach for a range of relatively small pots of funding. This fragmentation of the grant funding landscape combined with the high costs of, often, unsuccessful bidding is far from efficient. Given our extensive track record of delivery, the Government should trust Local Government with multi-year funding packages for capital investment covering a range of housing, infrastructure and transport matters.

- *Funding for Social Care*

I welcome the additional funding for Social Care. For Adult Social Care, I hope this is the beginning of a process that will properly fund the social care system described in the recently published White Paper. It is widely acknowledged that to deliver that system, the Government will need to provide substantially more funding than that announced to date. I am all too aware of the need to expand preventative and early help activities as a key part of demand management and this will need substantial investment if the Adult Social Care system is to cope.

On Children's Social Care, I am aware of the MacAlister Review and also the Competition and Market Authority's investigation into children's social care provision. In my view, these two reviews are vital to understanding how best to deliver Children's Social Care and, from the Government's perspective, what funding will be necessary to provide to Local Authorities to ensure they can do so effectively.

- **Public Health Grant**

Once again, it is disappointing that details of the Public Health Grant allocations (for 2022/23) have not been released as part of the provisional Settlement. As we have indicated above, late announcements of grant allocations inhibit our ability to plan the delivery of services particularly at a time when Public Health services are vital to combating the impact of Covid-19.

I do hope that the delay in the announcement of the grant allocations is to allow the Government to ensure that funding properly reflects the funding needs of places like Blackburn with Darwen where, even before the impact of Covid-19, the extent of structural health inequalities has been long standing and significant. The Pandemic has served to exacerbate these inequalities that, combined with the professionalism and dedication of our well-respected public health system, only a sustained real terms increase in funding will help to resolve.

- ***New Homes Bonus***

I appreciate the Government's decision to roll-forward the present New Homes Bonus Scheme for a further year despite indications previously that this would not be the case. However, given the intrinsic unfairness of the New Homes Bonus Scheme, which does nothing other than redistribute what was Revenue Support Grant funding in an inequitable way, notably to the South East, our preference would have been to see the Scheme abolished and the funding distributed to Councils on the basis of their Settlement Funding (even using the current figures from 2013/14).

- ***Council Tax***

I maintain the view that Councils should have the flexibility to increase Council Tax, taking account of local circumstances, without the need for a referendum. Equally, if self-funding is the Government's intended model for Local Government there should also be greater flexibility for Councils to vary council tax discounts for example. In particular, we can see no reason why Councils do not currently have the freedom to vary the level of discounts according to local circumstances should they wish to do so.

At the same time, of all Unitary Councils, Blackburn with Darwen has one of the highest number of properties in Band A. These make up almost 60% of properties in Blackburn with Darwen and, as a consequence, the Council has a low taxbase relative to other similar Councils. This means that historically, the Council has had to increase its Council Tax by more than the average in order to maintain its tax yield and overall resource level. The corollary to this is that Council Tax is now becoming increasingly unaffordable for many residents, not only those for those in Band A properties but particularly those who live in larger properties who are on middle incomes. We urge the Government to consider a review of Council Tax at the earliest opportunity to create a more progressive tax system and, if possible, as part of the Fair Funding Review to make it more equitable across the Country.

And whilst it goes without saying, increasing Council Tax bills places a significant burden on households, some of whom are suffering the impact of Covid-19 on their livelihoods. This, at a time, when the Government has chosen to withdraw the additional £20 per week payment under Universal Credit and raise National Insurance (although we acknowledge this is necessary to fund Social Care Reforms).

- *Funding for Covid-19*

We are disappointed that the Settlement does not include any specific additional funding for Covid-19. This is despite the continuing impact of the Pandemic on our residents, the business community and, indeed, Council-run services.

It is not clear at this stage how long the Pandemic will continue to impact in 2022 (or even beyond that). Whilst we are hopeful that the vaccine(s) and booster programme will provide protection against the worst effects of the disease, the emergence of new variants such as the recent Omicron variant, appears likely to mean that Covid-19 will continue to impact on local authorities.

It is disheartening that the Government has remained silent in the provisional Settlement on the impact of Covid-19; at the very least, the Government should continue to provide Contain Outbreak Management Funding (COMF) for 2022/23 so that places like Blackburn with Darwen can continue to combat the worst effects of the Pandemic. At the most, a full package of economic and financial support should be made available to support residents, businesses and the Council to deal with the impact of the Pandemic.

