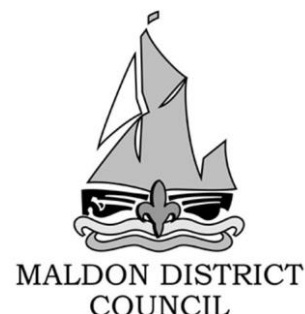




APOLOGIES Committee Services
Email: Committee.clerk@maldon.gov.uk

DIRECTOR OF STRATEGY AND
RESOURCES
Paul Dodson

07 February 2024

Dear Councillor

You are summoned to attend the meeting of the;

COUNCIL

on **THURSDAY 15 FEBRUARY 2024 at 7.30 pm**

in the **Council Chamber, Maldon District Council Offices, Princes Road, Maldon.**

Please Note: All meetings will continue to be live streamed on the [Council's YouTube channel](#) for those wishing to observe remotely. Public participants wishing to speak remotely at a meeting can continue to do so via Microsoft Teams.

To submit a question in writing or attend in person please complete a [Public Access form](#) (to be received no later than 12noon two clear working days before the Council meeting). All requests will be considered on a first-come, first-served basis.

A copy of the agenda is attached.

Yours faithfully

Director of Strategy and Resources





AGENDA COUNCIL

THURSDAY 15 FEBRUARY 2024

1. **Chairperson's notices**
2. **Apologies for Absence**
3. **Minutes - 14 December 2023** (Pages 7 - 16)

To confirm the Minutes of the Council meeting held on 14 December 2023 (copy enclosed).

4. **Declaration of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, Other Registrable interests and Non-Registrable Interests relating to items of business on the agenda having regard to paragraph 9 and Appendix B of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interests as soon as they become aware should the need arise throughout the meeting).

Local Government Finance Act 1992 – Section 106

Will any Members affected by Section 106 please note that any declarations to that effect should be made on the commencement of the meeting or immediately on arrival if this is later. Under Section 106 a Member who has not paid an amount due in respect of their Council Tax for at least two months after it became payable is precluded from voting on any matters affecting the level of Council Tax or the arrangements for administering the Council Tax. (The Member is, however, entitled to speak).

5. **Public Questions**

To receive questions from members of the public, of which prior notification in writing has been received (no later than noon two clear working days before the day of the Council meeting).

Should you wish to submit a question please complete the online form at www.maldon.gov.uk/publicparticipation.

6. **Chairperson's Announcements**
7. **Minute Book**

To consider the recommendations coming forward from the Committees detailed below. Please note that the Minutes of these meetings are not enclosed as they have not been approved at Committee level.

- a) Overview and Scrutiny Committee - 7 December 2023 (Pages 17 - 20)

Member Scrutiny Request – Maldon Citizens’ Advice

Recommended that the findings of this scrutiny, as detailed in the briefing paper at **APPENDIX A**, be endorsed.

- b) Strategy and Resources Committee - 25 January 2023 (Pages 21 - 234)

Council Tax Support Scheme 2024 / 25

RECOMMENDED

- (i) That the following changes to the existing schemes are approved:
- a. a cost of living increase in line with the Department for Work and Pensions schemes be included in the Local Council Tax Support (LCTS) Scheme for 2024 / 25 for Pensioners only;
 - b. that any legislative changes being introduced to the Housing Benefit Scheme, for 2024 / 25 are mirrored in the Council’s LCTS Scheme to ensure consistency;
 - c. minor technical amendments to ensure that we are able to administer the Scheme reflecting current local and national guidance and that we may disregard anything determined to be a local welfare payment from our calculation;
- (ii) that these decisions have been made following Members careful reading of and regard to the Equality Impact Assessment at **APPENDIX 1**;
- (iii) that Members note the unchanged framework for the Hardship Provision at **APPENDIX 2**;
- (iv) that the Policy document at **APPENDIX 3** be approved;
- (v) that the Policy document at **APPENDIX 4** be approved.

Business Rate and Council Tax Discretionary Policies

RECOMMENDED

- (i) That the proposed Discretionary Non-Domestic Rate Relief Scheme at **APPENDIX 5** be approved.
- (ii) That the proposed Empty Homes and Second Homes Premium Policy at **APPENDIX 6** be approved.

Please note that the following recommendations coming forward from the Strategy and Resources Committee are not for consideration at this point as they form part of Agenda Item 9 – 2024 / 25 Budget and Medium-Term Financial Strategy, due to be considered at this meeting:

- Treasury Management Strategy 2024 / 25;
- Capital and Investment Strategies for 2024 / 25 and Minimum Revenue Statement 2024 / 25;

- 2023 / 24 Revised and Original 2024 / 25 Budget Estimates;
- Medium-Term Financial Strategy 2024 / 25 – 2026 / 27;
- Income and Savings Proposals 2024 / 25 to 2026 / 27.

c) Strategy and Resources Committee - 1 February (Pages 235 - 242)

Pay Policy Statement

RECOMMENDED that the Pay Policy Statement attached at **APPENDIX 1** be agreed.

8. **Minutes of Meetings of the Council**

To note that since the last Council, up until Wednesday 7 February 2024 (Council agenda dispatch) the following Committees have met, and to receive any questions in accordance with Council and Committee Procedure Rule 6 (2).

North Western Area Planning Committee	6 December 2023
Overview and Scrutiny Committee	7 December
North Western Area Planning Committee	10 January 2024
Performance, Governance and Audit Committee	18 January
District Planning Committee	23 January
Strategy and Resources Committee	25 January
Strategy and Resources Committee (special meeting)	1 February

9. **2024 / 25 Budget and Medium-Term Financial Strategy**

To receive a **Budget Statement from the Leader of the Council**, to consider the following reports of the Section 151 Officer (copies enclosed) and to determine the level of Council Tax.

Members' attention is drawn to the following Procedure Rules:

- **Voting** – Procedure Rule 13(5) set outs the requirement for any vote taken at a budget decision meeting (as defined by the Local Government Finance Act 1992) to be recorded in the Minutes.
- **Budget Speech** – Procedure Rule 1(13)(a) sets out the time limits in relation to the budget speech and (b) details the requirements for making alternative proposal or amendment as part of the Budget and Council Tax setting.

- Treasury Management Strategy 2024 / 25 (Pages 243 - 294)
- Capital and Investment Strategies for 2023 / 24 and Minimum Reserve Statement 2024 / 25 (Pages 295 - 334)
- Medium-Term Financial Strategy 2024 / 25 to 2026 / 27 (Pages 335 - 366)
- Revised 2023 / 24 and Original 2024 / 25 Budget Estimates and Council Tax 2024 / 25 (Pages 367 - 410)
- Council Tax 2024 / 25 (Pages 411 - 420)

10. **Questions in accordance with Procedure Rule 6(3) of which notice has been given**

11. **Police, Fire and Crime Commissioner Election - 2 May 2024 - Polling Stations**
(Pages 421 - 422)

To consider the report of the Director of Strategy and Resources (copy enclosed).
 12. **Essex Wide Devolution Update**

To receive a verbal update on Essex Wide Devolution.
 13. **Business by reason of special circumstances considered by the Chairperson to be urgent**
 14. **Exclusion of the Public and Press**

To resolve that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.
 15. **Income and Savings Proposals 2024 / 25 to 2026 / 27** (Pages 423 - 430)

To consider the report of the Interim Chief Finance Officer (copy enclosed).
 16. **Corporate Leadership Review** (Pages 431 - 454)

To consider the report of the Monitoring Officer, (copy enclosed).
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NOTICES

Recording of Meeting

Please note that the Council will be recording and publishing on the Council's website any part of this meeting held in open session.

Fire

In the event of a fire, a siren will sound. Please use the fire exits marked with the green running man. The fire assembly point is outside the main entrance to the Council Offices. Please gather there and await further instruction.

Health and Safety

Please be advised of the different levels of flooring within the Council Chamber.

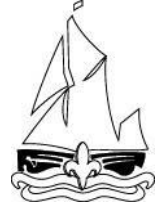
Closed-Circuit Televisions (CCTV)

Meetings held in the Council Chamber are being monitored and recorded by CCTV.

Lift

Please be aware, there is not currently lift access to the Council Chamber.

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**MINUTES of
COUNCIL
14 DECEMBER 2023**

PRESENT

Chairperson	Councillor K M H Lagan
Vice-Chairperson	Councillor R G Pratt
Councillors	S J Burwood, J Driver, M F L Durham, CC, A Fittock, A S Fluker, L J Haywood, J C Hughes, K Jennings, A M Lay, W J Laybourn, C P Morley, M G Neall, R H Siddall, N D Spenceley, P L Spenceley, W Stamp, CC, E L Stephens, J C Stilts, N J Swindle, M E Thompson and S White

1. CHAIRPERSON'S NOTICES

The Chairman welcomed everyone to the meeting and went through some general housekeeping arrangements for the meeting.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M G Bassenger, V J Bell, D O Bown, N R Miller, S J N Morgan, N G F Shaughnessy, U G C Siddall-Norman and L L Wiffen.

3. MINUTES - 29 NOVEMBER 2023

RESOLVED

- (i) that the Minutes of the extraordinary meeting of the Council held on 29 November 2024 be received.

Councillor A S Fluker paid tribute to all those in the emergency services and healthcare sectors, thanking them for their work and wishing them and their families a happy Christmas. He raised comments on Minute No. 3 - Minutes – 14 September 2023, No. 11 – South Eastern Area Planning Committee Management and No. 21 – Commercial Project Decision. Councillor Fluker proposed that subject to these he was happy to agree the Minutes of the last meeting.

The Chairperson reminded Members that the Minutes were not a verbatim record of the meeting. He referred to the Lead Legal Specialist and Monitoring Officer who provided further clarity to the Council, advising that the purpose of Minutes was to primarily record the decision made and provide a bare framework to why a decision was made. Guidance on private and confidential items of business and what could be Minuted was also given by the Officer.

The Chairperson advised that he had reviewed and was happy with the content of the Minutes. As there was no specific proposal or recommendation to change the Minutes, he put them to the Council. The Minutes were duly agreed. Councillor Fluker asked that it be recorded he did not support the Minutes for a variety of reasons and was happy to discuss these with the Monitoring Officer.

RESOLVED

- (ii) that the Minutes of the extraordinary meeting of the Council held on 29 November 2024 be confirmed.

4. DECLARATION OF INTEREST

Councillor M F L Durham declared an Other Registrable Interest in relation to Agenda Item 13 – Essex Wide Devolution Update as he was a Cabinet Member of Essex County Council and aware of information on that topic which was not in the public domain.

5. PUBLIC QUESTIONS

In accordance with the Council's public speaking protocol it was noted that the following question had been received from Mr Ben Groves:

Question:

'With the closure of most parking machines over the weekend, can the council confirm it's long term plans for public parking and charges? Specifically:

- 1) MDC's discussions with RingGo regarding removing the 'convenience fee' charged? This can add over 20% to the cost of parking - and is a mandatory charge, rather than a convenience as card payments are no longer possible where the machines have been removed (i.e. car park 21801 Promenade Park Coach Park Car Park)
- 2) Which carparks still have at least one machine available?
- 3) What alternative provisions are being maintained for users unable to use an app based service due to vulnerability or disability?
- 4) What contingency plans are in place to change provider should RingGo increase charges or cease to operate moving forward, so that MDC maintains control of the cost of users to access the town?
- 5) What plans are in place to maintain the parking machine infrastructure, so that the sunk investment is not lost - even if it's not currently being used, to minimise the barriers of reverting to using parking machines should the mobile only decision prove to be ineffective?

The Leader of the Council had provided the following response to the question which had been published, prior to the meeting, as a supplementary document to the Council agenda.

The Council is committed to providing good quality accessible car parking services, recognising the importance to its residents, visitors, and businesses.

The Council acknowledges the inconvenience and frustration when a car parking machine is out of order and strives for all of car parking machines to be operational at all times, with daily checks being carried out by officers to identify any issues.

Where any issues arise Community Engagement Officers are trained to undertake initial investigations and can often resolve these quickly to get the car parking machines back up and running.

Where the technical issues cannot be resolved by officers this is escalated to an engineer. In this situation that machine would be taken out of operation, until it is repaired, and customers would have the option to pay at an alternative machine, or to use the "Pay by Phone" option. There are multiple car park machines at each car parks with the exception of the Coach Park at Promenade Park, however there are other machines located elsewhere on Promenade Park.

The Council currently provides two options to pay for car parking through:

- 1) use of car parking machines, for which there is no additional cost, and
- 2) a "Pay by Phone" option which offers the convenience of being able to extend the period of parking without needing to return to a vehicle. There is an additional cost of 20p for using that service.

There is currently no plan to remove car park machines, and the choice of paying through machines (at no cost) or through the use of a "pay by Phone" service with a small charge will continue to be offered.

The Council has agreed to develop a Car Parking Strategy which will set out its longer term vision for car park provision and charging. The development of the Strategy will be overseen by a Member Task and Finish Working Group which will report back to Members during 2024 with recommendations.

6. CHAIRPERSON'S ANNOUNCEMENTS

The Chairperson informed the Council that along with Vice-Chairperson he had held a staff lunch with the help and support of the Directors. It was very well received, a lovely occasion and lovely feedback had been received.

7. STRATEGY AND RESOURCES COMMITTEE - 23 NOVEMBER 2023

The Council considered the recommendation set out on the agenda coming forward for consideration from the Strategy and Resources Committee.

Agenda Item 10 – Fees and Charges Schedule 2024 / 25

Prior to discussing this item of business, the Interim Chief Finance Officer advised that the Fees and Charges Schedule 2024 / 25 (the Schedule) had been updated to reflect the Council's previous decision to apply a 50% discount to wharf fees and charges. She reported that open spaces memorial benches had been deleted from the Schedule as the Council had made a decision to not include it. In respect of Green Waste Charges Members were advised that this should be £35 (the pro-rata fee of the £70 full year cost). The Interim Chief Finance Officer asked Members to therefore agree the Schedule as put forward by the Strategy and Resources Committee, subject to the amendment she had detailed.

Councillor A S Fluker commented on the Schedule particularly in relation to pest control and green waste. He proposed that in relation to green bins there not be any increase. This proposal was not seconded.

Councillor Fluker then raised questions in relation to the beach huts and car parking season tickets for the Hythe Quay, Town Centre residents car parking season tickets and Sports pitches. In response the Chairperson reminded Members that the proposed Schedule had come through the Strategy and Resources Committee (S&R) and the Council needed to approve so that Officers could action them. The Chairperson suggested that with the exception of the points raised by Councillor Fluker that the fees and charges Schedule be approved. Councillor Fluker suggested that the Chairperson along with the Chairperson of the S&R with the appropriate Director consider responses to his questions.

Councillor M F L Durham, Chairperson of S&R, advised the Council of the robust debate that had taken place at S&R on this item of business, prior to the Committee making its recommendation to the Council.

Other Members debated the Strategy and comments were raised relating to the increase in the cost of waste disposal, the benefits of the green waste service offered by the Council compared to other Local Authorities and child obesity in the District. In response to a question, the Director of Service Delivery advised that there would be a formal review of car parking charges in the new year. The Car Parking Working Group would discuss this along with the Car Parking Strategy and these discussions would include the Hythe Quay. In response to a question, Members were advised that the Council offered clothing recycling via kerbside collection.

The Chairperson put to the Council that the detailed Fees and Charges Schedule for 2024 / 25 as set out in Appendix 1 to the Agenda with the amendment detailed by the Interim Chief Finance Officer, be agreed, subject to the Council's approval of the Fees and Charges Policy on 29 November 2023. This was duly seconded.

At this point Councillor A S Fluker requested a recorded vote. The Chairperson asked if any other Members did not assent and asked that Councillors A S Fluker, W Stamp and J C Stilts did not assent. He then put the proposal which was agreed.

RESOLVED that that the detailed Fees and Charges Schedule for 2024 / 25 as set out in Appendix 1 to the Agenda with the amendment detailed by the Interim Chief Finance Officer, be agreed, subject to the Council's approval of the Fees and Charges Policy on 29 November 2023.

Post meeting note:

The following lines on the Fees and Charges Schedule for 2024 / 25 were incorrect (however the principle of what was agreed by the Council for inflationary uplift remains). The corrections below will be reflected in the published version of the Fees and Charges Schedule for 2024 / 25:

Council offices car park

Weekdays - up to 1 hour – 2024 / 25 charge should be £1.30 (was stated as £1.40)

Weekends – Saturday (8am to 5pm) up to 1 hour – 2024 / 25 charge should be £1.30 (was stated as £1.40)

Weekends – Saturday (8am to 5pm) 2 to 3 hours – 2024 / 25 charge should be £2.40 (was stated as £2.50)

High St East Car park

Weekdays and Saturday Evening (5pm to 10pm) – 2023 / 24 charge was incorrectly stated as £1.50 but is actually £1.70

Sunday All Day and Bank Holidays – 2023 / 24 charge was incorrectly stated as £1.50 but is actually £1.70

White Horse Lane Car park (Monday to Saturday, 8am to 5pm)

Pay & Display 1-2 hours – 2023 / 24 charge was incorrectly stated as £1.50 but is actually £1.60, 2024 / 25 charge should be £1.80 (was stated as £1.70)

Season tickets

Prom season ticket was stated as £769 should be £788 for 2024 / 25

Prom resident ticket was stated as £159 should be £162 for 2024 / 25

White Horse lane school residents permit was stated as £265 should be £271 for 2024 / 25

8. MINUTES OF MEETINGS OF THE COUNCIL

The Council noted the list of Committees that had met before and since the last meeting of the Council, up until Wednesday 6 December 2024 for which Minutes had been published.

9. MOTION FROM COUNCILLOR J C STILTS (MOTION 17/2023)

In accordance with Procedure Rule 4, the Chairperson advised the Council that one Motion, duly proposed and seconded, had been received and was set out on the agenda.

Councillor Stilts presented her Motion (as set out below) and duly seconded by Councillors A S Fluker, L J Haywood, M G Neall and W Stamp.

The Maldon and Heybridge Central Area Masterplan and Action Plan 2017 set out the Councils Vision and ambition for economic growth, through a regenerative strategy, environmental enhancements, and redeveloping sites within the Masterplan area to deliver 18 key projects over the next 10 to 15 years. The Maldon and Heybridge Central Area Masterplan incorporates the attractive Maldon Town Centre, the Causeway Regeneration Area and the Leisure Quarter and forms the Districts focus for employment, retail, community and tourism facilities. Prior to adoption the plan was not well received by local parish and town councils and it is now considered the plan is out of date and no longer meets the requirements of the District and that as a consequence council now resolves to agree an immediate review of the 2017 Maldon and Heybridge Central Area Masterplan and Action Plan.

The Chairperson then called on the Assistant Director – Planning and Implementation to provide some context to the Motion. The Assistant Director provided Members with some background regarding the Maldon and Heybridge Central Area Masterplan (CAMP) which was adopted by the Council in 2017 as a Supplementary Planning Document (SPD) and was a requirement of the Council's Local Development Plan (LDP). It covered a period of over ten years and set out an action plan which identified 18 spatially specific projects to be worked on during that time. He advised the Council that should it be mindful to commission a review of the Masterplan matters set out in

Policy S5 of the LDP could not be amended outside of the LDP review and would therefore continue to provide the policy framework for any revised Masterplan. In respect of reviewing the Masterplan SPD the Government had planned reforms to the planning system through the Levelling Up and Regeneration Act which had recently received Royal Assent. Although there was some uncertainty how the new system would work, these legislative changes would affect SPDs such as the Masterplan and in the future would require examination by the Planning Inspectorate to determine their soundness and lawfulness and carry the same weight as LDP policies in decision making. If the Council was minded to review the Maldon and Heybridge CAMP a report would have to come back to the Council proposing an amendment to the statutory Local Development Scheme (which sets out the planning policy and guidance preparation programme over the next three years) and funding resources would also have to be considered.

Councillor A Fittock proposed an amendment to the Motion, that the Policy was brought forward to the Policy Planning Working Group for review at the earliest opportunity. He encouraged Officers to bring it forward as early as possible, but within the time constraints and budget they currently had. This proposal was duly seconded.

Councillor Stilts confirmed she was happy with this amendment but requested that a date was provided.

Other Members commented on the Motion at this point and reference was made both to the recent successful Christmas Fayre organised by Maldon Town Council and regeneration taking place at the lower end of Maldon High Street.

The Chairperson then put the amendment to the Motion in the name of Councillor Fittock and this was duly agreed. The Chairman then moved the amended Motion and this was duly agreed by the Council.

RESOLVED that an immediate review of the 2017 Maldon and Heybridge Central Area Masterplan and Action Plan be brought forward through the Planning Policy Working Group.

10. QUESTIONS IN ACCORDANCE WITH PROCEDURE RULE 6(3) OF WHICH NOTICE HAS BEEN GIVEN

There were none.

11. AMENDMENT TO THE SCHEME OF DELEGATION

The Council considered the report of the Director of Service Delivery seeking Members' agreement to amend the Scheme of Delegation in relation to applications or action under the Planning Act 2008.

The proposed amendment to the Scheme of Delegation would enable the Council to act swiftly on decisions relating to Planning Act 2008 matters, rather than the matter having to come before the Council or one of its Committees. However it was proposed that any such decision would be taken in consultation with the Chairperson of the District Planning Committee.

The Assistant Director – Planning and Implementation presented the report, explaining how the proposed change related to post-granting of applications and undertaking actions arising from Nationally Significant Infrastructure Projects (NSIPs) given consent by the Secretary of State under powers in the Planning Act 2008. He outlined how

NSIPs were granted planning consent under a Development Consent Order (DCO) and differed from the way all other planning applications were determined by the Council for which a Scheme of Delegation existed. Members were reminded of the Council's engagement in National Highways' A12 widening scheme and how in 2022 National Highways had submitted the draft DCO to the Secretary of State for consideration and determination via an examination in public. The Assistant Director explained how an engagement mandate agreed by the Council in 2022 had allowed various delegation to Officers and had secured additional measures in supporting the draft DCO which would benefit the Maldon District and he made specific reference to a gas pipeline. It was noted that as the Council had not had an NSIP approved in the District the Council's Constitution did not provide delegated authority to Officers to discharge any related responsibilities and this was why an amendment was being sought. At this point the Leader of the Council thanked all Officers involved in the A12 Project, highlighting particular Officers for their work.

The Chairperson put the recommendation set out in the report and this was duly seconded. Some Members then commented on the report and supported the recommendation.

In response to a question regarding updating Members on progress, the Assistant Director agreed to provide an update to all Members as the A12 project was delivered by National Highways.

The Chairperson put the recommendation which was agreed by assent.

RESOLVED that the Scheme of Delegation is amended to give to the Director of Service Delivery, in consultation with the Chairperson of the District Planning Committee, the following delegated power:

“Following the grant of a Development Consent Order by the Secretary of State or anyone appointed by him, the ability to make any post grant decisions required of the Council, including planning enforcement, in relation to the development”

12. SCHEDULE OF MEETINGS 2024 / 25

The Council considered the report of the Director of Strategy and Resources presenting for Members' consideration the draft Schedule of Meetings for 2024 / 25 (attached as Appendix 1 to the report).

The Chairperson put the recommendation as set out in the report and this was duly agreed.

RESOLVED that the Schedule of Meetings for the 2024 / 25 municipal year be approved as set out in Appendix 1 to the report.

13. ESSEX WIDE DEVOLUTION UPDATE

The Director of Strategy and Resources provided a verbal update on the Essex Wide Devolution. He advised of meetings and discussions that had taken place following a letter which had been sent to all Essex Members of Parliament. There was no indication whether the Secretary of State would look to make a decision, and this was now not expected before Christmas. The Director reminded that he had previously advised the Council how if there was not a decision by Christmas it may be challenging

to deliver a devolution deal in full, with the consultation process etc., within the life of Parliament.

14. QUESTIONS TO THE LEADER OF THE COUNCIL IN ACCORDANCE WITH PROCEDURE RULE 1 (3)(M)

Councillor W Stamp asked the Leader of the Council for an update on any meeting he had attended with Essex County Council (ECC) regarding levelling up along with any other outside body meeting that was relevant to / that all Members should be aware of. She requested that a regular item be added to the Council agenda to keep Members up to date with any meetings he was attending. In response the Leader advised that although the Government and Department for Levelling Up, Housing and Communities (DLUHC) had said the Council was a level one authority, ECC had not included the Council as a level one authority under Everyone's Essex. The Leader and Officers had met with ECC who advised that the Government had only included Maldon District Council (MDC) as a level one due to its lack of infrastructure and rural nature. He provided further information and confirmed he would continue lobbying for the Council to be included and sought Members' support of this. The Leader advised he would write to the local Members of Parliament and highlighted the importance for MDC to be a level one Council if devolution went ahead. In respect of other meetings, the Leader advised he had attended the Greater Essex Leaders' meetings and an initial meeting with Officers from North Essex Parking Partnership. He would be lobbying the Parking Partnership to ensure that in terms of its action plan it took into account the rural district and rural economic development needs.

Councillor A S Fluker asked the Leader of the Council if he would agree with him and pay tribute to Mr Ghela and Mr Swords, two Council Officers, who went the extra mile on Friday 8 December 2023 to assist a vulnerable constituent with a safeguarding issue. He asked the Director of Service Delivery to pass on his thanks to those Officers.

Councillor Fluker then referred to policies brought forward by the Leader of the Council and how he felt the emerging savings policies were Officer led initiatives and how excluding investment income the Council's annual deficits would soon be in excess of £2.5 million. He asked the Leader if he could tell residents, in his capacity of Leader of the Maldon District Independent Group, what his policy was on making savings and whether he had any. In response the Leader advised how he had recently had a meeting with other Group Leaders, including the District Support Group, where they went through the Corporate Plan and identified what their priorities were. He had since discussed this with the Corporate Leadership Team to focus on what had to be done in 2024 / 25 in terms of priorities, focus, cost effectiveness and balancing the budgets. He disputed the annual deficit amount Councillor Fluker referred to. The Leader advised how within the next six months, based on the resident survey an update to the Corporate Plan would be undertaken. He reiterated the importance for Members to have the opportunity to influence the Corporate Plan, looking at corporate projects and what had to be done across the District in terms of new projects and spend. The Leader advised that as the Council was not operating a cabinet system, the Leader of the Council had no statutory powers, however, use of the Maldon District Independent Group manifesto and work with other Group Leaders had been very constructive. He hoped this work would continue and benefit the Council and its residents.

Councillor Fluker referred to the absence of the Deputy Leader, his attendance at meetings, the allowance attributed to this role, and asked the Leader of the Council if he agreed with him that this did not represent good value to local taxpayers. In response the Leader referred to the need to have a balance between priorities in Members' lives. He advised that the Deputy Leader attended every meeting with him

outside of the chamber and how his support to him had been invaluable. The Leader stated that the Deputy Leader had his full support.

Councillor W Stamp reported that she had attended a scrutiny meeting which was reviewing lessons learnt for Councils that had gone bankrupt. She provided further details of the meeting and reported that one of the common threads through many of the Councils that had gone bankrupt was building new offices and moving from old offices. She asked the Leader if the Council were to consider new buildings that he would ensure any decision was scrutinised with proper risk assessments carried out. In response, the Leader of the Council agreed with Councillor Stamp. He referred to the need to ensure the right decision was made both for the Council and the District.

15. BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES CONSIDERED BY THE CHAIRPERSON TO BE URGENT

There was none.

16. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.

Councillor A M Lay left the meeting at this point and did not return.

17. CORPORATE LEADERSHIP REVIEW

The Council considered the report of the Monitoring Officer seeking Members' consideration of a Review report provided by the East of England Local Government Association, commissioned by the Leader of the Council, regarding the Corporate Leadership of the Council (attached as Appendix 1 to the report).

The report provided background information in relation to the Review (Appendix 1) that had been undertaken and the recommendations set out within it.

The Leader of the Council and Monitoring Officer both spoke to the report and thanks were given to those Officers for their work in moving this forward. In respect of recommendations (ii) and (iii) to set up a Working Group, the Monitoring Officer advised that for those non-aligned Members of the Council the Leader had indicated that if those Members contacted him, he would feed into the Working Group on their behalf. It was noted that the report detailed a proposed timetable for meetings of the Working Group following which a recommendation would come from the Working Group and it was hoped this would be considered at an extraordinary Council meeting in early 2024.

Councillor M E Thompson proposed an amendment to recommendation (iii) that the Deputy Group Leaders be included in the Working Group. This proposal was duly seconded.

Members debated the report and appendix, with comments being made in respect of whether additional parts of the Council's structure should be considered and the need to carefully consider and make savings as a Council.

In response to the proposed amendment, the Leader of the Council advised that the whole purpose of the proposed membership was to keep the Working Group agile and effective. He advised this piece of work was driven by the opportunity to review the Corporate Leadership structure and was not driven by the desire to reduce costs. Should a Group Leader be unable to attend both Working Group meetings they could put forward a substitute. A number of Members offered their support to the amendment proposed and in response the Monitoring Officer explained why he had suggested the Working Group be made up of the four Political Group Leaders, highlighting the need for agility.

Following further discussion the Chairperson moved recommendation (i) and (ii) as set out in the report and these were duly agreed. In respect of recommendation (iii) he moved the proposed amendment in the name of Councillor Thompson to include Deputy Group Leaders. This was duly agreed. It was noted that Councillors M F L Durham, R H Siddall and E L Stephens were not in favour of the proposal. The Chairperson then moved recommendation (iii) as amended and upon a vote being taken this was duly agreed. The Chairperson asked for it to be noted that Councillor M F L Durham had abstained from voting.

RESOLVED

- (i) That the Corporate Leadership Review at Appendix 1 to the report is noted;
- (ii) That the Council agrees a Working Group is formed to consider the four recommendations at Appendix 1 to the report and reports back to the Council with their findings;
- (iii) That the Council appoints the Political Group Leaders and Deputy Leaders of the Conservative, Liberal Democrat, Maldon District Independent, and District Support Groups to the Working Group as per (ii) above.

There being no other items of business the Chairperson closed the meeting at 9.17 pm.

K M H LAGAN
CHAIRPERSON

Briefing Paper : Overview and Scrutiny Member Working Group 19th October 2023

Item: Customer access and Support to Online Services and Role and Value of Maldon Citizens Advice

Author: Sue Green Assistant Director Service Delivery

1. Introduction

Following a referral from Cllr Morgan Officers agreed to report back to the working group with more information, including information around customer processes and what customers with digital access can / can't do off-line.

2. Referral From Councillor Morgan:

The following is a summary of the referral and officers response is at 3. which it hoped will provide information to reassure Members.

“Following a visit to the CAB in June, concerns had been raised about residents who are unable to access computer facilities to complete online forms when applying for services such as housing benefit and council tax. Members are concerned that reports don't give a true picture of the work the CAB does in helping with this and collecting council tax. Members are keen to understand what is the financial impact of the CAB to the Council and how much income do they bring in that might otherwise be lost? If the Council couldn't support them any more, what would the potential loss be for the Council? “

3. Officer Response

Customer access to online support

3.1. Our Digital First approach ensures that wherever possible customers are supported to access line services. We know that being able be online provides many benefits for our customers, enabling them to stay in touch with family and friends, saving money as shopping online is often cheaper, being able to access services including health advice.

3.2. We provide support to our customers in a number of ways:

3.2.1. **Provision of a computer in the Council Offices-** There a computer available for any of our customers to use. This is in a screened area to ensure privacy. This is a great resource for customers that can use digital services but don't have access to a computer or smart phone

3.2.2. **Free Wi-Fi –** Customers who have a Smart Phone but do not have data can use free wifi to access our services online

3.2.3. **In person support-** Our Customer Service staff are able to support customers to use the computer in reception , or to navigate services on a smartphone including completing applications for joining the Housing Register, applying for Council Tax discounts and reductions, or claiming benefits. The computer can also be used by customers visiting our partners such as the Citizens Advice, Job Centre and CVS. Our contractual arrangement with Maldon Citizens Advice (MCA) also requires it to promote, encourage and enable Digital Inclusion as part of contract delivery.

3.2.4. **Supported access via telephone** – Our customer Service team can support customers over the telephone to help them complete online forms or use the Councils Website.

3.2.5. **Signposting** – we are working with to a range of partners who can support digital skills/ assist with access to online services –including the CVS, Essex County Council, Moat and Clairion Housing Associations, Fullbridge Church and Maldon Pioneers. Details are promoted on our website and our customers team promote these support groups

3.2.6. **Mediated access and additional support**– We recognise that there will be situations where a customer cannot use or access digital services, or where this is not the most appropriate method. These will often be our most vulnerable customers. In these situations the customers team are able to submit information on behalf of customers, to arrange for the customer to be called back to deal with the issue, or where appropriate to make an appointment to be seen in person.

3.2.7. **Providing paper copies of forms** – There will be exceptional situations where providing a paper version of a form is the only, or most appropriate solution. Our customer Team are able to send out paper forms where this is the case.

Maldon Citizens Advice

3.3. For many year the Council has provided financial support to the MCA to deliver an advice and support service for our residents on a range of issues. This is a highly valued service and supports some of the most vulnerable in the community.

3.4. Since 2016 the Council has provided its financial support through a contractual arrangement. For 2023/24 the total direct funding to the MCA was £79,771.99.

3.5. In addition to the direct financial support the Council has also provided indirect support through provision of free accommodation both for the MCA staff as well as a dedicated customer waiting area and purpose built interview rooms and access to meeting rooms. In addition the Council also provides a telephone system to MCA at no cost as well as free parking

3.6. MCA delivers a range of valuable and support and advice to residents, and as stated at 3.2.3 it is also required to Promote, encourage and enable Digital Inclusion. Some of the advice services that it provides are:

- Debt and Budgeting
- Income maximisation
- Benefits including support for appeals,
- Consumer issues
- Employment
- Housing

- 3.6. The MCA is a registered charity and as such has a significant number of volunteers who help to deliver the service. In the report to the Strategy and Resources Committee on 7 January 2021 Officers recognised the value of that volunteering. At that time the MCA volunteering model had the equivalent of 12 full time staff (which had increased to 14.6 FTE staff during 2023) , however the same level of funding would only have enabled the Council to employ 2 full time staff, thereby providing significant value for money
- 3.7. The report also acknowledged that the MCA
“supplements a number of our core statutory services, including debt advice and money management to our Council Tax Payers, and Housing and Homeless Advice”
- 3.8. There is no data available to establish the financial impact of the support that the MCA provide to our residents who are struggling with Council Tax and housing issues, as it would be extremely difficult to measure . However we are able to establish the value of the additional benefits that the MCA have been able to secure for our residents which is annually in excess of £1,000,000.
- 3.9. Whilst it would extremely difficult to quantify the level of income that the MCA directly brings to the Council, we are able to establish the high value of the additional income that is secured for our residents, and the significant number of residents that receive debt advice. This in turn is more likely to result in Council Tax being paid, and housing issues supported. We also know that it would not be possible for the Council to deliver an equivalent service for that level of funding.
- 3.10 On balance the MCA is delivering significant VFM, and this is tested and reported to Members as part of the process to seek approval for the contract to be reprocured each time.

4. Opportunities for improvements to our Services

- 4.3 We are constantly looking at how we can improve our services, and this commitment to delivering accessible services and improving Digital Inclusion are key aims set out in our emerging Customer Strategy which is due to be presented as a Member Briefing on 20 October 2023.
- 4.4 We have Officer working groups that are focused on improvements to our website, as well as improvements to our online forms and end to end customer processes.
- 4.5 Through valuable feedback from Members, customers and partners such as MCA we are able to identify areas for further improvement and development which are taken forward through these workstreams.

Enquiries to : Sue.green@maldon.gov.uk

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Maldon District Council Equality Analysis

Complete the questions below as fully as possible. The boxes will expand to accommodate your text.

Council Tax Support Scheme for 2024/2025	December 2023	Officer Preparing Michelle Lamarre
Background		
Description of proposal / policy / service (Including aims, outcomes and in the case of an existing service how long it has been delivered in its current format) Council Tax Support aims to help people with low incomes to meet their Council Tax obligations, covering payment of Council Tax and Discounting of Council Tax The aim of Council Tax Support is • To have a fair and equitable scheme • To maintain support for particularly vulnerable people within the constraints imposed by Government policy The service areas or partner agencies involved are • Maldon District Council • Any authority that can levy a charge to contribute to Council Tax • Any Essex Authority who is sharing the scheme • All Essex precepting authorities • Department for Work and Pensions • Department for Communities and Local Government There are no proposals to change the current scheme, other than to mirror national changes		
Who are the users of the proposal / policy / service (Refer to data held about the users of the service i.e. numbers of users, demographic breakdown. Having this information is important to understand which sectors of the community might be affected. If that is not available refer to the demographic data held on the intranet.) Broadly this scheme affects those adults liable for Council Tax within the District and those on a low income and low savings		
Have users been consulted with? (Have you carried out consultation with users or stakeholders while drawing up the proposal / policy / service? For example, have you carried out a formal consultation, discussed the issue with a Friends/User Group or consulted with stakeholders? If so, outline the results and how it has informed your plans. It's also important to show whether the target audience was reached during the consultation.) Questions relating to Council Tax Support were included in the 2023 residents budget survey and responses broadly support the current approach		

Maldon District Council Equality Analysis

Complete the questions below as fully as possible. The boxes will expand to accommodate your text.

No significant changes are proposed to existing policy

If the analysis is regarding an existing Service, what are user's views of that service? (Base your view on evidence such as satisfaction surveys, levels of compliments and levels of complaints).

The Revenues and benefits team is a well performing team that historically has met locally set performance targets. For the current financial year (2023-24) the team is striving to meet those targets, but continued high demand as a result of the cost of living crisis, the ongoing impact of organisational change and resource difficulties mean that those targets are likely to remain challenging.

The team continues to ensure that work is prioritised to reduce impact on our most vulnerable customers.

Equality Aims – consider how the proposal / policy / service meets the three Equality Aims listed in the Equality Act.

Aim	How does the proposal / policy / service meet the equality aim?	Action or addition needed in order that the proposal / policy / service meets the aim?
To eliminate unlawful discrimination, harassment and victimisation	Higher rate disability benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group. Without such action to protect this group the policy could potentially be discriminatory. There is also an Exceptional Hardship Scheme which can assist customers with specific circumstances.	None required

Maldon District Council Equality Analysis

Complete the questions below as fully as possible. The boxes will expand to accommodate your text.

Aim	How does the proposal / policy / service meet the equality aim?	Action or addition needed in order that the proposal / policy / service meets the aim?
To advance equality of opportunity between people who share a protected characteristic and those who do not	• Older people are protected in the policy, which follows specific Government Regulations • Parents who receive a child benefit will continue to have this disregarded as part of the CTS calculation, which is consistent with the Council's duty to safeguard and promote the welfare of children • Higher rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group • Lone Parents receive a disregard of £15 from Child Maintenance payments • A hardship fund exists to ensure provision for those residents who have exceptional circumstances.	
To foster good relations between those who share a protected characteristic and those who do not	• The scheme remains means tested so the scope for discrimination is limited. All working age customers.	

Maldon District Council Equality Analysis

Complete the questions below as fully as possible. The boxes will expand to accommodate your text.

Equality Impacts – examine how the proposal / policy / service impacts on the community. Base the analysis on evidence. Attach additional documents if necessary.					
Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
Age	☐	☒	☐	Older people (60+) are specifically protected under Government Regulations	
Age	☐	☒	☐	Due to the protection afforded to those of pensionable age, customers of working age are impacted directly by any changes to the scheme. People over 18 of working age will potentially be required to pay more.	Parents will continue to have Child Benefit disregarded in the CTS calculation which is consistent with the Council's duty to safeguard and promote the welfare of children. The Council will continue to provide information and advice on income maximisation and a contracted Independent Advice Service to support residents
Disability (Consider all disabilities such as hearing loss, dyslexia etc as well as access issues for wheelchair users where appropriate)	☐	☒	☐	People with disabilities who are below pensionable age may need to pay more	Higher Rate Disability Benefits (i.e. Disability Living Allowance) continue to be disregarded thereby protecting those with specific long term conditions. A hardship fund exists to ensure provision for those residents who have exceptional circumstances.
Pregnancy and Maternity (Think about pregnancy, new and breastfeeding Mums)	☐	☐	☒		

Maldon District Council Equality Analysis

Complete the questions below as fully as possible. The boxes will expand to accommodate your text.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
Gender (is the service used more by one gender and are the sexes given equal opportunity?)	☐	☐	☒	CTS is means tested and gender is not a factor in the calculation.	
Gender Reassignment (Is there an impact on people who are going through or who have completed Gender Reassignment?)	☐	☐	☒	CTS is means tested and gender is not a factor in the calculation.	
Religion or belief (Includes not having a religion or belief)	☐	☐	☒	CTS is means tested and gender is not a factor in the calculation.	
Sexual Orientation (What is the impact on heterosexual, lesbian, gay or bisexual people?)	☐	☐	☒	CTS is means tested and gender is not a factor in the calculation.	
Race (Includes ethnic or national origins including Gypsies and Travellers)	☐	☐	☒	CTS is means tested and gender is not a factor in the calculation.	
Socio-Economic Group (Will people of any particular socio-economic group be particularly affected?)	☐	☒	☐	CTS is designed to help people who have restricted incomes.	A hardship fund exists to ensure provision for those residents who have exceptional circumstances.

