



Chelmsford City Council Overview and Scrutiny Committee

20th November 2023

Report on Decisions Taken Under Delegation to the Chief Executive

Report by:

Director of Connected Chelmsford

Officer Contact:

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Purpose

To report on the decisions taken under delegation to the Chief Executive for the period 1 June 2023 to 10 November 2023.

Recommendations

That the report be noted.

1. Background or Introduction

- 1.1. The Constitution of the Council includes, at Part 3 (Responsibility for Functions), details of matters on which the officers of the Council are authorised to take decisions. These are known as delegations to officers and among them is the following, which is delegated to the Chief Executive:

“Deal with any matter on grounds of urgency, following consultation with the Leader of the Council or the Chair and Vice Chair of the appropriate Committee in respect of non-executive matters.

- 1.2. The decisions taken by the Chief Executive under this delegation are recorded and notified to the public and members of the Council by publication on the Council’s website. On 8 February 2010, the Overview and Scrutiny Committee agreed that a list of those decisions should also be brought to the Committee for information in June and November each year.

2. Latest Decisions

- 2.1. Three decisions was taken under delegation to the Chief Executive during the period 1 June 2023 to 10 November 2023. The summary of the decision is attached as appendix to this report.

- 2.2. Members are asked to note the content of the report.

List of appendices:

Appendix 1 – Decisions taken under delegation to the Chief Executive for the period 1 June 2023 to 10 November 2023.

Background papers: Nil

Corporate Implications

Legal/Constitutional: None

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees:

Director of Connected Chelmsford

Relevant Policies and Strategies:

None relevant

Appendix 1 - DECISION TAKEN UNDER DELEGATION TO THE CHIEF EXECUTIVE

Subject: Proposed Amendments to Housing Allocations Policy

Date of Decision: 19.7.23

Decision Number:

2/2023

Background:

There is a significant gap between the need and supply of larger homes which is why we are seeking approval to begin this process of consultation and amendment to our policy as a matter of urgency.

The Council's current policy for the allocation of affordable housing gives priority to existing tenants who would like to downsize to a smaller home, freeing up and improving the supply of much needed larger affordable homes. Applicants are restricted to apply for one-bedroom properties which whilst of a size that may meet their need, may often fail to meet their aspiration. Officers and members have discussed how extending this policy to allow tenants to downsize to two as well as one-bedroom homes would create more choice and a better incentive, which in turn could create a better supply of larger affordable homes in Chelmsford.

Any proposed change to a local housing authority's allocation policy must be consulted with those that are likely to be affected, in this case local Registered Providers of social housing under Housing Act 1996 s.168(3). There is no specified time period or process for this consultation and previously we have done this by letter emailed to our partners giving four weeks to respond. We therefore propose to apply the same timescale and process.

Decision and Reasons for Urgency:

The Chief Executive decided to exercise his delegated authority to take urgent decisions and authorise the start of the process of consultation and amendment to Housing Allocations Policy. He did so on the grounds that there was a significant gap between the need and supply of larger homes and starting the process as soon as possible would be beneficial. There was also a gap over the Summer until the next Cabinet meeting.

Supporting Information:

The Leader of the Council was consulted before taking the decision and had no objection to it.

Subject: Proposed Amendments to Housing Allocations Policy

Date of Decision: 22.8.23

Decision Number:

3/2023

Background:

The Council is working in partnership with CHP to acquire larger family size properties homes to be used as affordable rented homes for Afghan families who have become homeless as a result of the closure of the Atlantic Hotel. Funding is being made available from government to contribute towards the cost at a rate that is more generous than usual making this a good opportunity to meet this need and also provide a supply of larger affordable homes for the use of other families in the future.

Officers highlighted to colleagues in the Home Office and DLUHC that legally local housing authorities can only provide affordable housing through their Housing Register and Allocations Policy. This means that with more than 50 other families already homeless and in temporary accommodation it would not be permissible to take advantage of this funding opportunity without making an amendment to our policy. We therefore propose to create a new clause which would allow the Council to nominate directly applicants of certain groups without the need to advertise properties which have been acquired specifically for that group as a result of specific funding.

Legally the Council must consult with those who may be directly affected, i.e. Registered Providers of social housing. As it is possible some of these homes could be acquired and available to let within the next few months we need to ensure both the consultation and policy change is completed beforehand. Although only CHP will be providing these homes, it is possible offers could be made by others and there may also be other opportunities in the future for other groups in housing need. For this reason, the consultation will not be specifically about the need to amend the policy for Afghan refugees but will instead cover the broader issue of non-supported general needs affordable housing that is provided by a Registered Provider through funding for a specific group.

Decision and Reasons for Urgency:

The Chief Executive decided to exercise their delegated authority to take urgent decisions and authorise the start of the process of consultation and amendment to Housing Allocations Policy. They did so on the grounds that there was a significant gap between the need and supply of larger homes and starting the process as soon as possible would be beneficial.