Finally, our responses to the specific questions set out in the consultation paper follow below and we trust that you will take these and the comments made above into consideration prior to confirming the final settlement for 2022/23.

Yours sincerely

Cllr Vicky McGurk  
Executive Member for Finance and Governance  
Blackburn with Darwen Council

## **Responses to Consultation on the Provisional Local Government Finance Settlement**

### ***Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2022/23 including the rolling in of two New Burdens grants?***

Yes, in part. We acknowledge the uprating of the Revenue Support Grant for 2021-22.

We reiterate our concerns regarding the extent to which relative needs and resources are assessed and taken into account when distributing central resources for local government. Hence, we would argue that the current methodology remains sub-optimal, not least because it is based on out-of-date data.

We acknowledge that the Government is committed to reviewing the assessment of needs and resources for local authorities but believe the Government should commit to the Fair Funding Review as originally proposed. That aside, I am deeply disappointed that the implementation of this assessment will be delayed again until at least April 2023 when there is opportunity to deal with it now. Nevertheless, we will be responding to the consultation on this matter in due course given the Government's commitment to engage with the Sector because the present method of allocating Revenue Support Grant is based on outdated information associated with both the relative needs and resources of local authorities which, in our view, is depriving our local area of the resources required to sustain local services.

I remain aggrieved at the Government's response to those Councils that, as a consequence of the formulaic approach to the allocation of Revenue Support Grant, will 'suffer' negative RSG again in 2022/23 (and indeed in previous years). In our view, it is contrary to both the calculation methodology and, in relation to the current year's allocation, the acceptance of the 4-year settlement that the Government has chosen to find funding to compensate these Councils, most of which have:-

- not suffered the extent of reduction in Revenue Support Grant as Blackburn with Darwen yet are being reimbursed funding;
- by virtue of their taxable capacity, have been largely protected from funding reductions;
- received more New Homes Bonus than Blackburn with Darwen given they have functional housing markets and because the Scheme as it presently operates redistributes funding in way that favours areas of housing growth that, without New Homes Bonus funding would arguably experience housing growth in any event. .

Fundamentally, it is unfair.

### ***Question 2: Do you agree with the proposed package of council tax referendum principles for 2022/23?***

No, we fundamentally disagree with the proposal for a separate Council Tax referendum principle for all Councils. And it is incongruous that the Government is seeking to set referendum limits for Council Tax increases by local authorities yet continuing to allow the Mayoral Combined Authorities to precept without limit.

We maintain our view that Councils should have the flexibility to increase Council Tax, taking account of local circumstances, without the need for a referendum.

Equally, if self-funding of local government is the Government's intended model there should also be greater flexibility for Councils to vary council tax discounts for example. In particular, we can see no reason why Councils do not have the freedom to vary the level of discounts according to local circumstances should they consider it necessary.



At the same time, of all Unitary Councils, Blackburn with Darwen has one of the highest numbers of properties in Band A. These make up almost 60% of properties in Blackburn with Darwen and, as a consequence, the Council has a low taxbase relative to other similar Councils. This means that historically, the Council has had to increase its Council Tax by more than the average in order to maintain its tax yield and overall resource level. The corollary to this is that Council Tax is now becoming increasingly unaffordable for many residents, not only those for those in Band A properties but particularly those who live in larger properties who are on middle incomes. We urge the Government to consider a review of Council Tax at the earliest opportunity to create a more progressive tax system and, if possible, as part of the Fair Funding Review to make it more equitable across the Country.

We agree that there should not be referendum limits for Council Tax for either Mayoral Combined Authorities or Town and Parish Councils on the basis of our view that referendum principles should not apply to any local authority either. Decisions on Council Tax should be a matter for local politicians to determine.

And, as with the Government's proposals for the Adult Social Care Precept, we agree with the proposal to allow Councils that did not fully use the precepting powers in 2021/22 to carry them forward for use in 2022/23. However, I am of the view that using Council Tax as a means of bridging the funding gap for Adult Social Care is

***Question 3: Do you agree with the Government's proposals for the Social Care Grant in 2022/23?***

Yes, we welcome the increase in funding for Social Care, particularly at a time when the demands on both Adult and Children's Social Care are increasing.