Is there a Cumulative Impact? (If the same group is the subject of many changes or reductions the overall impact is much greater. Consider what else is happening within Maldon District Council that may have an impact and also what we know is happening elsewhere (such as Essex County Council). See Guidance for further advice.)

The requirement to introduce a local CTS scheme has been introduced via Government policy so our scheme must be reviewed each year.

Whilst the authority may choose to allocate funding to ensure full protection for all customers, to date this has not been considered financially sustainable. Results from consultation suggest that the public agree that customers claiming support should be required to pay towards council tax

Maldon District Council Equality Analysis

Complete the questions below as fully as possible. The boxes will expand to accommodate your text.

To ensure
Consider all the analysis and evidence above and indicate
(1) No change needed ☒ (2) Adjust ☐ (3) Adverse impact but continue ☐ (4) Stop, remove the proposal / policy / service ☐
Adjustments If option (2) above is selected please detail what adjustments are needed, who is responsible and how that will be reviewed. Also outline how that will be agreed (ie Committee, CMT).
Decision Making (How will this equality analysis be taken into account during the decision making process? For example will it be included with a report to Committee/CMT? Will it be considered at department level or by a Head of Service? How will community/stakeholders views be taken into account?) The Equality analysis will be included in the decision making process which includes consideration at Full Council 15th February 2024
Next Steps
If there was a lack of evidence or data held on which to base this assessment, how will that gap be addressed for the future? Not applicable
Summary of actions highlighted within this analysis (Include how this will be picked up within service/work plans) None
Arrangements for future monitoring of equality impact of this proposal / policy / service To be reviewed at least annually or where relevant changes occur which may have an impact.
Approved by (Manager or Head of Service signature and date) Michelle Lamarre (Head of Revenues and Benefits)
Once approved please forward this analysis to Cally Darby to arrange publication.

Exceptional Hardship Fund for Council Tax Support Framework for Decision Making

1.0 Introduction and Background

- 1.1 The Exceptional Hardship Fund (EHF) is a local scheme introduced from 1 April 2013 and intended to provide additional financial help to residents on low incomes claiming Council Tax Support. An award made from the EHF will be referred to as an Exceptional Hardship Payment (EHP).
- 1.2 An EHP is extra money that we can pay in addition to an award of Council Tax Support (CTS) if it is considered that the customer needs extra help. The main principles of the scheme are outlined below:
- EHF is intended to provide some additional help to those customers who are suffering from severe or exceptional circumstances. It is not intended to compensate working age customers who receive less financial support just as a result of the CTS Scheme;
 - An award is to address short-term need only and should not be considered as a long-term solution to a customer's circumstances;
 - The scheme is discretionary; therefore, the customer has no statutory right to a payment;
 - All applications must be treated on their own merit, having regard to the priorities set out in this framework;
 - The scheme is administered by Maldon District Council;
 - The level of payment will be decided by the Council and administered via the Council Tax Support system;
 - Payment from the EHF is not an award of CTS and as such is not subject to the statutory appeals mechanisms. We do have a review process further information can be found in the Reviews section of this policy;
 - We have the right to amend, suspend or cancel a EHF when necessary or appropriate;
 - Total amount payable in any financial year is cash limited and therefore applications cannot be progressed once the funding is fully allocated within that financial year;
 - All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

2.0 Purpose of the EHF

- 2.1 The purpose of the fund is to:
- Prevent homelessness;
 - Alleviate poverty;
 - Safeguard residents in their home;
 - Help customers through personal crises, severe or exceptional circumstances and difficult life events such as death, family illness;
 - Assisting customers where they or their family members are sick or disabled;
 - Other reasons or circumstances not listed above where they are considered to be exceptional or severe.

3.0 How to claim

- 3.1 The main elements of claiming are as follows:
- We encourage electronic claims to be submitted wherever possible;
 - The link to the electronic claim form is on our website as follows: www.maldon.gov.uk/apply. The claim must contain sufficient evidence/information to enable the local authority to get a balanced view of the claimant's situation and circumstances.
 - A paper version of the form is available on request. The EHP application form requests the following information:

- Reasons why financial assistance is required;
- A declaration that the information given is correct
- Authorisation for us to verify information given
- A declaration that the customer will repay any overpayment

3.2 If additional evidence is required and requested, this must be provided within one month of the request date.

3.3 As part of the process of applying for additional support from the Exceptional Hardship Fund, all applicants must be willing to undertake **all** of the following:

- Make a separate application for assistance;
- Provide full details of their income and expenditure;
- Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure;
- Identify potential changes in payment methods and arrangements to assist the applicant;
- Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
- Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.

3.4 In addition a pre-requisite to receive a payment from the Fund is that an amount of Council Tax Support **must be in payment** for any day that an EHF payment is requested.

4.0 Who can make a claim for an EHP

4.1 We will accept claims from:

- Customers;
- Anyone acting on the customer's behalf such as an appointee, a relative or social worker and other support/advice agencies such the Council's Housing Options Team, Citizens Advice Bureau, other recognised support agency.

4.2 The claimant must be aware that an application for an EHP is being made on their behalf.

5.0 Who can claim?

5.1 Customers can be considered for an EHP if:

- they are already receiving some Council Tax Support (CTS);
- **and** they get less than the maximum CTS allowed under the scheme;
- **and** need further financial assistance with their Council Tax.

6.0 What an EHP cannot cover

6.1 An award of EHP cannot be paid in the following circumstances:

- Deductions for the recovery of Council Tax arrears or Council Tax Support overpayments;
- Reduction in any benefit as a result of Jobseeker's sanctions, Child Support Agency sanctions or sanctions following benefit related offences;
- Council Tax Support that is suspended;
- Due to hardship caused by previous proven fraudulent activity

7.0 Priority for award of EHP

- 7.1 The fund is cash limited, meaning that we are not able to make an award to all customers in receipt of support. Consequently, whilst claims from *any* customer will be considered, we have identified vulnerable customers whose claims will be given priority.
- Those at risk of homelessness;
 - Where the customer or members of their dependant family are sick or disabled and who are entitled to a disability premium; and
 - Where the household includes any children under 5 years old.

8.0 Guidelines for consideration

- 8.1 The following guidelines should be used to assess each case. The list is not exhaustive but will give a starting point to ensure consistent and transparent decision making.
- Is the customer claiming all of the benefits that they are entitled to?
 - Is there danger of eviction and homelessness?
 - Are there any social or health problems currently being faced by the customer and/or their family that could cause them extra financial costs?
 - Does the customer or his dependant family have any income that is disregarded under the CTS? Is it reasonable to use that disregarded income to meet the shortfall?
 - Does the customer or his dependant family have any savings or capital?
 - Has the customer provided a budget statement showing his income and outgoings?
 - Is there evidence to show that the customers' financial situation has been caused by or worsened by non-priority expenditure?
 - Does the customer have any priority debts; these include Rent, Mortgage, fuel bills, arrears of maintenance, unpaid Income tax or VAT, and Television licence.
 - What is likely to happen to the family if an EHP is not awarded?
 - Are there any other fund/funding schemes available via Benevolent funds or charitable organisations that would be appropriate to use instead of an EHP.
 - Is it reasonable to award an EHP having regard to the amount of unallocated budget in the EHF?
- 8.2 The Council will not make any allowance for the following:
- Any loss resulting from the claimant's failure or delay in claiming any income to which they are entitled;
 - Any debt arising from overpayment/arrears of Council Tax;
 - Any debt, which, in the opinion of the Council arises from the financial imprudence of the claimant including proven fraud.

9.0 Decision

- 9.1 We will write to the customer advising them of the decision. The notification will contain the following information:

Award Made

- Period of the EHP award;
- Weekly amount of EHP;
- The customers right to ask for a review/appeal of the award and the time and manner of doing so; and
- The right of the Council to amend suspend or cancel a EHP when deemed necessary or appropriate.

Application Refused

- Reason for refusal; and
- The right of the customer to ask for a review/appeal of the award and the time and manner of doing so.

10.0 Start dates

- 10.1 The start date of the EHF payment will normally be from the Monday following the date the written request was received. If a claim is received at the same time as a CTS claim the start date of the EHF can be matched to the start of CTS award.

11.0 Length of award

- 11.1 When considering an EHP claim it should be taken into account that the EHP scheme should in most cases be seen as a short-term emergency fund. Customers must be made aware that they must seek advice with regard to their housing needs and ways to manage financially in the long term. EHPs cannot be paid indefinitely.

12.0 Payments

- 12.1 An award of EHP will be paid directly into the customer's Council Tax account.

13.0 Change in circumstance

- 13.1 Customers must report immediately, in writing, any change in circumstance that might affect the amount of EHP they get. Examples of these changes include:
- If they change address;
 - If they leave their home temporarily;
 - If their income changes;
 - If the household make up changes.

14.0 Fraud and overpayments

- 14.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 14.2 An applicant who tries to fraudulently claim an EHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 14.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.
- 14.4 We may seek recovery of an overpaid EHP in certain circumstances:
- Misrepresentation or failure to disclose a material fact, fraudulently or otherwise;
 - An error made when the claim was determined.

15.0 Reviews

- 15.1 Customers can request a review of EHP decisions. They must do this in writing within one month of the date they are notified of the decision. The customer (or appointee) must sign the review request letter. Late requests will be only considered where the Council is satisfied that there

were good reasons for the delay.

- 15.2 If a review is requested regarding the decision this will be looked at by a Senior Officer who was not involved in the original decision. The customer will be notified of the outcome of the review within 14 days.
- 15.3 Following the review the customer can submit an appeal if he remains dissatisfied with the outcome of the review. The appeal will be dealt with by the Head of Service, and that decision will be final. The customer will be notified of the outcome of the appeal within 14 days.
- 15.4 Once the review has been completed, the officer will write to the customer informing them of the decision within one week.
- 15.5 The customer has no further right of review against this decision. However, applicants may still seek a Judicial Review of the Authority's decision.



MALDON DISTRICT COUNCIL

**Maldon District Council
Council Tax
S13A (1) (c) Local Government Act 1992 Policy**

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1.0 Introduction

- 1.1 The following policy outlines the Council's approach to granting discretionary reductions in liability for Council Tax under S13A (1) (c) of the Local Government Finance Act 1992 (as amended). The Council has the ability to the reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 1.2 This policy is basically divided into two main areas namely:
 - (a) **The Flood Recovery Framework** – this part of the policy covers situations outlined by Central Government where any parts of the Council's area were to be designated as a designated flood area; and
 - (b) **Granting of reductions in Council Tax liability in all other circumstances** - this part of the policy applies to all other circumstances where an application is made to the Council for a reduction in Council Tax liability under S13A (1) (c) of the Local Government Finance Act 1992 other than in respect of (a) above.

2.0 Legislation

- 2.1 The relevant legislation (S13 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

Reductions by billing authority

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13);

(a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;

(b) in the case of a dwelling situated in the area of a billing authority in Wales,
.....

(c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

- 2.2 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.

3.0 Finance

- 3.1 Any amounts granted under S13A (1) (c) are normally financed through the Council's general fund and do not form part of the collection fund. In certain circumstances, Central Government provides funding directly to the Council to compensate for specific events in the case of severe flooding. Where this is available, the Council will look to use **all** funding provided.
- 3.2 Any additional assistance, outside of the funding, would fall to be paid by the Council itself.

4.0 The Flood Recovery Framework

- 4.1 In a severe weather event with significant wide area impacts, local authorities may need central support to help their communities and businesses return to normal. Building on these principles, a core package of business and community recovery support has been developed by Central Government to serve as a framework for flood recovery funding when needed.
- 4.2 It will be for Government Ministers to determine when this support will be made available. Weather incidents with localised impacts will not usually trigger a recovery support package.
- 4.3 In relation to Council Tax, Central Government have developed a Council Tax discount package that is available under S13A (1) (c).

Who is eligible for a council tax discount?

- 4.4 Where the Council Tax Discount Scheme is activated following severe weather, DLUHC will refund eligible local authorities for granting discounts in the following circumstances:
- (a) 100% discount for a minimum of 3 months, or while anyone is unable to return home if longer, for **primary residences** whereas a result of the relevant weather event:
- Flood water entered into the habitable areas; or,
 - Flood water did not enter into the habitable areas, but the local authority regards that the residence was otherwise considered **unliveable** for any period of time. **AND**
- (b) 100% council tax discount on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.
- 4.5 Second homes and empty homes will **not** be eligible.
- 4.6 Instances where households might be considered **unliveable** could include:

- where access to the property is severely restricted (e.g. upper floor flats with no access);
- key services such as sewerage, draining, and electricity are severely affected;
- the adverse weather has resulted in other significant damage to the property such that it would be, or would have been, advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
- flooded gardens or garages will **not** usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.

4.7 It will be for the Council to determine eligibility under the scheme.

Properties affected by multiple instances of flooding

- 4.8 Residences impacted in multiple flood events will not be precluded from repeat support where this is made available by Government in respect of separate weather events.
- 4.9 Where the scheme is activated for two separate instances of flooding within 3 months of each other, the two discount periods will run concurrently. For example, if the second flood event occurred after 2 months, flooded properties already receiving support could be eligible for another 3 months' discount, making the total period of reimbursement 5 months.

Funding

- 4.10 In such cases, Central Government will make payment to the Council via a Section 31 grant.

The Council's Policy in respect of the Flood Recovery Framework

- 4.11 The Council shall operate the scheme strictly in accordance with Central Government guidelines.

5.0 Applications for S13A (1) (c) in other cases

- 5.1 Where the Council receives an application for a reduction in liability in any other case (other than listed within the Central Government sponsored scheme specified above), it may be made:
- (a) In writing; or
 - (b) By means of an electronic communication.
- Each application shall be treated on their individual merits.
- 5.2 In such cases, the Council will require the applicant (where appropriate) to:

- Make a formal application for Council Tax Reduction in an appropriate format. (We encourage digital applications to be submitted, where possible, via www.maldon.gov.uk/apply).
- Provide sufficient evidence/information to enable the local authority to get a balanced view of the claimant's situation and circumstances;
- Consider potential changes in payment methods and payment arrangements;
- Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
- Maximise their income through the application for other welfare benefits;
- Have taken all reasonable steps to resolve their situation prior to application;
- Provide evidence of exceptional financial hardship or exceptional personal circumstance that would merit a reduction in the Council Tax liability; and
- Not have access to assets, capital or other financial remedy that could be used to meet the Council Tax liability;

5.3 The circumstances affecting the ability to meet Council Tax liability must not be intentional by the applicant and must be deemed to be out of the applicant's individual control.

6.0 Delegated Powers

6.1 This S13A (1) (c) policy has been approved by the Council. However, the Head of Revenues and Benefits is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, for certain defined schemes, Central Government guidance.

7.0 Notification

- 7.1 The Council will normally issue a written decision letter to the applicant within one month of the request or as soon as practicable thereafter. This will include:
- the level of the award, if relevant;
 - full reasons for the decision;
 - how it will be paid; and
 - information about how to ask for a review of the decision.
- 7.2 Where the award is part of a Central Government initiative, the award will be shown on the taxpayer's demand notice.

8.0 Review of Decisions

8.1 Notwithstanding any reductions applied automatically to the Council Tax account, where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one month of the decision letter.

- 8.2 A member of the Service Leadership Team shall undertake the review and shall respond within two months and will have regard to any further evidence supplied.
- 8.3 If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case.

9.0 Duration of Reduction

- 9.1 The duration of any award will depend of the circumstances of each case. However, in all cases the following principles will apply:
- (a) Where the reduction is applied under a Central Government Scheme, the reduction shall be applied to the Council Tax account for the period specified in Government guidance;
 - (b) In all other cases,
 - (i) the application for the reduction can only relate to the current Council Tax financial year in which the application is made unless the delay was due to an exceptional circumstance; and
 - (ii) If an application is successful, the award period will be specific to the applicant's circumstances, but it cannot exceed a period greater than the financial year it has been awarded in or exceed the total Council Tax charge for that period.

10.0 Changes in circumstances and misrepresentation

- 10.1 A reduction in liability under S13A (1) (c) can be recovered if it has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. It can also be recovered as a result of the subsequent application of a national discount or adjustment in banding by the Valuation Office Agency
- 10.2 Changes of circumstances that subsequently negate the need for a reduction in liability under this policy will be recovered by the Council. Where this occurs, the Council shall notify the taxpayer accordingly.
- 10.3 Reductions in liability are not transferable following a change in address.
- 10.4 The Council reserves the right to recover any reductions in liability as a result of a change in legislation or regulation.

10.5 The Council is mindful that it is important to protect public funds and, as such, will take action to prosecute any case where the applicant acts fraudulently in applying for a reduction in Council Tax liability.



MALDON DISTRICT COUNCIL

**Maldon District Council
Council Tax Reduction Scheme**

S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2024.

1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2024 for a period of one financial year.

1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
- Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
- Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
- The Council Tax Reduction Schemes (England) (Amendment) Regulations 2017:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2024; and
- Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

The scheme for pension age applicants – Central Government’s scheme as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012

1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;

- a. has attained the qualifying age for state pension credit; and
- b. is not, or, if he has a partner, his partner is not;
 - i. a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance; or
 - ii. a person with an award of universal credit

The three prescribed classes are as follows;

Class A: pensioners whose income is less than the applicable amount.

On any day Class A consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- e. not have capital savings above £16,000; and
- f. who has made an application for a reduction under the authority's scheme.

Class B: pensioners whose income is greater than the applicable amount.

On any day class B consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income for the relevant week is greater than his applicable amount calculated in accordance with paragraph 9 and Schedule 2 to the Local Government Finance Act 1992;
- e. in respect of whom amount A exceeds amount B where:
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount;
- g. not have capital savings above £16,000; and
- h. who has made an application for a reduction under the authority's scheme.

Class C: alternative maximum Council Tax Reduction

On any day class C consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day;
- c. in respect of whom a maximum Council Tax Reduction amount can be calculated;
- d. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act and excluded from the authority's scheme;
- e. who has made an application for a reduction under the authority's scheme; and
- f. in relation to whom the condition below is met.

The condition referred to in sub-paragraph f. is that no other resident of the dwelling is liable to pay rent to the applicant in respect of the dwelling and there is an alternative maximum Council Tax Reduction in respect of the day in the case of that person which is derived from the income, or aggregate income, of one or more residents to whom this sub-paragraph applies.

The above applies to any other resident of the dwelling who:

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—

- (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

- 1.5 For those who have reached the qualifying age for state pension credit, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 to disregard in full the following:
- a. a war disablement pension;
 - b. a war widow's pension or war widower's pension;
 - c. a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - d. a guaranteed income payment;
 - e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - f. a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

The provisions outlined above, enhance the Central Government's scheme.

THE SCHEME FOR WORKING AGE APPLICANTS – THE COUNCIL'S LOCAL SCHEME

- 1.6 The adopted scheme for working age applicants is a means test, which compares income against an assessment of *applicable amounts* (unless otherwise stated). Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;
- a. has not attained the qualifying age for state pension credit; or
 - b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance, on an income-related employment and support allowance or on universal credit.
- 1.7 The Council has resolved that there will be *three* classes of persons who will receive a reduction in line with adopted scheme. There will be *three* main classes prescribed for, for each of which there will be a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit¹; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or

¹ Section 5 of this scheme

- an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction² amount can be calculated;
- g. not have capital savings above £6,000³;
- h. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*⁴ is **less** than their *applicable amount*⁵ or the applicant or partner is in receipt of income support, jobseekers' allowance (income based) or employment and support allowance (income related); and
- i. has made a valid application for reduction⁶.

Maximum Council Tax Reduction stated above is defined within section 57 of this scheme.

Class E

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit⁷; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction⁸ amount can be calculated;
- g. not have capital savings above £6,000⁹;
- h. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*¹⁰ is **more** than their *applicable amount*¹¹;
- i. have made a valid application for reduction¹²;
- j. be a person in respect of whom amount A exceeds amount B where:
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount.

Maximum Council Tax Reduction stated above is defined within section 57 of this scheme.

² Sections 57 to 63 of this scheme

³ Sections 33 to 42 and Schedule 5 of this scheme

⁴ Sections 15 to 32 and Schedules 3 and 4 of this scheme

⁵ Sections 12 to 14 and Schedule 1 of this scheme

⁶ Sections 68 to 74a of this scheme

⁷ Section 5 of this scheme

⁸ Sections 57 to 63 of this scheme

⁹ Sections 33 to 42 and Schedule 5 of this scheme

¹⁰ Sections 15 to 32 and Schedules 3 and 4 of this scheme

¹¹ Sections 12 to 14 and Schedule 1 of this scheme

¹² Sections 68 to 74a of this scheme

Council Tax Reduction Scheme

Details of support to be given for **working age applicants** for the financial year 2024/25

Sections 2- 8
Definitions and interpretation

2.0 Interpretation – an explanation of the terms used within this scheme.

2.1 In this scheme–

‘the Act’ means the Social Security Contributions and Benefits Act 1992;

‘the Administration Act’ means the Social Security Administration Act 1992;

‘the 1973 Act’ means the Employment and Training Act 1973;

‘the 1992 Act’ means the Local Government Finance Act 1992;

‘the 2000 Act’ means the Electronic Communications Act 2000;

‘Abbeyfield Home’ means an establishment run by the Abbeyfield Society including all bodies corporate or incorporate which are affiliated to that Society;

‘adoption leave’ means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996;

‘an AFIP’ means an armed forces independence payment payable in accordance with an armed and reserve forces compensation scheme established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004

‘applicable amount’ means the amount determined in accordance with schedule 1 of this scheme;

‘applicant’ means a person who the authority designates as able to claim Council tax reduction – for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

‘application’ means an application for a reduction under this scheme:

‘appropriate DWP office’ means an office of the Department for Work and Pensions dealing with state pension credit or office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance;

‘assessment period’ means such period as is prescribed in sections 19 to 21 over which income falls to be calculated;

‘attendance allowance’ means–

(a) an attendance allowance under Part 3 of the Act;

(b) an increase of disablement pension under section 104 or 105 of the Act;

(c) a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;

(d) an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;

(e) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(f) any payment based on need for attendance which is paid as part of a war disablement pension;

‘the authority’ means a billing authority in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

‘Back to Work scheme(s)’ means any scheme defined within the Jobseekers (Back to Work Schemes) Act 2013 or Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

‘basic rate’, where it relates to the rate of tax, has the same meaning as in the Income Tax Act 2007 (see section 989 of that Act).

‘the benefit Acts’ means the Act (SSBA) and the Jobseekers Act 1995 and the Welfare Reform Act 2007;

‘board and lodging accommodation’ means accommodation provided to a family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises;

‘care home’ has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality,

Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

‘the Caxton Foundation’ means the charitable trust of that name established on 28th March 2011 out of funds provided by the Secretary of State for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with its provisions;

‘child’ means a person under the age of 16;

‘child benefit’ has the meaning given by section 141 of the SSCBA as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;

‘the Children Order’ means the Children (Northern Ireland) Order 1995;

‘child tax credit’ means a child tax credit under section 8 of the Tax Credits Act 2002;

‘claim’ means a claim for council tax reduction;

‘close relative’ means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;

‘concessionary payment’ means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act are charged;

‘the Consequential Provisions Regulations’ means the Housing Benefit and Council tax reduction (Consequential Provisions) Regulations 2006;

‘contributory employment and support allowance’ means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;

‘converted employment and support allowance’ means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008;

‘council tax benefit’ means council tax benefit under Part 7 of the SSCBA;

‘council tax reduction scheme’ has the same meaning as **‘council tax reduction or reduction.’**

‘council tax support (or reduction)’ means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);

‘couple’ means;

- (a) a man and a woman who are married to each other and are members of the same household;
- (b) a man and a woman who are not married to each other but are living together as if they were a married couple or civil partners;
- (c) two people of the same sex who are civil partners of each other and are members of the same household; or
- (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners,

Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes. The above includes the Marriage (Same Sex Couples) Act 2013 and The Marriage (Same Sex Couples) Act 2013 (Commencement No. 3) Order 2014;

‘date of claim’ means the date on which the application or claim is made, or treated as made, for the purposes of this scheme.

‘designated authority’ means any of the following;

the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

‘designated office’ means the office designated by the authority for the receipt of claims for council tax reduction;

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent

by electronic means or otherwise on application; or

(c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

‘disability living allowance’ means a disability living allowance under section 71 of the Act;

‘dwelling’ has the same meaning in section 3 or 72 of the 1992 Act;

‘earnings’ has the meaning prescribed in section 25 or, as the case may be, 27;

‘the Eileen Trust’ means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

‘electronic communication’ has the same meaning as in section 15(1) of the Electronic Communications Act 2000 ;

‘employed earner’ is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;

‘Employment and Support Allowance Regulations’ means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;

‘Employment and Support Allowance (Existing Awards) Regulations’ means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

‘the Employment, Skills and Enterprise Scheme’ means a scheme under section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills, and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **‘Back to Work Schemes’**;

‘employment zone’ means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and an **‘employment zone programme’** means a programme established for such an area or areas designed to assist applicants for a jobseeker’s allowance to obtain sustainable employment;

‘employment zone contractor’ means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;

‘enactment’ includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

‘extended reduction’ means a payment of council tax reduction payable pursuant to section 60;

‘extended reduction period’ means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;

‘extended reduction (qualifying contributory benefits)’ means a payment of council tax reduction payable pursuant to section 61;

‘family’ has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

‘the Fund’ means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

‘a guaranteed income payment’ means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

‘he, him, his’ also refers to the feminine within this scheme.

‘housing benefit’ means housing benefit under Part 7 of the Act; ‘the Housing Benefit Regulations’ means the Housing Benefit Regulations 2006;

‘Immigration and Asylum Act’ means the Immigration and Asylum Act 1999;

‘an income-based jobseeker’s allowance’ and **‘a joint-claim jobseeker’s allowance’** have the meanings given by section 1(4) of the Jobseekers Act 1995;

‘income-related employment and support allowance’ means an income-related allowance

under Part 1 of the Welfare Reform Act 2007;

‘Income Support Regulations’ means the Income Support (General) Regulations 1987(a);

‘independent hospital’–

(a) in England, means a hospital as defined by section 275 of the National Health Service Act 2006 that is not a health service hospital as defined by that section;

(b) in Wales, has the meaning assigned to it by section 2 of the Care Standards Act 2000; and

(c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

‘the Independent Living Fund (2006)’ means the Trust of that name established by a deed dated 10th April 2006 and made between the Secretary of State for Work and Pensions of the one part and Margaret Rosemary Cooper, Michael Beresford Boyall and Marie Theresa Martin of the other part;

‘invalid carriage or other vehicle’ means a vehicle propelled by a petrol engine or by electric power supplied for use on the road and to be controlled by the occupant;

‘Jobseekers Act’ means the Jobseekers Act 1995; **‘Jobseeker’s Allowance Regulations’** means the Jobseeker’s Allowance Regulations 1996 and Jobseeker’s Allowance Regulations 2013 as appropriate.

‘limited capability for work’ has the meaning given in section 1(4) of the Welfare Reform Act;

‘limited capability for work-related activity’ has the meaning given in section 2(5) of the Welfare Reform Act 2007;

‘the London Bombing Relief Charitable Fund’ means the company limited by guarantee (number 5505072), and registered charity of that name established on 11th July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7th July 2005;

‘lone parent’ means a person who has no partner and who is responsible for and a member of the same household as a child or young person;

‘the Macfarlane (Special Payments) Trust’ means the trust of that name, established on 29th January 1990 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia;

‘the Macfarlane (Special Payments) (No.2) Trust’ means the trust of that name, established on 3rd May 1991 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia and other beneficiaries;

‘the Macfarlane Trust’ means the charitable trust, established partly out of funds provided by the Secretary of State to the Haemophilia Society, for the relief of poverty or distress among those suffering from haemophilia;

‘main phase employment and support allowance’ means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 except in Part 1 of Schedule 1;

‘the Mandatory Work Activity Scheme’ means a scheme within section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to provide work or work related activity for up to 30 hours per week over a period of four consecutive weeks with a view to assisting applicants to improve their prospect of obtaining employment;

‘maternity leave’ means a period during which a woman is absent from work because she is pregnant or has given birth to a child, and at the end of which she has a right to return to work either under the terms of her contract of employment or under Part 8 of the Employment Rights Act 1996;

‘member of a couple’ means a member of a married or unmarried couple;

‘MFET Limited’ means the company limited by guarantee (number 7121661) of that name, established for the purpose in particular of making payments in accordance with arrangements made with the Secretary of State to persons who have acquired HIV as a result of treatment by the NHS with blood or blood products;

‘mobility supplement’ means a supplement to which paragraph 9 of Schedule 4 refers;

‘mover’ means an applicant who changes the dwelling in which the applicant is resident and in

respect of which the applicant liable to pay council tax from a dwelling in the area of the appropriate authority to a dwelling in the area of the second authority;

‘net earnings’ means such earnings as are calculated in accordance with section 26;

‘net profit’ means such profit as is calculated in accordance with section 28;

‘the New Deal options’ means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

‘new dwelling’ means, for the purposes of the definition of ‘second authority’ and sections 60C, and 61C the dwelling to which an applicant has moved, or is about to move, in which the applicant is or will be resident;

‘non-dependant’ has the meaning prescribed in section 3;

‘non-dependant deduction’ means a deduction that is to be made under section 58;

‘occasional assistance’ means any payment or provision made by a local authority, the Welsh Ministers, or the Scottish Ministers for the purposes of:

(a) meeting, or helping to meet an immediate short-term need;

(i) arising out of an exceptional event or exceptional circumstances, or

(ii) that needs to be met to avoid a risk to the well-being of an individual, and

(b) enabling qualifying individuals to establish or maintain a settled home, and—

(i) ‘local authority’ has the meaning given by section 270(1) of the Local Government Act 1972 ;and

(ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:

(aa) in prison, hospital, an establishment providing residential care or other institution, or

(bb) homeless or otherwise living an unsettled way of life; and ‘local authority’ means a local authority in England within the meaning of the Local Government Act 1972;

‘occupational pension’ means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

‘occupational pension scheme’ has the same meaning as in section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;

‘ordinary clothing or footwear’ means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

‘partner’ in relation to a person, means.

(a) where that person is a member of a couple, the other member of that couple;

(b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or

(c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

‘paternity leave’ means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

‘payment’ includes part of a payment;

‘pensionable age’ has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

‘pension fund holder’ means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

‘pensioner’ a person who has attained the age at which pension credit can be claimed;

‘person affected’ shall be construed as a person to whom the authority decides is affected by any decision made by the council;

‘person on income support’ means a person in receipt of income support;

‘personal independence payment’ has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

‘person treated as not being in Great Britain’ has the meaning given by section 7;

‘personal pension scheme’ means—

- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- b. an annuity contractor trust scheme approved under section 20 or 21 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) of that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

'policy of life insurance' means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

'polygamous marriage' means a marriage to which section 133(1) of the Act refers namely;

- (a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and
- (b) either party to the marriage has for the time being any spouse additional to the other party.

'public authority' includes any person certain of whose functions are functions of a public nature;

'qualifying age for state pension credit' means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)–

- (a) in the case of a woman, pensionable age; or
- (b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

'qualifying contributory benefit' means;

- (a) severe disablement allowance;
- (b) incapacity benefit;
- (c) contributory employment and support allowance;

'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996

'qualifying income-related benefit' means;

- (a) income support;
- (b) income-based jobseeker's allowance;
- (c) income-related employment and support allowance;

'qualifying person' means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

'reduction week' means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

'relative' means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

'relevant authority' means an authority administering council tax reduction;

'relevant week' In relation to any particular day, means the week within which the day in question falls;

'remunerative work' has the meaning prescribed in section 6;

'rent' means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

'resident' has the meaning it has in Part 1 or 2 of the 1992 Act;

'Scottish basic rate' means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

'Scottish taxpayer' has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998

'second authority' means the authority to which a mover is liable to make payments for the new dwelling;

'self-employed earner' is to be construed in accordance with section 2(1)(b) of the Act;

'self-employment route' means assistance in pursuing self-employed earner's employment whilst participating in–

- (a) an employment zone programme;
- (b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
- (c) the Employment, Skills, and Enterprise Scheme;
- (d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- (e) Back to Work scheme.

'Service User' references in this scheme to an applicant participating as a service user are to

- a. a person who is being consulted by or on behalf of—
 - (i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- b. the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph;

'single applicant' means an applicant who neither has a partner nor is a lone parent;

'the Skipton Fund' means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25th March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme's provisions.

'special account' means an account as defined for the purposes of Chapter 4A of Part 8 of the Jobseeker's Allowance Regulations or Chapter 5 of Part 10 of the Employment and Support Allowance Regulations;

'sports award' means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc Act 1993 out of sums allocated to it for distribution under that section;

'the SSCBA' means the Social Security Contributions and Benefits Act 1992

'State Pension Credit Act' means the State Pension Credit Act 2002;

'student' has the meaning prescribed in section 43;

'subsistence allowance' means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

'support or reduction week' means a period of 7 consecutive days commencing upon a Monday and ending on a Sunday;

'the Tax Credits Act' means the Tax Credits Act 2002;

'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next;

'training allowance' means an allowance (whether by way of periodical grants or otherwise) payable—

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People's Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;
- (b) to a person for his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

It does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the 1973 Act or is training as a teacher;

'the Trusts' means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust;

'Universal Credit' means any payment of Universal Credit payable under the Welfare Reform

Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

‘Up-rating Act’ means the Welfare Benefit Up-rating Act 2013, the Welfare Benefits Up-rating Order 2014, and the Welfare Benefits Up-rating Order 2015;

‘voluntary organisation’ means a body, other than a public or local authority, the activities of which are carried on otherwise than for profit;

‘war disablement pension’ means any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

‘war pension’ means a war disablement pension, a war widow’s pension or a war widower’s pension;

‘war widow’s pension’ means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

‘war widower’s pension’ means any pension or allowance payable to a man as a widower or to a surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

‘water charges’ means;

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

‘week’ means a period of seven days beginning with a Monday;

‘Working Tax Credit Regulations’ means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended¹³; and

‘young person’ has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this scheme, a person is on an income-based jobseeker’s allowance on any day in respect of which an income-based jobseeker’s allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income- based jobseeker’s allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker’s allowance is not payable); or
 - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income- based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
 - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;

¹³ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- (d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.4A For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
 - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.6 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).
- 3.0 Definition of non-dependant**
- 3.1 In this scheme, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.
- 3.2 This paragraph applies to;
- a. any member of the applicant's family;
 - b. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
 - c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
 - d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
 - e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
 - f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- 3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant–
- a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - i. that person is a close relative of his or her partner; or
 - ii. the tenancy or other agreement between them is other than on a commercial basis;
 - b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
 - c. a person who becomes jointly and severally liable with the applicant for council tax in

respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the support scheme.

4.0 Requirement to provide a National Insurance Number¹⁴

4.1 No person shall be entitled to support unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming support.

4.2 This subsection is satisfied in relation to a person if–

- a. the claim for support is accompanied by;
 - i. a statement of the person’s national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
- b. the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

4.3 Paragraph 4.2 shall not apply–

- a. in the case of a child or young person in respect of whom council tax reduction is claimed;
- b. to a person who;
 - i. is a person in respect of whom a claim for council tax reduction is made;
 - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act; and
 - iii. has not previously been allocated a national insurance number.

5.0 Persons who have attained the qualifying age for state pension credit.

5.1 This scheme applies to a person if:

- (i) he has not attained the qualifying age for state pension credit; or
- (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is;
 - (a) a person on income support, on income-based jobseeker’s allowance or an income-related employment and support allowance; or
 - (b) a person with an award of universal credit.

6.0 Remunerative work

6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;

- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- b. in any other case, the period of 5 weeks immediately prior to that date of claim, or

¹⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,

- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
 - b. no other payment is made or is expected to be made to him.

7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control

Persons treated as not being in Great Britain

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of

that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).

- 7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
 - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 7.4B Paragraph (4A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
 - (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 7.5 A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
 - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
 - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
 - (zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—
 - (i) (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,
 - (ii) (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or
 - (iii) (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
 - (ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—

	(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971; (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person; (b) a family member of a person referred to in sub-paragraph (a); (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations; (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national; (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020; (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971 (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967; (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971 (f) a person who has humanitarian protection granted under those rules; (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion, or other removal by compulsion of law from another country to the United Kingdom; (h) in receipt of income support or on an income-related employment and support allowance; or (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4).
7.6	A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.
7.7	A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
7.8	In this regulation— "claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999; "Crown servant" means a person holding an office or employment under the Crown; "EEA Regulations" means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020 "EEA national" has the meaning given in regulation 2(1) of the EEA Regulations; "family member" has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);

“relevant person of Northern Ireland” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and
“His Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

- 7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority’s scheme.
- 7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9.
- 7.11 “Person subject to immigration control” has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

- 7A.1 The above does not apply to a person who, on 31st March 2015—
- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act; and
 - (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.
- 7A.2 The events are—
- (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or
 - (b) the person ceases to be entitled to an income-based jobseeker’s allowance.
- 7A.3 In this section “the Act” means the Local Government Finance Act 1992.

8.0 Temporary Absence (period of absence)

- 8.1 A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.
- 8.2 In sub-paragraph (1), a “period of temporary absence” means:
- (a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as:
 - (i) the person resides in that accommodation in Great Britain;
 - (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
 - (iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;
 - (b) a period of absence within Great Britain not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as:
 - (i) the person intends to return to the dwelling;
 - (ii) the part of the dwelling in which he usually resided is not let or sub-let;
 - (iii) that period is unlikely to exceed 13 weeks; and
 - (c) a period of absence within Great Britain not exceeding 52 weeks, beginning with

the first whole day of that absence, where and for so long as:

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let;
- (iii) the person is a person to whom sub-paragraph (3) applies; and
- (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period and

(d) subject to sub-paragraphs (2F), (3C), (3E) and (3G) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as:

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resides is not let or sub-let; and
- (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.

8.2A The period of 13 weeks referred to in sub-paragraph (2)(b) shall run or continue to run during any period of absence from Great Britain.

8.2B Where:

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
 - (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and
 - (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,
- then any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).

8.2C The period of 52 weeks referred to in sub-paragraph (2)(c) shall run or continue to run during any period of absence from Great Britain.

8.2D Where:

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
 - (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and
 - (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,
- then, any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(c).

8.2E This sub-paragraph applies where:

- (a) a person is temporarily absent from Great Britain;
- (b) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

8.2F If the temporary absence referred to in sub-paragraph (2)(d) is in connection with the death of:

- (a) the person's partner or a child or young person for whom the person or the person's partner is responsible;
- (b) the person's close relative;
- (c) the close relative of the person's partner; or
- (d) the close relative of a child or young person for whom the person or the person's partner is responsible,

then the period of 4 weeks in the opening words of sub-paragraph (2)(d) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in sub-paragraph (iii) of

that paragraph to a period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).

8.3 This sub-paragraph applies to a person who—

(a) is detained in custody on remand pending trial or required, as a condition of bail, to reside—

(i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or

(ii) in premises approved under section 13 of the Offender Management Act 2007, or is detained in custody pending sentence upon conviction;

(b) is resident in a hospital or similar institution as a patient;

(c) is undergoing, or whose partner or dependent child is undergoing, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

(d) is following, a training course;

(e) is undertaking medically approved care of a person;

(f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;

(g) is receiving medically approved care provided in accommodation other than residential accommodation;

(h) is a student;

(i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or

(j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.3A This sub-paragraph applies to a person (“P”) who is:

(a) detained in custody on remand pending trial;

(b) detained pending sentence upon conviction; or

(c) as a condition of bail required to reside—

(i) in a dwelling, other than a dwelling P occupies as P’s home; or

(ii) in premises approved under section 13 of the Offender Management Act 2007(7), and who is not also detained in custody following sentence upon conviction.

8.3B This sub-paragraph applies where:

(a) a person is temporarily absent from Great Britain;

(b) the person is a member of His Majesty’s forces posted overseas, a mariner or a continental shelf worker;

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

8.3C Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as:

(a) the person intends to return to the dwelling;

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

8.3D This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of sub-paragraph (3);

	(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
8.3E	Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as: (a) the person intends to return to the dwelling; (b) the part of the dwelling in which he usually resided is not let or sub-let; (c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
8.3F	This sub-paragraph applies where: (a) a person is temporarily absent from Great Britain; (b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of sub-paragraph (3); (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
8.3G	Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as: (a) the person intends to return to the dwelling; (b) the part of the dwelling in which he usually resided is not let or sub-let; (c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.”;
8.4	This sub-paragraph applies to a person who is— (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989.
8.5	Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release— (a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling; (b) for the purposes of sub-paragraph (3A), he must be treated as if he remains in detention; (c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.
8.6	In this paragraph— “continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998; “designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

(a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and

(b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;”;

“medically approved” means certified by a medical practitioner;

“member of His Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006(10)), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of His Majesty’s regular forces or reserve forces;

“patient” means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;

“prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;”

“residential accommodation” means accommodation which is provided in:

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

(d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

“training course” means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department, or the Secretary of State.

Sections 9 - 11

The family for Council tax reduction purposes

9.0 Membership of a family

- 9.1 Within the support scheme adopted by the Council 'family' means;
- a married or unmarried couple;
 - married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
 - and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
 - except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person'

A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- on income support ;
 - an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
 - a person to whom section 6 of the Children (Leaving Care) Act 2000 applies.
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable.