Supporting Information:

The Leader of the Council was consulted before taking the decision and had no objection to it.

Subject: Business Rates Pooling and Pilot for Non-Domestic Rates in 2024-25

Date of Decision: 20.9.23

Decision Number:

4/2023

Background:

Business Retention scheme

In April 2013 the Government introduced a business rates retention scheme that was intended to create incentives for local authorities to promote business growth over the long term. Under the scheme local authorities are allowed to retain some of the benefit from any growth in non-domestic rates, however, are also exposed to the risk of reduced income from any reduction in the amounts of Rates collected.

If an authority collects more business rates than the Government has determined they need to fund their services (business rates baseline funding) then these authorities are required to pay over the excess to Central Government in the form of a tariff. Conversely, if an authority's funding requirement is higher than income collected, then they will receive a "top-up" from central government.

There is a levy mechanism built into the Business Rates Retention regime, so that authorities will pay a proportion of their growth to Central Government. The levy rate is set at 50% for Chelmsford City Council, which means the Council will only retain half of the increase in business rates growth over and above a Government set business rates baseline.

The Government has put in place a safety net to protect local authorities from significant negative shocks to their income by guaranteeing that no authority will see its income from business rates fall beyond 7.5% of its spending baseline. The maximum loss for Chelmsford in this instance would be £0.3m.

Business Rates Pooling

As part of the rates retention scheme, authorities can formally seek designation as a pool. The pool will be formed of two or more authorities and enables those authorities to retain a higher percentage of business rate growth by reducing or removing the levy that needs to be paid on any income growth. If an authority experiences negative growth that falls below the Government set 7.5% safety net, the loss needs to be funded by the pool and therefore has an adverse impact on the other authorities in the pool. The Government treat the Pool and its members as one authority and the safety net limit is calculated on overall Baseline funding level of the Pool. For 2024/25 it worth noting that :

- The Government can nationally decide to abolish pools, even after the Council has signed up. This is thought to be unlikely but none the less is possible.

Pool arrangements for 2023/24

Chelmsford entered into an Essex Business rates pool with other Local Authorities in 2018/19 and remained member of the Essex pool in 2019/20, 2020/21 2021/22 2022/23 and 2023/24. In 2018/19 2 the Council received additional income of £1m, in 2019/20 received

additional income of £0.6m, in 2020/21 received additional income of £0.8m in 2021/22 received an additional income of £1.1m and in 2022/23 received an additional income of £0.8m from the pool as a proportioned benefit of levy saved that would have otherwise been paid to the Government. The income from the Pool for 2021/22 and 2022/23 is subject to the risk of change during the external audit of member authorities. The lead authority (Essex County Council) is currently estimating £0.7m of additional income from the Pool in 2023/24 for Chelmsford.

Chelmsford's options for 2024/25

Chelmsford and the lead authority is required to notify the Government of its intentions for pooling for the next financial year by 10th October 2023. Essex County Council are therefore seeking a formal confirmation of our intention to remain in the Essex Business rates pool. Depending on the response from other Essex authorities, the options for the pool are to either continue as it is with the current members, to dissolve completely or to dissolve and seek designation as a new pool for 2024/25 should the pool's membership change.

To provide assurances before entering the pool, historic experience has shown pool membership to be beneficial to the authority, even during the COVID-19 pandemic due to government support. This support meant that there has not been the need to further increase the bad debt provision however this could potentially be impacted by any future recession. The current pool members have been asked to express confidence in being able to maintain their business rates income at a required level for the pool to remain successful. Brentwood was removed from the pool in 2023/24 and will remain a non-member of the pool in 2024/25 as it does not have confidence that it will not be in a safety net position.

Option 1

Notify the lead authority of the intention to leave the Essex Business rates pool and continue as a standalone authority

- Potential increase from Business Rates growth £0.3m
- Maximum loss £0.3m (7.5% of Government set Baseline need)

Option 2

Join the Essex business rates pool for another year, with the intention to maximise the business rates income retained by the authority. Indicatively the gain to the City Council could be an extra £0.7m.

The risk, in the unlikely situation where income for the whole pool falls below its business rates baseline is that Chelmsford will lose its additional income and will have to proportionately suffer the loss of pool income. The extent of City Council losses will depend on the overall position of the pool. This cannot be accurately quantified until the end of the pool's financial year, but losses could exceed the £0.3m maximum identified in option 1.

Decision and Reasons for Urgency:

The Chief Executive was of the view that option 2 would be of most benefit to the Council. As a decision on whether to join the Pool needed to be made by 22 September 2023, he agreed to exercise his delegated authority to take urgent decisions and authorised the Accountancy Services Manager to negotiate for the Council the terms on which the Council

would enter the Pool and to join it if those terms were acceptable.

Supporting Information:

The Leader of the Council was consulted before taking the decision and had no objection to it.