However, whilst this additional funding is welcome, we are concerned that it will not be sufficient for the Council to invest in the development of preventative and/or early help services that are necessary to take the pressure of acute services. Equally, there are growing concerns about the fragility of the care market and the social care workforce which will inevitably create pressures on Council's social care services.

The eventual publication of the White Paper on Adult Social Care recently set out ambitious plans to deal with these and other issues. Whilst we acknowledge some funding has been made available to start preparing for the implementation of Social Care reforms in the form of the Market Sustainability and Fair Cost of Care Fund, intuitively, it is my view that more funding will be required to ensure they are implemented fully. Of course, this will only be known once we have full details of the changes, how they will be implemented and what they might mean for a place like Blackburn with Darwen. Equally, an early understanding of the full funding allocations and how they have been derived, so that we can compare them to our costs estimates, would be appreciated.

Likewise, I acknowledge that the MacAlister Review of Children's Services is in its early stages, However, it is inevitable that more funding will be required to support these essential services, particularly focused on early years and prevention and I hope the Government is prepared to make the necessary investment.

***Question 4: Do you agree with the Government's proposals for iBCF in 2022/23?***

Yes, I welcome the Government's intention to uplift the iBCF by inflation. I am, however, unclear why basis of the uplift used for the iBCF (CPI inflation from Oct 2020 to Oct 2021) is different to the basis of the uplift for Revenue Support Grant above.

**Question 5: Do you agree with the Government's proposals for distributing the Market Sustainability and Fair Cost of Care Fund in 2022/23?**

Yes, I believe the Adult Social Care RNF is a reasonable basis for the allocation of the grant although at this stage, despite the additional guidance provided by the DHSC, I am unclear whether it is sufficient funding to meet the cost of complying with the funding conditions.

**Question 6: Do you agree with the Government's proposals for a one-off 2022/23 Services Grant distributed using 2013/14 shares of the Settlement Funding Assessment?**

Yes, I welcome this additional funding and, subject to my comments above on the age of the data being used, agree with the way in which it has been distributed.

I also welcome the statement that the funding will be retained for Local Government but remain concerned that the distribution of the grant may change. Again, this provides unnecessary uncertainty when there are enough variables in the future funding of local authorities.

**Question 7: Do you agree with the Government's proposals for New Homes Bonus in 2022/23?**

No, it is my view that the funding for the New Homes Bonus should be added back to the Revenue Support Grant.

I am disappointed that the Government has yet not reformed the New Homes Bonus scheme as set out at last year's Financial Settlement for Local Government. The Scheme in its present form does nothing to incentivise the delivery of new housing or bringing empty properties back into use and is in need of reform.

I am not in favour of the top-slicing of RSG and allocating it via New Homes Bonus. We feel that the distribution of resources in this ways leads to more resources going to those Councils that already have greater spending power/resource capacity whereas the allocation of RSG does at least in some way have regard to the relative needs of councils. In our view, this compounds the unfair allocation of funding.

I am also not in favour of the 0.4% threshold for new housing/empty homes brought back into use, below which no New Homes Bonus is paid. This directly discriminates against areas of low housing growth for no apparent reason other than to distribute funding to places that are experiencing growth for reasons outside the scope of New Homes Bonus.

The Government implemented reforms to the New Homes Bonus regime two years ago as it felt that although the Bonus was successful in encouraging authorities to welcome housing growth, it did not reward those authorities who were the most open to growth. For some authorities it is not a question of being 'open to growth' but rather a reflection of the viability of the local housing market and wider local economy that inhibits the opportunities for housing growth which results in Council's like Blackburn with Darwen being penalised under the Bonus regime.

**Question 8: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2022/23?**

The grant for rural services delivery seems to address a specific factor impacting on needs. In this case it is sparsity and whilst we recognise the additional costs that stem from this it is but only one factor amongst a number that drive funding needs. **Another factor would be deprivation which, in the past consultation on Review of Local Authorities' Relative Needs and Resources, the Government has previously acknowledged as 'an important driver for some specific services'.**

To that end, I am unclear why the Government has chosen to make available increasing amounts of additional funding for this factor but chooses to ignore other factors that impact on the costs of many other local authorities. We would strongly urge the Government to reconsider whether additional funding should be made available for Council areas recognised as being within the upper quartile of deprived areas according to the Index of Multiple Deprivation.