10.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him, and this includes a child or young person to whom paragraph 9.3 applies.
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- the person who is receiving child benefit in respect of him; or
 - if there is no such person;
 - where only one claim for child benefit has been made in respect of him, the person who made that claim; or

ii. in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this scheme a child or young person shall be the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

11.0 Circumstances in which a child or young person is to be treated as being or not being a member of the household.

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is;

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he—

- a. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- b. has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- c. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 The authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household in any reduction week where;

- a. that child or young person lives with the applicant for part or all of that reduction week; and
- b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

Sections 12 – 14 & Schedule 1

Applicable Amounts for Council tax reduction purposes

12.0 Applicable amounts (Living Allowances)

12.1 Subject to sections 13 and 14, an applicant's weekly applicable amount shall be aggregate of such of the following amounts as may apply in his case:

- a. an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 as the case may be, of Schedule 1 of this scheme;
- b. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme in respect of any child or young person who is a member of his family;
- c. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium). **No family premium will be awarded where an application for reduction is received on or after 1st April 2017.**
 - i) Sub paragraph (c) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person; or
 - b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
 - (ii) (i) above does not apply if—
 - (a) sub-paragraph 12.1 c (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction.
 - (iii) For the purpose of this section "child", "polygamous marriage" and "young person" have the same meaning as in section 2 of this scheme;
- d. the amount of any premiums which may be applicable to him, determined in accordance with paragraphs 4 to 16 of Schedule 1 of this document (premiums).
- e. the amount of either the
 - i. work-related activity component; or
 - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 of this document (the components)
- f. the amount of any transitional addition which may be applicable to him in accordance with paragraph 19 to 20 of Schedule 1 of this scheme (transitional addition).

13.0 Polygamous marriages

13.1 Subject to section 14, where an applicant is a member of a polygamous marriage, his weekly applicable amount shall be the aggregate of such of the following amounts as may apply in his case:

- a. the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this scheme as if he and that partner were a couple;
- b. an amount equal to the amount within paragraph 1 (3) (c) of Schedule 1 of this scheme in respect of each of his other partners;
- c. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme (applicable amounts) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium). **No family premium will be awarded where an application for reduction is received on or after 1st April 2017.**
 - i) Sub paragraph (d) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person; or
 - b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of

the same household.

(i) above does not apply if—

(a) sub-paragraph 13.1 d (i) (a) or (b) of that paragraph ceases to apply; or

(b) the person makes a new claim for Council Tax Reduction.

(ii) For the purpose of this section “child”, “polygamous marriage” and “young person” have the same meaning as in section 2 of this scheme;

e. the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this scheme (premiums).

f. the amount of either the;

i. work-related activity component; or

ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 (the components).

g. the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this scheme (transitional addition)

14.0 Applicable amount: persons who are not pensioners who have an award of universal credit.

14.1 In determining the applicable amount for a week of an applicant—

a. who has, or

b. who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (2).

14.2 The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.

14.3 In this paragraph “maximum amount” means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012

Sections 15 – 32 & Schedules 3 & 4

Definition and the treatment of income for Council tax reduction purposes

15.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage

- 15.1 The income and capital of:
- (a) an applicant; and
 - (b) any partner of that applicant,

is to be calculated in accordance with the provisions of this Part.

- 15.2 The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

- 15.3 Where an applicant or the partner of an applicant is married polygamously to two or more members of his household:
- (a) the applicant must be treated as possessing capital and income belonging to each such member; and
 - (b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

15A.0 Calculation of income and capital: persons who have an award of universal credit.

- 15A.1 In determining the income of an applicant;
- a. who has, or
 - b. who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

- 15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of
- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
 - (b) a disregard of £10 per week in respect of any earnings shown in the calculation of universal credit;
 - (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
 - (d) section 33 (circumstances in which income and capital of non-dependant is to be treated as applicant's) if the authority determines that the provision applies in the applicant's case;
 - (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

- 15A.4 sections 33 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

- 15A.5 In determining the capital of an applicant;
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award.

16.0 Circumstances in which capital and income of non-dependant is to be treated as applicant's.

16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income- based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.'

16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

17.0 Calculation of income on a weekly basis

17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;

- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
- b. by adding to that amount, the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2 are met, from those earnings plus whichever credit specified in sub- paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

17.2 The conditions of this paragraph are that;

- a. the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
- b. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;

- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

18.0 Treatment of child care charges

18.1 This section applies where an applicant is incurring relevant child-care charges and;

- a. is a lone parent and is engaged in remunerative work;

- b. is a member of a couple both of whom are engaged in remunerative work; or
 - c. is a member of a couple where one member is engaged in remunerative work and the other;
 - i. is incapacitated;
 - ii. is an in-patient in hospital; or
 - iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).
- 18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—
- a. is paid statutory sick pay;
 - b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
 - c. is paid an employment and support allowance;
 - d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
 - e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- 18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
- a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - b. the first day of the period in respect of which earnings are credited, as the case may be.
- 18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply and shall be calculated on a weekly basis in accordance with paragraph 18.10.
- 18.6 The charges are paid by the applicant for care, which is provided;
- a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - b. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—
- a. in respect of the child's compulsory education;
 - b. by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
 - c. in respect of care provided by a relative of the child wholly or mainly in the child's home.
- 18.8 The care to which paragraph 18.7 refers may be provided;
- a. out of school hours, by a school on school premises or by a local authority;
 - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or

- b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
- c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- e. by;
 - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
 - ii. local authorities registered under section 8(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
- f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
- g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering, or kinship carer is looking after; or
- l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- m. by a person who is not a relative of the child wholly or mainly in the child's home.

18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where;

- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013;

- d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose, any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 20018 or Employment and Support Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- f. there is payable in respect of him one or more of the following pensions or allowances—
 - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
 - ii. attendance allowance under section 64 of the Act;
 - iii. severe disablement allowance under section 68 of the Act;
 - iv. disability living allowance under section 71 of the Act;
 - v. personal independence payment under the Welfare Reform Act 2012;
 - vi. an AFIP;
 - vii. increase of disablement pension under section 104 of the Act;
 - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (vii) above;
 - ix. main phase employment and support allowance;
- g. a pension or allowance to which head (ii), (iv), (vi) or (viii) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.
- h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12 For the purposes of paragraph 18.11 once paragraph 18.11d) applies to the applicant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

- 18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person–
- in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
 - who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
 - who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- 18.14 For the purposes of paragraph 18.1 a woman on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that–
- in the week before the period of maternity leave, paternity leave or shared parental leave effective from 5/4/2015 or adoption leave began she was in remunerative work or adoption leave began she was in remunerative work;
 - the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
 - she is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.
- 18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on–
- the date that leave ends;
 - if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
 - if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.
- whichever shall occur first.
- 18.16 In paragraphs 18.14 and 18.15
- 'qualifying support'** means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
 - 'child care element'** of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.
- 18.17 In this section 'applicant' does not include an applicant;
- who has, or
 - who (jointly with his partner) has,
- an award of universal credit
- 19.0 Average weekly earnings of employed earners.**
- 19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment–
- over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - 5 weeks, if he is paid weekly; or
 - 2 months, if he is paid monthly; or
 - whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated

as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)

- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

19.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26.

20.0 Average weekly earnings of self-employed earners

20.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme.

21.0 Average weekly income other than earnings

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 4 of this scheme.

21.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that support is payable.

21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this scheme.

22.0 Calculation of average weekly income from tax credits

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3.

22.3 Where the instalment in respect of which payment of a tax credit is made is;

- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- b. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due

- to be paid;
- c. a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- d. a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

22.4 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

23.0 Calculation of weekly income

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

- a. does not exceed a week, the weekly amount shall be the amount of that payment;
- b. exceeds a week, the weekly amount shall be determined—
 - i. in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - ii. in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.

23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

24.0 Disregard of changes in tax, contributions etc.

24.1 In calculating the applicant's income the appropriate authority may disregard any legislative change;

- a. in the basic or other rates of income tax;
- b. in the amount of any personal tax relief;
- c. in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
- d. in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act;
- e. in the maximum rate of child tax credit or working tax credit,

for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

25.0 Earnings of employed earners.

25.1 Subject to paragraph 25.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes—

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice, or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly,

- exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
- g. (i) travelling expenses incurred by the applicant between his home and his place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
 - h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
 - i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
 - j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
 - k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
 - l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
 - m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended¹⁵.

25.2 Earnings shall not include—

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of an applicant participating as a service user.

25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)

26.0 Calculation of net earnings of employed earners.

26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
- d. where those earnings include a payment which is payable under any enactment having

¹⁵ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

- 26.4 In this section ‘qualifying contribution’ means any sum which is payable periodically as a contribution towards a personal pension scheme.
- 26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—
- a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- 26.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less—
- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
 - b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - c. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme if the earnings so estimated were actual earnings.

27.0 Earnings of self-employed earners

- 27.1 Subject to paragraph 27.2, ‘earnings’, in the case of employment as a self- employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.
- 27.2 ‘Earnings’ shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant’s care) nor shall it include any sports award.
- 27.3 This paragraph applies to—
- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - b. any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to

the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

- 27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by
- (a) the amount of the reduction under this scheme which would be payable had the payment not been made, plus;
 - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be;

- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
 - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.

- 28.1A Where the claimant has been engaged in self-employment for a period in excess of 12 months **and** the declared net profit derived from that employment is, in the opinion of the authority, unreasonable, the net profit derived from self-employment shall be the number of hours worked as declared or 35 hours per week, whichever is the higher multiplied by the current national minimum wage for the claimant as defined by the National Minimum Wage Act 1998.

- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.

- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less;

- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- b. an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.

- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in

respect of–

- a. any capital expenditure;
- b. the depreciation of any capital asset;
- c. any sum employed or intended to be employed in the setting up or expansion of the employment;
- d. any loss incurred before the beginning of the assessment period;
- e. the repayment of capital on any loan taken out for the purposes of the employment;
- f. any expenses incurred in providing business entertainment, and
- g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.

28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for–

- a. the replacement in the course of business of equipment or machinery; and
- b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a. or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

28.8 For the avoidance of doubt–

- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
- b. a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - iii. any payment of interest on a loan taken out for the purposes of the employment

28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of

- a. income tax; and
- b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.

28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner, and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.

28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined;

- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
- b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

28.12 In this section, ‘qualifying premium’ means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

29.0 Deduction of tax and contributions of self-employed earners

- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of—
- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
 - b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.
- 29.3 In this section 'chargeable income' means—
- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 28.3(a) or, as the case may be, 28.4 of section 28;
 - b. in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

- 30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.4, be his gross income and any capital treated as income under section 31 (capital treated as income).
- 30.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 30.2, any sum, where applicable, specified in Schedule 4.
- 30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.
- 30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- 30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax

credit which arose in a previous tax year the amount to be taken into account under paragraph 27.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

30.7 Paragraphs 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—

$$\frac{A - (B \times C)}{D}$$

Where;

A =

the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section— 'academic year' and 'student loan' shall have the same meanings as for the purposes of sections 43 to 45, 'assessment period' means—

a. in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

b. in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—

i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or

ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those dates is earlier.

'quarter' in relation to an assessment period means a period in that year beginning on;

a. 1st January and ending on 31st March;

b. 1st April and ending on 30th June;

- c. 1st July and ending on 31st August; or
 - d. 1st September and ending on 31st December;
- 'relevant payment' means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1.

- a. any payment to which paragraph 25.2 (payments not earnings) applies; or
- b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

31.0 Capital treated as income.

31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £16,000, be treated as income.

31.2 Any payment received under an annuity shall be treated as income.

31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.

31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income.

31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

32.0 Notional income

32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.

32.2 Except in the case of—

- a. a discretionary trust;
- b. a trust derived from a payment made in consequence of a personal injury;
- c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
- d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
- e. any sum to which paragraph 48(a) of Schedule 5 refers;
- f. rehabilitation allowance made under section 2 of the 1973 Act;
- g. child tax credit; or
- h. working tax credit,
- i. any sum to which paragraph 32.13 applies;

any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.

32.3 – 32.5 Not used

- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–
- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
 - c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made–
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
 - b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
 - c. pursuant to section 2 of the 1973 Act in respect of a person's participation–
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - d. in respect of a previous participation in the Mandatory Work Activity Scheme;
 - e. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration, or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.
- 32.9 Subject to paragraph 32.10, where–
- a. applicant performs a service for another person; and

- b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

32.10 Paragraph 32.9 shall not apply–

- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- b. in a case where the service is performed in connection with–
 - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or
- c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation as a service user.

Sections 33 – 42 & Schedule 5

Definition and the treatment of capital for Council tax reduction purposes

33.0 Capital limit

33.1 For the purposes of this scheme, the prescribed amount is £6,000 and no support shall be granted when the applicant has an amount greater than this level.

34.0 Calculation of capital

34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Disregard of capital of child and young person

35.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

36.0 Income treated as capital.

36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.

36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.

36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

36.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

36.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

37.0 Calculation of capital in the United Kingdom

37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—

- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. the amount of any encumbrance secured on it;

38.0 Calculation of capital outside the United Kingdom

38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated;

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
 - b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,
- less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

39.0 Notional capital

39.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that support except to the extent that that capital is reduced in accordance with section 40 (diminishing notional capital rule).

39.2 Except in the case of

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 5; or
- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
- (f) any sum to which paragraph 48(a) of Schedule 5 refers; or
- (g) child tax credit; or
- (h) working tax credit,

any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made;

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in subparagraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
- (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made;

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the

	Jobseeker's Allowance Regulations; (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations; (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations; (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations; (bb) in respect of a person's participation in the Mandatory Work Activity Scheme; Enterprise Scheme; (bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme; (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where— (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration, or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980; (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
39.5	Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case; a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and b. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.
39.6	For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.
39.7	Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.
40.0	Diminishing notional capital rule.
40.1	Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing; a. in the case of a week that is subsequent to (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or (ii) a week which follows that relevant week, and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3; b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where (i) that week is a week subsequent to the relevant week; and (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.
40.2	This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that; a. he is in receipt of council tax reduction; and

- b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.

40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of

- a. the additional amount to which sub-paragraph 40.2 (b) refers;
- b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
- c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
- d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
- e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of

- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
- b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
 and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
- c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
- d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the

- relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.
- 40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case—
- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
 - b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.
- 40.6 The conditions are that;
- a. a further claim is made 26 or more weeks after
 - (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
 - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
 - b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.
- 40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.
- 40.8 For the purposes of this section
- a. 'part-week'
 - (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
 - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 40.4 (c),(d) and (e) means—
 - aa. a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - bb. any other period of less than a week for which it is payable;
 - b. 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1
 - (i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or
 - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;

and where more than one reduction week is identified by reference to heads (i) and (ii) of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- c. 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

41.0 Capital jointly held.

- 41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess

42.0 Not Used

Sections 43 - 56

Definition and the treatment of students for Council tax reduction purposes¹⁶

¹⁶ Amounts shown in sections 43 to 56 will be uprated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

‘academic year’ means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

‘access funds’ means;

- a. grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- b. grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- c. grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- d. discretionary payments, known as “learner support funds”, which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- e Financial Contingency Funds made available by the Welsh Ministers;

‘college of further education’ means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

‘contribution’ means;

- a. any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student’s grant or student loan; or
- b. any sums, which in determining the amount of a student’s allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder’s expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder’s parents;
 - (iii) the holder’s parent’s spouse, civil partner or a person ordinarily living with the holder’s parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder’s spouse or civil partner;

‘course of study’ means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

‘covenant income’ means the gross income payable to a full-time student under a Deed of Covenant by his parent;

‘education authority’ means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

‘full-time course of study’ means a full time course of study which;

- a. is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers

- at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;
- b. is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
 - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
 - c. is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

'full-time student' means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

'grant' (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

'grant income' means;

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

'higher education' means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

'last day of the course' means;

- a. in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- b. in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

'period of study' means—

- a. in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b. in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year's start and ending with either—
 - (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- c. in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

'periods of experience' means periods of work experience which form part of a sandwich course;

‘qualifying course’ means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations;

‘modular course’ means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

‘sandwich course’ has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

‘standard maintenance grant’ means—

- a. except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (‘the 2003 Regulations’) for such a student;
- b. except where paragraph (c) applies, in the case of a student residing at his parent’s home, the amount specified in paragraph 3 thereof;
- c. in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as ‘standard maintenance allowance’ for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- d. in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

‘student’ means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

- a. a course of study at an educational establishment; or
- b. a qualifying course;

‘student’ loan’ means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Student’s Allowances (Scotland) Regulations 2007

- 43.2 For the purposes of the definition of ‘full-time student’, a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course;
- a. in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending;
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
 - b. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.
- 43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;
- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
 - b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

44.1 The following sections relate to students who claim Council tax reduction.

45.0 Students who are excluded from entitlement to council tax reduction.

45.1 Students (except those specified in paragraph 45.3) are not able to claim Council tax reduction under Classes D and E of the Council's reduction scheme.

45.2 To be eligible for support, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992, and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this scheme (persons from aboard).

45.3 Paragraph 45.2 shall not apply to a student;

(a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) who is a lone parent;

(c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose, any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

(i) aged under 21 and whose course of study is not a course of higher education, or

(ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);

(j) in respect of whom

i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

(v) a supplementary requirement has been determined under paragraph 9 of

Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

45.3A For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19

45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
 - (i) engaged in caring for another person; or
 - (ii) ill;
- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

- (a) the day on which he resumes attending or undertaking the course; or
 - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
- which shall first occur.

46.0 Calculation of grant income

46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.

46.2 There shall be excluded from a student's grant income any payment;

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
- (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;

- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of his attendance on the course;
- (h) intended for the child care costs of a child dependant.
- (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.

46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;

- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

47.0 Calculation of covenant income where a contribution is assessed.

47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.

- 47.2 The weekly amount of the student's covenant shall be determined–
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
 - (b) by disregarding from the resulting amount, £5.
- 47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).
- 48.0 Covenant income where no grant income or no contribution is assessed.**
- 48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;
- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
 - (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
 - (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
 - (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.
- 48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;
- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
 - (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.
- 49.0 Student Covenant Income and Grant income – non disregard**
- 49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme.
- 50.0 Other amounts to be disregarded.**
- 50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.
- 51.0 Treatment of student loans**
- 51.1 A student loan shall be treated as income.
- 51.2 In calculating the weekly amount of the loan to be taken into account as income;
- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;

- (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,
- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
 - (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5;

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
 - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
 - (ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4;
- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

51A.0 Treatment of fee loans

- 51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
 - b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

- 52.4 Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
 - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

53.0 Disregard of contribution

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

54.0 Further disregard of student's income

- 54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

55.0 Income treated as capital.

- 55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

Sections 57 – 63

The calculation and amount of Council tax reduction

57.0 Maximum council tax reduction

Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 80 per cent, of the amount A/B where;

- (a) A is the **lower** of either;
 - i. amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; or
 - ii. the amount set by the appropriate authority as the council tax for the relevant financial year in respect of a dwelling within Band D subject to any discount which may be appropriate to the person's circumstances; and
- (b) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under section 58 (non-dependant deductions).

57.2 In calculating a person's maximum council tax reduction any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax reduction) applies, in determining the maximum council tax reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case.

58.0 Non-dependant deductions

58.1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum council tax reduction) shall be;

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £10.00 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £10.00 x 1/7.

58.2 In the case of a non-dependant aged 18 or over to whom paragraph 58.1(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—

- (a) less than £195.00, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
- (b) not less than £195.00, but less than £338.00, the deduction to be made under this section shall be £10.00;
- (c) not less than £338.00, but less than £420.00, the deduction to be made under this section shall be £10.00;

58.3 Only one deduction shall be made under this section in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount shall be deducted.

58.4 In applying the provisions of paragraph 58.2 in the case of a couple or, as the case may be a

polygamous marriage, regard shall be had, for the purpose of that paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.

58.5 Where in respect of a day–

- (a) a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
- (c) the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.

58.6 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is–

- (a) blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
- (b) receiving in respect of himself
 - (i) attendance allowance, or would be receiving that allowance but for
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - (bb) an abatement as a result of hospitalisation; or
 - (ii) the care component of the disability living allowance, or would be receiving that component but for
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - (bb) an abatement as a result of hospitalisation; or
- (c) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
- (d) an AFIP or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

58.7 No deduction shall be made in respect of a non-dependant if;

- (a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
- (b) he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) he is a full time student within the meaning of section 44.0 (Students); or
- (d) he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
 - (i) 'patient' has the meaning given within this scheme, and
 - (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
- (e) he is not residing with the claimant because he is a member of the armed forces away on operations

58.8 No deduction shall be made in respect of a non-dependant;

- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;

- (b) to whom Schedule 1 of the 1992 Act applies (persons disregarded for purposes of discount) but this sub-paragraph shall not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers;
- (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.”;
For the purposes of sub-paragraph (c), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013

- 58.9 In the application of paragraph 58.2 there shall be disregarded from his weekly gross income—
- (a) any attendance allowance, disability living allowance or personal independence payment or an AFIP received by him;
 - (b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which had his income fallen to be calculated under section 30 (calculation of income other than earnings) would have been disregarded under paragraph 24 of Schedule 4 (income in kind); and
 - (c) any payment which had his income fallen to be calculated under section 30 would have been disregarded under paragraph 36 of Schedule 4 (payments made under certain trusts and certain other payments).

59.0 Council tax reduction taper (applies to persons defined within Class E)

- 59.1 The prescribed daily percentage for the purpose of calculating support as a percentage of excess of income over the applicable amount, which is deducted from maximum council tax reduction, shall be $2\frac{6}{7}$ per cent. Where an applicant’s income exceeds their applicable amount, their council tax reduction shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax reduction as defined within section 57 of this scheme.

60.0 Extended reductions

- 60.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;
- (a) the applicant or the applicant’s partner was entitled to a qualifying income- related benefit;
 - (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant’s partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
 - (c) the applicant or the applicant’s partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker’s allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.
- 60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant’s partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker’s allowance during any period of less than five weeks in respect of which the applicant or the applicant’s partner was not entitled to any of those benefits because the applicant or the applicant’s partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.
- 60.3 For the purpose of this section, where an applicant or an applicant’s partner is entitled to and in receipt of joint-claim jobseeker’s allowance they shall be treated as being entitled to and in receipt of jobseeker’s allowance.

60.4 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where—

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

60.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

60A.0 Duration of extended reduction period

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax if that occurs first.

60B.0 Amount of extended reduction

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of—

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

60C Extended reductions – movers

60C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax

reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

- (a) the second authority; or
- (b) the mover directly.

60C.4 Where—

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

61.0 Extended reductions (qualifying contributory benefits)

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

61.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and

- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

61A.0 Duration of extended reduction period (qualifying contributory benefits)

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax if that occurs first.

61B.0 Amount of extended reduction (qualifying contributory benefits)

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement if section 61 did not apply to the applicant.

61B.2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

61C.0 Extended reductions (qualifying contributory benefits) – movers

61C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to—

- (a) the second authority; or
- (b) the mover directly.

61C.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction– movers).

61E.0 Extended reductions: movers into the authority's area¹⁷

61E.1 Where;

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
 - (i) another billing authority in England; or
 - (ii) a billing authority in Wales,the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

62.0 – 63.0 Not Used

¹⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Sections 64 – 67

Dates on which entitlement and changes of circumstances are to take effect.

64.0 Date on which entitlement is to begin.

64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that support shall be so entitled from the reduction week following the date on which that claim is made or is treated as made.

64.2 Where a person is otherwise entitled to council tax reduction and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his claim is made or is treated as made, he shall be so entitled from that reduction week.

65.0 De-minimis Rule for Changes in Circumstances

65.1 Notwithstanding any other sections within this policy, any single change in circumstance which either increases or decreases entitlement to reduction by an amount of less than £10.00 per week (the tolerance) **may not be effected at the discretion of the authority.** Where the applicant has a number of individual changes in entitlement which are less than the tolerance level **but** cumulatively the total of the changes in reduction exceed the tolerance level, **these may be effected** from the date of the change on which the tolerance level was exceeded.

66.0 Periodic Reviews

66.1 The authority may review any claim for reduction on a periodic basis and may set a fixed period for granting such reduction or future reduction.

67.0 Date on which change of circumstances is to take effect.

67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or where more than one day is concerned, from the earlier day.

67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been

paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

- 67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

Sections 68– 74A

Claiming and the treatment of claims for Council tax reduction purposes

68.0 Making an application¹⁸

- 68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- 68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
 - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 68.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a);
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

¹⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

69.0 Procedure by which a person may apply for a reduction under the authority's scheme¹⁹

69.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

69.2. An application may be made;

- (a) in writing,
- (b) **by means of an electronic communication in accordance with sections 101 – 106A of this scheme;**
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone; or
- (d) by any other method approved by the authority.**

69.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

69.4 (1) Where an application made in writing is defective because—

- (a) it was made on the form supplied for the purpose, but that form is not accepted by the authority as being properly completed; or
- (b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

69A.0 Date on which an application is made.

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

- (a) in a case where;
 - (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and
 - (ii) the application for a reduction is made within one month of the date on which

¹⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

(b) in a case where

- (i) an applicant or his partner is a person in receipt of a guarantee credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling he occupies as his home, and
- (iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where;

- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
- (ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(d) in a case where;

- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where;

- (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
- (ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which an application is received at the designated office.

69A.2 For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;

- (a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
- (b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

69A.3 Where there is a defect in an applications by telephone;

- (a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the

application as if it had been duly made in the first instance;
(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.

69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

69A.5 The conditions are that—

(a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

(b) where an application is not on approved form or further information requested by authority applies;

(i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;

(ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,

in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application, but the authority is of the opinion that unless there is a change of circumstances, he will be entitled to a reduction under its scheme for a period beginning not later than;

(a) in the case of an application made by;

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit, the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

69A.8 In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

70.0	Submission of evidence electronically
70.1	The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim.
71.0	Use of telephone provided evidence
71.1	The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim.
72.0	Information and evidence²⁰
72.1	Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.
72.2	This sub-paragraph is satisfied in relation to a person if— (a) the application is accompanied by; (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by; (i) evidence of the application for a national insurance number to be so allocated; and (ii) the information or evidence enabling it to be so allocated.
72.3	Sub-paragraph (2) does not apply; (a) in the case of a child or young person in respect of whom an application for a reduction is made; (b) to a person who; (i) is a person treated as not being in Great Britain for the purposes of this scheme; (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and (iii) has not previously been allocated a national insurance number.
72.4	Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
72.5	Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.
72.6	Where the authority makes a request under sub-paragraph (4), it must; (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on

²⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

application and without charge, the kind of change of circumstances which must be notified.

- 72.7 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 58.9.

- 72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
- (a) the name and address of the pension fund holder;
 - (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of application²¹

- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

74.0 Duty to notify changes of circumstances²²

- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
- (a) between the making of an application and a decision being made on it, or
 - (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.
- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant

²¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

change of circumstances”) by giving notice to the authority;

- (a) in writing; or
- (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
 - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
- (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying.
- (a) changes in the amount of council tax payable to the authority;
 - (b) changes in the age of the applicant or that of any member of his family;
 - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority’s scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) “relevant benefit” means income support, an income-based jobseeker’s allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 Not Used
- 74.7 A person who has been awarded a reduction under the authority’s scheme who is also on state pension credit must report;
- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;
 - (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.
- 74.8 In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only a savings credit must also report—
- (a) changes affecting a child living with him which may result in a change in the amount of reduction under the authority’s scheme allowed in his case, but not changes in the age of the child;
 - (b) any change in the amount of the applicant’s capital to be taken into account which does or may take the amount of his capital to more than £16,000;
 - (c) any change in the income or capital of;
 - (i) a non-dependant whose income and capital are treated as belonging to the applicant; or
 - (ii) a person to whom their partner is treated as member of the household, and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.
- 74.9 A person who is entitled to a reduction under the authority’s scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).
- 74.10 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or

change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances.

Sections 75- 90

Decisions, decision notices and awards of Council tax reduction

75.0 Decisions by the authority²³

75.1 The authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and section 69 being satisfied, or as soon as reasonably practicable thereafter.

76.0 Notification of decision²⁴

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;

(a) informing the person affected of the duty imposed by 74.1;

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000⁽³⁾ who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be,

²³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

77.0 Time and manner of granting council tax reduction²⁵

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom support is to be paid²⁶

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount

²⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

of a reduction must be made to that person.

78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

79.0 Shortfall in support / reduction²⁷

79.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

80.0 Payment on the death of the person entitled²⁸

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

81.0 Offsetting

81.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

82.0 Payment where there is joint and several liability²⁹

82.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
 - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
 - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,
- it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

82.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an

²⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁹ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

appointment under paragraph 4(3) or is treated as having been so appointed by virtue of paragraph 4(4), the amount of the reduction may be paid to that person.

83.0 – 90.0 Not used

Sections 91 – 94

Collection, holding and forwarding of information for Council tax reduction purposes.

91.0 Use of information from and to the Department of Work and Pensions (DWP) and His Majesty's Revenues and Customs (HMRC)

91.1 The authority may use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements³⁰..

92.0 Collection of information

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from–

- (a) persons making claims for council tax reduction;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

92.2 The authority may verify relevant information supplied to or obtained.

93.0 Recording and holding information.

93.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

94.0 Forwarding of information.

94.1 The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being;

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to council tax reduction.

³⁰ Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

Sections 95 – 98

Revisions, Written Statements, Termination of Council tax reduction

95.0 Persons affected by Decisions.

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- a. an applicant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - c. a person appointed by the authority under this scheme;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council tax reduction. The request must be received within one month of the date of the notification being issued by the authority.

98.0 Terminations

- 98.1 The authority may terminate support in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 99

Appeals against the authority's decisions.

99.0 Procedure by which a person may make an appeal against certain decisions of the authority³¹

- 99.1 .A person who is aggrieved by a decision of the authority, which affects;
(a) the person's entitlement to a reduction under its scheme, or
(b) the amount of any reduction to which that person is entitled,
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must
(a) consider the matter to which the notice relates;
(b) notify the aggrieved person in writing;
(i) that the ground is not well founded, giving reasons for that belief; or
(ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act³².

³¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³² As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

Section 100

Procedure for applying for a discretionary reduction.

100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act³³

- 100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance this scheme or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 100.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).
- 100.3 An application to the authority for a reduction not in accordance with paragraph 1 on the grounds of Exceptional Hardship under this scheme must be made:
- (a) in writing,
 - (b) by any means acceptable to the authority.

³³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 101 – 106A³⁴

Electronic Communication

³⁴ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

101.0 Interpretation

- 101.1 In this Part;
“**information**” includes an application, a certificate, notice or other evidence; and
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

102.0 Conditions for the use of electronic communication

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.
- 102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.
- 102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.
- 102.4 The second condition is that the person uses an approved method of;
- (a) authenticating the identity of the sender of the communication;
 - (b) electronic communication;
 - (c) authenticating any application or notice delivered by means of an electronic communication; and
 - (d) subject to sub-paragraph (7), submitting to the authority any information.
- 102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.
- 102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.
- 102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.
- 102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

103.0 Use of intermediaries

- 103.1 The authority may use intermediaries in connection with;
- (a) the delivery of any information by means of an electronic communication; and
 - (b) the authentication or security of anything transmitted by such means,
- and may require other persons to use intermediaries in connection with those matters.

104.0 Effect of delivering information by means of electronic communication.

- 104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;
- (a) by this section; and
 - (b) by or under an enactment,
- are satisfied.

104.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

105.0 Proof of identity of sender or recipient of information

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

106.0 Proof of delivery of information

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;
(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
(b) any such information has been delivered by the relevant authority if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

106A.0 Proof of content of information

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

Section 107
Counter Fraud and Compliance

107.0 Counter Fraud and compliance

107.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council tax reduction;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases.

107.2 The authority believes that it is important to minimise the opportunity for fraud and;

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this scheme;
- d. will co-operate with the Department for Work and Pensions (DWP), His Majesty's Revenues and Customs and take part in joint working including prosecutions; and
- e. will in all cases seek to recover all outstanding council tax.

107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Applicable Amounts³⁵

³⁵ ³⁵ The amounts shown within this schedule shall be uprated in line with the Housing Benefit Regulations 2006 as amended.

Personal Allowance

- 1 The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes the main scheme;

Column 1 Person or Couple	Column 2
1. A Single applicant who; a) is entitled to main phase employment and support allowance	£90.50
b) is aged not less than 25	£90.50
c) is aged not less than 18 but less than 25	£71.70
2. Lone Parent	£90.50
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£142.25
b) Where one member is aged not less than 18	£142.25
c) For each additional spouse who is a member of the same household as the claimant	£51.75

For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if;

- Paragraph 17 or 18 is satisfied in relation to the applicant; or
- The applicant is entitled to a converted employment and support allowance.

- 2 (1) The amount specified in column (2) below in respect of each person specified in column (1) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of the main scheme

Column 1 Child or Young Person	Column 2
Person in respect of the period– (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£83.24
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£83.24
(c) Third or subsequent dependent child or young person whose date of birth falls on or after 1 st April 2017. This shall be determined in accordance with the Housing Benefit Regulations 2006 (as amended).	NIL

(2) In column (1) of the table in paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Family Premiums

3. (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- where the applicant is a lone parent to whom sub-paragraph (3) of Schedule 3 of the Housing Benefit Regulations 2006 applies, £22.20;

- b. in any other case, £19.15;
- c. **No family premium will be awarded where an application for reduction is received on or after 1st April 2017.**
 - i) Sub paragraph (c) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person; or
 - b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
 - (c) (i) above does not apply if—
 - (a) sub-paragraph 3 c (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction;

Premiums

- 4. Except as provided in paragraph 5, the premiums specified this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
- 5. Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
- 6 (1) The following premiums, namely—
 - a. severe disability premium to which paragraph 10 applies;
 - b. an enhanced disability premium to which paragraph 11 applies;
 - c. a disabled child premium to which paragraph 12 applies; and a
 - d. carer premium to which paragraph 13 applies,
 may be applicable in addition to any other premium which may apply under this Schedule.
- 7. (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
 - a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
 - b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns(Scotland) Act 1990 for any period during which he is in receipt of a training allowance.
 (2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

Disability Premium

- 8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

Additional Condition for the Disability Premiums

- 9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

Severe Disability Premiums

- 10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

Enhanced Disability Premium

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

Disabled Child Premium

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

Carer Premium

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

Persons in receipt of concessionary payments

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

15. For the purposes of this Schedule, a person shall be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and shall be so regarded only for any period in respect of which that benefit is paid.

Amounts of Premium

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
Disability Premium	£42.50
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£60.60
Severe Disability Premium	£81.50
a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006	£81.50
i. in a case where there is someone in receipt of carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 14(5);	
ii. in a case where there is no one in receipt of such an allowance	£163.00
Disabled Child Premium	£80.01 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Carer Premium	£45.60 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Enhanced Disability Premium	(a) £32.20 in respect of each child

Premium	Amount
	or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied; (b) £20.85 in respect of each person who is neither– (i) a child or young person; nor (ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied; (c) £29.75 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.

The components

17. The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
18. The amount of the work-related activity component is £35.95. No work-related activity component will be awarded where the applicant or partner makes a new claim for Employment and Support Allowance on or after 1st April 2017. The amount of the support component is £47.70.

Transitional Addition

19. The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of the Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 – 29 of Schedule 3 of the Housing Benefit Regulations 2006

Amount of transitional addition

20. The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of the Housing Benefit Regulations 2006

Schedule 2

Not Used

Schedule 3

Sums to be disregarded in the calculation of earnings³⁶

³⁶ All amounts within this schedule will be amended in line with the Housing Benefit Regulations 2006 (as amended)

1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged–
 - (a) where–
 - (i) the employment has been terminated because of retirement; and
 - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,
any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
 - (b) where before the first day of entitlement to council tax reduction the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except–
 - (i) any payment of the nature described in
(aa) paragraph 25.1(e), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
 - (ii) any award, sum or payment of the nature described in
(aa) paragraph 25.1(g) or (h), or
(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),
including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
 - (c) where before the first day of entitlement to council tax reduction–
 - (i) the employment has not been terminated, but
 - (ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii) (bb) or paragraph 25.1(i), or (j).
2. In the case of an applicant who, before first day of entitlement to council tax reduction;
 - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
 - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,
any earnings paid or due to be paid in respect of that employment except;
 - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
 - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (i) or (j).
- 2A. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation

of his employment any earnings derived from that employment except earnings to which paragraph 27.3 and paragraph 27.4 (earnings of self-employed earners) apply.

3.
 - (1) In a case to which this paragraph applies and paragraph 4 does not apply, £20; but notwithstanding section 15 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant, it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.
 - (2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component.
 - (3) This paragraph applies where
 - (a) he is a member of a couple, and his applicable amount includes an amount by way of the disability premium; and
 - (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
 - (4)–(5) Not used.
4. In a case where the applicant is a lone parent, £25.
5.
 - (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium, £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with this scheme as being in receipt of carer's allowance.
 - (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £20 of the aggregated amount.
6. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment;
 - (a) specified in paragraph 8(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 5 exceed £20;
 - (b) other than one specified in paragraph 8(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.
7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.
8.
 - (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the applicant, £20 of earnings derived from one or more employments as–
 - (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;

	(b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005(a)) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act; (c) an auxiliary coastguard in respect of coast rescue activities; (d) a person engaged part-time in the manning or launching of a life boat; (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant, it shall not apply to his partner except to the extent specified in sub-paragraph (2).
	(2) If the applicant's partner is engaged in employment; (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20; (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.
9.	Where the applicant is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 8 exceed £20.
10.	In a case to which none of the paragraphs 3 to 9 applies, £5.
10A.	(1) Where; (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies; (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and (c) paragraph 12 does not apply, the amount specified in sub-paragraph (7) ('the specified amount'). (2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case, where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph. (3) Notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4). (4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work. (5) This sub-paragraph applies to a person who is; (a) in receipt of a contributory employment and support allowance; (b) in receipt of incapacity benefit; (c) in receipt of severe disablement allowance; or (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975

- (6) 'Exempt work' means work of the kind described in;
 (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations; or (as the case may be)
 (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,
 and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.
- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).
11. Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.
12. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.
13. Any earnings derived from employment, which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.
14. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.
15. Any earnings of a child or young person.
16. (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.
- (2) The conditions of this sub-paragraph are that—
- (a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or
- (b) the applicant—
- (i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
- (ii) is a member of a couple and
- (aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and
- (bb) his applicable amount includes a family premium; or
- (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
- (iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and;
- (aa) the applicant's applicable amount includes a disability premium, the work-related activity component or the support component ;
- (bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in sub-head (aa) above and is engaged in remunerative work for on average not less than 16 hours per week.

- (3) The following are the amounts referred to in sub-paragraph (1);
 - (a) the amount calculated as disregarded from the applicant's earnings under paragraphs 3 to 10A of this Schedule;
 - (b) the amount of child care charges calculated as deductible under paragraph 17(1)(c); and
 - (c) £17.10
 - (4) The provisions of section 6 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that section were a reference to 30 hours.
- 17.** In this Schedule 'part-time employment' means employment in which the person is engaged on average for less than 16 hours a week.

Schedule 4

Sums to be disregarded in the calculation of income other than earnings³⁷

³⁷ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended.

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills, and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant's participation as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker's allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment—
 - (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);

- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
 - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
 - (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14**
 - (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
 - (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
 - (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15**
 - (1) Subject to sub-paragraph (2), any of the following payments;
 - (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of

any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–
 - (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
 - (a) widowed mother's allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
(2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of–
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
(3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–
 - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student's award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
 - (c) the student's student loan,an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to–
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non- dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to–
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 26.** (1) Any payment made to the applicant in respect of a person who is a member of his family–

- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
 - (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 27.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under–
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 28.** Any payment made to the applicant or his partner for a person ('the person concerned'), who is not normally a member of the applicant's household but is temporarily in his care, by–
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 29.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.
- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home, and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund).
- 33.** Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 34.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 35.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering

or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

37. Any housing benefit.

38. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

39. - 40. not used

41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

- 42.** Not used
- 43.** Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
- 44.** Not used
- 45.** (1) Any payment or repayment made—
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
- 46.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
- 47.** Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
- 48.** (1) Where an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.
 (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.
 (3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
- 49.** Not used
- 50.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 51.** Any guardian's allowance.
- 52.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
 (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

- 53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55** (1) Any payment which is
 (a) made under any of the Dispensing Instruments to a widow, widower or
 (b) surviving civil partner of a person;
 (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
 (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10
- 56A.–56B.** Not used
- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—
 (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
 (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.
 (2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
 (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
 (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

61. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
62. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
64. **Provision for all applicants: Homes for Ukraine scheme**
(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
 - (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled.
(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.
65. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
66. Any payment of child benefit.

Schedule 5
Capital to be disregarded³⁸

³⁸ Any amounts shown in this schedule will be uprated in line with the Housing Benefit Regulations 2006 as amended.

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills, and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
 - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
 - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged

or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(3) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

- (3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—
- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
 - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum or was that person's partner at the date of his death.

10. Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
 - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

- 11.** Any sum—
 - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited, and which is to be used for the purchase of another home,for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)
 - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
 - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
 - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
 - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial

assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

- 20.** Any social fund payment made pursuant to Part 8 of the Act.
- 21.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 22.** Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24.** (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,
 but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,
 but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

- 25.** (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

- 26.** Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

- 27.** Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

- 28.** Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
 - (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
 - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),but only for a period of 52 weeks from the date of receipt of the payment or repayment.
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.

41. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 41A. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
42. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
43. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
44. Not used
45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
46. (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax reduction), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax reduction), sub-paragraph (1) shall not have effect.
47. (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
(b) which can only be disposed of by order or direction of any such court; or
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
(2) This sub-paragraph applies to a sum of capital which is derived from;
(a) an award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
(a) award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
49. Any payment to the applicant as holder of the Victoria Cross or George Cross.
50. **Provision for all applicants: Homes for Ukraine scheme**
(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
(c) an applicant's entitlement to a reduction under the scheme; or
(d) the amount of any reduction to which the applicant is entitled.
(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

- 51.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
- 52.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to—
- (i) regulations made under section 518 of the Education Act 1996;
- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
- (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to;
- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
- (ii) regulations made under section 181 of that Act ;
- or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of—
- (a) the applicant;
- (b) the applicant's partner;
- (c) the applicant's deceased spouse or deceased civil partner; or
- (d) the applicant's partner's deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.

57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
 - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
 - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person—
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,
 whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
 - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,
 whichever is the latest.
- (5) In this paragraph, a reference to a person—

(a) being the diagnosed person's partner;
(b) being a member of a diagnosed person's family;
(c) acting in place of the diagnosed person's parents,
at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

- (6) In this paragraph– 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;
'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
'trust payment' means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner

- (a) was a slave labourer or a forced labourer;
(b) had suffered property loss or had suffered personal injury; or
(c) was a parent of a child who had died,

during the Second World War.

- 59 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.

60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)



MALDON DISTRICT COUNCIL

Maldon District Council Policy for the granting of Discretionary Non-Domestic Rate Relief

Version Control

<i>Version</i>	<i>Version date</i>	<i>Revised by</i>	<i>Description</i>
1	June 2017	LM	Policy
2	June 2017	DA	Revisions
3	July 2017	LM	Revisions
4	July 2017	DA	Sign Off
5	October 2017	LM	Revisions MLM
6	November 2017	LM	Revisions MLM
7	January 2019	LM	Full update of policy
8	April 2020	LM/DA	Full update of policy & inclusion of COVID-19 reliefs
9	April 2021	LM/DA	Full update of policy & inclusion of COVID-19 reliefs
10	February 2022	LM/DA	Full update of policy & inclusion of COVID-19 reliefs
11	February 2023	LM/DA	Full update of policy & inclusion of Cost of Living reliefs
12	March 2023	LM/DA	Inclusion of Heat Network Relief
13	December 2023	LM/DA	Changes to all reliefs for 2024, including the Non Domestic Rating Act 2023

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1st April 2024 and includes all new reliefs due to the revaluation of rateable values in April 2023 and the Non Domestic Rating Act 2023. The Council is keen to support businesses during the crisis, as far as possible.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2023. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.
- 1.5 This document outlines the following areas:
- Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
 - The Council's policy for the granting of all types of Discretionary Reliefs;
 - Guidance on granting and administering the reliefs and awards; and
 - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

Rural Rate Relief

- 2.4 From 1st April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997³, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 100 per cent⁴. Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8500; any food shop with a Rateable Value of up to £8500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12500.
- 2.5 From 1st April 2024, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief.

What rural settlements exist within the Maldon District Council's area?

- 2.6 The following are deemed to be rural settlements within the District Council's area:
- | | | |
|------------------|--------------------|---------------|
| Althorne – North | Althorne _ South | Asheldham |
| Bradwell-On-Sea | Bradwell Waterside | Cold Norton |
| Dengie | Goldhanger | Great Braxted |

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

³ LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997

⁴ the increase to 100% mandatory relief is effected by The Non Domestic Rating Act 2023 with effect from 1st April 2024.

Great Totham – North	Great Totham -South	Hazeleigh
Heybridge Basin	Langford	Latchingdon
Little Braxted	Little Totham	Mundon
North Fambridge -North	North Fambridge -South	Purleigh
St. Lawrence	Steeple	Stow Maries
Tillingham	Tollesbury	Tolleshunt D'arcy
Tolleshunt Knights	Tolleshunt Major	Ulting
Wickham Bishops	Woodham Mortimer	Woodham Walter

- 2.7 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.
- 3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority's area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.6 Granting of the relief falls broadly into the following categories:
- (a) Discretionary Relief – Charities who already receive mandatory relief.

- (b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
- (c) Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV;
- (d) Discretionary Relief – Granted under the Localism Act 2011 provisions;
- (e) Local Newspaper Relief (from 1st April 2023 until 2025);
- (f) Supporting Small Businesses Relief (from 1st April 2023 for a period of up to three years);
- (g) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2024 for a period of one year);
- (h) S49 Hardship Relief.

3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council's general approach to granting Discretionary Relief

- 3.8 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:
- (a) The awarding of relief will be in line with the Council's vision and values. Details can be found at
 - (b) That any award should support business, charities, organisations, and groups that help to retain services in the Council's area and not compete directly with existing businesses in an unfair manner;
 - (c) It should help and encourage business, charities, organisations, groups, and communities to become self-reliant;
 - (d) Awarding discretionary relief should not distort competition or significantly change the provision of services within the Council's area;
 - (e) Local organisations will be given priority over national organisations. Where requested, the organisation will need to supply the Council with clear evidence of **all** financial affairs (normally two full years) including, and most importantly, the amounts of monies raised, used, and invested locally. This will be essential where the organisation is national in nature;
 - (f) To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to the priorities of the Council, which without granting discretionary relief they would be unable to do;
 - (g) To assist the Council in delivering services which could not be provided otherwise;
 - (h) To enable the Council to determine the level of rate change in comparison with the organisation's financial situation; and
 - (i) To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it;
- 3.9 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.
- 3.10 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

The Council's approach to granting Government led Discretionary Relief schemes.

- 3.11 Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

4.0 Effect on the Council's Finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.
- 4.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, 40% by the Council and 10% by Essex County Council. This also applies where mandatory relief is granted.
- 4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas.
- 4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

Appendix	Relief Type	Granted after 1st April 2023
	Charity Relief	
A	Discretionary relief granted to Mandatory Relief recipients	40% borne by the Council
B	Non-profit Making Organisations including Sports Clubs and societies	40% borne by the Council
	Rural Rate Relief	
C	Other premises within a rural settlement under £16500 RV	40% borne by the Council
	Localism	
D	Discretionary Relief granted to ratepayers generally and not covered by any other section.	40% borne by the Council

Appendix	Relief Type	Granted after 1 st April 2023
	Local Newspaper Relief	
E	Discretionary Relief granted to local newspapers meeting the criteria (From 1 st April 2023 up until 2025)	Section 31 Grant
	Supporting Small Business Relief	
F	Supporting Small Businesses Relief (from 1 st April 2023 for a period of up to three years if conditions are met	Section 31 Grant
	Retail, Hospitality and Leisure Business Rates Relief	
G	Retail, Hospitality and Leisure Business Rates Relief (from 1 st April 2023 for a period of one year)	Section 31 Grant
	S49 Hardship Relief	
H	Partial or full relief for cases of hardship where it would be reasonable to do so having due regard to the interests of council taxpayers	40% borne by the Council

5.0 Administration of Discretionary Relief

- 5.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction as allowed by the Non Domestic Rating Act 2023.

Applications and Evidence

- 5.2 All reliefs must be applied for. Application forms are produced by the Council both in hard copy and electronic format. The relevant forms are available online via www.maldon.gov.uk/apply
- 5.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts (normally the last two years), financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.
- 5.4 Applications should initially be made to the Revenues and Benefits Services and will be determined in accordance with Section 7 of this policy.
- 5.5 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

Granting of relief

- 5.6 In all cases, the Council will notify the ratepayer of decisions made.
- 5.7 Where an application is successful, the ratepayer will be notified. Where relief is not granted, then the following information is provided;
- An explanation of the decision within the context of the Council's statutory duty; and
 - An explanation of the appeal rights (see below).
- 5.8 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Where the relief is fully Government funded, relief will be granted as long as the ratepayer is eligible.
- 5.9 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.
- 5.10 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

Variation of a decision

- 5.11 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect on a date determined by the Council.
- 5.12 A decision may be revoked at any time by the Council.

6.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 6.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 6.2 The Council's scheme of delegation allows for the Head of Revenues and Benefits to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature will be subject to consultation with the relevant executive or committee prior to final determination.
- 6.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 6.4 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.

Appeals

- 6.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by a member of the Service Leadership Team. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 6.6 Where the ratepayer wishes to appeal the decision of the member of the Service Leadership Team, the case will be considered by the Section 151 officer or another member of the Corporate Leadership team, whose decision on behalf of the Council will be final.
- 6.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

7.0 Reporting changes in circumstances

- 7.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible. This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 7.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

8.0 Fraud

- 8.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A

Discretionary Relief - Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered⁵ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- A.3 Charities are defined within the legislation as being an institution⁶ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁷, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980.
- A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

⁵ Registered with HMRC as a CASC

⁶ S67(10) Local Government Finance Act 1988

⁷ Income Tax Special Commissioners v Pemsell (1891)

Use of Premises - wholly or mainly used.

- A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.
- A.8 Guidance from the Department of Communities and Local Government (now DLUHC) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities
- A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

Offices, administration, and similar premises

- A.10 Premises used for administration of the Charity include:
- Offices;
 - Meeting Rooms; and
 - Conference Rooms.

Charity shops

- A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received

Granting of Mandatory Relief - the Council's Policy

- A.13 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.

Charity Relief – Mandatory Relief recipients, the Council’s Policy for granting discretionary relief.

- A.14 The Council will consider applications for a discretionary rate relief top up from charities based on their own merits, on a case-by-case basis.
- A.15 In determining the application, the following matters will be taken into consideration:
1. How the charity supports and links into the Council’s corporate vision and priorities;
 2. The purpose of the charity and the specific activity carried out within the premises for which the relief is requested; and
 3. Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity. The Council is keen to ensure that the organisation provides significant benefit to local residents.
- A.16 The Council is keen to support businesses that have a critical role to play in the local economy and to assist the Council in meeting the corporate aims and values.
- A.17 In the case of registered Community Amateur Sports Clubs, the key criteria in determining the application will be:
1. The ratepayer occupies the whole hereditament;
 2. Relief cannot be granted in respect of premises that are occupied by the Council or precepting authority;
 3. How the CASC supports and links into the Council’s corporate vision and priorities;
 4. The membership and fee structure, and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
 5. Membership numbers and the number and percentage of these members that are local residents;
 6. If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, people over 50 and people with disabilities;
 7. Whether facilities are available to the wider community regardless of ability; and
 8. If the CASC runs a bar or food provision: the level of income from this activity and how this money is used; and whether the CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the CASC.
- A.18 The Council wishes to support and enable appropriate businesses to start, develop and continue with their operations that deliver outcomes directly related to the Council’s aims and vision. In the main, this will be done through other means rather than granting discretionary relief. There may be occasions where applications are made for such relief or where a package of measures, including discretionary relief, are appropriate in supporting businesses.

Appendix B

Discretionary Relief - Non-Profit Making Organisations including Recreation.

Discretionary Relief – Non-Profit Making Organisations including Recreation.

General explanation

Non-Profit

- B.1 The legislation⁸ allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority (*excepted premises*).
- B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.⁹

Recreation Clubs

- B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.
- B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
- The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - The advancement of the physical education of young people not undergoing formal education.
- B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

⁸ S47 Local Government Finance Act 1988

Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following¹⁰

Aikido	Croquet	Kabaddi	Real Tennis	Tang Soo Do
American Football	Crossbow	Karate	Roller Hockey	Tenpin Bowling
Angling	Curling	Kendo	Roller Skating	Trampolining
Archery	Cycling	Korfball	Rounders	Triathlon
Arm Wrestling	Disability Sport	Lacrosse	Rowing	Tug of War
Association Football	Dragon Boat Racing	Lawn Tennis	Rugby League	Unihoc
Athletics	Equestrian	Life Saving	Rugby Union	Volleyball
Australian Rules Football	Fencing	Luge	Sailing	Water Skiing
Badminton	Fives	Modern Pentathlon	Sand/Land	Weightlifting
Ballooning	Flying	Motor Cycling	Yachting	Wrestling
Baseball	Gaelic Football	Motor Sports	Shinty	Yoga
Basketball	Gliding	Mountaineering	Shooting	
Baton Twirling	Golf	Movement, Dance, Exercise & Fitness	Skateboarding	
Biathlon	Gymnastics	Netball	Skiing	
Bicycle Polo	Handball	Orienteering	Skipping	
Billiards and Snooker	Hang/Para Gliding	Parachuting	Snowboarding	
Bobsleigh	Highland Games	Petanque	Softball	
Boccia	Hockey	Polo	Sombo Wrestling	
Bowls	Horse Racing	Pony Trekking	Squash	
Boxing	Hovering	Pool	Skater/Street Hockey	
Camogie	Hurling	Quoits	Sub-Aqua	
Canoeing	Ice Hockey	Racketball	Surf Life Saving	
Caving	Ice Skating	Rackets	Surfing	
Chinese Martial Arts	Jet Skiing	Raquetball	Swimming & Diving	
Cricket	Ju Jitsu	Rambling	Table Tennis	
	Judo		Taekwondo	

Access to clubs

B.8 Guidance issued by the DCLG (now DLUHC) also requires the Council to consider access to clubs within the community before granting discretionary relief.

B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the

¹⁰ Definition last reviewed by Sport England in 2002

field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

- B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- B.11 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community e.g., young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

Provision of facilities

- B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g., young people, the disabled, retired people.
- B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.
- B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

Discretionary Relief - Non-Profit Organisations including Recreation - the Council's Policy

- B.15 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken into consideration (The list is not exhaustive):
- How the organisation supports and links into the Council's corporate vision and priorities;
 - Whether the facilities provided include education and/or training for members as a whole or for special groups;
 - The extent to which the facilities provided reduce the demand for Council services or produce savings;
 - Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
 - If covered by a membership scheme, membership numbers and the number and percentage of these members that are local residents; and
 - If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.

B.16 The Council will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used.; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

Appendix C

Discretionary Relief - Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

- C.1 The Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16500 or less and:
- (a) Property is used for purposes which are of benefit to the local community; and
 - (b) It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.
- C.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.
- C.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

- C.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.
- C.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

Rural Rate Relief – the Council's Policy for granting discretionary relief.

- C.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to a maximum of 100%.
- C.7 In determining the application the following matters will be taken into consideration:
- The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
 - The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
 - The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
 - The business is considered by the Council to be essential to the community and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement;
 - The granting of any discretionary relief is reasonable having regard to the effect on taxpayers of the District.

Appendix D

Discretionary Relief - Localism Act 2011

Discretionary Relief – Localism Act 2011

General explanation

- D.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Taxpayers of its area.
- D.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Taxpayers.

Discretionary Relief – Localism – the Council's Policy

- D.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's discretionary relief policy.
- D.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non-profit making organisations etc.) must meet **all** of the following criteria and the amount of relief granted will be dependent on the following key factors:
- (a) The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
 - (b) The ratepayer **must not** be entitled to Central Government funded reliefs;
 - (c) The ratepayer **must not** be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
 - (d) The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
 - (e) The premises and organisation **must** be of *significant* benefit to residents of the Council's area;
 - (f) The premises and organisation **must** relieve the Council of providing similar facilities;
 - (g) The ratepayer **must**;
 - Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
 - Provide *significant* employment or employment opportunities to residents of the Council; **or**
 - Provide the residents of the area with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;
 - (h) The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term;
 - (i) whether the premises occupied are considered to be reasonable having regard to the size and location of the premises, the size and nature of the organisation, and the use being made of the premises by the organisation; **and**

(j) The ratepayer **must** show that the activities of the organisation are consistent with the Council's core values and priorities.

D.5 Where a ratepayer can demonstrate that **all** of the above criteria are met, relief will be considered for initially a short period.

Appendix E

Local Newspaper Relief

General Explanation

- E.1 This is a temporary relief that will be awarded until 2025 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- E.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

Eligibility criteria

- E.3 The scheme will provide a £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

Local Newspapers

- E.4 The relief is to be specifically for local newspapers and by that, the Council means what would be considered a "traditional local newspaper." The relief will not be available to magazines.

Office Space

- E.5 The hereditament **must** be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

- E.6 The amount of relief is limited to a maximum of one discount per newspaper title (e.g., per newspaper name) **AND** per hereditament.

Local Newspaper Relief - the Council's policy for granting discretionary relief.

- E.7 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix F

Supporting Small Businesses Relief (until 31st March 2026)

General Explanation

- F.1 For the financial years 2023/24 to 2025/26, the Government will, in line with the eligibility criteria set out below, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant 2023 Supporting Small Business relief.
- F.2 It will be for the Council, which administers the 2023 Supporting Small Business (2023 SSB) relief, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- F.3 Central government will reimburse the Council and major precepting authorities for the actual cost to them under the rates retention scheme of the 2023 Supporting Small Business relief that falls within the definitions in this policy.

Who is eligible for the 2023 Supporting Small Business Relief (2023 SSB) and how much relief will be available?

- F.4 2023 SSBR will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills.
- F.5 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.
- F.6 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).
- F.7 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for 2023 SSBR.
- F.8 The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024.
- F.9 The Council will ensure this eligibility criteria is clear in the scheme approved and that relief for these ratepayers is awarded for one year only so that the relief can then be withdrawn on 31 March 2024 without further notice.

- F.10 A change of ratepayers will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
- F.11 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.

Sequence of reliefs

- F.12 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSBR. For the avoidance of doubt, small business rate relief or rural rate relief will not be applied to further reduce the bill found under 2023 SSBR (to avoid the double counting of relief).
- F.13 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2023 SSBR.
- F.14 All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of 2023 SSBR.

Subsidy control

- F.15 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- F.16 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2024/25 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.
- F.17 In those cases where it is clear to the Council that the ratepayer is likely to breach the MFA limit then the Council will withhold the relief. Otherwise, the Council may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the Council if they are in breach of the MFA limit.
- F.18 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Recalculations of reliefs

- F.19 As with other reliefs, the amount of SSBR awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.
- F.20 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.
- F.21 Therefore, when making an award for SSBR, the Council will ensure the conditions of the award that the relief are subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact.
- F.22 The Council will also ensure that the scheme provides that eligibility for those ratepayers previously in the 2017 SSBR scheme in 2022/23 are eligible for one year of relief only and that the relief will then be withdrawn from those ratepayers on 31 March 2024 without further notice.

Supporting Small Business Rates Relief (2023/24 to 2025/26) - the Council's policy for granting discretionary relief.

- F.23 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix G

Retail Hospitality and Leisure Relief Scheme (2024/25)

General Explanation

- G.1. The 2024/25 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

How will the relief be provided?

- G.2 As this is a temporary measure for 2024/25, Government is not changing the legislation relating to the reliefs available to properties. Instead, Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for the Council to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- G.3 Government will fully reimburse the Council and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.
- G.4 The government expects the Council to apply and grant relief to qualifying ratepayers from the start of the 2024/25 billing year.

Which properties will benefit from relief?

- G.5 Hereditaments which benefit from the relief will be those which for a chargeable day in 2024/25:
- (a) meet the eligibility criteria; and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2025. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
- G.6 The Council has decided that, for the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.
- G.7 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves or precepting authorities

How much relief will be available?

- G.8 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2024/25 under this scheme is for chargeable days from 1 April 2024 to 31 March 2025, 75% of the chargeable amount.

- G.9 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable relief etc.) will be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to, at cost to themselves, offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where the Council applies a locally funded relief under section 47, this will be applied after the Retail, Hospitality and Leisure relief.
- G.10 The ordering **will** be applied in following sequence:
- Transitional Relief
 - Mandatory Reliefs (as determined in legislation)
 - S.47 Discretionary Relief in the following order:
 - (i) 2023 Supporting Small Business (SSB);
 - (ii) Former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable, CASC, rural top up, and not for profit) will be applied first in the sequence of discretionary reliefs, after SSB;
 - (iii) Other discretionary (centrally funded);
 - (iv) 2024/25 Retail Hospitality and Leisure relief scheme; and
 - (v) Other locally funded schemes (such as section 49 hardship).
- G.11 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2024/25:
- Amount of relief to be granted = $V \times 0.75$ 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.
- G.12 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- G.13 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.

The Cash Cap and Subsidy Control

- G.14 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- G.15 Where a ratepayer has a qualifying connection with another ratepayer, then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other, or
 - (ii) both are subsidiaries of the same company; or

- (b) where only one ratepayer is a company, the other ratepayer (the "second ratepayer") has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- G.16 The Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- G.17 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2024/25 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'.
- G.18 In those cases, where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit, then the Council will automatically withhold the relief.
- G.19 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Splits, mergers, and changes to existing hereditaments

- G.20 The relief will be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

Recalculations of relief

- G.21 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
- G.22 Under regulations made under section 47 of the Local Government Finance Act 1988 the Council must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, the Council may still make decisions to ensure the scheme is administered in accordance with the extant rules. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- G.23 The Council uses the following definitions to establish eligibility for the relief:

Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:

- they are wholly or mainly being used:
 - (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues,
 - (ii) for assembly and leisure; or
 - (iii) as hotels, guest & boarding premises, or self-catering accommodation

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

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

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g., for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops

- Coffee shops
- Pubs
- Bar

iv. Hereditaments which are being used as cinemas.

v. Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- 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.

vi. Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities).

- 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

vii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs, and institutions

viii. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

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

G.24 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than

occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

- G.25 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- G.26 The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount. Again, it is for the Council to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them **not** eligible for the discount under their local scheme:
- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops);
 - Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
 - Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents); and
 - Post office sorting offices.

Retail Hospitality and Leisure Business Rates Scheme (2024/25) - the Council's policy for granting discretionary relief.

- G.27 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix H

Section 49 - Hardship Relief

General explanation

- H.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

Section 49 Hardship Relief – the Council's Policy

- H.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Lead Specialist – Service Delivery will consider applications. Application forms are available at www.maldon.gov.uk/apply
- H.3 In making decisions on whether to award the relief the Council takes into account the following criteria (not listed in any priority):
- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule;
 - Any reduction of the rates must be shown to be significant to the future viability of the business;
 - The business must continue to trade;
 - Cash flow forecasts for a minimum of the next twelve months must be provided together with a comprehensive Business Plan incorporating a brief history of the business;
 - The test of "hardship" is not strictly confined to financial hardship and that this, in itself, is not a deciding factor;
 - The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
 - The loss of the business would worsen the employment prospects in the area;
 - The interests of the Council Tax payers of the area would be best served by awarding the relief;
 - The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship;
 - The business provides employment to local residents in an area where employment opportunities are limited;
 - Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business;
 - Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation; and
 - The ratepayer will provide additional information as deemed necessary by the Council to be essential in order for a fair evaluation of the application.

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MALDON DISTRICT COUNCIL

Empty Homes and Second Homes Premium Policy 2024-25

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1. Introduction and background

- 1.1 The following policy outlines the Council's approach to the levying of empty homes premium and second homes premiums.
- 1.2 Premiums were also introduced by government from 1 April 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term.
- 1.3 The legislation which introduced premiums is S11B of the Local Government Finance Act 1992 (inserted by the Local Government Finance Act 2012). Premiums could only be charged on long-term empty dwellings. An empty dwelling is one which is 'unoccupied' and 'substantially unfurnished'. The definition of long-term is where the dwelling has been empty for a continuous period of at least 2 years.
- 1.4 Initially the maximum level of premium was set by government at 50% of the amount of Council Tax chargeable. Each Council could determine the level of premium up to the maximum and this is charged in addition to the amount determined by the Council as payable for an empty dwelling¹
- 1.5 Certain classes of dwellings cannot be charged a premium namely:
 - a dwelling which would be the sole or main residence of a person but which is empty while that person resides in accommodation provided by the Ministry of Defence by reason of their employment i.e., service personnel posted away from home²; or
 - dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property³.
- 1.6 In 2018 the Rating of Property in Common Occupation and Council Tax (Empty Dwellings) Act allowed authorities to increase the level of premiums on empty dwellings with effect from 1 April 2019 as follows;
 - Dwellings left unoccupied and substantially unfurnished for 2 years or more, - from 1 April 2019 a premium can be levied up to 100%;
 - Dwellings left unoccupied and substantially unfurnished for 5 years or more, - from 1 April 2020 a premium can be levied up to 200%; and
 - Dwellings left unoccupied and substantially unfurnished for 10 years or more, - from 1 April 2021 a premium can be levied up to 300%.
- 1.7 It should be noted that premiums are charged in addition to the 100% Council Tax payable on empty premises.

¹ Under the Council Tax (Prescribed Classes of Dwelling)(England) Regulations 2003 and amended by the Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes C & D.

² Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes E

³ Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes F

- 1.8 Government, together with local authorities (including the Council) has unfortunately seen a rise in the number of empty homes together with a growth in second homes.
- 1.9 Inconsistencies in the legislation have also been identified whereby a premium can be avoided by the taxpayer merely furnishing an empty premises, when it would become a 'second home' which currently has a maximum charge of 100% with no premium.
- 1.10 In order to address these inconsistencies, and also to bring more dwellings into use, government has introduced sections within the Levelling Up and Regeneration Act 2023 (the Act).
- 1.11 This policy details the Council's approach in the charging of premiums as allowed within the new legislation.
- 1.12 The continued pressure on local authority finances (both the Council and the Major Preceptors) together with the need to encourage all owners of domestic premises to bring them back into use, makes it essential that the Council changes its approach to empty homes. The new legislation for second home premiums will encourage the use of dwellings as primary residences.

2. Empty homes premiums (From 1 April 2024)

- 2.1 Section 79 (1) (b) of the Levelling Up and Regeneration Act 2023 permits the Council to impose an empty homes premium after one year instead of two years. Section 80 of the Act provides that from 1 April 2024, a property can be charged an empty homes premium at 100% after one year, even if it became empty before 1 April 2024.
- 2.2 The Council has resolved to implement the change with effect from 1 April 2024
- 2.3 The legislation requires the Council to be mindful of any guidance or further regulation in relation to the implementation of the premiums and this is detailed in Section 4 of this policy.

3. Introduction of premiums for second homes (From 1 April 2025)

- 3.1 The definition of a second home for Council Tax purposes is a dwelling which has "no one resident" but is "substantially furnished".
- 3.2 Section 80 (2) of the Act inserts a new section 11C into the Local Government Finance Act 1992. This permits the Council to apply a premium on second homes. The maximum Council Tax charge in these cases would be a standard 100% charge plus a premium of 100% making a total Council Tax charge of 200%.

- 3.3 Unlike empty dwellings, there is no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply.
- 3.4 As with other changes introduced by the Act, section 11C (3) requires that the first decision to impose this class of premium must be taken at least 12 months before the financial year to which it would apply. In effect this means that premiums for second homes will not take effect until the 2025-26 financial year at the earliest.
- 3.5 The Council has resolved to charge second home premiums and has given the required notice.
- 3.6 The Act provides that a dwelling cannot be subject to both a second homes premium and an empty homes premium imposed under section 11B of the 1992 Act, and that an existing empty homes premium would cease to apply to a property which became subject to a second homes premium.

4. Exceptions from the premiums (empty homes premiums and second homes premium)

- 4.1 At the time of writing this policy, government has issued a consultation (which has now ended), seeking views on possible categories of dwellings which should be dealt with as exceptions to the Council Tax premiums. Regulations are expected to cover the exceptions for both empty homes premium, and also the second homes premiums.
- 4.2 **The Council has included the proposed exceptions below however; it should be noted that these MAY CHANGE when the new regulations are commenced.**
- 4.3 The consultation proposes that there will be circumstances where premiums will either not apply or be deferred for a defined period of time. These are as follows:
- **Properties undergoing probate** - the government proposes that these properties should be exceptions to both the second homes and empty homes premiums for a **maximum of 12 months**. The exception would start once probate or letters of administration is granted. This will not affect the Class F Council Tax exemption or the ability for the Council to charge its determined rate of Council Tax following the expiry of the Class F exemption;
 - **Properties that are being actively marketed for sale or rent** - the government proposes that this exception will apply for up to a **maximum of 6 months** from the date that active marketing commenced, or until the property has been sold or rented, whichever is the sooner. The Council, in determining whether this exemption applies will require the following evidence:
 - (a) evidence that the dwelling is being **actively** marketed for sale or rent through a recognised agent (evidence can include contracts with

agents, advertisements in recognised newspapers or marketing websites);

- (b) where the premises are being self-marketed by the owner or landlord, evidence that the premises is being **actively** marketed (evidence can include advertisements in recognised newspapers or letting websites;
- (c) where for sale, evidence that the premises are being sold at a true market level for the size and type of dwelling within the area in which it is situated. Where the dwelling is for let, that the rent requested is at a true market level for the size and type of dwelling within the area in which it is situated.

The above list is not exhaustive and the Council reserves the right to request further evidence to support any claim for exemption. The exemption will only apply once to any taxpayer or taxpayers if they are jointly and severally liable;

- **Empty properties undergoing major repairs** - this is time limited to 6 months. The government proposes that empty properties undergoing major repair works or structural alternations should be an exception to the premium for up to 6 months once the exception has been applied or when the work has been completed, whichever is the sooner. The exception will be applied at any time after the property has been empty for at least 12 months, so long as the Council is satisfied that the necessary repair work is being undertaken. As with all other exemptions to the premiums, the Council will require the taxpayer to provide such evidence as is required to support their application;
- **Annexes forming part of, or being treated as, part of the main dwelling** - the government proposes that such annexes should be an exception to the Council Tax premium on second homes;
- **Job related dwellings** - currently, there is a Council Tax discount of up to 50% for properties which are unoccupied because the owner is required to live elsewhere for employment purposes. The discount applies where the dwelling is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings for employees. The government proposes that the dwelling should also be an exception to the second homes premium. **The exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintain their previous address;**
- **Occupied caravan pitches and houseboat moorings** - the government proposes that these caravans and boats should be an exception to the Council Tax premium on second homes; and
- **Seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation or prevents occupancy as a person's sole or main residence** - the government proposes that properties that have restrictions or conditions preventing occupancy for a continuous period of at least 28 days in any 12-month period, or specifies its

use as a holiday let, or prevents occupancy as a person's sole or main residence, should be an exception to the second homes premium.

- 4.4 It is understood that regulations will be issued late 2023 or early 2024 and the Council will need to ensure that any charging policy is in line with legislation. Therefore, the Council's Section 151 Officer is granted delegated powers to amend this policy in line with legislative or government requirements.

5. Outcome expected and 'safety net'.

- 5.1 The expected outcomes of this policy are as follows:
- (a) Taxpayers will be encouraged, through the implementation of the premiums, to bring empty properties into use and to revert the use of second homes to primary residences;
 - (b) The reduction of empty homes and second homes within the Council's area in line with the Council's Empty Property Strategy; and
 - (c) Increased Council Tax income from empty homes and second homes.
- 5.2 There may be circumstances where the implementation of these changes may cause exceptional hardship to a taxpayer. In such cases, the Council will consider applications for a reduction in liability under its Section 13A (1)(C) of the Local Government Finance Act 1992 - Reduction in Council Tax liability policy.
- 5.3 Where such an application is received, it will be considered on an individual case basis taking into account the circumstances of the taxpayer and the situation regarding the level of Council Tax charged. Should the taxpayer be aggrieved by any decision of the Council a further right of appeal will be with the independent Valuation Tribunal.

6. Legislation

- 6.1 The legislation that covers this policy and the recommendations made is as follows:
- S11A & S11B of the Local Government Finance Act 1992;
 - S11C of the Local Government Finance Act 1992 (as introduced by the Levelling Up and Regeneration Act 2023);
 - The Levelling Up and Regeneration Act 2023; and
 - S13A(1)(C) Local Government Finance Act 1992 (reduction in liability).
- 6.2 Due to changes in the legislation, the Council will be required to amend this policy, at any time, in line with statute.

7. Finance

- 7.1 Any amount of premium received will be part of the Council's Collection Fund and will be shared between the Council and Major Precepting authorities in line with their share of the Council Tax.
- 7.2 Any reduction granted under S13A(1)(c) will be financed through the Council's general fund and do not form part of the Collection Fund.

8. Notification

- 8.1 Where a taxpayer is granted an exemption, a revised demand notice will be issued. Where an exemption is applied for but not granted, the Council will provide a notification of its decision.

9. Appeals

- 9.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 9.2 **The taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the tax payer accordingly.**
- 9.3 Where the taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Council's website or from the Valuation Tribunal Service website.

10. Delegated Powers

- 10.1 This policy for the Council Tax premiums has been approved by the Council. However, the Lead Specialist, Service Delivery is authorised to make technical amendments to ensure it meets the criteria set by government and the Council.

11 Fraud

- 11.1 The Council is committed to protecting public funds and ensuring that premiums are correctly charged.
- 11.2 A taxpayer who tries to reduce their Council Tax liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

- 11.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

12. Complaints

- 12.1 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this policy.

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Document Control Sheet

Document title	Pay Policy Statement
Summary of purpose	Compliance with Localism Act
Prepared by	Resources Specialist Services Manager
Status	Final
Version number	11
Approved by	Council
Approval date	
Date of implementation	1 April 2024
Review frequency	Annual (or as necessary before then)
Next review date	Feb 2025
Circulation	
Published on the Council's website	Yes

Validity Statement

This document is due for review by the date shown above, after which it may become invalid.



Pay Policy Statement

Note: This Statement has been written to meet the statutory requirements of the Localism Act 2011 and to aid transparency in respect of Maldon District Council's policy regarding pay to all staff.

The Council seeks to be able to recruit and retain employees in a way which is competitive and fair.

1. General policy

- 1.1 During 2018 the Council initiated a transformation programme. As part of this a Council wide Job Evaluation exercise was carried out on all posts based on a uniform set of criteria and placing all roles within a single unified pay scale. The pay scale was benchmarked and designed to be consistent with best practice.
- 1.2 All roles in the Council are job evaluated and place all roles within a single unified pay scale approved by the Council. Any appointment outside of this pay scale, for reason of market forces for instance where there are recruitment challenges, would be agreed by Strategy and Resources Committee.
- 1.3 The Job Evaluation process was designed to achieve compliance with Equal Pay legislation and to standardise the contractual terms and conditions of staff. Remuneration of all Council employees is governed by agreed policy and procedures.

2. Policy on Payments

2.1 Chief Officer Pay

- 2.1.1 Definition of "Chief Officers" for the purposes of this statement:

The term "Chief Officer" as employed in the Localism Act has a different meaning to the use made of it at Maldon District Council. For the purposes of this Pay Policy Statement only, the relevant posts are considered to be as listed below. To note; there is no Chief Executive post in the Maldon structure.

- The three Director posts
- The Monitoring Officer

2.2 Pay

- 2.2.1 The pay line of Directors is subject to the same factors as the rest of staff pay, for example any annual pay award granted.
- 2.2.2 Any exception to this, such as a proposal to change the pay of senior staff out of line with normal pay awards would be subject to a report to the Council and approval being given.
- 2.2.3 Directors have delegated powers to award discretionary points on an officer's salary scale within approved budgetary limits where they deem it to be in the interests of the Authority. This only applies to points up to the maximum of the salary band for that post.

2.3 Performance related pay and bonuses

- 2.3.1 Maldon District Council does not have performance related pay or bonus payments for any post. As there is no mechanism for linking pay and performance in this way 'earn back' arrangements are not appropriate.
- 2.3.2 Salaries are reviewed on an annual basis and any agreed increase is published as soon as the agreed increase is known. This will usually be backdated to 01 April where this is agreed part way through a year.
- 2.3.3 New staff receive an increment after successful completion of their six-month probationary period.
- 2.3.4 Internal movers may receive an increment at the six month anniversary under the Council's performance management scheme.
- 2.3.5 Incremental increases are not paid if you are already at the top of your pay band, or, if you have received an incremental rise within the previous 6 months.

2.4 Fees, allowances, benefits in kind and expenses

- 2.4.1 The Director of Strategy, Performance and Governance is also the Returning Officer for the District, meaning that the post holder has specific responsibilities in respect of all elections and national referenda held in the District. These duties attract fees that are variable depending on the election. For Parliamentary, Police, Fire and Crime Commissioner, European elections, and national referenda these are set by the Government, for County elections by Essex County Council and for District and Parish elections these are set locally.
- 2.4.2 Apart from this no fees, allowances, benefits in kind or expenses are available to the posts listed in section 2.1 above, other than those available to all staff and on the same basis.
- 2.4.3 Staff appointed as Deputy Returning Officer's by the Returning Officer can receive a proportion of the above fees dependent upon the responsibilities undertaken at each separate election.

2.5 Pension

- 2.5.1 All staff are eligible to join the Local Government Pension Scheme (LGPS) in accordance with the terms of that scheme. No special considerations apply to the posts listed in section 2.1 above.

2.6 Severance payments

- 2.6.1 Where senior staff leave in the normal course of business (resignation, retirement, etc.) the same procedures would be applied as for any other staff member and no additional payments would arise as a result.
- 2.6.3 Should a staff member leave as a result of a settlement agreement these, by their nature, are subject to negotiation with the individual and their representatives and so are variable in their terms. Such agreements are formal legal arrangements and confidentiality binding on both parties is a key component, so any payment arising from such an agreement would not be published. Authorisation of the payment would

be in accordance with the Statutory Guidance on the Making and Disclosure of Special Severance Payments, Council's terms of reference and scheme of delegation and it would need to represent value for money for the taxpayer in the circumstances.

- 2.6.4 Senior staff that were previously employed by the Authority and left with a severance or redundancy payment may be re-employed on a consultancy basis to cover short term staff pressures where it is considered appropriate and in the public interest to do so.

2.7 Additional Payments

- 2.7.1 When recruiting to a senior post the salary offered would be that applicable to the grade of the post, as determined by Job Evaluation, and within the established pay line. No additional payments would arise, unless a market supplement to enable recruitment was considered justified due to a recognised technical skill shortage in the job market.

2.8 Monitoring Officer

- 2.8.1 The Monitoring Officer is not subject to any additional payment.

2.9 Publication of remuneration of senior staff

- 2.9.1 This Pay Policy Statement, once approved by the Council, will be published on the Council's website.
- 2.9.2 The remuneration and pension contributions of the Directors are published annually in the Financial Statements of the Authority, along with the numbers of employees whose remuneration and pension contributions are £50,000 and over. These are placed on the Council's website.

3. **Lowest paid staff and The Real Living Wage**

3.1 Definition

- 3.1.1 Maldon District Council are committed to paying The Real Living Wage currently this is £12 per hour. Staff in Pay Bands A to C, on spinal points 1 to 9 are paid a supplement to bring their hourly rate of pay up to that of The Real Living Wage rate. The increased rate to £12 per hour was paid to employees from 01 November 2023.

3.2 Pay Policy in respect of lowest paid staff

- 3.2.1 No special considerations apply to the lowest paid staff. They are subject to identical terms and conditions, procedures, and policies as all other staff. In some cases, these policies give slightly different benefits to different levels of staff. For example, for the lowest five pay bands (A to E) enhanced pay rates for overtime are paid. No enhancement above grade E is paid. In contrast the basic amount of annual leave increases with grade bands.
- 3.2.2 The Council employs Apprentices, but these are not included within the definition of 'lowest paid employees' and are not subject to The Real Living Wage rate as they are paid the legal pay rate for Apprentices.

4. Pay Ratio's

- 4.1 The Pay Multiple is the ratio between the highest taxable earnings and the median earnings figure for the whole authority in accordance with the Transparency Code 2014.
- 4.2 Maldon, as at January 2023, has the ratio between the Director salary and the median of all staff as 1:3.56. The Government has considered setting twenty to one as a maximum. As Maldon District's Council's rate is currently below this amount it is not considered necessary to have a specific policy concerning the pay multiple. If the multiple starts to rise, for example above five to one, this could be reconsidered.

5. Pay Award

- 5.1 The National Joint Council (NJC) negotiates pay on behalf for Local Authority staff. Maldon District Council are committed to paying its employees the nationally agreed pay award each year. The award for 2023-24 was aligned to the Council's own pay scale as below:
- Spinal Column Point (SCP) A1 - J37: Increase of £1,925.00
 - SCP J38 - P64: Increase of 3.88%
- 5.2 This was applied pro rata for part time staff and not applicable for those staff on The Real Living Wage rate or on apprentice pay rates.
- 5.3 Employees who have left the Council's employment prior to their pay award being implemented may submit a written request for payment of monies owing to them.

6 Other pay

- 6.1 Honorarium payments may be awarded where an employee is undertaking additional duties such as covering a post at a higher level for a temporary period in recognition of an employee taking on a special project or role.
- 6.2 Information on the Council's policies on Occupational sick pay and maternity, shared parental leave, paternity and adoption leave can be obtained from the Council's Human Resources Team.

7 Other benefits

- 7.1 All employees have access to an Employee Assistance Programme which provides access to Counselling services and 24/7 confidential support.

8 Reimbursement of expenditure

- 8.1 All employees are required to make the best use of council resources and are obliged to consider the most cost-effective option when incurring any expenditure in the course of their duties.
- 8.2 Subsistence allowances are payable when employees incur additional expenditure on meals because they have been unable to follow their normal meal arrangements whilst out on business.