***Question 9: Do you agree with the Government's proposal for the Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?***

Yes, I welcome the continued payment of the Lower Tier Services Grant but it is no substitute for the loss of Revenue Support Grant experienced by Blackburn with Darwen over the last 10 years of austerity.

***Question 10: Do you have any comments on the impact of the proposals for the 2022/23 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside the consultation document? Please provide evidence to support your comments.***

None specifically.

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Finance and Governance
<b>LEAD OFFICERS:</b>	Director of Finance
<b>DATE:</b>	13 January 2022

<b>PORTFOLIO/S AFFECTED:</b>	All
<b>WARD/S AFFECTED:</b>	All
<b>KEY DECISION:</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

**SUBJECT: Business Rates COVID 19 Discretionary Relief changes for 2021/22 & 2022/23**

### 1. EXECUTIVE SUMMARY

Since 2019/20 the government has provided significant support via targeted discounts and reliefs to the Retail, Leisure and Hospitality sectors. The budget in October 2021 provided further details of the new measures for 2021/22 and 2022/23.

Included in the new measures is a new COVID 19 Additional Relief Fund (CARF) for businesses not entitled to previous covid reliefs but who have been adversely affected by the pandemic. For those eligible, this relief will seek to reduce the business rate bills for the 2021/22 financial year. The relief awarded will be a percentage of the ratepayers net liability. Once all applications have been received and assessed the allocation of relief can be determined.

In addition, the Retail, Hospitality and Leisure discount has been replaced with a discretionary relief for the 2022/23 financial year at the reduced rate of 50%.

A further new relief has also been announced that will extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle.

To ensure that the changes can be implemented quickly, the Government is not changing the legislation governing reliefs, instead the council has been asked to formulate policies from the issued guidance and use its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant the reliefs.

### 2. RECOMMENDATIONS

That the Executive Board:

- approves the COVID 19 Additional Relief Fund (CARF) policy for 2021/22;
- notes and approves the amendments to the Retail, Hospitality and Leisure relief scheme for businesses for the 2022/23 financial year, and;
- approves the Extension of Transitional Relief and Supporting Small Business Relief policy.

### **3. BACKGROUND**

In March 2021 the government provided initial details on the additional support that would be put in place for businesses affected by the pandemic. Further details were outlined in the budget on the 27<sup>th</sup> October 2021. This included:

- the establishment of the Covid-19 Additional Relief Fund (CARF) for businesses who have had little support during the pandemic but been adversely affected;
- the replacement of the Retail, Hospitality and Leisure discount with a relief at the reduced rate of 50%, and;
- the introduction of the Transitional Relief and Supporting Small Business relief for small and medium sized properties.

The cost will be fully met by the government, a total of £3,678,533 has been allocated to the council for the CARF relief. Whilst the Retail, Housing and Leisure and Transitional Relief / Supporting Small Business relief will both be funded through the section 31 grant.

The amendments to the discretionary relief policy can be found in Appendix A.

### **4. KEY ISSUES & RISKS**

#### **4.1 Covid-19 Additional Relief Fund (CARF)**

Whilst individual councils are responsible for designing their own local scheme, the broad guidance issued by the Department of Levelling Up, Housing and Communities must be followed. This includes:

- Not to award the CARF relief if the ratepayer is, or would, be eligible for the Extended Retail Discount, or Nursery Discount.
- Not to award relief to a property for a period when it is unoccupied (other than if the property was closed temporarily due to covid restrictions).
- Support should be directed towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

The relief awarded will be a percentage of the ratepayers net liability. Once all applications have been received and assessed the allocation of relief can be determined. The full policy is attached in Appendix A.

#### **4.2 Retail, Hospitality and Leisure Business Rates Relief scheme**

This new relief provide eligible Retail, Hospitality and Leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

#### **4.3 Transitional Relief and Supporting Small Business Relief for Small and Medium properties Scheme**

The government have confirmed that the current transitional relief scheme and the supporting small business scheme will be extended for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

#### **4.4 Administration of the relief**

The Business Rate team will seek to automatically award reliefs where existing information will allow. This approach will be possible for Retail, Hospitality and Leisure relief, and the transitional Relief and Supporting Small Business Relief, however, the Covid 19 Additional Relief Fund will require a full application and assessment process.

---

## 5. POLICY IMPLICATIONS

The proposed changes to the Discretionary Policy are detailed in full in Appendix A.

## 6. FINANCIAL IMPLICATIONS

The Retail, Hospitality and Leisure relief, and the transitional Relief and Supporting Small Business Relief will be fully funded by the government through the section 31 grant.

Covid 19 Additional Relief will be administered in accordance with the available funding. The government have allocated the council a total of £3,678,533 for this relief. This relief will be cash limited and once allocated no further applications will be considered.

The government has also announced that additional burdens monies will be made available to councils for the costs associated with this work.

## 7. LEGAL IMPLICATIONS

The schemes will be administered through the Council's discretionary relief powers under Section 47 of the Local Finance Government Act 1988 (as amended).

The policies provide transparency and show the criteria that the Council will apply when making their decisions as to whether or not to grant the relief. The Council must, however, consider applications which may fall outside the policies and should not be fettered in its decision making by the terms of the policy. The council is, however, bound by the guidance set out by the Government as to when reliefs can be made.

## 8. RESOURCE IMPLICATIONS

Any additional work required from the changes listed in the policy documents will be undertaken within existing resources.

---

## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

---

## 10. CONSULTATIONS

None.

---

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

<b>VERSION:</b>	<b>1</b>
-----------------	----------

<b>CONTACT OFFICER:</b>	<b>Andy Ormerod</b>
-------------------------	---------------------

<b>DATE:</b>	30 <sup>th</sup> December 2021
--------------	--------------------------------

<b>BACKGROUND PAPER:</b>	Appendix A – Discretionary Policy amendments
--------------------------	--



## Appendix A

# **Business Rates – Discretionary Relief Policy amendments 2021/22 & 2020/23**

**Covid-19 Additional Relief Fund (CARF)**

**Retail, Hospitality and Leisure Business  
Rates Relief Scheme**

**Transitional Relief and Supporting Small  
Business Relief for Small and Medium  
properties Scheme**



# Contents

<b>1.</b>	<b>COVID 19 Additional Relief Fund (CARF)</b>	<b>Page 3-4</b>
1.1	Background	Page 3
1.2	Qualifying properties	Page 3
1.3	Non-qualifying properties	Page 3
1.4	Application process	Page 3
1.5	Amount of relief awarded and period	Page 3-4
1.6	Subsidy control	Page 4
1.7	Appeals	Page 4
<b>2.</b>	<b>Retail, Hospitality and Leisure Business Relief Scheme</b>	<b>Page 5-8</b>
2.1	Background	Page 5
2.2	Qualifying property	Page 5-7
2.3	Non-qualifying property	Page 7
2.4	Amount of relief awarded	Page 7
2.5	Application process	Page 8
2.6	Period of relief	Page 8
2.7	Subsidy control	Page 8
2.8	Appeals	Page 8
<b>3.</b>	<b>Transitional Relief and Supporting Small Business Relief for Small and Medium properties</b>	<b>Page 9-10</b>
3.1	Background	Page 9
3.2	Eligible properties	Page 9
3.3	Amount of relief awarded	Page 9
3.4	Application process	Page 9
3.5	Period of relief	Page 10
3.6	Subsidy control	Page 10
3.7	Appeals	Page 10

## **1. COVID-19 Additional Relief Fund (CARF)**

### **1.1 Background**

Part 1 of the policy sets out the council's criteria for eligibility for the COVID 19 Additional Relief Fund. This document has taken into account the Government guidance issued on the 14<sup>th</sup> December 2021 and seeks to provide a detailed policy for the targeted support for businesses who have until now been unable to benefit from the previous retail discount.

This relief is awarded under Section 47 of the Local Government Finance Act 1988. All awards made by the council will be met from the government funding allocation of £3,678,533.

### **1.2 Qualifying properties**

To qualify for the relief:

- the ratepayer must **not** be eligible for Extended Retail Discount, or Nursery Discount;
- the property must **not** have been unoccupied (other than if the property was closed temporarily due to covid restrictions), and;
- The ratepayer needs to be able to demonstrate that the business has been adversely affected by the pandemic.