8.3 Examples of where an employee may need to incur expenditure on meals are as follows:

- Attendance at training courses or seminars where meals or refreshments are not provided
- Site visits
- Meetings at other organisations
- Travelling to locations as part of official duties

8.4 Subsistence amounts are stated in the Council's Mileage and Expenses Policy.

9 Pensions

9.1 The Council's pension scheme is administered by Essex County Council. General details of the LGPS are available from Human Resources. Both the employee joining the scheme and the Council contribute to the scheme.

9.2 The rules under which auto-enrolment operates will continue to apply to all Council employees. Eligible staff will be automatically enrolled unless they choose to opt out. This exercise will be repeated every three years on the anniversary of each eligible employee's enrolment.

10 Conclusion

10.1 The Localism Act 2011 requires relevant authorities in England and Wales to prepare a Pay Policy Statement for each subsequent financial year. This paper sets out the Council's policy statement on pay for employees. The next statement will be reported to the Council for its approval next year.

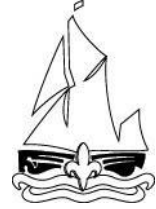
10.2. Should there be a need to amend the existing Pay Policy Statement during the course of the year an appropriate recommendation will be made to the Council.

Current Salary Bands 2023-24

Grade	SCP	1 April 2023 Pay	Monthly	Hourly	Time	Double
A	1	19257.88	1604.82	9.98	14.97	19.96
	2	20098.92	1674.91	10.42	15.63	20.84
	3	20242.14	1686.85	10.49	15.74	20.98
	4	20768.72	1730.73	10.76	16.14	21.52
B	5	20965.80	1747.15	10.87	16.31	21.74
	6	21576.38	1798.03	11.18	16.77	22.36
	7	21717.45	1809.79	11.26	16.89	22.52
	8	22312.43	1859.37	11.57	17.36	23.14
C	9	22593.95	1882.83	11.71	17.57	23.42
	10	23447.06	1953.92	12.15	18.23	24.30
	11	24312.97	2026.08	12.60	18.90	25.20
	12	25268.46	2105.71	13.10	19.65	26.20
D	13	25610.77	2134.23	13.27	19.91	26.54
	14	26413.76	2201.15	13.69	20.54	27.38
	15	27214.63	2267.89	14.11	21.17	28.22
	16	28015.48	2334.62	14.52	21.78	29.04
E	17	28361.00	2363.42	14.70	22.05	29.40
	18	28968.84	2414.07	15.02	22.53	30.04
	19	29582.02	2465.17	15.33	23.00	30.66
	20	30191.99	2516.00	15.65	23.48	31.30
F	21	30765.70	2563.81	15.95		
	22	31681.74	2640.15	16.42		
	23	32598.83	2716.57	16.90		
	24	33512.73	2792.73	17.37		
G	25	33630.03	2802.50	17.43		
	26	35154.97	2929.58	18.22		
	27	36683.11	3056.93	19.01		
	28	38211.25	3184.27	19.81		
H	29	39355.48	3279.62	20.40		
	30	41073.44	3422.79	21.29		
	31	42790.33	3565.86	22.18		
	32	44510.42	3709.20	23.07		
I	33	45082.00	3756.83	23.37		
	34	46810.92	3900.91	24.26		
	35	48517.91	4043.16	25.15		
	36	50236.94	4186.41	26.04		
J	37	50809.59	4234.13	26.34		
	38	52765.33	4397.11	27.35		
	39	54747.12	4562.26	28.38		
	40	56730.02	4727.50	29.40		

The Real Living Wage £12

K	41	57323.78	4776.98	29.71		
	42	59504.97	4958.75	30.84		
	43	61686.17	5140.51	31.97		
	44	63867.36	5322.28	33.10		
L	45	64463.35	5371.95	33.41		
	46	66246.85	5520.57	34.34		
	47	68032.56	5669.38	35.26		
	48	69816.07	5818.01	36.19		
M	49	71006.92	5917.24	36.80		
	50	72592.13	6049.34	37.63		
	51	74178.45	6181.54	38.45		
	52	75765.89	6313.82	39.27		
N	53	83855.90	6987.99	43.46		
	54	86116.86	7176.41	44.64		
	55	88376.70	7364.72	45.81		
	56	90637.66	7553.14	46.98		
O	57	92852.86	7737.74	48.13		
	58	95123.79	7926.98	49.31		
	59	97452.27	8121.02	50.51		
	60	99839.39	8319.95	51.75		
P	61	109665.94	9138.83	56.84		
	62	112971.86	9414.32	58.56		
	63	116274.54	9689.54	60.27		
	64	119580.45	9965.04	61.98		



**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
COUNCIL
15 FEBRUARY 2024**

TREASURY MANAGEMENT STRATEGY 2024 / 25

1. PURPOSE OF THE REPORT

- 1.1 The Code of Practice for Treasury Management requires the Council to approve a Treasury Management Strategy (the Strategy) before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. Members are therefore asked to consider and recommend to the Council the Treasury Management Strategy for 2024 / 25.

2. RECOMMENDATION

That the Treasury Management Strategy 2024 / 25 (**APPENDIX 1**) be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The Treasury Management Strategy for 2024 / 25 is attached at **APPENDIX 1** and the supporting Treasury Management Practices are attached at **APPENDIX 2**.
- 3.2 The Strategy has been reviewed by the Council's Treasury Advisor, Link Ltd and includes their latest Interest Rate and Economic Outlooks at the time of writing in December 2023.
- 3.3 The Strategy is materially unchanged from the 2023 / 24 Treasury Management Strategy.
- 3.4 The Treasury Management Policy is materially unchanged from 2023 / 24.

4. CONCLUSION

- 4.1 The Treasury Management Strategy has been updated in line with statutory requirements and good practice, having regard to the Council's financial position, links to wider strategies, plans and aims and the advice of the Council's external treasury advisor.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Smarter finances

- 5.1.1 The Treasury Management Strategy has considered what is best for the Council in terms of financial security, liquidity and yield and sought to strike the optimum balance.

5.2 A greener future

- 5.2.1 The Treasury Management Strategy consider the council's Ethical, Social and Governance (ESG) responsibilities in respect of its investments.

6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – A key element of the strategy is effective control of the risks associated with treasury management activities.
- (iv) **Impact on Resources (financial)** – Investment interest received is a financial resource available to support spending on service provision. Appropriately qualified and trained staff are involved in the day-to-day operation of the Treasury Management function.
- (v) **Impact on Resources (human)** – None.

Background Papers: Treasury Management Strategy report to the Strategy and Resources Committee – 25 January 2024.

Enquiries to: Lance Porteous, Lead Specialist, Finance.

Treasury Management Strategy Statement 2024 / 25

Maldon District Council

Introduction

The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

External Context 2023/24

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25%
 - Short, medium and long-dated gilts remain elevated
 - Consumer Price Index (CPI) inflation falling from 8.7% in April to 3.9% in November, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 5.1% in November from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth
- 0% rise in Gross Domestic Product (GDP) for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- A 0.4% m/m rebound in retail sales volumes in August reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, it is expected that the economy will continue to lose momentum and may soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year but the phasing out of financial support packages provided by the government means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. It is expected that the Bank of England will keep interest rates at the probable peak of 5.25% until the second half of 2024.
- The tightness of the labour market continued to ease; however the supply of labour is still 0.3% below its pre-pandemic February 2020 level. The cooling in labour market conditions still has not fed through to an easing in wage growth. The headline rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%.
- The Bank of England once again said that “further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures”, citing the rise in global bond yields and the upside risks to inflation from “energy prices given events in the Middle East” keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be “sufficiently restrictive for sufficiently long” and that the “Monetary Policy Committee’s (MPC)” projections indicate that monetary policy is likely to need to be restrictive for an extended period of time. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

Local Context

As of 31 December 2023, the Council held no borrowing and £37m of investments. This is set out in further detail in Appendix A. Forecast changes in these sums are shown in the balance sheet analysis in Table 1 below.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council is currently debt free, and its capital expenditure plans imply no need to borrow externally over the forecast period. Investments are forecast to fall to £14m by 31 March 2027 as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.

Table 1: Expected Investments

Year End Resources £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Usable reserves	-13,245	-9,796	-9,583	-8,844	-7,576
Capital receipts Reserves	-1,626	-1,328	-855	-683	-636
Provisions	1,238	-100	-100	-100	-100
Other	-11,553	-11,553	-11,553	-11,553	-11,553
Total core funds	-25,186	-22,777	-22,091	-21,180	-19,865
Working capital*	3,040	2,600	2,600	2,600	2,600
Under/over borrowing**	0	3,969	3,473	2,977	2,481
Expected investments	22,146	16,208	16,018	15,603	14,784

Table 2: Liability Benchmark

	31.3.23 Actual £000	31.3.24 Estimate £000	31.3.25 Budget £000	31.3.26 Forecast £000	31.3.27 Forecast £000
General Fund Capital Financing Requirement	226	3,969	3,473	2,977	2,481
Less Usable reserves	-8,303	-10,382	-9,847	-9,385	-8,519
Less available Working capital	-2,600	-6,600	-6,100	-5,600	-5,100
Plus Minimum Investments	10,000	10,000	10,000	10,000	10,000
Liability benchmark	-677	-3,013	-2,474	-2,008	-1,139

The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.

CIPFA recommends that the optimum position for external borrowing should be at the level of the Liability Benchmark (i.e., all balance sheet resources should be used to maximise internal borrowing). If the outputs show future periods where external loans are less than the Liability Benchmark, then this indicates a borrowing requirement thus identifying where the authority is exposed to interest rate, liquidity and refinancing risks. Conversely where external loans exceed the Liability Benchmark then this will highlight an overborrowed position which will result in excess cash in the organisation requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry.

Borrowing Strategy

The Council is currently debt free however its capital expenditure plans include the purchase of £3,969k of new waste vehicles in 2023/24 as part of the new Waste contract. This is planned to be financed through internal borrowing from the council's cash balances and will be repaid over the 8-year Waste contract.

In addition, the Council may borrow short-term loans, if required, to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except our Local Government Pension Fund)
- capital market bond investors
UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the

interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Treasury Investment Strategy 2024/25

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £26m and £37 million. Levels are expected to decrease in the forthcoming year as reserves are used to fund capital and revenue expenditure.

Objectives: The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Negative interest rates: Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: The Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

ESG policy: Environmental, Social and Governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. However when investing in banks and funds, the Authority has sought to exclude counterparties with any known links to the Russian Federation or Modern Slavery.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in Table 2 below, subject to the limits shown.

Table 2: Treasury investment counterparties and limits

Sector	Time limit	2023/24 Counterparty limit	2024/25 Proposed Counterparty Limit	Current Sector limit	Proposed Sector Limit
The UK Government	50 years	Unlimited	Unlimited	n/a	n/a
Local authorities & other government entities	25 years	£2m	£2m	Unlimited	Unlimited
Secured investments	25 years	£2m	£2m	Unlimited	Unlimited
Banks (unsecured investments)	13 months	£2m	£2m	Unlimited	Unlimited
Banks (operational banking)	Ongoing	£3m	£3m	Unlimited	Unlimited
Building societies (unsecured)	13 months	£2m	£2m	£5m	£5m
Registered providers (unsecured)	5 years	£2m	£2m	£5m	£5m
Money market funds	n/a	£5m	£5m	£20m	£20m
Strategic pooled funds	n/a	£5m	£5m	£12m	£12m
Real estate investment trusts	n/a	£5m	£5m	£12m	£12m
Other investments	5 years	£2m	£2m	£5m	£5m

This table must be read in conjunction with the notes below:

Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money Market Funds (MMF): Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real Estate Investment Trusts (REIT): Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore have kept below £3m per bank. The Bank of England has stated that in the event of failure, banks with

assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document at Appendix 2. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then no investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Council's revenue reserves available to cover investment losses were forecast to be £9 million on 31st March 2024. In order that available reserves will not significantly be put at risk in the case of a single default, the maximum that will be lent to any one organisation including UK Local Government Authorities (other than the UK Government) will be £2 million (excluding Natwest, the Council's operational bank). A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£2m each
UK Central Government	unlimited
UK Local Government Authorities	£2m per Council
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£5m per manager
Registered providers and registered social landlords	£2m in total
Unsecured investments with building societies	£5m in total
Money market funds	£20m in Total

Liquidity management: The Council uses purpose-built cash flow forecasting methods to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council spreads its liquid cash over at multiple providers to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio.

This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Investment Criteria	Target
Portfolio average credit score	UK organisation A- rating or better	4.6

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target £000
Total cash available within 3 months	£14,000

Interest rate exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£346,500
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-£346,500

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

As the Council does not have any external debt, the broad limits, above, have been set to allow any borrowing to be undertaken in the appropriate maturity band.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long Term Treasury Management Investments: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25 £000	2025/26 £000	2026/27 £000
Limit on principal invested beyond year end	£7,500	£7,500	£7,500

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial derivatives: Some councils have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO (Lender Option Borrower Option) loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local

authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk.

Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer considers this to be the most appropriate status.

Financial Implications

The budget for investment income in 2024/25 is £1,000,000, based on an average investment portfolio of £25 million at an average interest rate of 4.0%. The budget for debt interest paid in 2024/25 is currently zero as there no plan for any external borrowing requirement. However the budget for interest repaid due to internal borrowing in 2024/25 is £198k. If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget may change.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain

Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Additional notes by Link on this forecast table: -

- Our central forecast for interest rates was previously updated on 7 November and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is even.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.

- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the tightening in Bank Rate to 5.25%, **the Bank of England allows inflationary pressures to remain elevated** for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

We expect the MPC will keep Bank Rate at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. We do not think that the MPC will increase Bank Rate above 5.25%.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
2028/29	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q4 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Appendix A – Existing Investment and Debt Portfolio Position

	31 Dec 2023 Actual Portfolio £m	31 Dec 2023 Average Rate %
Total external borrowing	0	n/a
Total gross external debt	0	n/a
Treasury investments:		
UK Banks	4	5.2
Building societies (unsecured)	2	5.2
Certificate Deposit	0	0.0
Money Market Funds	8	4.9
Local Authorities	6	3.7
Other Financial Intermediaries	5	3.1
Debt management office	12	4.9
Total treasury investments	37	4.5

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TREASURY MANAGEMENT PRACTICES PRINCIPLES AND SCHEDULES

Introduction:

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Services (the Code) was last revised in December 2021. The Code requires the setting out of the responsibilities and duties of Members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. This Council had adopted the original Code and has similarly adopted the revised 2021 Code. The Code recommends the creation and maintenance of:

- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities,
- Suitable Treasury Management Practices setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.
- it has access to the appropriate level of expertise to be able to operate safely in all areas of investment and capital expenditure, and to involve members adequately in making properly informed decisions on such investments.

The Treasury Management Practices (TMPs) comprise:

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Schedules supporting these practices and other documents held at an operational level specify the systems and routines to be employed and the records to be maintained in fulfilling the Council's treasury functions.

TMP 1: RISK MANAGEMENT

All treasury management activities involve both risk and the pursuit of reward or gain for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of treasury management activities.

The Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out as schedules below.

- 1) **Credit and Counterparty Risk Management:** the risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

Principle: *The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques, and listed in the schedule. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.*

Schedule:

Criteria to be used for creating / managing approved counterparty lists / limits	The Section 151 Officer is responsible for setting a prudent criteria and the Council's treasury advisors will also provide guidance and assistance in setting the criteria. The criteria will be agreed by the Strategy and Resources Committee. The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include consideration of credit ratings from all 3 ratings agencies and other alternative assessments of credit strength (for example, statements of potential government support which now includes resolution mechanisms for failing financial institutions, CDS information, the composition of an institution's balance sheet liabilities). The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties. The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution. Higher time and cash limits may be set for secured investments (e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress.) - Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the

	collateral and counterparty rating will be used to determine time and cash limits.
Approved methodology for changing limits and adding / removing counterparties Risk management : (a) creditworthiness deteriorates below the minimum criteria (b) ratings are placed on review for downgrade	The Section 151 Officer has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above. Where an entity's credit rating is downgraded so that it fails to meet the minimum criteria, then - No new investments will be made, - Any existing investments that can be recalled or sold at no cost will be, and - Full consideration will be given to the recall or sale of other existing investments with the affected counterparty. Where a credit rating is placed on review for possible downgrade (also termed 'rating watch negative' or 'credit watch negative') so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on [the next working day] will be made with that organisation until the rating review has been completed and its outcome known. The policy in (b) will not apply for 'negative outlooks' which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.
Counterparty list and limits	A full individual listing of banking counterparties based on the criteria will be maintained. As credit ratings etc. are subject to change without notice, an up-to-date lending list will be maintained on an ongoing basis. It may be impractical to have a pre-determined list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria and whether the security is secured or unsecured will determine its selection for investment. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the minimum credit rating criteria.
Details of credit rating agencies' services and their application	The Council considers the ratings of all 3 ratings agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.
Description of the general approach to collecting / using information other than credit ratings for counterparty risk assessment	The Council's Treasury Advisor provides timely information on counterparties, in terms of credit rating updates and economic summaries. Credit default swap information is received monthly, as well as information on share price. The Council's Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank's unsecured liabilities should this be required by the regulatory Authorities. In addition, the Section 151 Officer reads quality financial press for information on counterparties.

- 2) **Liquidity Risk Management:** the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business / service objectives will be thereby compromised.

Principle : *The Section 151 Officer will ensure the Council has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.*

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Schedule:

Cash flow and cash Balances	The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain an annual cash flow forecast. The Senior Accountant shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned by investing surplus funds.
Short term investments	The Council uses various Current and Call Accounts and Money Market Funds to manage its liquidity requirements. These Accounts/Funds are named on the Council's approved counterparty list. The maximum balance on each of these accounts is reviewed and set as part of the Council's investment strategy.
Temporary Borrowing	Temporary borrowing up to 364 days through the money market is available should there be a cash flow deficit at any point during the year. At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.
Bank Overdraft and standby facilities	The Council has no authorised overdraft limit with its bankers.

- 3) **Interest Rate Risk Management:** The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

Principle: *The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.*

Schedule:

Minimum/ maximum proportions of fixed/variable rate debt/interest	Borrowing / investments may be at a fixed or variable rate. The Prudential Code requires the Council to determine each year the maximum proportion of interest payable on net borrowing which is subject to fixed and variable interest rates. This is set each year as part of the annual budget setting process. In setting its forward Treasury Strategy on an annual basis, the Council will determine the necessary degree of certainty required for its plans and budgets but will, at the same time, allow sufficient flexibility to enable it to benefit from potentially advantageous changes in market conditions and level of interest rates and also to mitigate the effects of potentially disadvantageous changes. The Council will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility. The Council may determine it is more cost effect in the short-term to fund its borrowing requirement through the use of internal resources ('internal borrowing') or through borrowing short-term loans. The benefits of such borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing or refinancing in future years when interest rates are expected to be higher.
Managing changes to interest rate levels	The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest. Interest rate forecasts are provided by the Council's treasury advisors and are closely monitored by the Finance Manager. Variations from original estimates and their impact on the Council's debt and investments are notified to the Strategy and Resources Committee as necessary. For its investments, the Council also considers dealing from forward periods dependent upon market conditions. The Council's counterparty term limits will apply and will include the forward period of the investment.

- 4) **Exchange Rate Risk Management:** The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

Principle: *The Council will manage any exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.*

Schedule:

Exchange rate risk management	This Council does not, on a day to day basis, have foreign currency transactions or receipts. Unexpected receipt of foreign currency will be converted to sterling at the earliest opportunity.

- 5) **Refinancing Risk Management:** The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Principle: *The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.*

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

Schedule:

Projected capital investment requirements	4 year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves and any grants or contributions awarded, revenue resources or reserves. Funding will be from internal or external borrowing, as decided. The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.
Debt profiling, policies and practices	Any longer term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council's Prudential Indicators and the Annual Treasury Management Strategy. Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.
Policy concerning limits on revenue consequences of capital financings	The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.

- 6) **Legal and Regulatory Risk Management:** The risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

Principle: *The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(1) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, Council and compliance in respect of the transactions they may affect with the Council, particularly with regard to duty of care and fees charged.*

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Schedule:

References to relevant statutes and regulations	The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are: ▪ CIPFA's Treasury Management Code of Practice 2017 and subsequent amendments ▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities ▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ Pensions, England and Wales - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 – SI 2009 No 3093 ▪ The Department for Levelling Up, Housing and Communities (DLUHC) statutory Guidance on Minimum Revenue Provision (MRP) ▪ The Office of the Deputy Prime Minister's (ODPM) (now DLUHC's) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments ▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883 ▪ Local Authority Accounting Panel (LAAP) Bulletins ▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2010/11 onwards) ▪ Accounts and Audit Regulations 2015, as amended together with DLUHC's Guidance ▪ The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets ▪ Council's Constitution including:- - o Standing Order relating to Contracts - o Financial Regulations - o Scheme of Delegation
Procedures for evidencing the organisation's powers / Authorities to counterparties	The Council's Financial Regulations contain evidence of the power/ Authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Strategy and Resources Committee. The Council will confirm, if requested to do so by counterparties, the powers and Authorities under which the Council effects transactions with them. Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.

Required information from counterparties concerning their powers / Authorities	Lending shall only be made to institutions on the Council's authorised lending list or in securities which meet the Council's approved credit criteria. The Council will only undertake borrowing from approved sources such as the PWLB (Public Works Loan Board) (and its successor body), organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing are contained in TMP 4.
Statement on political risks and management of the same	Political risk is managed by: • adoption of the CIPFA Treasury Management Code of Practice • adherence to Corporate Governance (<u>TMP 12 – Corporate Governance</u>)

- 7) **Fraud, Error and Corruption, and Contingency Management:** The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

Principle: *The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.*

Schedule:

Details of systems and procedures to be followed, including Internet services	Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements. 1. <u>Electronic Banking and Dealing</u> (a) <u>Banking</u>: The Council's online banking service provided by Nat West is subject to separate log-on and password control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers having access to the bank's online system are as follows: • Financial Services • Audit • IT Officer access is reviewed at least 6 monthly or as necessary. 2. <u>Standard Settlement Instructions (SSI) list :</u> • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI's. • Named officers will have Council to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility.

	3. <u>Payment Authorisation</u> : • Payments can only be authorised by agreed signatories of the Council, the list of signatories having previously been agreed with the Council's bank. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts.
Verification	Loans and investments will be maintained on spreadsheets Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc. When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee (and not those on the notice received for change of payment details) before altering payment details.
Substantiation	1. The Treasury Management system balances are reconciled with financial ledger codes at the end of each month and at the financial year end. 2. Working papers are retained for audit inspection. 3. The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
Internal Audit	Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. See <u>TMP7 Budgeting, accounting and audit arrangements</u>.
Contingency Management	1. All treasury spreadsheets are retained on the Council's network. Daily back-ups are taken and maintained and network back-ups can be used by the IT services department to restore files, if necessary. 2. Network backups are held off site in a secure location. 3. Temporary off-site working facility: The officers who can avail of this facility following an emergency are Finance Manager and Senior Accountant who will individually be made aware of the procedures to follow. 4. Electronic Banking System Failure: Balance details will be obtained by phone from the Banks Corporate Service Team. Instructions for CHAPS (Clearing House Automated Payments System) payments will be made by Telephone or email. 5. The Business Continuity Plan is maintained by the Finance Manager.
Insurance Cover details	The Council has Crime cover. Details of the provider and cover are held by the Senior Accountant

- 8) **Market Risk Management:** This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

Principle: *This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.*

Schedule:

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc.)	Investment instruments used by the external fund managers are subject to fluctuation in capital movements and exposed to interest rate risk. In order to minimise these risks capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective. Pooled funds with a Constant Net Asset Value (CNAV) – The Council currently uses pooled funds as per its Treasury Management Strategy and on advice from its treasury advisors. Additionally the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk : (a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts / bonds; (c) Maximum maturity of any instrument.
Accounting for unrealised gains / losses	The method of accounting for unrealised gains or losses on the valuation of financial assets comply with Accounting Code of Practice.

- 9) **ESG policy:** Environmental, Social and Governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. However when investing in banks and funds, the Authority has sought to exclude counterparties with any known links to the Russian Federation or Modern Slavery.

TMP 2: PERFORMANCE MEASUREMENT

Principle: *The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.*

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, or the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out below.

Schedule:

Policy concerning methods for testing value for money	Best value reviews will include the production of plans to review the way services are provided by • Challenging • Comparing performance • Consulting with other users and interested parties • Applying competition principles in order to pursue continuous improvement in the way the Council's functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.
Policy concerning methods for performance measurement	• Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Treasury Management Strategy and the Council's Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between Authorities. • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council's agreed strategy, i.e. the Council will avoid hindsight analysis. Any comparison of the Council's treasury portfolio against recognised industry standards, market indices and other portfolios is intended to: - allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and - permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. In drawing any conclusions the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.

Methodology to be applied for evaluating the impact of treasury management decisions	Monitoring of the outcome of treasury management activity against Prudential Indicators approved by the Council will be carried out. The year-end Annual Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments. The Council's Treasury Management advisors compare the performance of the Council's in-house funds against all its other clients and submits the results quarterly.
Methodology to be employed for measuring the performance of the Council's treasury management activities	Treasury management activity is reported annually against strategy and prevailing economic and market conditions. The report will include a) Total debt including average rate and maturity profile (where appropriate) b) The effect of new borrowing and/or maturities on the above c) The effect of any debt restructuring on the debt portfolio d) Total investments including average rate, credit and maturity profile e) The effect of new investments/redemptions/maturities on the above f) The rate of return on investments against their indices for internally and externally managed funds g) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of CDs, gilts/bonds, callable deposits in their call period) h) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within treasury strategy.
Best value	The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated corporate and service objectives. When tendering for treasury-related or banking services, the Council adheres to its Financial Regulations. These require that : a) For a contract with a value below an agreed threshold, at least 1 but preferably 3 quotes and service delivery proposals are obtained b) For a contract with a value above an agreed threshold but below an agreed tender threshold, at least 3 written quotes and service delivery proposals are obtained c) For a contract above an agreed tender threshold but below the UK (Formerly EU) threshold a tender exercise in line with CIPFA best practice is performed. d) When placing a contract with a value in excess of the UK Threshold a tendering process that meets the requirements of the UK procurement procedures (Formerly OJEU (Official Journal of the European Union)) is undertaken. e) If necessary, the Council will also consult with other users of similar services as well as with interested parties. f) The Council will also evaluate alternative methods of the availability of fiscal, grant or subsidy initiatives, and service delivery.

TMP 3: DECISION-MAKING AND ANALYSIS

Principle: *The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.*

Schedule:

Major treasury decisions	As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either : a) Options Appraisal to determine a funding decision b) raising a new long-term loan / long-term source of finance c) prematurely restructuring/redeeming an existing long-term loan(s) d) investing longer-term (i.e. in excess of 1 year) e) utilisation of investment instruments which constitute capital expenditure (i.e. loan capital/share capital in a body corporate) f) leasing g) change in banking arrangements h) appointing/replacing a treasury advisor i) appointing/replacing a fund manager
Process	The Council's strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy.
Delegated powers for treasury management	The Section 151 Officer has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.
Issues to be addressed, evaluation, authorisation	In exercising these powers, the Section 151 Officer and those to whom the treasury activity have been delegated will • have regard to the nature and extent of any associated risks to which the Council may become exposed; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; • follow best practice in implementing the treasury transaction. In exercising Borrowing and Funding decisions, the Section 151 Officer will : • evaluate economic and market factors that may influence the manner and timing of any decision to fund;

	• consider alternative forms of funding, including use of revenue resources, leasing and private partnerships; • consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created; • where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years • consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created. In exercising Investment decisions, the Section 151 Officer will : • Determine that the investment is within the Council's strategy and pre-determined instruments and criteria; • consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; • consider the alternative investment products and techniques available if appropriate.
Processes to be followed	The processes to be followed will be in keeping with TMP 4: The Council's Approved, Instruments, Methods and Techniques.
Evidence and records to be kept	The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly. Records and working papers will be maintained by the Council electronically and in relevant files.

TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

Principle: *The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in **TMP1 Risk Management**.*

Schedule:

Approved treasury management activities	The Council is permitted to undertake the following activities: ▪ Managing cashflow ▪ Capital financing ▪ Borrowing including debt restructuring and debt repayment ▪ Lending including redemption of investments ▪ Banking ▪ Leasing ▪ Managing the underlying risk associated with the Council's capital financing and surplus funds activities. The above list is not finite and the Council would, from time to time, consider and determine new financial instruments and treasury management techniques; however, the Council will consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.
Approved capital financing methods and types/sources of funding	<u>On balance sheet</u> • Public Works Loans Board (PWLB) loans and loans from its successor body • long term money market loans including LOBOs (Lender Option Borrower Option) • temporary money market loans (up to 364 days). • bank overdraft • loans from bodies such as the European Investment Bank (EIB) • Stock issues • Finance Leases • Deferred Purchase • Government and EU Capital Grants • Lottery monies • Other Capital Grants and Contributions • PFI (Private Finance Initiative) • Operating and finance leases • Hire purchase • Sale and leaseback <u>Internal Resources</u> • Capital Receipts • Revenue Balances • Use of Reserves <u>Off balance sheet</u> • Operating Leases • Structured Finance

	The level of debt will be consistent with the Treasury Management Strategy and the Prudential Indicators.

Approved investment instruments	The Council will determine through its Annual Investment Strategy (AIS) which instruments it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as 'Specified' or 'Non Specified' based on the criteria set out by DLUHC in its Investment Guidance March 2004 (as amended). The Council will determine through the AIS which instruments will be used in-house and which will be used by the appointed external fund manager(s) including the maximum exposure for each category of non-specified investments. Where applicable, the Council's credit criteria will also apply. <u>Banks Unsecured</u>: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. <u>Banks Secured</u>: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. <u>Government</u>: Loans, bonds and bills issued or guaranteed by national governments, regional and local Authorities and multilateral development banks. <u>Corporates</u>: Loans, bonds and commercial paper issued by companies other than banks and registered providers <u>Registered Providers</u>: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations <u>Pooled Funds</u>: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. Money Market Funds that offer same-day liquidity and aim for a constant net asset value. <u>Bond, equity and Property Funds</u>

TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

Principle: *The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.*

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The Section 151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the Senior Accountant in respect of treasury management are set out in the schedule below. The Senior Accountant will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

Schedule:

Limits to responsibilities at Executive levels	Full Council • budget consideration and approval Strategy and Resources Committee: • receiving and reviewing Prudential Indicators as part of the budget setting process • receiving and reviewing reports on treasury management policies, practices and activities • approval of amendments to adopted clauses, treasury management policy statement and treasury management practices • receiving and reviewing external audit reports and acting on recommendations • approving the selection of external service providers and agreeing terms of appointment

Principles and practices concerning segregation of duties	The segregation of duties will be determined by the Section 151 Officer. Segregation of duties exists in that: • the officer(s) responsible for negotiating and closing treasury management deals is separate from officer(s) authorising payments • all borrowing/investments decisions must be authorised by the Section 151 Officer.
Statement of duties / responsibilities of each treasury post	Examples: The Section 151 Officer : • submitting budgets and budget variations • recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance • determining Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy • submitting regular treasury management policy reports • receiving and reviewing management information reports • reviewing the performance of the treasury management function and promoting best value reviews • ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function • recommending the appointment of external service providers • determining long-term capital financing and investment decisions. • The Section 151 Officer has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments. • The Section 151 Officer may delegate their power to borrow and invest to members of his staff Head of Paid Service • ensuring the adequacy of internal audit and liaising with external audit Senior Finance Specialist • execution of transactions • adherence to agreed policies and practices on a day to day basis • maintaining relationships with third parties and external service providers • monitoring performance on a day to day basis • submitting management information reports to the responsible officer • identifying and recommending opportunities for improved practices. • recording treasury management transactions, • reconciling treasury management transactions with the financial ledger • recording/reconciling counterparty documentation.

Absence cover arrangements	In the absence of the Section 151 Officer, the Lead Specialist - Finance will assume their responsibilities in respect of the Treasury Management function. In the absence of the Specialist - Finance staff, the Lead Specialist - Finance will provide cover. Cover is reviewed as necessary. Full procedure notes are available, detailing the processes required to enable the day to day operation of the treasury management function.

Dealing

Authorised officers	Responsible officers for borrowing/investment decisions : Borrowing activity: <i>Specialist – Finance, Lead Specialist - Finance</i> Lending activity : <i>Specialist – Finance, Lead Specialist - Finance</i> Authorising payments for borrowing/lending : <i>Directors</i> Transaction recording : <i>Specialist – Finance, Lead Specialist - Finance</i> <i>Senior Specialist - Finance</i>
Dealing limits	Internally Managed Investments: the maximum for any one investment deal is as per the lending limits detailed in the Council's Annual Investment Strategy.
List of approved brokers	Brokers used by the Council are named in TMP 11 : External Service Providers
Policy on brokers' services	It is the Council's policy to utilise the services between at least two brokers. The Council will maintain a spread of business between them in order to avoid relying on the services of any one broker.
Policy on taping of conversations	Conversations with brokers may be taped by the brokers.
Direct dealing practices	Direct dealing is carried out with institutions and with external pooled funds identified in the Operational Schedule subject to counterparty and maturity limits and dealing limits. Prior to undertaking direct dealing, the Council will ensure that each counterparty/fund has been provided with the Council's list of authorised dealers and the Council's Standard Settlement Procedures.
Settlement transmission procedures	- settlements are made by CHAPS. - all CHAPS payments relating to settlement transactions require authorisation by a designated officer - all CHAPS payments require <u>2</u> bank signatures - the details are transmitted electronically to the Council's bankers.

Documentation requirements	For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date(s), broker. Investments • deal ticket authorising the investment • confirmation from the broker • confirmation from the counterparty • Contract notes for purchase and sale of shares/units in pooled funds from the fund's manager/administrator • CHAPS payment transmission document Loans: • deal ticket with signature to agree loan • confirmation from the broker • confirmation from PWLB / market counterparty • CHAPS payment transmission document for repayment of loan.

TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Principle: *The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.*

As a minimum, the Strategy and Resources Committee will receive:

- *An annual report on the strategy and plan to be pursued in the coming year*
- *An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.*
- *A mid year review of Treasury activity*

The present arrangements and the form of these reports are outlined below.

Schedule:

Frequency of executive reporting requirements	The Section 151 Officer will annually submit budgets and will report on budget variations as appropriate. The Section 151 Officer will submit the Prudential Indicators and the Treasury Strategy Statement, Annual Investment Strategy and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Strategy and Resources Committee before the start of the year. The Annual Treasury Report will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September. A Mid-Year Treasury Report will be prepared by the Section 151 Officer, which will report on treasury management activities for the first part of the financial year. The Mid-Year Report will be submitted to Strategy and Resources Committee during the year.
Content of Reporting:	
1. Treasury Strategy Statement	The Treasury Strategy will include the following: • Link to Capital Financing Prudential Indicators for the current and ensuing three years • Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next three years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy for the forthcoming year(s) (<i>see below*</i>) • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. *Based on the DLUHC's Guidance on Investments, the Council will produce an Annual Investment Strategy (AIS) which sets out ▪ the objectives, policies and strategy for managing its investments;

2. Annual Treasury Report	The Section 151 Officer will produce an annual report for the Strategy and Resources Committee on all activities of the treasury management function (including the performance of fund managers) as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year. The main contents of the report will comprise : ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the financial year; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities undertaken and the future impact on treasury activities of the Council ▪ compliance with agreed policies/practices and statutory/regulatory requirements ▪ performance measures.
3. Content and frequency of management information reports	The Section 151 Officer will produce a half yearly monitoring report for Strategy and Resources Committee <i>Example</i> : This report includes details of : • borrowing and investment activity undertaken including forward deals • performance of investments against benchmark • extent of compliance with the treasury strategy and reasons for variance (if any)
4. Scrutiny	The Section 151 Officer will present the Treasury Strategy Statement to the Strategy and Resources Committee before it is sent to Full Council for approval.

TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Principle: The Section 151 Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques**. The form which the Council's budget will take is set out in the schedule below.

The Section 151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements**.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council's accounts is set out in the schedule.

Schedule:

Statutory / regulatory requirements	Balanced Budget Requirement: The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects; (a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and (b) revenue costs which flow from capital financing decisions. S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.
Proper accounting practice	CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the local Authority code) constitutes "proper accounting practice under the terms of S21 (2) of the Local Government Act 2003".
Financial Statements	The Financial Statements comprise: • A Narrative Statement • Accounting policies, changes in accounting estimates and errors • Presentation of financial statements • Movement in reserves statement • Comprehensive income and expenditure statement • Balance sheet • Cash flow statement • Collection Fund (England) • Statement of Responsibilities • The Accounting Statements • Notes to the financial statements • Statements reporting reviews of internal controls or internal financial controls • Events after the reporting period • Related party disclosures

Format of the Council's accounts	The current form of the Council's accounts is available within the Resources Service of the Council.
Disclosures relating to treasury management	Due regard will be given to the disclosure requirements under CIPFA's Accounting Code of Practice.
Treasury-related information requirements of external auditors	The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers. Information in this context includes internally generated documents, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function. • Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. • Prudential Indicators. • Treasury Management Strategy including Annual Investment Strategy. <u>External borrowing:</u> • New loans borrowed during the year : PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • Loan maturities. • Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • Analysis of loans outstanding at year end including maturity analysis. • Analysis of borrowing between long- and short-term • Debt management and financing costs • calculation of (i) interest paid (ii) accrued interest • interest paid • MRP calculation and analysis of movement in the CFR. • Bank overdraft position. • Brokerage/commissions/transaction related costs.
	<u>Investments:</u> • Investment transactions during the year including any transaction-related costs • cash and bank balances at year end • Short-term investments at year end • Long-term investments at year end (including investments in associates and joint ventures) by asset type, including unrealised gains or losses at year end • calculation of (i) interest received (ii) accrued interest • actual interest received • External fund manager valuations including investment income schedule and movement in capital values, transaction confirmations received (if any) • Basis of valuation of investments

	• Evidence of existence and title to investments (e.g. Custodian's Reports • Schedule of any investments in companies together with their latest financial statements); statement of transactions between the company and the Council.
	<u>Cash Flow</u> ▪ Reconciliation of the movement in cash to the movement in net debt ▪ Cash inflows and outflows (in respect of long-term financing) ▪ Cash inflows and outflows (in respect of purchase/sale of long-term investments) ▪ Net increase/decrease in (i) short-term loans (ii) short-term deposits (iii) other liquid resources <u>Other</u> Details of (treasury-related) material events after balance sheet date not reflected in the financial statements. ▪ External advisors'/consultants' charges
Internal Audit	Internal Audit generally conducts an annual review of the treasury management function and probity testing. The internal auditors will be given access to treasury management information/documentation as required by them.
Compliance with CIPFA Treasury Management and Prudential Codes	Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy. Any serious breach of the TM Code's recommendations or Prudential Indicators should be brought to the attention of the external auditor.
Costs for treasury management	The budget for treasury management forms part of the Financial Services budget.

TMP 8: CASH AND CASH FLOW MANAGEMENT

Principle: Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with **TMP1 [2] liquidity risk management**. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.

Schedule:

Arrangements for preparing /submitting cash flow statements	A Cash flow forecasts will be used to formulate the Council's borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances during the year. The cash flow forecasts and statements are held at operational level. The accuracy and effectiveness of the Council's cash flows are dependent on the accuracy of estimating expenditure, income and their corresponding time periods. Daily cash flows show forecast and planned movements of cash on a daily basis, including the matching of known inflows and payments. This is recorded in the Investments spreadsheet (IOSF 2023-2024)
Content and frequency of cash flow projections	The detailed annual cash flow model includes the following: - revenue income and expenditure based on the budget. - profiled capital income and expenditure as per the capital programme. Revenue activities: <u>Inflows:</u> - Precepts received - Non domestic rates receipts - Council tax receipts - Housing subsidy - DSS / other government grants - Cash for goods and services - Other operating cash receipts <u>Outflows:</u> - Salaries and payments on behalf of employees - Operating cash payments - Housing Benefit paid - Precepts paid - NDR payments Capital activities including financing <u>Inflows:</u> - Capital grants received - Sale of fixed assets - Other capital cash receipts

	<u>Outflows:</u> ▪ Purchase of fixed assets ▪ Purchase of long-term investments ▪ Other capital cash payments
Monitoring, frequency of cash flow updates	The annual cash flow statement is updated periodically with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with: • net RSG (Revenue Support Grant) and NNDR (National Non-Domestic Rates) payments as notified; • county council and police Authority precepts as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received from general account bank statement; • actual rent allowances paid from payments account bank statement; • actual housing benefit and housing subsidy grant received from DLUHC; • actual capital programme expenditure and receipts.
Bank statements procedures	The Council accesses its bank statements online and these are downloaded on a daily basis. The statements are processed and posted independently to the treasury function and are reconciled to the general ledger on a monthly basis.
Payment scheduling	The Council has a policy of paying suppliers in line with agreed terms of trade and the following service standards: • <i>Undisputed invoices are to be paid within 30 days.</i>
Monitoring debtor/ creditor levels	Debtor levels are monitored by a monthly Sundry Debtors Monitoring Report to the Finance Manager which will include an analysis of debt by age and details and details of recovery status.
Banking of funds	Instructions for the banking of income are set out in the Financial Regulations. Cheques received in the customer services section are banked daily. Generally the council does not take cash payments. All the Council's sections are advised of the requirement to bank on a regular basis in order to comply with recommended best practice and also remain within the particular insurance limits for the Council's premises.

TMP 9: MONEY LAUNDERING

Background: The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property
- Acquiring, using or possessing criminal property.

Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations.

CIPFA believes that public sector organisations should “embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities”.

Principle: *The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.*

Schedule:

Anti money laundering policy	This Council's policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.

Nomination of Responsible Officer(s)	(a) The Council nominates the Legal and Democratic Services Manager to be the responsible body to whom any suspicions relating to transactions involving the Council will be communicated. (b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions. (c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).
Procedures for establishing the Identity of Lenders and Borrowers	(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in TMP 4. (b) The Council will not accept loans from individuals. (c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list. (d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England / Prudential Regulation Authority's website. (e) All receipts / disbursements of funds will be undertaken by <u>BACS (Bankers' Automated Clearing System)</u> or <u>CHAPS</u> settlement. (f) Direct Dealing mandates: The Council will provide (in the case of lending) / obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed. (g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts. (h) When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through <u>pre-existing</u> contact details for the payee before altering payment details.

TMP 10: TRAINING AND QUALIFICATIONS

Principle: *The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements.*

The Section 151 Officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

Schedule:

Qualifications/ experience for treasury staff	Treasury Staff should have the AAT (Association of Accounting Technicians) qualification as a minimum and preferably prior experience in Treasury management.
Details of approved training courses	The Council provides its treasury personnel with appropriate training e.g. • Training courses run by CIPFA and LINK • Internal training and support
Member Training	CIPFA's Treasury Management In The Public Services: Code of Practice and Cross-sectoral Guidance Notes (2021 edition) requires public service organisations to nominate a responsible body for the scrutiny of treasury management strategy and policies. For MDC this role is fulfilled by the Strategy and Resources Committee. To undertake this role effectively, Strategy and Resource Committee will require support, training and guidance to fulfil their important part of ensuring effective governance of treasury management. • It helps develop a better understanding of the treasury risks faced by the organisation. • It helps ensure better decision making on strategy and policy matters. • It improves accountability and transparency. • It improves knowledge and understanding of treasury matters among the members of the governing body. The Council will organise regular Treasury Management for committee members.

TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

Principle: The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangement's rests with the Section 151 Officer, and details of the current arrangements are set out in the schedule below.

Schedule:

Contract threshold	The Council's Financial Regulations require that a formal written contract is in place with external service providers where the contract value exceeds £50,000 over the term. The contract will clearly state the services to be provided and the terms on which they will be provided.
Details of service providers and procedures and frequency for tendering services	(a) Bankers to the Council: Nat West, PO Box 333, Silbury House. 300 Silbury Boulevard , Central Milton Keynes, MK9 2ZF Tel. 0845 308 8969 Contract period : 1 April 2019 – March 2020 Formal agreement in place : yes This service will be re-tendered every 5 years (b) Treasury advisor Link Group 6th Floor, 65 Gresham Street, London EC2V 7NQ Tel. 07833 542655 Contract period : 1 April 2023-31 March 2025 Formal agreement in place : yes This service may be re-tendered every 3 years (c) Brokers: It is considered good practice for the Council to have a minimum of two brokers and to spread business between them. Sterling Treasury BGC Partners Sterling Products 5 Churchill Place, Canary Wharf, London, E14 5HU Tel. 0207 894 7742 Formal agreement in place: No

	King & Shaxson Cutlers Court, 115 Houndsditch, London. EC3A 7BR Tel. 0207 929 8527 Formal agreement in place: No Tradition Beaufort House, 15 St. Botolph Street, London, EC3A 7QX Tel. 0207 198 1500 Formal agreement in place: No (d) Trading Platforms: iDealTrade Arlingclose 35 Chiswell Street, London EC1Y 4SE Formal agreement in place: No ICD Portal 30 Crown Place, London, EC2A 4EB Formal agreement in place: No

TMP 12: CORPORATE GOVERNANCE

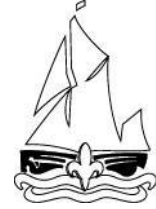
Principle: The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key recommendations of the Code. This, together with the other arrangements detailed in the schedule below, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule:

Stewardship responsibilities	The Section 151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
List of documents to be made available for public inspection.	The following documents are freely available for public inspection: <i>Examples</i> ▪ Annual Statement of Accounts ▪ Revenue and Capital Estimates Book ▪ Treasury Management Policy ▪ Treasury Management Strategy ▪ Budget Monitoring Reports ▪ Annual Treasury Report
Council's website.	Financial information is additionally available on the Council's website.
Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Strategy and Resources Committee and officer / Member briefing sessions.

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**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
COUNCIL
15 FEBRUARY 2024**

**CAPITAL AND INVESTMENT STRATEGIES FOR 2024 / 25 AND MINIMUM REVENUE
PROVISION STATEMENT 2024 / 25**

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to approve an annual Capital Strategy and Investment Strategy before the start of the financial year to which they relate.

2. RECOMMENDATIONS

That the Council approves:

- (i) the 2024 / 25 Capital Strategy (**APPENDIX 1**);
- (ii) the 2024 / 25 Capital Project Bids (**APPENDIX 2**);
- (iii) the 2024 / 25 Investment Strategy (**APPENDIX 3**);
- (iv) the 2024 / 25 Minimum Revenue Provision Statement (**APPENDIX 4**).

3. SUMMARY OF KEY ISSUES

- 3.1 This report details the intended capital expenditure plans and funding arrangements and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital Strategy for 2024 / 25 is at **APPENDIX 1**.
- 3.2 The Capital Project Bids is at **APPENDIX 2**.
- 3.3 The Investment Strategy is at **APPENDIX 3**.
- 3.4 The Minimum Revenue Provision Statement is at **APPENDIX 4**.
- 3.5 The Strategies have been compiled with the advice and support of the Council's treasury advisor, Link Group, with the latest available 'outlooks' and interest rate forecasts at the time the strategies were drafted in December 2023.
- 3.6 Note: Link Group won the Treasury Management Advisory procurement process via tender. This process was transparent and gave all bidders an equal opportunity, to ensure the Council gained value for money from its current Treasury Management Advice service provider. The winning tenderer was announced 27 February 2023 and the new contract commenced 3 April 2023. It is a three year contract, with the option of a two year extension.

4. CONCLUSION

- 4.1 The Capital Strategy has been prepared considering the future plans of the Council, ensuring that they are affordable and prudent. It links with the Council's Investment Strategy.
- 4.2 The Annual Investment Strategy has been updated in line with statutory requirements and good practice. It takes into account the Council's financial position and wider strategies, plans and aims. It also draws on the advice of the Council's external treasury advisor.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Smarter finances

- 5.1.1 Utilising reserves acquiring or enhancing the Council's capital assets reduces the need to spend annual funds raised from local taxation to maintain existing assets.

5.2 Provide good quality services.

- 5.2.1 Avoiding service failure is a key consideration when determining which assets to acquire or enhance.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk** – Any new investment decision will be entered with suitable due diligence to ensure that any risk is mitigated.
- (iv) **Impact on Resources (financial)** – Approved Capital Project Bids impact on the Council's reserves. Investment interest received is a financial resource available to support spending on service provision.
- (v) **Impact on Resources (human)** – None directly.

Background Papers:

Capital and Investment Strategies report to the Strategy and Resources Committee – 25 January 2024.

Enquiries to: Lance Porteous, Lead Specialist, Finance.

Capital Strategy Report 2024/25

Maldon District Council

Introduction

This capital strategy report for 2024/25 gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

Governance: Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by the finance team who calculate the financing cost (which can be nil if the project is fully externally financed). The Corporate Leadership Team (CLT) and Finance Members Group appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Strategy and Resources committee. The final capital programme is then presented to Council in February each year.

Projects that generate savings or income may be progressed in year subject to a valid Business Case and Committee Approval.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative).

CAPITAL FINANCING AND BORROWING

The Capital Financing Requirement (CFR) is essentially a measure of the Council's underlying borrowing need. Any capital expenditure which has not immediately been paid for will increase the CFR. The CFR is reduced by the application of resources such as capital receipts, grants or charges to revenue.

Table 1: Capital Financing Requirement

	2022/23 Outturn	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
Opening CFR	452	226	3,969	3,473	2,977
Capital Expenditure	1,093	5,311	1,748	811	586
Finance Lease payments	-226	-226			
MRP			-496	-496	-496
External sources (Government & Other Grants)	-629	-728	-1,275	-639	-539
Capital Receipts	-464	-614	-473	-172	-47
Closing CFR	226	3,969	3,473	2,977	2,481

Debt is only a temporary source of finance, since loans and leases, including internal borrowing, must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The Council's full Minimum Revenue Provision statement is shown at Appendix 4.

Asset management

To ensure that capital assets continue to be of long-term use, the Council is developing an asset management strategy. There is a risk that without a strategy, future repairs work will not be identified, leaving an under-provision in the budget.

Asset disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2030.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent.

The Council currently has £0m of external borrowing and £37m treasury investments at an average rate of 5.3%. However it has agreed to use internal borrowing to fund £3,969k of waste vehicle expenditure in the capital programme for 2023/24 and will make appropriate MRP for this.

Borrowing strategy: The Council does not currently have any external borrowing; however per the above it has agreed internal borrowing of £3,969k for waste vehicle expenditure in 2023/24 and will make appropriate MRP for this. The Council does not currently have plans to borrow for any other future capital expenditure; however, if any substantial commercial investment projects are considered in the future then the Council would need to agree how these would be financed.

Authorised borrowing limit: The Council is legally obliged to set an authorised borrowing limit each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 4: Prudential Indicators: Authorised limit and operational boundary for external debt

	2022 / 23 limit £000	2023 / 24 limit £000	2024 / 25 limit £000	2025 / 26 limit £000	2026 / 27 limit £000
Authorised limit – borrowing	16,500	16,500	16,500	16,500	16,500
Operational boundary – borrowing	7,000	7,000	7,000	7,000	7,000

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to maximise investment return where satisfactory results of due diligence are found and risk mitigated, although security and liquidity are still the primary considerations. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 5: Treasury Management Investments in £thousands

	31.3.2024 Forecast	31.3.2025 Budget	31.3.2026 Budget	31.3.2027 Budget	31.3.2028 Budget
Near-Term Investments	30,000	25,000	25,000	25,000	25,000
Longer-Term Investments	5,000	5,000	5,000	5,000	5,000
TOTAL	35,000	30,000	30,000	30,000	30,000

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by Council. Half yearly reports on treasury management activity are presented to Overview & Scrutiny Committee. The audit committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council does not make investments to assist local public services.

Commercial Activities

The Council currently does not have any significant commercial activities for investment returns, however with the continuing pressures on external funding and inflationary costs, consideration is being given to potential projects, which, when evaluated, will follow the appropriate governance route.

Liabilities

The Council is committed to making future payments to cover its pension fund deficit and has also set aside £0.9 m to cover risks including Business Rates appeals, Planning appeals and Insurance claims.

Governance: Decisions on incurring new discretionary liabilities are taken by managers in consultation with the Director of Resources. The risk of liabilities crystallising and requiring payment is monitored by departments in conjunction with the finance team and are reported to committee/management as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Prudential Indicator: Proportion of financing costs to net revenue stream

	2022 / 23 Actual	2023 / 24 Forecast	2024 / 25 Budget	2025 / 26 Budget	2026 / 27 Budget
Financing costs (£m)	0	36	189	125	117
Proportion of net revenue stream	0.00%	0.20%	1.14%	0.74%	0.67%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for the duration of any borrowing arrangements. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because for the main General Fund programme, there are existing reserves to fund the expenditure. Projects will only be progressed where they prove to generate savings or an income stream to the Council, and the Business Case will assess the risks and mitigations of the projects.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council pays for staff to study towards relevant professional accounting qualifications and for ongoing professional development training.

Where Council staff do not have the detailed knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs LINK as treasury management advisors and the Valuation Office as property advisors. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

The Council's Treasury Management policy on the use of external advisers is available on request.

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CAPITAL PROJECT BIDS 2024/25

1. SUMMARY

- 1.1 This appendix outlines the Capital projects that have been put forward by officers prior to the approval of the 2024/25 budget and updated Medium Term Financial Strategy.
- 1.2 The Council's capital programme will need to reflect the three strategic themes set out in the Council's Corporate vision of Place, Community and Prosperity.
- 1.3 The 2024/25 project bids set out in the table below and detailed projects sheets can be found at **APPENDIX A**. The projects have been categorised by the Finance Working Group into the following two groups and shown on the first page of **APPENDIX A**:
 - Proposed Capital Programme 2024/25: These projects are deemed as essential as failure to carry out the project is likely to have health and safety implications and/or will have fundamental impact on service provision;
- 1.4 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure will be financed from existing useable capital resources and not directly from revenue.
- 1.5 At the start of 2023/24 the Council had capital reserves totalling £1.6m. £0.4m is scheduled to be used to support the 2023/24 capital programme, which will leave £1.2m to support future programmes for 2024/25 and beyond.
- 1.6 The current 5-year capital programme is set out within Maldon District Council's (MDC's) Medium-Term Financial Strategy and shows whether it is funded from the Capital Receipts Reserve, Section 106 Receipts or Government Grants. In the absence of a sizeable capital receipt from a disposal of an asset, the Council will have used up its usable capital receipts within 2 years, at the rate of the usage of Capital Receipts within the Capital Programme suggested for 2024/25. That would mean that any capital programme extending beyond that would have to be funded from commuted sums or borrowing. The Council is currently free from external debt although has internal debt relating to its Waste vehicles. Currently the capital programme shows reduced spending beyond 2024/25 extending the availability of the Capital Receipts Reserve but there are risks involved in reducing capital expenditure also, so future capital bids are expected.
- 1.7 The Committee should note that any large capital project(s) as a result of the Commercial Strategy will be presented for consideration on a project by project business case basis under the governance arrangements for the delivery of the Commercial Strategy. The financing options of those project(s) would be included as part of the business case for the project(s).
- 1.8 It is essential that the Council's assets are maintained to ensure continued reliability and service provision either at current or improved level. To that end, repairs and renewals of Council assets are programmed into MDC's Medium-Term Financial Strategy.

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Capital Bids 2024/25 Summary

No.	Description	Category	£000
1	Scout Hut – New flooring throughout. Needed to comply with Health and Safety (H&S) regulations.	Essential	36
2	St Georges Play Site – Equipment renewal relocation and installation. To address antisocial behaviour (ASB) and H&S.	Essential	17
3	Cemeteries - Renovation of garden of remembrance	Invest to save	10
4	Prom Park Amphitheatre – Strengthening. H&S.	Essential	85
5	Goldhanger – Decommission current 10 garages on land as now a dangerous structure. H&S.	Essential	35
6	Seawall & Coach Park toilets – replacement lighting. H&S.	Essential	12
7	Matting Play site surfacing for Riverside Park, St Georges, Cherry Gardens, Longfields. To save on sand and bark	Invest to save	75
8	Longfields – All pathways require full tarmac. H&S.	Essential	45
9	Remembrance Avenue – Road resurface.	Essential	32
10	New Navigation buoys	Service failure	14
11	Trimas Pegasus - Grass cutting machine	Essential	35
12	John Deere Gator Vehicle replacement	Service Failure	30
Total CAPITAL Bids			426

Please note: If you click on the number or description in the table above it will take you directly to that related Capital Bid.

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Maldon Scouts Facility, Brickhouse Farm Community Centre, Maldon. New flooring throughout scout facility.				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	The current flooring throughout the Scout Hut located at Brickhouse Farm is end of life and requires priority replacement. The current flooring has been down since the facility inception and has major wear and tear due to the high level of footfall it receives on a weekly basis. Due to the wear the floor now presents H&S risks and could result in accidents / incidents. As the majority of users are young children the flooring defects heighten the risk rating in terms of likelihood / severity. The current flooring panels require removal with the sub base receiving a full inspection. The new floor will consist of 18mm marine grade ply and then an overlay of a contract vinyl with a slip factor 10.				
Project Start Date <i>(Month and year)</i>	Sep-24				
Project Completion Date <i>(Month and year)</i>	Sep-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Internal officer resource required including Assets & Maintenance team and a specialist contractor the works.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	36,000				
2025/26					
2026/27					
2027/28					
TOTAL	36,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	This capital project links in with the below corporate priorities: 1, 2, 3, & 6
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	None at present.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None at present.
Are there Health & Safety implications? If so, please state	Potential H&S risks include slips, trips and falls with MDC liability.
Is this part of a statutory obligation? If so, state how	Duty of care under facilities.
Is the project contractually committed to in any way? If so, please describe	Not at present.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Not at present.

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Brickhouse Farm Play Site (Maldon) & St Georges Play Site (Heybridge Basin) - Removal of equipment due to ASB and relocation.				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	The two play sites, Brickhouse Farm and St Georges require one piece of equipment to be traded between sites due to a current ASB case (Brickhouse Farm). The piece of play equipment that is removed from Brickhouse Farm will be repurposed at St Georges to replace a piece of equipment already removed due to end of life. A new piece of play equipment will be procured and installed in place at Brickhouse Farm to mitigate the piece removed due to local community ASB. All new safety surface matting will need to be installed under the play equipment and compliance with fall attenuation. This works fall under H&S and must comply with BSEN1176 for play site safety.				
Project Start Date <i>(Month and year)</i>	Jun-24				
Project Completion Date <i>(Month and year)</i>	Jun-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Tender to be completed via the Asset and Maintenance officer in working partnership with procurement. The works will be completed via a specialist contractor.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	16,500				
2025/26					
2026/27					
2027/28					
TOTAL	16,500	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	This project comes under ASB / H&S. The project links with the below corporate priorities: 1, 2 & 6.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	No foreseen risks to the delivery of the project.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None at present.
Are there Health & Safety implications? If so, please state	The current inappropriate use of the piece of play equipment at Brickhouse Farm creates a H&S risk and chance of accidents / incidents.
Is this part of a statutory obligation? If so, state how	There is a statutory requirement and duty of care for play site safety and standards. This comes under BSEN1176 for play site safety.
Is the project contractually committed to in any way? If so, please describe	Not at present.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Not at present.

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Renovation of Maldon Garden of Remembrance				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential - Invest to save				
Project Lead Officer	Debbie Horrey				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Removal of grass strips and replaced with gravel pathways. Reducing maintenance costs and improving aesthetics. This will eliminate customer complaints from weeds within the soil beds. Individual plots marked with slabs. This will mean that we do not lose space and therefore income. Extension to area with addition 50 ashes plots created. Additional space within the existing cemetery grounds is needed as demand for ashes interment is high. This will generate income of approximately £700 per plot with a total income of over £35,000. Phase 1 created an additional 140 plots with over 30 sold so far meaning we have more than recouped our outlay within the first year.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	Jul-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Contractor procured and contact managed by Project Manager 2 hours per week for 6 weeks to complete project				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	10,000	10,000			
2025/26					
2026/27					
2027/28					
TOTAL	10,000	10,000	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	1. Looking after the resting place of loved ones lost for residents in the district. 2 Enhanced areas, less weeds. 3. 4. Each space is marked with a slab meaning spaces will not be lost to creep from surrounding plots. Enhancing the area enables us to create further ashes plots generating more income. 5. Less weeding and potential use for weed killer. 6. Good quality materials used.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	No
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	No
Are there Health & Safety implications? If so, please state	Yes - lack of sufficient resource to maintain grounds could lead to public accident/injury if renovation work for this specific site is not completed. Current grass strips are a trip hazard and access is difficult, particularly for the elderly and impossible for disabled access.
Is this part of a statutory obligation? If so, state how	Yes - obligation by MDC to maintain cemetery services and meet needs of our district residents
Is the project contractually committed to in any way? If so, please describe	No
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Delivery of Capital and R&R programme and also S106/UKSPF funded works to ensure Council and community Assets receive investment required to ensure they are fit for purpose and future proofed

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Prom Park Amphitheatre - Deconstruction / Reconstruction				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	The Prom Park amphitheatre is currently falling into the status of end of life. The depreciation of the structure has accelerated over the last 5 years and has now been identified as having structural deficiencies and structural defects / issues. H&S concerns and risks due to the potential of partial collapse and impact on the surrounding structures to subsidence and movement. This project will see the decommission of the current wings (steps) each side of the central structure and both wings being rebuilt in a reinforced concrete with counter lever ties / piles being inserted for future stability and safety. The new concrete steps will be DDA compliant and have safety balustrades in place to ensure H&S compliance. The current steps are not in keeping with current H&S regulations and compliance. The structural works will ensure longevity of the facility and safety of the structure.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	May-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Works to be completed via the Asset & Maintenance, the procurement team, planning team and external specialist contractors				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	85,000				
2025/26					
2026/27					
2027/28					
TOTAL	85,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	These works are required under H&S. The works will link in with the below corporate priorities: 2 & 6. The works will also help to improve the H&S risk rating and reduce the potential for slips, trips and falls.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	No foreseen risks to the delivery of the project.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	Planning / Building Control.
Are there Health & Safety implications? If so, please state	This is a high risk H&S defect. The amphitheatre is in the middle of a high footfall area and could result in serious accidents / incidents.
Is this part of a statutory obligation? If so, state how	NA
Is the project contractually committed to in any way? If so, please describe	NA
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	NA

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Goldhanger Garages Demolition (Off Hall Estate)				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	There are currently 10 garages housed on MDC land based in Goldhanger off Hall Estate. These garages are in extreme disrepair and heavily depreciated with numerous structural defects, H&S defects and accident and incident risks. There is no monitoring or maintenance program for the garages and they contain asbestos within the roof and walls which is extremely problematic for any potential repair works. Due to being unmonitored and uninspected the risk of causing serious health & safety implications for local residents and the licence holders is high. This project would see the appropriate decommissioning of all garages and appropriate disposal of the hazardous substances from site. Once removed from site there would then be a commercial aspect and opportunity with the land in terms of potential development and income.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	Jun-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	The project will be managed by the asset & maintenance officer along with the lead asset & maintenance co-ordinator. A specialist contractor will be used for the decommissioning. MDC legal will have involvement in regards to ceasing the current licences.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	35,000				
2025/26					
2026/27					
2027/28					
TOTAL	35,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive	This project links with the below corporate priorities: 1, 2, 5, & 6.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	One garage is privately owned and will require compulsory purchase. Legal works could extend the project timeframe.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None required at present.
Are there Health & Safety implications? If so, please state	Vast amount of Health & Safety risk due to asbestos being present throughout the garages. Structural defects make the garages a safety concern and could result in accidents / incidents. Current condition of garages could cause insurance issues. Failure to decommission could eventually lead to legal claims via the licence holders under H&S implications / neglect of duties.
Is this part of a statutory obligation? If so, state how	MDC have a duty of care and statutory obligation as the land owner for the H&S and welfare of users / public.
Is the project contractually committed to in any way? If so, please describe	No commitment to date.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Not at present.

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Prom Park - Coach Park & Seawall Danfo Public Conveniences				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Both Danfo public conveniences were installed circa 2006 and the currently lighting system (internal & external) is in urgent need of a full overhaul due to being end of life and currently near 50% fittings have failed. Both facilities have undergone the 5 year EICR with these electrical issues highlighted as essential. The project will also see key components of the facilities replaced due to end of life which include hand washing facilities and urinals.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	May-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	The project will be managed by the asset & maintenance officer along with contractor commissioning.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	12,000				
2025/26					
2026/27					
2027/28					
TOTAL	12,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	This project links with the below corporate priorities: 2, 4, 5, & 6.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	No risks at present.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	No consents required.
Are there Health & Safety implications? If so, please state	Health & safety risk due to no lighting in a public facility which could result in accidents / incidents. Electrical works required to satisfy EICR and ensure electrical compliance. Health & hygiene implications due to intermittent operation of hand washing stations.
Is this part of a statutory obligation? If so, state how	Electrical regulations are statutory and as a public facility it should have a satisfactory EICR in place. Electrical defects could also jeopardise the insurance on this facility.
Is the project contractually committed to in any way? If so, please describe	No commitment to date.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Not at present.

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	New Play Site Safety Surfacing - Cherry Gardens (Maldon), Longfields (Maldon), St Georges (Heybridge), Riverside Park (Burnham)				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Service Failure - Invest to save				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	The four above play sites require new safety surface matting installed under current play equipment and in key areas within the play site. This falls under H&S due to current surfaces having a number of safety defects which include surface gaps and missing sections. Other defects across sites include edges and perimeter lifting, dents and corrosion to the surfaces along which subsidence in some parts. All these factors have an increased the risk of trip / fall hazards which could result in serious accidents or incidents. Without the required safety surfacing MDC is not compliant under BSEN1176 for play site safety.				
Project Start Date <i>(Month and year)</i>	Sep-24				
Project Completion Date <i>(Month and year)</i>	Dec-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Tender to be completed via the Asset and Maintenance officer in working partnership with procurement. The works will be completed via a specialist contractor.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	75,000				
2025/26					
2026/27					
2027/28					
TOTAL	75,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	This project comes under H&S. The project links with the below corporate priorities: 1, 2 & 6. Strengthening communities to be safe, active and healthy - the works are required under Health & Safety to ensure we act in a reasonable manner and that we protect the public against slips, trips and falls within our play sites.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	No foreseen risks to the delivery of the project.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None at present.
Are there Health & Safety implications? If so, please state	The current condition of aspects of the play site surfaces present H&S risks. If left in their current condition there is a likelihood of accidents and incidents.
Is this part of a statutory obligation? If so, state how	There is a statutory requirement and duty of care for play site safety and standards. This comes under BSEN1176 for play site safety.
Is the project contractually committed to in any way? If so, please describe	Not at present.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Not at present.

CAPITAL PROJECT SHEET

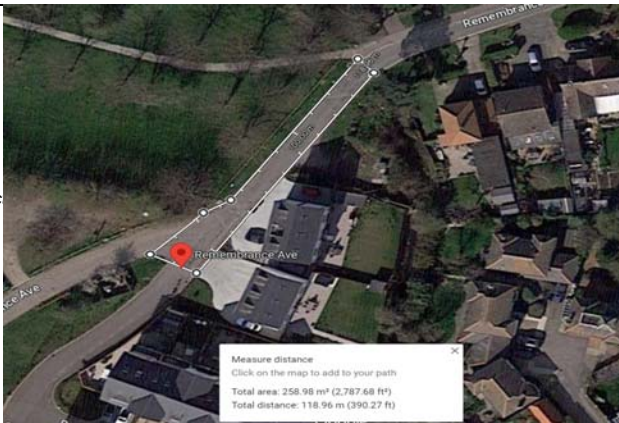
Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Longfields pathways resurfacing				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Resurfacing and replacement of the Longfield pathways (tarmac and brick pave) are required due to depreciation and H&S risk which include numerous surface drops / unevenness / holes / cracks. The pathway has a high amount of footfall and usage via visitors, shoppers and local workers across the year and it is also links a children's play site and school, this results in depreciation and wear of the surface. There are currently concerns with the life expectancy (end of life) of the current condition of the surface in regards to causing potential accidents or incidents. Failure to resurface and complete remedial works could result in slips, trips and falls to the public and also other accidents, incidents with a high H&S rating.				
Project Start Date <i>(Month and year)</i>	May-24				
Project Completion Date <i>(Month and year)</i>	Jun-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Asset & Maintenance Officer, Procurement Team and Contractor for the works.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					

	Expenditure	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	45,000				
2025/26					
2026/27					
2027/28					
TOTAL	0	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	This project is required under H&S. It links in with the corporate priorities as per below: 1, 2 & 6
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	Not at present.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	Not at Present.
Are there Health & Safety implications? If so, please state	The current pathway surface is now very high risk of breaking up and out which would create large and multiple potholes, cracks and diverts which could cause accidents, incidents and harm to the public. The H&S implications are high for slip, trips and falls with a high likeliness and high severity. Completion of the surfacing and remedial works will mitigate the H&S risks that are currently present. This is a high usgae area for the elderly and also young children.
Is this part of a statutory obligation? If so, state how	Duty of care under H&S for land owners.
Is the project contractually committed to in any way? If so, please describe	Not at present.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Not at present.

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Prom Park - Remembrance avenue resurfacing				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	David Burnham				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Resurfacing of Remembrance Avenue road located in Burnham on Crouch. The current road surface is heavily depreciation and has numerous H&S defects and associated risks (large surface holes / cracks). Remembrance Avenue has a high amount of vehicle footfall across the year via residents, visitors and sailing club users, this has resulted in depreciation of the current; road surface. There are currently real concerns with the life expectancy of the current surface which has been patch repaired on various occasions over the years. This is now not an option as the majority of the tarmac surface is breaking up and out. Failure to resurface the 260m2 surface could result in incidents and accidents including slips, trips and falls to the public and also other H&S concerns with vehicle access / usage.				
Project Start Date <i>(Month and year)</i>	Nov-24				
Project Completion Date <i>(Month and year)</i>	Nov-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Assets & Maintenance team and external contractor works.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	32,000				
2025/26					
2026/27					
2027/28					
TOTAL	32,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive 4. Smarter finances 5. A greener future 6. Provide good quality services	Works required under H&S. This project links in with the below corporate priorities: 1 & 6.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	No foreseen risks to the delivery of the project.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	Not at Present.
Are there Health & Safety implications? If so, please state	The current road surface is now very high risk of breaking up and out which would create large and multiple potholes, cracks and divers which could cause harm to the public. The H&S implications are high for slip, trips and falls with a high likeness and high severity. Completion of the road surfacing works will mitigate the H&S risks that are currently present.
Is this part of a statutory obligation? If so, state how	Duty of care.
Is the project contractually committed to in any way? If so, please describe	NA
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	NA

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Navigation Marks - River Blackwater				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Service Failure				
Project Lead Officer	Nigel Harmer				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	To replace three navigation buoys that have been on station for more than 12 years. These are foam filled moulded plastic navigation buoys that have been inspected and are showing evidence of UV degradation. Basic maintenance can be undertaken to replace the mooring tackle, and this has been carried out, a number of times during the life of the buoy, but the fabric of these navigation marks is now giving cause for concern. The picture below shows one of those buoys which requires replacement. This photograph was taken during a buoy service in 2017. The buoy by this time was already ten years old.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	May-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Minimal staff time, Contractor time and limited ongoing maintenance costs for at least five years.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2024/25	14,000				
2025/26					
2026/27					
2027/28					
TOTAL	14,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Priorities: 1. Supporting our communities 2. Enhancing and connecting our place 3. Helping the economy to thrive ~~4. Smarter finances~~	1.Supporting our communities. 2. Enhancing and connecting our place. Helping the economy to thrive. 6. Providing Good quality services.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	None
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None
Are there Health & Safety implications? If so, please state	YES. Failure of navigation marks would be a major health and safety implication to vessels navigating the River Blackwater
Is this part of a statutory obligation? If so, state how	Yes. As a Local Lighthouse Authority, Maldon District Council has an obligation under law to provide a navigation system throughout the River Blackwater
Is the project contractually committed to in any way? If so, please describe	Yes. See above
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	No

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Trimax Pegasus S5 493				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Essential				
Project Lead Officer	Joe Poole				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	To renew arguably one of the Parks teams most important machines. This machine with our tractor is responsible for cutting our largest open spaces including Promenade Park and Riverside Park to name a few. It is also used frequently for many of our parish council contracts. It causes great issues when we have problems with our current model as effectively with this machine out of action we have to cut the same size fields with a machine a third of the size and so it can cost us a lot of man hours. This latest model is advertised as needing less daily maintenance and as such will also save time in this way too.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	Jul-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Officer time through ensuring the procurement process is followed correctly.				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2022/23	35,000				
2024/25					
2025/26					
2026/27					
TOTAL	35,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Goals <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Delivering good quality, cost effective and valued services: current machine has required numerous repairs in the past year which can be costly in terms of financial and lost staff time.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	Due to transport of the machine into the country the sooner this project progresses the more likely the machine will be in use with the parks team before we spend anymore on repairing our old machine. A new machine will allow potential economic growth as with the confidence in the machine to do the job we could look to win more work and income for the authority.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	N/A
Are there Health & Safety implications? If so, please state	No H&S implications however a new machine is always deemed to be less likely to break down. The safest place for any tractor operative is in the cab.
Is this part of a statutory obligation? If so, state how	
Is the project contractually committed to in any way? If so, please describe	The project is not committed to although we have current ground maintenance contracts in place which we would still need to carry out even if the machine was broken down.
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Delivery of current ground maintenance obligations and can be used as part of commercial development of the parks department

CAPITAL PROJECT SHEET

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	John Deere Gator Utility Vehicle Replacement				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI) • Commercial (C)	Service Failure				
Project Lead Officer	Joe Poole				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Following the successful introduction of an electric John Deere gator into the team for use in Promenade Park. We have a requirement to replace our other utility vehicle which is a diesel. The vehicle that needs replacing has cost a lot in maintenance and repairs over the past 12-24 months. We are proposing purchasing a diesel or petrol version of the John Deere gator and the reasons for this are because it is required to go out on the road to sites are Maldon and Heybridge and as such needs to travel at a safe speed. This vehicle would be used to service external sites for bins/litter and carry small ground maintenance machinery.				
Project Start Date <i>(Month and year)</i>	Apr-24				
Project Completion Date <i>(Month and year)</i>	Nov-24				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Procurement process				
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					
	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2022/23	30,000				
2024/25					
2025/26		0			
2026/27					
TOTAL	30,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Goals <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Delivering good quality, cost effective and valued services: current vehicle has spent much time out of action needing repair and cost the service on numerous times for these repairs.
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	Due to transport of the machine into the country the sooner this project progresses the more likely the machine will be in use with the parks team before we spend anymore on repairing our old machine
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	
Are there Health & Safety implications? If so, please state	Ageing vehicle which is breaking down with increasing frequency. Whole body vibration exposure levels to staff expected to be much higher on current utility vehicle than a new one due to improved safety features that a new vehicle will have
Is this part of a statutory obligation? If so, state how	
Is the project contractually committed to in any way? If so, please describe	
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	Delivery of current ground maintainence obligations and can be used as part of commercial development of the parks department

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Investment Strategy Report 2024/25

Maldon District Council

Introduction

The Authority invests its money for two broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to earn investment income (known as **commercial investments** where this is the main purpose).

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of Treasury Management Investments is expected to fluctuate between £20m and £30m during the 2024/25 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities

Further details: Full details of the Authority's policies and its plan for 2024/25 for Treasury Management Investments are covered in a separate document, the Treasury Management Strategy.

Capacity, Skills and Culture

Elected members and statutory officers: The team involved in investment decision making have a number of years' experience in treasury management. They attend sessions run by our treasury management advisors in relation to investments and treatment. The Treasury Management advisors are consulted on potential changes to our portfolio. Members are also provided with treasury management training, the frequency of which is dependent on requirements and changes.

Commercial deals: The Finance Specialists and Chief Finance Officer are involved in projects which have a financial impact and therefore communicate with those negotiating commercial deals the principles of the prudential framework and regulatory regime.

Corporate governance: The annual strategies are reviewed by the Strategy and Resources Committee before being presented to Council for approval.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans. Therefore, the potential investment risk is limited to the Council's treasury management investments which

comprise call accounts, deposits, Money Market Funds and longer-dated pooled property and multi-asset funds.

Table 1: Total investment exposure in £millions

Total Investment Exposure	31.03.2023 Actual £000	31.03.2024 Forecast £000	31.03.2025 Budget £000
Treasury Management Investments	£27,270	£25,000	£20,000
Financial Investments	£5,000	£5,000	£5,000
TOTAL INVESTMENTS	£32,270	£30,000	£25,000
TOTAL EXPOSURE	£32,270	£30,000	£25,000

How investments are funded: The Council's investments are funded by usable reserves and income received in advance of expenditure.

Rate of return received: This indicator shows the investment income received less the associated costs, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 2: Investment rate of return (net of all costs)

Investments net rate of return	31.03.2023 Actual	31.03.2024 Forecast	31.03.2025 Budget
Treasury Management Investments	1.6%	4.1%	4.8%
Financial Investments	3.6%	4.4%	3.8%
ALL INVESTMENTS	1.9%	4.2%	4.0%

There are not currently any other investment indicators, however as the Council moves towards more commercial service provision, then suitable indicators will be adopted.

Minimum Revenue Provision Statement 2024/25

Annual Minimum Revenue Provision Statement 2024/25

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Levelling Up Housing & Communities (DLUHC) Guidance on Minimum Revenue Provision.

The broad aim of the DLUHC Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The DLUHC Guidance requires the Authority to approve an Annual MRP Statement each year and sets out a number of options for calculating a prudent amount of MRP. The Council has decided to adopt option 3 in the guidance, per the below:

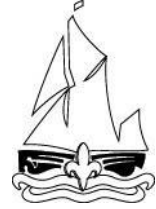
For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Based on the Authority's latest estimate of its Capital Financing Requirement (CFR) on 31 March 2024, the budget for MRP has been set as follows:

Replacement of debt finance in £ 000's

	2022/23 Actual £000's	2023/24 Forecast £000's	2024/25 Budget £000's	2025/26 Budget £000's	2026/27 Budget £000's
Finance Lease payments	226	226			
MRP			496	496	496

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**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
COUNCIL
15 FEBRUARY 2024**

MEDIUM-TERM FINANCIAL STRATEGY 2024 / 25 TO 2026 / 27

1. PURPOSE OF THE REPORT

- 1.1 To consider the revised Medium-Term Financial Strategy (MTFS) 2024 / 25 to 2026 / 27.

2. RECOMMENDATION

That the updated MTFS for 2024 / 25 to 2026 / 27 at **APPENDIX 1** be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The MTFS at **APPENDIX 1** sets out how the Council will manage its revenue finances up to the 2026 / 27 financial year. The MTFS supports the delivery of the Council's objectives and priorities as set out in the Council's Corporate Plan.
- 3.2 There remains uncertainty around the economic outlook and the impact this will have on the Council's finances, especially Council Tax and Business Rates. Therefore the MTFS will need to be kept under regular review.

4. MEDIUM TERM FINANCIAL STRATEGY 2024 / 25 TO 2026 / 27

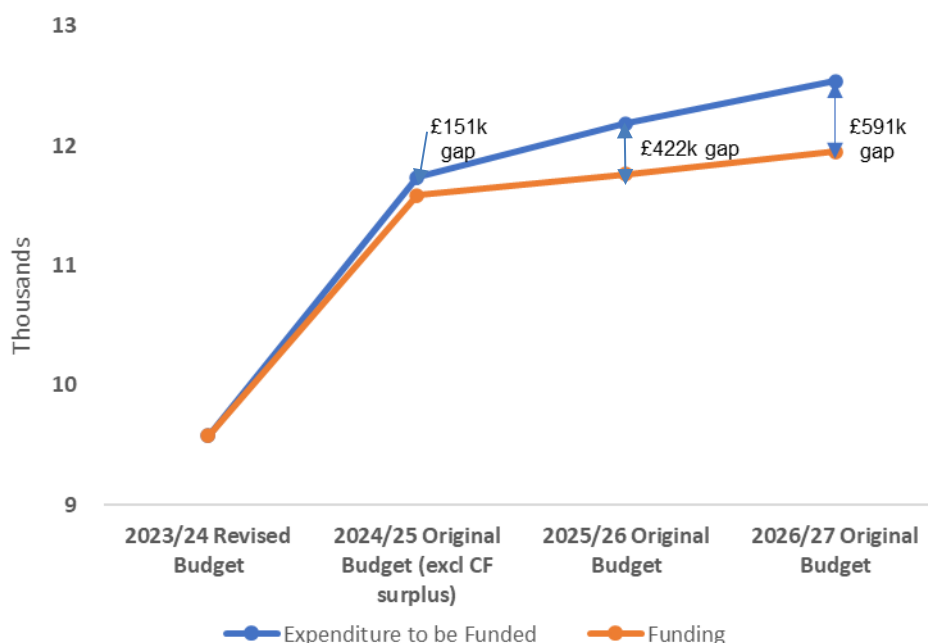
- 4.1 A summary of MTFS changes are provided in Table 1 below.