### **1.3 Non-qualifying properties**

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, Billing Authorities may not grant the relief to themselves.

### **1.4 Application process**

Organisations who may qualify for the relief will be identified and contacted by the Business Rates team and asked to consider making an online application. Applications will be accepted for a period of 3 weeks, once this period has elapsed no further applications will be considered.

All applications will be reviewed to ensure that the business is from an appropriate sector and that they can demonstrate that they have been adversely affected by the pandemic. The council reserves the right to request multiple evidences from businesses to verify the impact of the pandemic.

Once the relief has been awarded, all businesses will be served with a revised bill and details of the relief.

---

### **1.5 Amount of relief awarded and period**

Once all eligible properties/businesses are identified and the application period has closed, the allocation of relief will be calculated.

The allocation will be a percentage of the business rate liability for 2021/22 after other discretionary and mandatory reliefs have been granted. The percentage will be calculated after the application period has closed to ensure the maximum amount of £3,678,533 funding is allocated.

Any retrospective change in circumstance to recipient accounts and the amount of business rates owed will result in the recalculation of the amount of relief offered.

The relief funding is a finite amount and once the fund has been fully allocated no further awards can be made. As such, any new occupier of a property who has failed to inform the council of occupancy, may receive no relief.

Following the allocation of relief, in cases where payments have been received and there is a resulting credit in 2021-22, the credit will be offset against any previous years arrears in the first instance. In cases where the account remains in credit overall, any such credit will be carried forward to offset the liability for 2022/23.

#### **1.6 Subsidy Control**

Providing discretionary relief to ratepayers as outlined in this policy is likely to amount to a subsidy. As such, any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations

To ensure that the council acts appropriately in this regard, the Business Rates team will request ratepayers as part of the application to declare that all aspects of the subsidy regime are complied with.

#### **1.7 Appeals**

Any appeal against a decision made under the '*Covid-19 Additional Relief Fund*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of a decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.

## **2. Retail, Hospitality and Leisure Business Relief Scheme**

### **2.1 Background**

This policy sets out the council's criteria to the eligibility and the administration of the Retail, Hospitality and Leisure Business Relief Scheme for 2022/23.

This scheme amends and replaces the Expanded Retail Discount from 2021/22.

This local relief is awarded under Section 47 of the Local Government Finance Act 1988. All awards made by the council will be funded by the government through the section 31 grant.

### **2.2 Qualifying properties**

Properties that will benefit from the relief will be occupied properties that are wholly or mainly being used:

- a. As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- b. For assembly and leisure, and;
- c. As hotels, guest and boarding premises and self-catering accommodation;

#### **2.2.1 Definition of shops, restaurants, cafes and drinking establishments:**

**(i) Properties that are being used for the sale of goods to visiting members of the public, for example:**

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
- Charity shops;
- Opticians;
- Post offices;
- Furnished shops/display rooms (such as: carpet shops, double glazing, etc);
- Car/caravan show rooms;
- Second hand car lots;
- Markets;
- Petrol stations;
- Garden centres, and;
- Art galleries (where art is for sale/hire).

**(ii) Properties that are being used for the provision of the following services to visiting members of the public, for example:**

- Hair and beauty services;
- Shoe repairs/key cutting;
- Travel agents;
- Ticket offices e.g. for theatre;
- Dry cleaners;
- Launderettes;
- PC/TV/domestic appliances repair;
- Funeral directors;

- Photo processing;
- Tool hire;
- Car hire

**(iii) Properties that are being used for the sale of food and/or drink to visiting members of the public, for example:**

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs;
- Bars

**(iv) Properties which are used as cinemas**

**(v) Properties which are used as live music venues**

- Live music venues are properties that are wholly or mainly used for the performance of live music for the purpose of entertaining a live audience. Properties wholly or mainly used as Nightclubs or theatres are not considered to be live music venues. Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003

## 2.2.2 Definition of assembly and leisure

**(i) Properties that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such events)**

- Sports grounds and clubs;
- Museums and art galleries;
- Nightclubs;
- Sport and leisure facilities;
- Stately homes and historic houses;
- Theatres;
- Tourist attractions;
- Gyms;
- Wellness centres, spas, massage parlours;
- Casinos, gambling clubs and bingo halls

**(ii) Properties that are being used for the assembly of visiting members of the public**

- Public halls;
- Clubhouses, clubs and institutions

**2.2.3 Properties considered to be hotels, guest and boarding premises and self-catering accommodation**

**(i) Properties where the non-domestic part is being used for the provision of living accommodation as a business**

- Hotels, Guest and Boarding Houses;
- Holiday homes; and,
- Caravan parks and sites

**2.2.4** To qualify for the relief the property should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs, this is a test on use rather than occupation. Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

Properties that have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of the relief.