Table 1 – MTFS Summary

Components	2023/24 Original £000	2023/24 Revised £000	2024/25 Original £000	2025/26 Original £000	2026/27 Original £000
Prior Year Expenditure to be Funded	10,688	10,688	14,112	12,658	13,151
Inflation - including Salaries and Waste Contract	1,855	1,855	740	501	376
Contractual Pressures (Waste, Leisure and Audit)	416	416	73	0	0
2022/23 Revenue Commitments & Additional Reserve Funded Expenditure	-359	1,212	-1,572	0	0
Repairs & Renewals & Supplementary Estimates	-353	-353	6	-6	0
New Growth less Expired Non-Recurring Growth	56	56	-49	127	20
Increased Pension Service Costs	693	693	0	0	0
Savings, Commercial Income and Increased Fees and Charges	-455	-455	-653	-129	-83
Cost of Services	12,541	14,112	12,658	13,151	13,464
Investment Income	-750	-750	-1,000	-788	-738
Forward Funding of Pension Fund Deficit	351	351	0	0	351
Contribution to Reserves	0	0	259	120	0
Contribution from Reserves for Commitments and Approved One-Off Revenue Expenditure	0	-1,481	0	0	0
Contribution from Reserves for Pension Fund Deficit	-1,040	-1,040	0	0	-240
Contribution from Reserves for Growth	-343	-434	-182	-298	-298
Contribution (from)/to Reserves for Collection Fund (Deficit)/Surplus	-758	-1,179	2,671	0	0
Expenditure to be Funded	10,001	9,580	14,405	12,186	12,539
Funding	9,580	9,580	14,255	11,764	11,948
Gap / To be Funded from General Balances	421	0	151	422	591

- 4.2 Table 1 shows higher expenditure than originally budgeted this financial year due to approved revenue commitments brought forward from last financial year and other approved movements from earmarked reserves. Better than expected local taxation collection over the last couple of years has allowed a greater drawdown from the Council Tax and Business Rates Equalisation Reserve in 2024/25 to enable a balanced budget to be achieved.
- 4.3 There remains significant inflationary pressures in 2024/25; although these are expected to be lower than in 2023/24. However, the removal of previous one-off revenue budget items, new identified savings, improved investment income and the final local government settlement for 2024 / 25 being better than anticipated in 2023/24, closes most of the funding gap. Further savings are still needed to fully balance the budget, and these are reported separately to Council for consideration.
- 4.4 In 2025 / 26 and 2026 / 27 inflationary pressures are expected to reduce further; however, the expected funding levels are still not high enough to balance the budget without the Council identifying further savings and/or income generation. Chart 1 illustrates this below.

Chart 1 – Anticipated gap between future funding and expenditure



5. RISKS TO THE MTFS

- 5.1 Risks to the Council's financial position could potentially arise from a number of factors including unplanned budget overspends, lower than expected investment income, contractual / legislative failure, a shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget; however, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income assumed included within the budget are achieved, will remain an essential focus.
- 5.2 The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but General Balances are held to mitigate against this possibility. In addition financial bonds / Parent Company Guarantees are being built into large contracts where appropriate.
- 5.3 It is important to recognise that under the Business Rates Retention Scheme, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies.
- 5.4 The current cost of living crisis could affect households' and businesses' ability to pay Council Tax and National Non Domestic Rates (NNDR) respectively. This places a risk on local taxation collection rates.
- 5.5 Major contracts such as Waste and Leisure are also impacted by the wider economic climate. The Leisure contract currently only generates a fraction of income for the Council than it did pre-pandemic but is currently out for tender so there remains uncertainty around future returns pending appointment of a new contractor. The new Waste contract begins in February 2024, and will need to bed in. Waste contract

income is driven by recycling tonnage and prices, which are volatile; therefore income assumed in the MTFS for this contract is based on best known estimates.

6. GENERAL FUND

- 6.1 The impact of the items shown in Table 1 along with current year budget pressures on the General Fund balance is as follows:

Table 2 – Projected MTFS General Fund Balance

	23/24 £000	24/25 £000	25/26 £000	26/27 £000
Opening General Fund Balance	5,081	5,823	5,673	5,112
2023/24 Projected Budget Gap (Table 3)	742	-151	-561	-730
Projected Closing General Fund Balance	5,823	5,673	5,112	4,382

Table 3 – Projected General Fund Balance 2023/24

	2023 / 24 £000
Original MTFS Funding Gap	(421)
<i>Plus Additional Release from Council Tax and Business Rates Equalisation Reserve</i>	<i>421</i>
Revised Budget Gap (Table 1)	0
<i>Plus Service Variances</i>	<i>242</i>
<i>Plus Investment Income</i>	<i>500</i>
Net Projected In-Year Budget Surplus	742
Revised Funding Gap	742

- 6.2 The projections in Table 2 show that the General Fund balances would not fall below the current recommended minimum of £2.6m by 2024 / 25 and throughout the MTFS period if the current assumptions do not deteriorate.
- 6.3 It must be emphasised that the current MTFS projections are still unsustainable. The figures in Table 1 are based on a 'do nothing' scenario. Therefore, actions will be required to address the increasing budget gaps in the future and develop a sustainability plan. Actions continue to include:
- (i) Closer working with partners - to address resilience and improve efficiency,
 - (ii) Commercial activity - projects are underway but more certainly on income levels is required to include more in the budget,
 - (iii) Service standards review - to ensure value for money.

7. CONCLUSION

- 7.1 Medium-Term financial planning is a key component of the Council's strategic planning framework. The current economic climate remains uncertain due to the cost-of-living crisis and global events. Key financial decisions need to be set in the context of a corporate plan that links service and financial planning strategically.

8. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

- 8.1 The MTFS provides the foundation against which the Council will strive to deliver all of its priorities with the best possible value for money in the provision of efficient and cost-effective services across the District. Through the effective development and delivery of the Council's financial and other resource strategies it seeks to build upon past achievements as well as provide clear direction to the attainment of the Council's longer-term goals.

9. IMPLICATIONS

- (i) **Impact on Customers** – None arising directly from this report.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk** – The risks to the Council in respect of the available forecast resource envelope over the medium term are discussed at **APPENDIX 1**.
- (iv) **Impact on Resources (financial)** – The financial implications are set out in this report.
- (v) **Impact on Resources (human)** – Provision has been made for expected future increases in pay awards.

Background Papers:

MTFS to the Council, 22 February 2023,

MTFS Update to Strategy and Resources Committee, 23 November 2023,

Budgetary Control Report to Strategy and Resources Committee, 23 November 2023,

Discretionary Fees and Charges Report to Strategy and Resources Committee, 23 November 2023.

MTFS report to the Strategy and Resources Committee – 25 January 2024

Enquiries to:

Lance Porteous, Lead Specialist Finance.

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MALDON DISTRICT COUNCIL
MEDIUM TERM FINANCIAL STRATEGY
2024/25 TO 2026/27
(FEBRUARY 2024)



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1. INTRODUCTION

- 1.1 Medium term financial planning is an important component of the Council's strategic planning framework. Key financial decisions need to be set in the context of a plan that looks beyond the current financial year. Forward planning offers the opportunity to link service and financial planning, as decisions taken on an annual basis are limited in what they can achieve.
- 1.2 The Medium-Term Financial Strategy (MTFS) provides the foundation against which the Council will strive to deliver the best possible value for money in the provision of efficient and cost-effective services across the District. Through the effective development and delivery of the Council's financial and other resource strategies it seeks to build upon past achievements as well as provide clear direction to the attainment of the Council's longer-term goals.
- 1.3 The medium-term financial planning process is an established part of the budget setting and financial review processes. It sets out a forecast of the cost of continuing provision of existing levels of service and the resources that are likely to be available to the Council over the period. It identifies any shortfalls and sets out how this will be managed. This document is reviewed at least annually; regular review and update is essential to ensure the MTFS takes full account of any changes in the Council's aspirations, strategic and service delivery priorities, changes in government legislation, financial regulation and funding streams and the general socio/economic environment that the Council operates in.
- 1.4 This MTFS reviews how the Council will manage its revenue finances up to the 2026/27 financial year and covers a five-year capital programme. The MTFS supports the delivery of the Council's 6 priorities as set out in the Council's Corporate Plan 2023-27.
- 1.5 Underpinning the Corporate Plan are the individual service plans and several other key strategies and plans as set out below. In each case, these describe in detail how the Council will achieve its objectives and the relevant milestones that will measure progress under the thematic strategies of Place; Community; Prosperity.
 - Information Technology Strategy
 - Workforce Development Strategy
 - Procurement Strategy
 - Risk Management Strategy
 - Treasury Management Strategy
 - Investment Strategy
 - Capital Strategy
- 1.6 The base position for this MTFS is the current 2023 / 24 budget. The development of the 2024 / 25 budget took place within the context of a longer term strategic and resource planning process. It took account of the latest settlement data and the uncertain economic climate.

2. OBJECTIVES

2.1 The objectives of this updated Medium-Term Financial Strategy are:

- To ensure outcomes and priorities identified in the Corporate Plan inform the MTFS including importance, timing and financial implications, and reconsider them in the light of emergency measures required due to the pandemic
- To provide updated projections of spending, including spending pressures and income; and set expectations on council tax increases, over the next three years
- To provide projections for our investment in assets, (our capital expenditure) and its impact on general day to day revenue spending
- To test sensitivity of, and apply risk analysis, to projections.
- To provide a framework for consultation with the public and partners about our service priorities and resources allocated to them.

3. VISION FOR MALDON

3.1 The MTFS aims to support the Council's overall vision for the District:

"To be a sustainable council, promoting growth and investment at every opportunity. To support our communities through excellent partnership working and to maintain and improve quality of life."

4. LOCAL CONTEXT

- 4.1 The Maldon District covers some 138 square miles and has a resident population of some 66,200 (2021 UK Census). With one of the lowest population densities in Essex, the District offers a wide range of residential properties, from period country cottages to brand new executive homes.
- 4.2 Maldon is an attractive and predominantly rural district. It retains an unspoilt nature and its own special character, forged largely by the principal waterways of the Blackwater and Crouch estuaries. Much of the District's 60 miles of coastline of tidal salt marshes and mudflats is recognised as of international and national environmental significance and protected as such.

5. MALDON DISTRICT COUNCIL CORPORATE PLAN

5.1 The updated Corporate Plan 2023-27 identifies all local and many national priorities.

5.2 The Corporate Plan will be delivered through six key priorities:

1. Supporting our communities
2. Enhancing and connecting our place
3. Helping the economy to thrive
4. Smarter finances
5. A greener future
6. Provide good quality services.

- 5.3 The Council's greatest asset is its employees, and we must have committed, skilled and empowered employees to provide the best possible service standards to the residents of the District. The Council continues to keep its structure under review to ensure it is fit for purpose and able to deliver its priorities.
- 5.4 The MTFS therefore provides the resource strategy required to deliver the priorities and outcomes set out in the Corporate Plan through the three thematic strategies.

6. ECONOMIC OUTLOOK

- 6.1 Due to the ongoing cost of living crisis, the British Chamber of Commerce (BCC) economic outlook, as released in the Forecasts for the UK Economy Report December 2023, projected growth remains fragile as shown in the table below.

Year	Economic Growth (GDP)	
	British Chamber of Commerce (December 2022)	British Chamber of Commerce (December 2023)
2023	-1.3%	0.6%
2024	0.7%	0.4%
2025	0.7%	0.6%

- 6.2 UK individuals and businesses have continued to feel the effects of the pandemic on supply chains which led to soaring inflation; however this began to ease towards the end of the 2023/24 financial year and is forecast to return to Bank of England target levels by 2025. The change of forecasts for the Consumer Prices Index (CPI¹) are shown below:

Year	CPI (% change)	
	British Chamber of Commerce (December 2022)	British Chamber of Commerce (December 2023)
2023	5.0%	4.6%
2024	1.5%	3.1%
2025	N/A	1.9%

- 6.3 The BCC expects the UK economy to continue with very mild growth for the next two years, with inflation to continue to fall until below 2% by the end of 2025. It is important to note that the Council's major contracts are linked to CPI as an inflationary increase with others linked to RPI. It is therefore expected that the contractual inflation will see an increase in the council's costs in the medium term based on the forecasts.
- 6.4 Due to soaring inflation post Coronavirus, the Bank of England has increased its base interest rate progressively over the past 24 months from 0.1% to the current rate of 5.25% to counter it, with rates held at this level since August 2023. The Council has no borrowing but a relatively large amount of Treasury Investments, so increasing interest rates has helped to offset the Council's inflationary pressures. The Council's treasury advisors, Link Group, have forecast that interest rates have now peaked and will begin to decline from the second half of 2024.

7. GENERAL FUND REVENUE BUDGET

Financial Context

- 7.1 The development of the 2023/24 to 2026/27 Medium Term Financial Strategy took place at a time which continued to be a very challenging period for Local Government with the continuing cost-of-living crisis and high inflation after the global pandemic. Many Councils have issued s114 notices indicating they no longer have sufficient resources to fund their statutory services. This MTFS for the period 2024/25 to 2026/27 continues to be challenging with Government funding levels not matching the increasing cost of services. This Council's reserves are forecast to be sufficient to support the funding gap over the MTFS period but it should be noted that this financial scenario is not sustainable over the longer term.
- 7.2 The 2024/25 Final Local Government Financial Settlement was published on 5 February 2024 and set out a small overall increase in grant funding of £148k compared to 2023/24 (£88k more than announced at the Provisional Financial Settlement). The Essex Business Rates Pool is planned to continue; which allows for greater retention of any growth across the county.

Risks and Opportunities

- 7.3 This section highlights the risks and opportunities facing the Council in the medium term.
- Demographic
 - External Income
 - Inflation
 - Service Demand
 - Business Rates Retention
 - Other Developments
 - Fairer Funding Review

Demographic

- 7.4 The total population in Maldon grew by £1,200 over the last year (1.8%).
- 7.5 Demographic factors affect the Council's planning in several ways:
- Changes in the number of households affect the tax base for Council Tax purposes, and hence the total amount which will be raised from this source
 - The characteristics of both population and households can help identify specific implications for the type and nature of many services provided by the Council
 - All the above factors affect the level of demand for, and use of, services provided by the Council

External Income

- 7.6 The Council relies on several external income sources which are at risk of variances between years. The reasons for these are mainly outside the direct control of the Council such as macro-economic and/or seasonal conditions. These income streams are principally from refuse and recycling, development control, building control, land charges, leisure and car parking related such as from the Splash Park and Promenade Park.
- 7.7 Historically a key income stream for the council has been the income generated from investment of cash balances. The high interest rates have seen a large increase in this income in the last year. Every 0.5% of movement in interest rates is equivalent to approximately £125k in income; however, the actual interest earned is also dependant on the level of free cash flow balances during the year.
- 7.8 The Council has a policy to maximise income from existing and new fees and charges where possible and practicable. These are mainly tied to inflation rates.

Inflation

- 7.9 The financial impact of a 1.0% movement in pay inflation represents around a £0.108m change in the general fund employee budget. A 5% uplift was assumed for 2023 / 24 pay inflation and this average was confirmed following agreement by the National Joint Council. There has been continued increases in the cost of living and pay inflation meaning the Council is forecasting a further 5.0% increase in employee salaries for 2024 / 25. However, this is estimated to return to 2.5% for 2025 / 26 and 2.0% for 2026 / 27.
- 7.10 For the 2024 / 25 budget setting process, the contract prices have been uplifted by appropriate indices as stated in the conditions of the contracts. The financial impact of a 1% movement in contractual inflation is £0.056m.
- 7.11 No inflationary increase has been applied to the general services budget, except known specific items such as utilities and IT costs.
- 7.12 For future years, the projection assumes an overall averaged inflation rate of around 7.4% for 2023 / 24 based on RPI and 2.5% for 2025 / 26 and 2.0% for 2026 / 27.

Service demand

- 7.13 Under the current economic climate the pressure on the Council to deliver services within a constrained financial base remains high compared to historic levels. There is also an imposed demand by Central Government on local authorities to take a major part in revitalising the local economy whilst, at the same time, bearing a significant part of the government's overall austerity measures, via reduced funding.
- 7.14 Increases in the demand for services, coupled with the loss of external income, will restrict the Council's ability to make overall cost reductions.

2024/25 Final Local Government Finance Settlement (LGFS)

7.15 The final 2024 / 25 LGFS was announced on 5 February 2023. The table below shows Maldon's final settlement for 2024 / 25.

Local Government Financial Settlement 2020/21 to 2024/25	2020/21 Final LGFS £m	2021/22 Final LGFS £m	2022/23 Final LGFS £m	2023/24 Final LGFS £m	2024/25 Final LGFS £m
Settlement Funding Assessment of which:	1.532	1.532	1.532	1.670	1.731
Revenue Support Grant (RSG)	-	-	-	0.081	0.086
Baseline Funding Level (Business Rates)	1.532	1.532	1.532	1.590	1.645
(Tariff)/Top-up Adjustment	(3.867)	(3.867)	(3.867)	(4.758)	(4.699)
Annual Change (%)	1.6%	0.0%	0.0%	9.0%	5.0%
Cum. Change from 17/18 (%)	-22.0%	-22.0%	-22.0%	-14.9%	-11.8%
New Homes Bonus – MHCLG	0.898	0.930	0.961	0.474	0.495
Compensation for under indexing the Business Rates multiplier	0.061	0.080	0.126	0.271	0.337
Rural Services Delivery Grant	0.031	0.032	0.032	0.036	0.042
Funding Guarantee	-	-	-	0.601	0.774
Lower Tier Services Grant	-	0.065	0.069	-	-
Services Grant	-	-	0.106	0.062	0.011
Council Tax Requirement excluding parish precepts (incl. base growth and levels increasing by CPI)	4.982	5.293	5.361	5.664	5.913
Potential additional Council Tax from £5 referendum principle for all Districts	0.062	0.000	0.000	0.000	0.000
Total Core Spending Power	7.566	7.932	8.187	8.778	9.301
Change since 2015/16 (£ million)					2.0
Change since 2015/16 (% change)					27.5%

New Homes Bonus Scheme

7.16 The New Homes Bonus Scheme (NHBS) was introduced in 2011/12 to encourage local authorities to facilitate housing growth. For every additional property built or brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes, for the following six years. The grant is not ring-fenced and is split 80% to the lower tier and 20% to the upper tier. Previous changes to the NHBS were the introduction of a baseline housing growth of 0.4% before NHBS would be payable and a reduction in duration of legacy payments from the six years to five years and to four years. The government completed a consultation on the future of the NHB in 2021/22. The Council received its last legacy payments for previous years of £0.198m in 2022 / 23 and now only receives one off annual NHB payments. In the 2024 / 25 Final LGFS the government has announced a one-off NHB payment of £0.495m. In 2021 / 22 the Council decided to support its 2021 / 22 to 2023 / 24 Local Development Scheme expenditure from the NHB. Therefore, there is no longer any NHBS reserve.

Pension

- 7.17 Maldon District Council employees are eligible to be members of the Local Government Pension Scheme (LGPS), for which the Government sets the terms and conditions nationally. This is a statutory condition of employment available to all local government employees. Essex County Council is the administering authority of the LGPS in Essex. In accordance with statutory requirements the Essex Pension Fund, of which this Council is a member, was actuarially valued as at 31 March 2022 as part of the triennial valuation cycle.
- 7.18 The 2022 Valuation showed a decrease in the Council's deficit position by 82% from £5.32m to £0.94m. This means that the funding level of the Council's element of the Fund increased from 90.2% in 2019 to 98.4% in 2022. Funding levels are taken as the ratio of assets to liabilities. In general, for the 2022 valuation, funding levels have increased due to:
- Salary increases being lower than expected
 - Investment returns have been better than expected
 - Deficit contributions paid by the Council to the Fund
- 7.19 The recovery period for the deficit was reduced from 12 years, set at the 2019 Valuation, to 9 years or less in the 2022 Valuation, depending on the individual circumstances of the Council.
- 7.20 The 2022 Valuation brought about an increase in the employer's ongoing contribution from 19.9% of pensionable pay to 20.9% of pensionable pay (up £78k). Whilst the recovery of deficits covers up to a date, an ongoing contribution rate is also needed to obtain the level of contributions required to meet the cost of new pension benefits and this is usually based on the same assumptions as are used for the deficit.
- 7.21 Automatic Enrolment has been established by the Government as a requirement for employers to provide a pension scheme for employees. The LGPS is a qualifying scheme for the purposes of Automatic Enrolment within the terms set out by the Pension Regulator.
- 7.22 The Pensions Act 2008 includes a duty on employers to automatically enrol their eligible jobholders into a workplace pension scheme that meets certain requirements and provide a minimum employer contribution. From early 2014, the Council must have:
- Enrolled any new employees into the qualifying approved scheme;
 - Enrolled any employees who are not a member of the scheme but reach the age of 22; and
 - Enrolled any employee who is passing the rate of salary to £10,000 per annum for the first time
- 7.23 It should be noted the employee can still choose to opt out of the scheme, but the Council must not mention any option of how to opt out of the scheme during enrolment as it could be seen as an inducement not to join the scheme and could expose the council to a fine from the Pensions Regulator.

Universal Credit

7.24 Universal Credit (UC) was rolled out through the Welfare Reform Bill and was the biggest shake up of the system for 60 years. UC is an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work, replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance. For local authorities, this means the link between Housing Benefit and Council Tax Support will be broken for working age customers and that UC will be administered by the Department of Work and Pensions.

- The digital roll out of Universal Credits for Maldon, using the newer software started in December 2018 for new claims only and migration to UC has been ongoing since.
- The Council retains responsibility for Local Council Tax Support, as well as pensioner claims, and some working age claims, even after a full transfer of claims to UC. As such, the Council will retain 70-80% of pre-UC workload even after all qualifying claimants have been migrated to UC.

7.25 The transition to UC has had significant implications for local Council and its systems. There will continue to be a reduction in the Housing Benefit Administration Grant going forward, but this may not be proportional to the reduction in the workload or staffing. The financial impact of Universal Credits continues to be monitored on an ongoing basis.

Land Charges (transfer of responsibility to Land Registry)

7.26 The Infrastructure Act 2015 provided for the transfer of some of the Land Charges responsibilities from local authorities to the Land Registry. The implications for the Council are:

- Loss of local land charges income
- Incurring on-going costs for the supply of standardised accurate information related to local land charges to Land Registry to keep the register updated.
- Legal liability will rest with Local Authorities for any inaccurate information provided
- Transfer requires digital and business transformation
- Local authorities will continue to provide Con 29 searches

7.27 This project got underway during 2022 / 23 after Maldon District Council (MDC) made preparations by putting in a growth bid of £50,000 for 2021 / 22 to fund this. The local land charges income has now begun to fall, so this has reduced the overall increase in Fees and Charges forecast for the MTFS period.

7.28 The financial implication on the land charges transfer continues to be monitored on an ongoing basis to ensure that budgets reflect latest income expected.

2024 / 25 General Fund Budget

7.29 As part of the financial planning process, Members examine information provided by officers relating to the level of existing resources. All budget options are considered

in the context of current service performance and priorities. Also, all the growth, savings and capital bids have gone through a challenge process, including being reviewed by the Finance Working Group and recommended by the Strategy & Resources Committee.

8. RISK MANAGEMENT

- 8.1 Risk Management is a key feature of the Council's financial planning process.
- 8.2 The Council is very aware of the need for effective risk management and considers that the assessment and minimisation of all types of risk to be vital. It has an adopted Risk Management Strategy in place, and the financial risks to the Council are assessed in the context of the Council's overall approach to risk management.
- 8.3 To mitigate risk the Council regularly monitors its budgets. The performance management system is used by the Council to identify, monitor and reports on risks. Regular reporting of the Corporate Risks, financial and non-financial performance occurs on at least a quarterly basis to the Corporate Leadership Team and the Performance, Governance and Audit Committee, and is programmed in the annual timetable.
- 8.4 The table below summarises the financial implications if assumptions made in the MTFS change in the future. This gives some indications to the kind of risks which need to be allowed for in considering the level of reserves in future years.

Sensitivity Scenario	2024/25	2025/26	2026/27
	£m	£m	£m
Inflation - Pay award 1% higher than assumed	0.113	0.114	0.115
Other Inflation - 1% higher than assumed	0.061	0.073	0.074
Average investment interest rate - 0.5% lower than assumed (ave £25m invested)	-0.125	-0.125	-0.125
Council Tax Collection - 1% lower than assumed	-0.059	-0.061	-0.063
NNDR Collection - 1% lower than assumed	-0.046	-0.046	-0.046
Net Operating Expenditure - 1% overspent	0.126	0.129	0.133

9. COUNCIL TAX

Council Tax

- 9.1 It is important to note that the Council has limited income generated from council tax. As shown in paragraph 8.4, for every 1% increase in the average Band D council tax; an additional £0.059m of income is raised. The MTFS allows an increase in the Basic Amount of Council Tax of £6.52 (2.98%) for 2024 / 25 and subsequently 1.99% for the rest of the MTFS period in accordance with current District Council Tax increase allowance principles.

Tax base for Council tax setting

- 9.2 The tax base for council tax setting assumed in the MTFS is shown below:

Year	2023/24	2024/25	2025/26	2026/27
	Calculated	Calculated	Projected	Projected
Band D Equivalents	25,892.3	26,400.2	26,664.2	26,930.8

- 9.3 Using past trends together with information on already approved and likely future planning applications, projected housing growth has been used to forecast the council tax-base for the period of the MTFS. The tax-base forecast has been arrived at by considering the completion dates of the strategic housing developments in the District.
- 9.4 A copy of the medium-term financial forecast on the general fund is attached at **Appendix A**.

10. VALUE FOR MONEY AND EFFICIENCY

- 10.1 Value for Money (VFM) is an assessment of whether we obtain the maximum benefit from the goods and services we both acquire and provide, within the resources available to achieve it. This assessment includes considerations about suitability, quality, whole life costs and the relationship between economy, efficiency and effectiveness.
- 10.2 Value for money remains an integral part of the external audit opinion. The general feedback was that the council had consolidated previous improvements and demonstrates good value for money across services.
- 10.3 A key part of the Council's ethos is its focus on achieving efficiencies. This is a main driver during the budget and planning process; ensuring resources are directed in the appropriate areas and is embedded across the whole authority. Services are monitored and reviewed for efficiencies with a view to identify where savings and or productivity gains can be made. The Council is committed to delivering efficiencies to drive costs down and maintain or improve services.

11. INCOME GENERATION

Forecasting Income

- 11.1 This section covers the income from fees and charges.

Policy on Fees and Charges

- 11.2 The Council has looked to maximise the potential from fees and charges. A significant proportion of its income comes from fees and charges and a balance must be struck between meeting statutory responsibilities and the subsidy on providing discretionary services. The Council takes the view that raising charges to recover part or all the costs of providing is preferable to removing the service completely. Charges are set after considering local circumstances and the user's ability to pay. The Council's fees and charges will normally increase at least in line with inflation or, where appropriate statutory defined, fees and charges increase. Increased or

reduced income due to volume changes, or charge proposals above or below inflation, are addressed through the budget setting process.

- 11.3 The full list of fees and charges is shown in the Discretionary Fees and Charges 2024 / 25 report to the Strategy and Resources Committee on 23 November 2023.
- 11.4 The Council's longer-term policy has three fundamental principles:
- Services should raise income wherever there is a power or duty to do so.
 - The income raised should cover the full costs of providing the service including all overheads.
 - Any departures from this policy must be justified in a transparent manner with reference to the Council's priorities and policies.
- 11.5 When the Council does not raise income in areas where it has the power to do so, it foregoes the opportunity to raise money to improve services and leaves less money available for spending on high priority services.
- 11.6 A decision to forego income or to subsidise a service is a policy decision about resources as significant as any decision made in the budget setting process especially since the Council is expected to become more self-sufficient. The cost will eventually fall on the council taxpayer if the service is to be protected to any extent. The Fees and Charges Policy is reported to Strategy & Resources Committee and Council separately to the MTFS.

Income and Debt Management

- 11.7 The Council has a good history of debt collection. The Council continues to build on this to maximise income received and minimise income written off. Monitoring information has been enhanced to provide information on evaluating the effectiveness of debt recovery actions, associated costs, and the cost of not recovering debt promptly.

12. USE OF RESERVES

- 12.1 The minimum General Fund Reserve is set at £2.6m. A minimum level is intended to allow sufficient resources to respond to events such as post-Coronavirus recovery and the new cost-of-living crisis, however we still aim to maintain this minimum reserve as far as possible.
- 12.2 Risks to the Council's financial position could derive potentially from a budget overspend due to higher than budgeted expenditure or lower than budgeted income or a combination of both, loss of investment income, contractual/legislative failure or challenging/emergency events. Historically, the Council has had a very good record of outturn financial position being within budget and of predicting investment income well so hasn't had to make additional significant provision. However, with high inflation, the economic environment has continued to test the Council's reserves where Central Government do not reimburse MDC for its losses. The Reserves Table in paragraph 12.4 shows that the General Fund Reserve should not fall below the minimum level before 2026-27 without the use of earmarked reserves or additional government funding.

- 12.3 Equally, it is important that the use of reserves is not increasing year on year, creating an unsustainable future problem. Normally, it is a Council goal to meet any budget gap by making savings.
- 12.4 A summary of the proposed use of reserves is shown in the table below and is based on a budget projection that includes budget pressures, aspects such as inflation, further salary increase, pension fund contributions and savings identified.

Predicted General Fund Balance Movement	2023 / 24 (Revised)	2024 / 25	2025/26	2026/27
	£000	£000	£000	£000
Balance b/f				
General Fund Reserves	5,081	5,823	5,673	5,251
Earmarked Reserves	8,106	3,973	6,720	6,542
Total	13,187	9,796	12,392	11,792
Projected Movement				
General Fund Reserves	742	-151	-422	-591
Earmarked Reserves	-4,134	2,747	-178	-538
Total	-3,391	2,597	-600	-1,129
Balance c/f				
General Fund Reserves	5,823	5,673	5,251	4,659
Earmarked Reserves	3,973	6,720	6,542	6,004
Total	9,796	12,392	11,792	10,663

13. CAPITAL

Capital spend and funding

- 13.1 The Council's Capital Programme is agreed on an annual basis and serves the following purposes:
- It sets out how capital projects contribute to the achievement of the Council's corporate objectives.
 - It establishes the criteria for the allocation of capital resources.
 - It provides a framework for the administration of capital projects and monitoring of outcomes.

- 13.2 It is important to note that all capital investment and disposal decisions have been made with reference to the strategic objectives.
- 13.3 The Council's capital programme has in general always been funded using capital receipts, external contributions or from capital grants and the current five-year capital programme is underpinned mainly by capital receipts.
- 13.4 The programmes for 2024 / 25 to 2028 / 29 have been set in detail, any schemes above this level would need to seek alternate external funds or new capital receipts from the sale of assets. However, it should be noted that the diminishing levels of capital receipts in future years would warrant a comprehensive review of the way the capital programme is supported in the long term. The indicative five-year capital programme as shown would cost the Capital Receipts Reserve a total of £0.473m. The Capital Receipts Reserve will be £1.683m from 1 April 2024 meaning capital receipts are sufficient for the capital programme to continue beyond 31 March 2029, unless the programme is increased. It should be noted that the capital programme for 2024 / 25 to 2028 / 29 has been developed by Officers and bids for asset acquisitions are then considered by the Strategy & Resources Committee for recommendation to Council. This is reviewed annually so the use of capital receipts will change over the 5-year period and more may be required sooner.
- 13.5 Although the Capital Projects report is a separate report to Council, a summary of the programme and funding is given at **Appendix B**.

Revenue implications of capital programme

- 13.6 The key driver for the Council's approach to capital expenditure is revenue affordability.
- 13.7 Most Capital Projects have financial implications on the annual Revenue Budget. The revenue implications can take a variety of forms and they include:
- Capital financing costs
 - Loss of investment income
 - Annual non-capital financing costs, e.g.
 - Salaries
 - Rent
 - Rates
 - Energy costs
 - On-going maintenance costs
 - Income generated from the scheme or project
- 13.8 The revenue implications of the previously approved capital programme have been built into this MTFS. For the proposed future capital programme, there are no revenue implications for 2024 / 25 and any revenue implications beyond that will be built in upon approval.
- 13.9 However, new maintenance issues frequently get identified relating to the existing capital assets. These are known as Repairs and Renewals, some of which are essential to avoid service failure and others are to improve service levels. Expenditure on these is expected to be £6k higher than the existing £0.128m annual revenue budget, £134k.

- 13.10 Members need to be aware that there is currently also £172k in the repairs and renewals earmarked reserves. This would allow the reserves to cover any emergency repairs and renewals that may emerge.

14. TREASURY MANAGEMENT LINKS WITH FINANCIAL STRATEGY

- 14.1 The Council will continue to invest in accordance with the approved Treasury Management Strategy and will plan any consideration of borrowing closely through the MTFS and five-year Capital Budget.
- 14.2 Investment income is used to support the budgets of the authority and movements in interest rates can result in significant changes. Since December 2021, the Bank of England has increased its base rate from 0.1% to the current level of 5.25% to address high inflation. The Council is debt free, so interest rates do not affect its level of expenditure. However, from March 2024, the Council will be utilising c.£4m of its Treasury Investments to internally borrow for Waste vehicles; this will cost the Council the amount of interest that would have been earned if those funds were invested externally. For its Treasury investments, the Council's interest returns are currently higher than in recent years, as interest rates have been higher.

15. EQUALITY IMPACT ASSESSMENTS (EIA)

- 15.1 The council is committed to ensuring equality and diversity issues are given proper consideration. Equality Impact Assessments form an important part of our decision making to enable us to assess the impact of decisions on our residents, stakeholders and customers. Where the impact is high mitigation plans can be developed to reduce that impact of decisions. These are completed in accordance with national guidance and best practice.

16. CONCLUSION

- 16.1 The MTFS should be considered in the context of the following issues:
- The impact of the cost-of-living crisis on inflationary costs and local taxation collection. Most government and local measures are temporary.
 - The reductions to local government funding over the past decade and a half, and uncertainty around further reductions in the near future.
 - The Council's future budget gaps, despite historical financial strength as shown by the General Fund reserves, robust financial management and excellent track record in achieving efficiency savings.
 - That challenging decisions will still need to be made to safeguard frontline services and return to sustainable balanced budgets together with an adequate level of General Fund reserves.
 - The possibility that Usable Capital Receipts Reserve could be fully utilised over the MTFS period if the programme needs to expand in future years, bearing in mind the comments in paragraph 13.4 above.
- 16.2 The financial position over the medium term is shown in **Appendix A**. This also shows that the level of General Fund un-ringfenced reserves is expected to fall below the minimum level of balance of £2.6m over the medium term to 31 March 2027.

This needs to be considered in the context that for 2024 / 25 – 2026 / 27 budget estimates have been constructed with great economic uncertainty, high level assumptions and the detailed work will be undertaken in line with the Council's budget cycle timetable for those years and taking into account the further government grants announced at the time.

LIST OF APPENDICES

Appendix A sets out the MTFS projections for the General Fund (below)

Appendix B sets out the medium-term projections for Capital (below)

Appendix C shows the Policy on reserves and balances (below)

Appendix A - Medium Term Financial Strategy 2024 / 25 – 2026 / 27

	2024/25 £000	2025/26 £000	2026/27 £000
Prior Year Net Expenditure Before Reserves	14,112	12,658	12,853
Reversal of One-Off Reserve Funded Expenditure:			
Commitments	-1,341	0	0
Other Drawdowns	-231	0	0
Operational Service Pressures:			
Staff Inflation	435	277	227
Non-Staff inflation	305	225	149
Contractual Pressures	73	0	0
Growth Items:			
Reversal of Non-Recurring Prior Year Growth	-51	-9	0
Repairs & Renewals	6	-6	
North Essex Economic Board	20	0	
North Essex Alliance	20	0	
Recycling bags	60	20	20
Temporary Accommodation	20	0	
Princes Road depot	3	0	
Prom depot	1	0	
Volunteer training	2	0	
Emergency lighting	4	0	
HAWS (Hand-Arm Vibration Syndrome) testing	3	0	
Fire Risk Assessments	10	0	
Car Parking Card Transaction Fees	20	0	
Backwater Leisure Centre			
Additional Local Development Plan (LDP) Costs			
Projects Funded from Earmarked Reserves:			
Reversal of Prior Year Non-Recurring Reserve Funding	-343	-182	
Backwater Leisure Centre	14	0	
Additional LDP Costs	168	0	
Savings:			
Elections	-20	0	
IT Software	-58	0	
Corporate Contingency	-178	0	
Fees & Charges Inflationary Increases:			

	2024/25 £000	2025/26 £000	2026/27 £000
Parks & Open Spaces	-58	-24	-16
Cemeteries	-36	-15	-10
Development Control	-299	-125	-81
Building Control	27	11	7
Off-street Parking	59	25	16
Housing Services	-1	0	0
Commercial Income Increases:			
Attractions	-22	0	
Council Offices	-67	0	
Net Cost of Services	12,658	12,853	13,166
Pension Fund Deficit Contribution	0	0	351
Investment Income	-1,000	-788	-738
Net Expenditure Before Reserves	11,658	12,066	12,780
Contributions to/(from) Earmarked Reserves	2,747	120	-240
Expenditure to Be Funded	14,405	12,186	12,540
Funding			
New Homes Bonus	-495	-495	-495
Rural Services Delivery Grant	-42	-42	-42
Compensation for NNDR under-indexing	-372	-372	-372
Services Grant	-10	-10	-10
Renewable Energy	-957	-957	-957
Funding Guarantee	-774	-774	-774
Business Rates Baseline Funding	-1,305	-1,305	-1,305
Business Rates Growth incl S31	-2,011	-2,011	-2,011
Business Rates levy/benefit	329	329	329
CTAX and NDR collection fund (surplus) / deficit	-2,671	0	0
Estimated Yield from Council Tax	-5,947	-6,126	-6,311
Total Funding	-14,255	-11,764	-11,948
Budget Gap	151	422	591

Appendix B – Capital Programme & Capital Receipts Reserve

Capital Programme 2024/25 - 2028/29					
Project Title	Original	Original	Original	Original	Original
	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Vehicle & Plant Replacement					
Trimas Pegasus - Grass cutting machine	35				
John Deere Gator Vehicle replacement	30				
Information & Communication Technology					
PC and Printer Replacement Programme	47	47	47	47	47
Parks					
Promenade Park Amphitheatre Strengthening	85				
Goldhanger – Decommission garages	35				
Seawall and Coach Park toilets – replacement lighting	12				
Matting Play surfacing for 4 sites	75				
Longfields pathways tarmacing	45				
Remembrance Avenue – Road resurface.	32				
Brickhouse Farm					
Scout Hut – New flooring	36				
St Georges Play Site – Equipment renewal relocation and installation	17				
Rivers					
New Navigation buoys	14				
Leisure & Sports					
Plume school - Replacement Carpet Astro pitch		125			
Cemeteries					
Renovation of garden of remembrance	10				
Play Equipment (s106 Funded)					
Maldon Skate Park/BMX Track refurbishment Resurfacing	500				
Riverside Skate Park Equipment and	186				

APPENDIX 1

Project Title	Original	Original	Original	Original	Original
	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Surface					
West Maldon skate park / BMX track	50				
New accessible play site (Sensory)		100			
Housing					
Mandatory Disabled Facilities Grants	539	539	539	539	539
Total Capital Programme	1,748	811	586	586	586
Funding					
Capital Receipts Applied	473	172	47	47	47
s.106 Funded	736	100	0	0	0
Government Grant	539	539	539	539	539
Total Funding	1,748	811	586	586	586

Capital Receipts Reserves Movements	2024/25	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000	£000
Opening Balance	1,271	798	626	626	579
Capital Receipts Utilised	-473	-172	-47	-47	-47
Closing Balance	798	626	579	579	532

Appendix C – Policy on Reserves and Balances

Purpose

A Policy for Reserve and Balances represents good financial management and should be reviewed annually.

Application

The general principles set out in this Reserves and Balances Policy apply to the General Fund for Maldon District Council. It applies to reserves only and not provisions.

The Existing Legislative/Regulatory Framework

The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

The Local Government Finance Act 1992 and Local Government Act 2003 set out that a range of safeguards to mitigate against local authorities over-committing themselves financially. These include:

- the balanced budget requirement
- Chief Finance Officers' duty to report robustness of estimates and adequacy of reserves when considering the budget requirement.
- Requirement for local authority to make arrangements for proper administration of their financial affairs and that the Chief Finance Officer is that responsible person (section 151 duties)
- the requirements of the prudential code.
- the auditor will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.

Generally, the balanced budget requirement is sufficient discipline for the majority of local authorities. This requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer in England and Wales to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice by the Chief Finance officer cannot be taken lightly and has serious operational implications.

The prudential code requires chief finance officers to have full regard to affordability when making recommendations about future capital programmes.

Guidance on specific levels of reserves and balances is not given in statute or by CIPFA (the recognised accountancy body for local government finance). There is no statutory minimum level of reserves. It is up to local authorities themselves to set their own level of reserves and balances on the advice of the Chief Finance Officer.

The Role of the Section 151 Officer

Within the existing statutory and regulatory framework, it is the responsibility of Section 151 Officer to advise the Council about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.

The Council then, acting on and giving due regard to the advice of the Section 151 Officer must make its own judgements on the level of reserves and balances taking into account all the relevant local circumstances. These include the operational and financial risks, and the arrangements in place to manage them, including adequate and effective systems of internal control. The duties of the Chief Finance Officer in relation to the level of reserves are covered by the legislative framework described in 3 above. Under the Local Government Act 2003, the Chief Finance Officer must report to the Council on the adequacy of reserves (section 27) and reserve transactions must be taken account of within the required budget monitoring arrangements (section 28).

Types of Reserves

Reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The Council also holds other reserves that arise out of the interaction of legislation and proper accounting practice. These reserves are not resource backed and cannot be used for other purposes include:

- a Pensions Reserve (required under IAS19). This is a specific accounting mechanism used to recognise the Council's share of pension fund liabilities in its balance sheet. As this is a reserve which arises from an accounting standard it is not available to finance Council expenditure.
- a Revaluation Reserve – this records unrealised gains in the value of fixed assets.
- a Capital Adjustment Account – this is a specific accounting mechanism used to reconcile different rates at which assets are depreciated under proper accounting practice.
- A Collection Fund Adjustment Account – as a Billing Authority within Essex, this accounts for all monies and surpluses/deficits held on behalf of the Council's preceptors.