The above lists are not exhaustive and merely a guide to the properties who may qualify for the relief.

**2.3 Non-qualifying properties**

Properties that will not benefit from retail discount will include:

**(i) Properties that are being used for the provision of the following services to visiting members of the public, for example:**

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, short-term loan providers);
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisors), and;
- Post office sorting offices.

**(ii) Properties that are not reasonably accessible to visiting members of the public:**

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, Billing Authorities may not grant the discount to themselves.

**2.4 Amount of relief awarded**

The total amount of government funded relief available is 50% of the chargeable amount for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. This amount is subject to a £110,000 cash cap limit per business.

The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.

Subject to the cash cap, the eligibility for the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2022/23:

Amount of relief to be granted =  $V \times 0.5$  where:

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs mentioned above.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

## **2.5 Application process**

Organisations who may qualify will be identified and then automatically awarded the relief by the Business Rates team. However, any regional or national business will be asked to confirm that the subsidy control limits have not been exceeded.

Once awarded, all businesses will be served with a revised bill and details of the relief.

## **2.6 Period of relief**

If there are no changes to the property, '*Retail, Hospitality and Leisure Relief Scheme*' shall apply for the financial year 2022/23 as outlined above.

Businesses can refuse or request that the discount is relief from their account.

## **2.7 Subsidy control**

Providing discretionary relief to ratepayers as outlined in this policy is likely to amount to a subsidy. As such, any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations

To ensure that the council acts appropriately in this regard, the Business Rates team

will request that ratepayers declare if the granting of the relief exceeds subsidy rules.

## **2.8 Appeals**

Any appeal against a decision made under the '*Retail, Hospitality and Leisure Relief Scheme*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.

### **3. Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme**

#### **3.1 Background**

The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation process. The scheme ends on 31<sup>st</sup> March 2022, as a result, a small number of ratepayers would face a jump to their full rates bill from the 1<sup>st</sup> April 2022.

At the Budget on the 27<sup>th</sup> October 2021 the government therefore announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

As this is a temporary measure for 2022/23, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in its guidance, reimburse billing authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.

#### **3.2 Eligible properties**

Properties that will benefit are those with a rateable value up to and including 100,000 who would have received transitional relief and/or SSB in 2022/23.

In line with the existing thresholds in the transitional relief scheme, the 100,000 rateable value threshold should be based on the rateable value shown for 1<sup>st</sup> April 2017, or, the substituted day in the cases of splits and mergers.

#### **3.3 Amount of relief awarded**

The government will fund discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory transitional relief scheme and SSB scheme extended into 2022/23.

In practical terms the relief will:

- cap increases for small properties (with a rateable value of less than or equal to £20,000) in 2022/23 to 15% (before the increase for the change in the multiplier), and;
- cap increases for other properties (up to and including £100,000 rateable value) in 2022/23 to 25% (before the increase for the change in the multiplier).

#### **3.4 Application process**

Organisations who may qualify will be identified and then automatically awarded the relief by the Business Rates team.

It is anticipated that the qualifying businesses will be granted the relief as part of the annual billing process for 2022/23.



### **3.5 Period of relief**

If there are no changes to the property, *'Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme'* shall apply for the financial year 2022/23.

### **3.6 Subsidy control**

Providing discretionary relief to ratepayers as outlined in this policy is likely to amount to a subsidy. As such, any relief provided by Local Authorities under the Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme will need to comply with the UK's domestic and international subsidy control obligations

To ensure that the council acts appropriately in this regard, the Business Rates team will request that ratepayers declare if the granting of the relief exceeds subsidy rules.

### **3.7 Appeals**

Any appeal against a decision made under the *'Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme'* policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.