For each earmarked reserve held by the Council there should be a clear protocol setting out:

- the reason for/purpose of the reserve
- how and when the reserve can be used
- procedures for the reserve's management and control
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

This Reserves and Balances Policy ensures that when establishing reserves, Maldon District Council complies with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and the need to distinguish between reserves and provisions.

Policy and Principles to Assess the Adequacy of Reserves

The principles used by the Chief Finance Officer to assess the adequacy of unallocated general reserves when setting the budget, ensure that account is taken of the strategic, operational and financial risks facing the authority.

Setting the level of reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a year. This is carried out as part of the four-year Service and Resource Planning Process. Account is taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements. In addition to the cash flow requirements of the authority the following factors are considered:

- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings / productivity gains
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments
- The availability of other funds to deal with major contingencies and the adequacy of provisions.
- The economic situation, unforeseen events etc.
- The risks identified by the authority as part of its risk management arrangements

The Council holds two types of reserves

- General non-earmarked reserves (the Council's General Fund Balances)
- Earmarked reserves held for specific purposes

It is the current policy of Maldon District Council for the *General Fund reserves* (the General Fund Balances) to be held at a level of, at least, £2.6m. This is reviewed at least annually, during the setting of the budget. Factors which are considered during the review include; the level of balances as a percentage of the net revenue requirement, budget management and monitoring procedures, risk levels and financial projections for future years.

Reserves can be created or increased to ensure that the Service and Resource Planning Process takes account of any need to increase due to factors which may arise and to fully account for these factors.

In addition, the regular budget monitoring process carried out by the Council throughout the year will report on any changes in the level of balances or reserves.

The Reserves and Balances Policy is set in the context of the authority's Medium-Term Financial Strategy and does not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure this will be made explicit. Advice will be given by the Chief Finance Officer on the adequacy of reserves over the lifetime of the medium-term financial projections. This is addressed in the Medium-Term Financial Strategy.

Reporting Framework

The Chief Finance Officer has a fiduciary duty to local tax-payers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Compliance with this Reserves and Balances Policy assists in allowing the Chief Finance Officer to be satisfied that there is proper stewardship of public funds. The level and utilisation of reserves is determined formally by the Council at its meetings to approve the annual budget and the final accounts. These decisions are informed by the advice and judgement of the Chief Finance Officer.

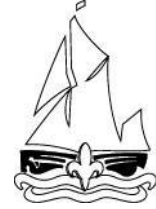
The Reporting Policy for Maldon District Council is:

- The Medium-Term Financial Strategy report to the Council includes a statement showing the proposed use of, or contribution to, general and earmarked reserves for the year ahead. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure
- The budget report itself includes a statement from the Chief Finance Officer on the adequacy of reserves in respect of the forthcoming financial year and the authority's medium-term financial strategy.
- The Councils' annual statement of accounts includes a schedule of all reserves in the balance sheet, showing opening balance, net movement in year and year-end balance. Notes to individual reserves are given in the accounts and significant reserve movements are explained in the Chief Finance Officer's foreword to the accounts and the covering report to Council which accompanies the presentation of the accounts.
- The regular in-year Budget Monitoring reports to Committee include details of any transactions affecting the Council's reserves.

Good Governance

It is important that local authority councillors take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. This will be subject to the advice of the Chief Finance Officer and the arrangements for reviewing and reporting on the level of reserves and balances as set out above.

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REPORT of INTERIM CHIEF FINANCE OFFICER

to
COUNCIL
15 FEBRUARY 2024

2023 / 24 REVISED AND 2024 / 25 ORIGINAL BUDGET ESTIMATES

1. PURPOSE OF THE REPORT

- 1.1 To note the Final Local Government Finance Settlement 2024 / 25 which was announced by the Government on 5 February 2024.
- 1.2 To present the revised 2023 / 24 and original 2024 / 25 General Fund Revenue Budget estimates for approval.
- 1.3 To present the options for proposed level of Council Tax increase for 2024 / 25 for approval.
- 1.4 To present the policy on use of reserves for approval.
- 1.5 To note the outcome of the budget survey 2024 at **APPENDIX 6**.

2. RECOMMENDATIONS

That the following be approved:

- (a) the Revised 2023 / 24 and Original 2024 / 25 General Fund Revenue Budget Estimates (**APPENDICES 1, 2 and 3**),
- (b) an average Band D council tax of £225.27 (excluding parish precepts) (£6.52 increase) for 2023 / 24 (**APPENDIX 1**),
- (c) policies on the designated use of financial reserves (**APPENDIX 4**),
- (d) maintain the current policy of a minimum general fund balance of £2,600,000.
- (e) that the Council gives due regard to the Interim Chief Finance Officer (Section 151 Officer) statement on the robustness of budgets and adequacy of reserves in **APPENDIX 5**

3. SUMMARY OF KEY ISSUES

- 3.1 The Council no longer receives Revenue Support Grant (RSG) funding from the Government meaning that the majority of the funding for the Council's services is from income raised directly by the authority. The main sources of funding are Council Tax, Fees and Charges and Business Rates.

- 3.2 The requirement to set a balanced budget has required robust processes to identify efficiencies, protect front-line services as far as possible, retain the ability to generate income and to recognise the increasing demand for services.

3.3 Final Local Government Finance Settlement 2024 / 25

- 3.3.1 The final 2024 / 25 local government finance settlement was announced on 5 February 2024. The Settlement Funding Assessment is the amount of funding consisting of the Council's 50% share of the overall Business Rates Baseline Funding Level, uprated by the increase in the small business rates multiplier that is identified by the Government under the current Business Rates Retention Scheme and adjusted for the tariff that the authority pays.

	2023/24 £m	2024/25 £m
Settlement Funding Assessment – Maldon	1.670	1.731
of which:		
Revenue Support Grant	0	0
Business Rates Baseline Funding under 50%	1.670	1.731
Business Rates Retention (BRR)		
Annual % Change		3.7%

- 3.3.2 The Government calculates an amount called the 'Core Spending Power' each year which is an estimate of the amount of funding available to each authority to spend on their core services. It is made up of estimated Council Tax and Business Rates income, Revenue Support Grant, New Homes Bonus (NHB) and a number of government grants.

CORE SPENDING POWER										
Please select authority										
maldon										
Illustrative Core Spending Power of Local Government:										
	2015-16 £ millions	2016-17 £ millions	2017-18 £ millions	2018-19 £ millions	2019-20 £ millions	2020-21 £ millions	2021-22 £ millions	2022-23 £ millions	2023-24 £ millions	2024-25 ¹² £ millions
Settlement Funding Assessment	2.4	2.0	1.6	1.5	1.5	1.5	1.5	1.5	1.7	1.7
Compensation for under-indexing the business rates multiplier	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.3
Council tax requirement excluding parish precepts ^{1,2,3}	4.1	4.3	4.5	4.7	4.8	5.1	5.2	5.4	5.7	5.9
Improved Better Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Homes Bonus	0.6	0.8	0.8	0.7	0.8	0.9	0.9	1.0	0.5	0.5
New Homes Bonus returned funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rural Services Delivery Grant ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transition Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult Social Care Support Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Winter Pressures Grant ⁵	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Care Support Grant ⁶	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Care Grant ⁷	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market Sustainability and Fair Cost of Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASC Market Sustainability and Improvement Fund ⁸	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower Tier Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
ASC Discharge Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services Grant ⁹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Grants rolled in ¹⁰	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Funding Guarantee ¹¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.8
Core Spending Power	7.3	7.2	7.0	7.0	7.3	7.7	7.9	8.4	8.8	9.3

Source: Final Local Government Finance Settlement 2024 to 2025 published by DLUHC 5/2/2024

- 3.3.3 Total Core Spending Power for 2024/25 includes the potential additional Council Tax from the maximum 2.99% or £5 referendum principle for districts. The Council increased its Council Tax by £5 in 2017 / 18, the first year that the Government introduced the £5 into the referendum principle and continued to do so until 2022 / 23 in acceptance and recognition of the financial pressures that district councils have been experiencing. For 2023 / 24 and 2024 / 25 the Government has increased the maximum percentage increase to 2.99%, which the Council utilised in 2023 / 24. For 2024/25 an increase of 2.98% is proposed.

- 3.3.4 For 2024 / 25, government funding consists of Revenue Support Grant (nil for the Council), Business Rates Baseline funding, NHB, Services Grant, Rural Services Delivery Grant and a Funding Guarantee.
- 3.3.5 The NHB Scheme was introduced in 2011 / 12 to encourage local authorities to facilitate housing growth. For every additional property built or empty property brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes. The one-off allocation for 2024 / 25 will be £494,908, up from £474,225 in 2023 / 24.
- 3.3.6 There have been changes to the scheme over the years such as:
- the payments have reduced from six years to four years,
 - the introduction of an annual baseline housing growth of 0.4% below which no NHB would be payable,
 - from 2020 / 21 the government no longer pays NHB legacy payments relating to 2020 / 21.
- 3.3.7 For 2024 / 25 the government has maintained the Rural Services Delivery Grant at £85 million nationally and the Council's allocation of £41,851 is 15% higher than 2023 / 24. There is also a Services grant of £10,700 (reduced from £61,980 in 2023/24).
- 3.3.8 The Council's allocation of Homelessness Prevention Grant for 2024 / 25 has been set at £159,407. Further allocations may be announced for the Flexible Housing Support Grant, and the Homelessness Reduction Grant in the future.

3.4 Revised General Fund Revenue Budget Estimates 2023 / 24

- 3.4.1 There have been some necessary changes to the 2023 / 24 budget since its approval in February 2023. £1,341k of revenue commitments unspent in 2022 / 23 were carried forward from 2022 / 23 as agreed by Council in July 2023. £165k has been withdrawn from Earmarked Reserves to support one-off expenditure following approval from members during the year, and a further £91k of the Local Development Plan (LDP) Reserve is forecast to be utilised on staff this financial year.
- 3.4.2 The Quarter 2 Budgetary Control report considered by the Strategy and Resources Committee on 23 November showed an estimated net services budget underspend of £242k for 2023 / 24, along with improved interest earnings of £500k. Furthermore, an improved business rates position in 2022 / 23 is expected to allow a further £421k to be withdrawn from the Council Tax and Business Rates Equalisation Reserve in 2023 / 24. The original 2023 / 24 budget showed a projected £421k decrease in the General Fund balance during 2023 / 24, however this is currently forecast set to improve to an overall contribution of £742k.
- 3.4.3 The revised estimates continue to show no contribution needed from the General Fund Balances after contributions from earmarked reserves, as per **APPENDIX 4**. This increases the estimated closing General Fund Balance to £5.8m.

Impact on General Fund Balance

	£000
Opening General Fund Balance	5,081
Less 2023 / 24 Medium-Term Financial Strategy (MTFS) Funding Gap	(421)
Plus Forecast Net Cost of Services Underspend	242
Plus Improved Investment Income	500
Plus Additional drawdown from the Council Tax and Business Rates Equalisation Reserve	421
Estimated Closing General Fund Balance	5,823

3.4.4 The Council continues to receive additional income from growth above the baseline in local business rates and pooling arrangements within the Essex Region Business Rates Pool. The final benefits from being in the pool will not be known until the year end.

3.5 Original General Fund Revenue Budget Estimates 2024 / 25

3.5.1 The proposed 2024 / 25 net operating expenditure budget after adjusting for statutory adjustments, but before any non-service specific funding and use of reserves totals £12.658m and is therefore £116k (0.7%) higher than 2023 / 24 (£12.541m).

3.5.2 There are additional growth pressures such as an increase for inflation of £740k, due to:

- an estimated 5% increase on gross salaries plus net incremental salary grade pressures,
- an increase in the national minimum wage from £10.42 per hour to £12.00 (15.2%) pushing up contract costs,
- 7.4% increases for Consumer Price Index (CPI) indexed expenditure respectively, measured in August 2023. This mainly applies to operational contracts related to waste services, street cleansing and parks, and corporate contracts such as transaction charges and IT licences, which are collectively increasing by £305k.

3.5.3 Further contract pressures of £73k have arisen with street cleansing services (£50k) to catch up on prior year's high inflation, and leisure centres (£23k) which is still facing challenges after the pandemic. All the operational budget increases are shown in the table below.

Increase in net operating expenditure budget

	£000	£000
Salaries Inflation		
2024/25 Payrise @ 5.00%	314	
Increments	109	
Members	12	435
Non-Salaries Inflation		
Waste and Street Cleansing (Net)	257	
IT Software and Hardware	33	
Parks	12	
Council Offices & Corporate	20	
Less Lease and Other Income	(17)	305

	£000	£000
Contractual Pressures		
Leisure	23	
Street Cleansing	50	73
Expiry of Growths		
LDP – 3 Years Expired	(343)	
Ezytreev Software – One Off	(12)	
Customer Service resource – One Off	(39)	(394)
Reported Budget Pressures		
Recycling bags	60	
North Essex Economic Board contribution	20	
North Essex Alliance contribution	20	
Temporary Accommodation	20	
Car Parking Card Transaction Fees	20	
Fire Risk Assessments	10	
Other	19	169
New Budget Pressures		
Leisure Centre Plant Repairs	39	
LDP Salaries	143	182
Savings, Commercial Income and Fees & Charges		
Savings already delivered	(256)	
Increased Commercial Income	(89)	
Increased Fees & Charges	(308)	(653)
Total increase in net operating expenditure budget		117
Original 2023 / 24		12,541
Original 2024 / 25		12,658

- 3.5.4 It is estimated that in 2024 / 25 there will need to be a net contribution from General Fund balances of £0.151m unless further savings are delivered.
- 3.5.5 The Council Tax increase is considered in Section 3.12. Proposals for the usage of earmarked reserves are discussed in more detail in Section 3.13.
- 3.5.6 2024 / 25 Budgets have initially been built up as follows:
- Salaries based on latest agreed establishment
 - Inflation assumptions – 5.0% average pay award in 2024/25, contractual inflation on goods and services based on projected CPI or RPI dependent of terms within contracts;
 - Expected income from fees and charges and grant income;
 - Implications of statutory and contractual changes, non-inflation cost pressures;
 - Growth and Savings, as discussed later in this report.
- 3.5.7 As part of the budget setting process for 2023 / 24 Maldon District residents were consulted and the results of the survey are at **APPENDIX 6**.

3.6 Budget Growth, Savings and Income Generation in 2024 / 25

- 3.6.1 Savings of £256k have already been agreed and adjusted for in the 2024 / 25 budget. These are made up of £178k from removing the Corporate contingency, £58k from IT application rationalisation and £20k from Elections (agreed by the Council, February 2023). Council will separately consider a report on additional budget savings options for 2024 / 25. These proposals have not yet been built into the core 2024 / 25 budget. The estimated budget gap currently stands at £151k so savings of at least this amount will be required to balance the budget.
- 3.6.2 Due to the budget gap growths bids have been limited to unavoidable budget pressures and total £446k, although £273k of these are to be funded from reserves.
- 3.6.3 Income generation is forecast to increase by £397k next financial year which is included in the budget. This is due to uplifts in fees and charges agreed by Council in December 2023 (£308k) and new commercial income opportunities identified (£89k).

3.7 New Homes Bonus (NHB)

- 3.7.1 NHB is not ring-fenced and can be used by the Council for whatever purpose it wishes. The final 2024 / 25 allocation is £494,808, up from £474,225 in 2023 / 24 and is assumed to support the council's general expenditure budget. There is no NHB Reserve remaining as it was fully utilised in 2023 / 24, as agreed by Council in February 2023 as part of the 2023/24 budget papers.

3.8 Pension Fund Deficit Recovery

- 3.8.1 The Pension Fund Triennial Valuation 2022 results showed that the deficit on the Council's element of the overall Fund in respect of assets and liabilities had reduced from £5.32m to £0.94m with the funding level improving from 90.2% to 98.4%. The deficit recovery period has reduced from 12 years to 9 years. The Council is choosing to pay the triennial deficits up front so a payment of £0.351m will be paid in the 2023 / 24 financial year using the General Fund Reserves / Balance along with 20.9% of pensionable pay. Going forward, this will be funded by making a £0.120m contribution in each of the year's 2024 / 25, 2025 / 26 and 2026 / 27 to the Pension Reserve in the earmarked reserves in readiness for the next triennial payment in April 2026.

3.9 Essex Region Business Rates Pool

- 3.9.1 As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool in April 2016. The Pool is expected to continue to operate in 2024 / 25 and the Council is expected to continue to benefit by being in the Pool.

3.10 Interest on Investments

- 3.10.1 Interest from investment income is an integral part of the budget considerations. Bank of England base rate decreased in March 2020 to 0.1% and it remained at that rate until December 2021 when the Bank of England began to regularly increase the base rate, which stood at 3.50% in December 2022. The 2024 / 25 budget estimate for investment interest income is £1m at an average investment balance of £25m during the year at a rate of 4.0%, allowing for the base rate to be reduced during 2024 / 25 from a 15 year base rate high of 5.25%.

3.11 Council Tax

3.11.1 The Council Tax referendum threshold set by the Secretary of State for 2024 / 25 was announced as part of the Final Settlement; and for Maldon, the threshold has been set at 2.99% increase over 2023 / 24 or £5, whichever is the greater. Any Council proposing increases more than the threshold faces the substantial cost of conducting a local referendum and, if it results in a 'No' vote, the rebilling cost as well.

3.11.2 The Government, in calculating the core spending power for each council, assumes they will have taken the benefit of the 2.99% increase (see table in paragraph 3.4.3) it is important that the Council considers the option of a council tax increase for 2024 / 25.

Options for Increase in Council Tax from 2023 / 24 to 2024 / 25	Increase on 2023 / 24 Band D Council Tax of £218.75		Additional Income Band D
Tax Base = 26,400.2	0.00%	2.98%	
Band D Council Tax 2023 / 24	£218.75	£225.27	£6.52
Maldon District Council: Council Tax	£5,775,044	£5,947,173	£172,129

3.11.3 Increasing the council tax by £6.52 to £225.27 instead of a Council Tax freeze would raise an additional income of £172,129 in 2024 / 25, thus reducing the requirement from General Fund Balances by that amount to support the General Fund net expenditure.

3.11.4 A £6.52 increase represents a 2.98% increase on 2023 / 24 Council Tax as every 1% increase in Council Tax will bring in an additional £57,643.

3.11.5 The Council's net expenditure budget (excluding parish precepts but after service specific funding and contribution from reserves) for 2024 / 25 is £5,947,173. This is matched by the estimated total resources with the Band D council tax at £225.27 i.e. £6.52 increase on 2023 / 24 (**APPENDIX 1**).

3.11.6 The tax base to be used for setting the 2024 / 25 Council Tax. It has been calculated at 26,400.2 "Band D equivalent" properties, after allowing for a non-collection rate of 2.2%. This tax base is being applied for the purposes of setting the 2024 / 25 Council Tax.

3.11.7 In terms of the estimated surplus on the Collection Fund as at 31 March 2024, Maldon District Council's share of the net surplus is comprised of a surplus distribution on Council Tax of £275,052 and a surplus distribution on Business Rates of £2.4m. The Council is awaiting the 2024 / 25 Business Rates pooling results which will be finalised at the end of the financial year. It is proposed to move the full collection fund surplus to the Council Tax/Business Rates Equalisation Reserve to manage any future volatility in funding.

3.11.8 In accordance with the legislation under the Local Government Finance Act 1992, all parish precepts must be charged to the Council's General Fund.

3.12 Council Tax £6.52 increase on 2023 / 24 Band D Basic amount of £218.75

3.12.1 The Budget estimates have been constructed on the basis that the Council is proposing to increase council tax by £6.52 which is within the referendum threshold for 2024 / 25. This represents a prudent approach having regard to the balance of the risks and opportunities facing the Council in future years. The budget for 2024 / 25 is

expected to be balanced, after the consideration of additional savings proposals; however, there are some uncertainties still facing local government finance. Inflation has remained significant over the past year (7.4% as of August 2023) and is forecast to fall to 3.1% during 2024 / 25, which is still above the Bank of England target. The move from the 50% Business Rates Retention to 75% Business Rates Retention system is on hold and it is not known when or whether it will be implemented. Any change to the Business Rates retention system will, most likely result in a reset of the Business Rates Baseline, which it is expected will remove the growth that has been achieved since the system was introduced. This could take away resources from this Council. However, it is not possible to predict what the exact impact would be without knowing the details of the new system. Possible impacts are covered in more detail in paragraph 3.15.3.

- 3.12.2 Council Tax increases become part of the overall financial base of the Council. The proposed £6.52 increase in Council Tax will generate an additional £172,129 of income in 2024 / 25. If this increase is not approved for 2024 / 25 then the gap in 2024/25 and future years widens.

3.13 General Fund Balance and Revenue Reserves

- 3.13.1 Detailed policy information for each earmarked revenue reserve and anticipated balances is set out in **APPENDIX 4**.

- 3.13.2 Based on the latest risk assessment it is considered that the Council maintains the approved minimum working balance level at £2.6m as set out in **APPENDIX 5**; however this will be regularly reviewed in the light of changing circumstances.

- 3.13.3 A summary of the proposed use of reserves is summarised in the table below and is based on a budget projection that includes aspects such as inflation and a number of priority and statutory growth pressures offset by savings identified. The overall aim is to ensure that reserves do not fall below £2.6m and the current projections keep within this target.

Balances Movement (taking into account estimated use in 2024 / 25)	2023 / 24 (Revised)	2024 / 25
	£000	£000
Balance brought forward		
General Fund Reserves	5,081	5,823
Earmarked Reserves	8,106	3,973
Total	13,187	9,796
Projected Movement		
General Fund Reserves	742	(151)
Earmarked Reserves	(4,134)	2,747
Total	(3,391)	(2,596)
Balance carried forward		
General Fund Reserves	5,823	5,673
Earmarked Reserves	3,973	6,720
Total	9,796	12,393

- 3.13.4 The NHB Reserve balance as at 31/03/24 will be £Nil and will be removed, as set out in the 2023/24 budget report due to the planned use of £343k of the reserve to fund

work on Local Development Scheme 2021 - 2024 and LDP Review. The £495k NHB allocation for 2024 / 25 will be utilised to support general fund expenditure.

3.13.5 The main reason for the projected increase in reserves during 2024 / 25 is the Collection Fund surpluses being moved to the Council Tax/Business Rates Equalisation Reserve, as set out in paragraph 3.11.7 above.

3.13.6 In setting budgets and projections for individual years, it is important that the Council is not reliant on the use of reserves to support revenue expenditure thus creating an unsustainable future. Therefore, the use of these reserves is for one-off expenditure, not to fund ongoing revenue costs and should be replenished where required over time.

3.14 Medium Term Financial Strategy (MTFS)

3.14.1 The MTFS is reported to Council on 15 February 2024 for consideration at the same time as the suite of financial reports for 2024 / 25.

3.15 View on Risks

3.15.1 Risks to the Council's financial position could potentially derive from budget overspends, loss of investment income, contractual / legislative failure, shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget and investment income has been above budget; therefore, this is not seen as a high risk to the Council, and it is not necessary to make additional significant provision. However, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income levels included in the budget are achieved, will be a key focus.

3.15.2 The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but it would be a low probability with a potentially high impact.

3.15.3 However, it is not appropriate to set aside large amounts of reserve against the possibility of this happening and that appropriate bond / Parent Company Guarantee have been built into large contracts.

3.15.4 It is important to recognise that with the introduction of the Business Rates Retention, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies. It is important to ensure a high level of growth in the District, as any empty properties create a risk on the level of Business Rates income the Council will receive.

3.15.5 The current cost of living crisis driven by high inflation and increasing interest rates put a high degree of pressure on family and business budgets and this could affect households' and businesses' ability to pay Council Tax and NNDR respectively. This places a risk on local taxation collection rates.

3.15.6 The large contracts such Waste and Leisure Centres are impacted by our economic environment. The footfall through gyms at the Blackwater and Dengie Hundred Leisure Centres have not recovered as hoped after the Coronavirus pandemic, being now impacted by the cost-of-living crisis, meaning very low profits now that only

generate a fraction of income for the Council they did pre-pandemic. Also, the Waste contract relies on recycling tonnage and prices, which are also volatile post pandemic. Furthermore, a new contract commences in February 2024, so the new contract will need to bed in. The impact on the 2024 / 25 budget has been built in and was not as costly as feared 12 months ago. However, the budget assumes Leisure Centre income will not improve on its current returns.

- 3.15.7 Section 25 of the 2003 Local Government Act requires the Section 151 Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves (**APPENDIX 5**).

4. CONCLUSION

- 4.1 After including all items within the financial projections, general fund and earmarked reserves at the start of 2024 / 25 are expected to be £9.796m with all known movements considered and finish the financial year at £12,393m. The government has set the referendum threshold for the increase in the average band D council tax in 2024 / 25 for district councils at 2.99% or £5, whichever is the greater. Due to the unknown impact of future changes to Local Government finance, it is proposed that the Council should take the opportunity to increase its financial base by increasing the average band D council tax by 2.98% (£6.52).

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

- 5.1 This budget is assembled with all corporate priorities considered for the 2024 / 25 financial year.

6. IMPLICATIONS

- (i) **Impact on Customers** – The budget process ensures that changes in service delivery resulting in budget changes are reviewed by Officers and Members so that any impact can be considered. In 2024 / 25, only essential budget growth has been considered.
- (ii) **Impact on Equalities** – The budget affects all residents in the District, it is not considered that the provisions impact negatively on an individual user group.
- (iii) **Impact on Risk** – The distribution of resources reflected in the revenue and capital budgets is designed to support the Authority's approach to risk management (i.e. to reduce all major corporate risks to a level within approved tolerances through the implementation of approved mitigation plans).
- (iv) **Impact on Resources (financial)** – This report details the impact on financial resources.
- (v) **Impact on Resources (human)** – The budget includes an assumed pay increase.

Background Papers:

Budgetary Control Report to the Strategy and Resources Committee, 23 November 2023.

Savings Report to the Strategy and Resources Committee, 25 January 2024.

Discretionary Fees and Charges Report to the Strategy and Resources Committee, 23 November 2023.

Revised 2023 / 24 and Original 2024 / 25 Budget Estimates report to the Strategy and Resources Committee – 25 January 2024

Enquiries to:

Lance Porteous, Lead Specialist, Finance.

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Council Tax Summary				
REVENUE ESTIMATES SUMMARY 2024/25				
		Original	Revised	Original
		2023/24	2023/24	2024/25
Directorates		£000	£000	£000
Service Delivery		6,981	8,252	7,487
Strategy Performance and Governance		2,071	2,233	1,866
Resources		3,489	3,627	3,305
Net Cost of Services		12,541	14,112	12,658
Interest on Investments		(750)	(750)	(1,000)
Net Operating Expenditure		11,791	13,362	11,658
Appropriations & Adjustments				
Impact of forward pension deficit funding		351	351	0
Statutory Adjustments		0	0	0
Govt Direct Grants				
- New Homes Bonus		(474)	(474)	(495)
- Other Direct Grants		(363)	(363)	(383)
- Business Rates Renewable Energy		(746)	(746)	(957)
- Funding Guarantee		(607)	(607)	(693)
Levy Redistribution		0	0	0
To/(From) Earmarked Revenue Reserves		(2,141)	(4,134)	(62)
To/(From) Balances		(421)	0	(151)
Expenditure to be Funded		7,390	7,390	8,919
		2023/2024	2024/2025	
Property Tax Base (Band D equivalent)		25,892.3	26,400.2	
		2023/2024	2024/2025	
Council Tax Charges	Charge @	Total	Charge @	Total
	Band D	Cost	Band D	Cost
	£ : p	£	£ : p	£
Revenue Expenditure to be Funded	285.40	7,389,543	337.86	8,919,471
Business Rates Retention				
- Base Line Funding	(26.39)	(683,345)	(62.32)	(1,645,193)
- Business Growth Retention	(79.19)	(2,050,394)	(62.71)	(1,655,495)
- Levy on Business Rates Growth net to ECC Pool	9.66	250,000	12.44	328,520
- NDR Collection Fund Adjustment (Surplus)/Deficit	29.28	758,197	0.00	0
Council Tax Collection Fund Adj (Surplus)/Deficit	0.00	0	0.00	0
Maldon District Council Charge	218.75	5,664,000	225.27	5,947,304
Parish Precepts	62.82	1,652,967		
Essex County Council Precept	1,401.12	37,548,240		
Police & Crime Commissioner for Essex	218.52	6,044,992		
Essex Fire Authority	75.33	2,078,613		
Final Charge	1,976.54	52,988,811	225.27	5,947,304

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		Direct Costs				Recharges			Income			
Cost Centre	Description	Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant	Net Budget
		£	£	£	£	£	£	£	£	£	£	£
<u>Service Management & Support Services</u>												
172	Strategy, Performance & Governance	1,526,300	4,400	13,600	0	10,200	0	0	0	(65,600)	0	1,488,900
		1,444,000	4,400	10,700	0	9,800	0	0	0	(58,600)	0	1,410,300
171	Resources	2,392,700	0	41,200	0	108,800	0	0	0	0	0	2,542,700
		2,268,100	0	80,100	0	105,400	0	0	0	0	0	2,453,600
170	Service Delivery	130,400	0	30,300	0	168,000	0	0	0	0	0	328,700
		6,777,500	9,500	36,100	0	160,900	0	0	0	0	0	6,984,000
101	Corporate Core	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
102	Election Services	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
103	Policy & Comms	0	0	137,000	0	0	0	0	0	0	0	137,000
		0	0	61,000	0	0	0	0	0	0	0	61,000
104	Training	0	0	55,200	0	0	0	0	0	0	0	55,200
		0	0	48,200	0	0	0	0	0	0	0	48,200
105	Human Resources	0	0	32,800	0	0	0	0	0	0	0	32,800
		0	0	32,800	0	0	0	0	0	0	0	32,800
106	Apprentices	18,000	0	0	0	0	0	0	0	0	0	18,000
		38,000	0	0	0	0	0	0	0	0	(6,500)	31,500
108	Committee Services	0	0	18,800	0	0	0	0	0	0	0	18,800
		0	0	18,800	0	0	0	0	0	0	0	18,800
109	General Office Support	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
110	Customer Services	618,700	0	11,500	0	0	0	0	0	(36,400)	0	593,800
		0	0	16,000	0	0	0	0	0	0	0	16,000
111	Internal Audit & Perf. Review	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
113	Finance	0	0	42,400	0	0	0	0	0	0	0	42,400
		0	0	39,100	0	0	0	0	0	0	0	39,100
114	Revenues & Benefits	1,145,500	1,200	186,700	0	0	0	0	0	(172,900)	0	1,160,500
		0	0	103,500	0	0	0	0	0	(172,900)	0	(69,400)
118	Leisure & Community	0	0	67,800	0	0	0	0	0	(9,000)	0	58,800
		0	0	68,900	0	0	0	0	0	(9,000)	0	59,900
119	IT Services	0	0	599,400	0	0	0	0	0	0	0	599,400
		0	0	600,400	0	0	0	0	0	0	0	600,400
121	Council Offices	0	0	305,800	0	(331,400)	0	0	0	(61,500)	0	(87,100)
		0	0	294,600	0	(320,200)	0	0	0	(61,500)	0	(87,100)
124	Princes Rd Depot	0	0	33,900	0	0	0	0	0	(2,200)	0	31,700
		0	0	16,800	0	0	0	0	0	(2,200)	0	14,600
129	Legal Services	0	0	7,200	0	0	0	0	0	(10,000)	0	(2,800)
		0	0	7,200	0	0	0	0	0	(10,000)	0	(2,800)
132	Environmental Health	839,200	1,200	2,000	0	0	0	0	0	0	0	842,400
		0	0	7,800	0	0	0	0	0	0	0	7,800
133	Environmental Waste	0	0	2,300	0	0	0	0	0	0	0	2,300
		0	0	2,300	0	0	0	0	0	0	0	2,300
134	Housing	588,900	800	0	0	0	0	0	0	(2,900)	0	586,800
		0	0	1,400	0	0	0	0	0	0	0	1,400
141	Parks & Countryside Services	1,210,500	76,700	115,200	0	0	0	0	(61,000)	0	0	1,341,400
		0	75,600	121,200	0	0	0	0	(46,400)	0	0	150,400
149	Nursery	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
153	Parks Rangers	640,500	10,800	3,000	0	0	0	0	0	(74,500)	0	579,800
		0	10,200	4,300	0	0	0	0	0	(57,000)	0	(42,500)
155	Prom Depot	0	0	26,200	0	0	0	0	0	0	0	26,200
		0	0	11,200	0	0	0	0	0	0	0	11,200
163	Enforcement	0	0	0	0	0	0	0	0	0	0	0
		0	0	4,700	0	0	0	0	0	0	0	4,700
164	Economic Development	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
165	Planning Policy Services	346,100	500	4,100	0	0	0	0	0	0	0	350,700
		0	1,500	0	0	0	0	0	0	0	0	1,500
166	Planning Admin Services	0	0	2,100	0	0	0	0	0	0	0	2,100
		0	0	9,000	0	0	0	0	0	0	0	9,000

BUDGETS REVISED 2023/24
Above (White)
BUDGETS ORIGINAL 2023/24
Below (Green)

APPENDIX 2

BUDGETS REVISED 2023/24 Above (White) BUDGETS ORIGINAL 2023/24 Below (Green)		Direct Costs				Recharges				Income				APPENDIX 2
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £		
167	Development Control Services	1,403,200	1,500	37,500	0	0	0	0	0	0	0	1,442,200		
		0	0	17,900	0	0	0	0	0	0	0	17,900		
168	Building Control Services	544,100	800	0	0	0	0	0	0	0	0	544,900		
		0	0	8,200	0	0	0	0	0	0	0	8,200		
TOTAL Service Management & Support Services		11,404,100	97,900	1,776,000	0	(44,400)	0	0	(61,000)	(435,000)	0	12,737,600		
		10,527,600	101,200	1,622,200	0	(44,100)	0	0	(46,400)	(371,200)	(6,500)	11,782,800		
				153,800					(14,600)			1,755,500		
Central Services Corporate Core & Democratic Core														
256	Corporate Management	0	0	627,000	0	0	0	0	0	(235,000)	(85,100)	306,900		
		0	0	607,500	0	0	0	0	0	(235,000)	(85,100)	287,400		
260	Democratic Representation & Mgt	256,200	14,000	19,400	0	43,900	0	0	0	0	0	333,500		
		254,300	14,000	20,400	0	42,500	0	0	0	0	0	331,200		
270	FM Implementation	0	0	14,800	0	0	0	0	0	0	0	14,800		
		0	0	0	0	0	0	0	0	0	0	0		
TOTAL Corporate & Democratic Core		256,200	14,000	661,200	0	43,900	0	0	0	(235,000)	(85,100)	655,200		
		254,300	14,000	627,900	0	42,500	0	0	0	(235,000)	(85,100)	618,600		
				33,300								(328,500)		
Central Services to the Public														
202	Business Rates Collection	0	0	33,600	0	0	0	0	0	(5,100)	(90,000)	(61,500)		
		0	0	5,900	0	0	0	0	0	(5,100)	(90,000)	(89,200)		
209	Council Tax Benefit Admin	0	0	9,300	0	0	0	0	0	0	(57,000)	(47,700)		
		0	0	9,500	0	0	0	0	0	0	(57,000)	(47,500)		
216	Council Tax Collection	0	0	48,300	0	0	0	0	0	(101,200)	0	(52,900)		
		0	0	48,600	0	0	0	0	0	(101,200)	0	(52,600)		
213	Electoral Registration	0	0	55,800	0	0	0	0	0	0	0	55,800		
		0	0	49,500	0	0	0	0	0	0	0	49,500		
253	Civil Emergencies	0	0	354,900	0	0	0	0	0	0	0	354,900		
		0	0	37,900	0	0	0	0	0	0	0	37,900		
254	Election Management	0	0	48,500	0	0	0	0	0	0	0	48,500		
		0	0	36,000	0	0	0	0	0	0	0	36,000		
255	Land Charges	0	0	24,500	0	0	0	0	(105,000)	0	0	(80,500)		
		0	0	24,500	0	0	0	0	(124,300)	0	0	(99,800)		
TOTAL Central Services		0	0	574,900	0	0	0	0	(105,000)	(106,300)	(147,000)	216,600		
		0	0	211,900	0	0	0	0	(124,300)	(106,300)	(147,000)	(165,700)		
				363,000					19,300			(20,800)		
Cultural, Environmental & Planning Services														
Cultural Services														
501, 502, 503, 509, 520, 522	Sport	0	0	66,200	0	0	0	0	0	(62,000)	0	4,200		
		0	0	41,900	0	0	0	0	0	(59,000)	0	(17,100)		
122, 506, 508	Community Centres	0	0	71,500	0	0	0	0	0	(37,400)	0	34,100		
		0	0	31,100	0	0	0	0	0	(37,400)	0	(6,300)		
505, 511, 514, 516, 518, 519	Parks & Open Spaces	25,500	0	542,300	0	0	0	0	(648,500)	(201,800)	0	(282,500)		
		32,000	0	394,400	0	0	0	0	(746,800)	(204,500)	0	(524,900)		
542, 546	Heritage	0	0	2,500	0	500	0	0	0	0	0	3,000		
		0	0	2,500	0	1,600	0	0	0	0	0	4,100		
309	Rivers	0	5,300	36,500	0	0	0	0	(41,500)	(143,200)	0	(142,900)		
		0	5,900	37,700	0	0	0	0	(41,500)	(143,200)	0	(141,100)		
320, 325, 330	Tourism	0	0	0	0	0	0	0	0	0	0	0		
		0	0	0	0	0	0	0	0	0	0	0		
TOTAL Cultural Services		25,500	5,300	719,000	0	500	0	0	(690,000)	(444,400)	0	(384,100)		
		32,000	5,900	507,600	0	1,600	0	0	(788,300)	(444,100)	0	(685,300)		
				211,400					98,300			(449,300)		
Environmental Services			68,929											
340	Public Entertainment Licences	0	0	33,700	0	0	0	0	(63,000)	(6,400)	0	(35,700)		
		0	0	33,700	0	0	0	0	(58,500)	(6,400)	0	(31,200)		
341	Hackney Carriage	0	0	20,200	0	0	0	0	(1,800)	(37,500)	0	(19,100)		
		0	0	20,200	0	0	0	0	(1,800)	(37,500)	0	(19,100)		
550	Public Conveniences	0	0	116,000	0	0	0	0	0	0	0	116,000		
		0	0	114,200	0	0	0	0	0	0	0	114,200		

BUDGETS REVISED 2023/24
Above (White)
BUDGETS ORIGINAL 2023/24
Below (Green)

APPENDIX 2

		Direct Costs		Recharges				Income					
Cost Centre	Description	Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant	Net Budget	
		£	£	£	£	£	£	£	£	£	£	£	£
555	Cemeteries	0	2,300	135,500	0	0	0	0	(157,800)	(300)	0	(20,300)	
		0	1,500	41,100	0	0	0	0	(129,800)	(300)	0	(87,500)	
562, 563	Community Safety	0	0	47,400	0	0	0	0	0	(12,500)	0	34,900	
		0	0	40,800	0	0	0	0	0	(14,300)	0	26,500	
576, 579, 581	Waste Management	0	2,300	4,914,700	0	0	0	0	(9,000)	(2,635,100)	0	2,272,900	
		0	3,900	5,042,200	0	0	0	0	(12,000)	(2,526,600)	0	2,507,500	
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	0	1,200	180,800	0	0	0	0	(151,900)	(900)	0	29,200	
		0	1,800	55,500	0	0	0	0	(30,300)	(900)	0	26,100	
TOTAL Environmental Services		0	5,800	5,448,300	0	0	0	0	(383,500)	(2,692,700)	0	2,377,900	
		0	7,200	5,347,700	0	0	0	0	(232,400)	(2,586,000)	0	2,536,500	
				100,600					(151,100)	(106,700)		755,000	
Planning & Development Services													
232	Discretionary Rate Relief	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	
301	Planning Policy	0	0	254,900	0	0	0	0	0	0	0	254,900	
		0	0	249,800	0	0	0	0	0	0	0	249,800	
302	Development Control	0	0	130,000	0	0	0	0	(866,200)	(19,400)	0	(755,600)	
		0	0	119,000	0	0	0	0	(757,800)	(15,600)	0	(654,400)	
303	Building Regs - Fee Related	0	0	500	0	0	0	0	(178,100)	0	0	(177,600)	
		0	0	500	0	0	0	0	(223,400)	0	0	(222,900)	
313	Building Regs - Non Fee Related	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	
304	Building Conservation	0	0	1,800	0	0	0	0	0	0	0	1,800	
		0	0	1,800	0	0	0	0	0	0	0	1,800	
305	Economic Development	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	
307	Gypsy & Traveller	0	0	8,700	0	0	0	0	0	0	0	8,700	
		0	0	9,600	0	0	0	0	0	0	0	9,600	
317	Bradwell B	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	
565	Community Grants	0	0	80,500	0	0	0	0	0	0	0	80,500	
		0	0	85,100	0	0	0	0	0	0	0	85,100	
TOTALPlanning & Development Services		0	0	476,400	0	0	0	0	(1,044,300)	(19,400)	0	(587,300)	
		0	0	465,800	0	0	0	0	(981,200)	(15,600)	0	(531,000)	
									(63,100)				
Highways, Roads & Transport Services													
311	Highways	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	
312	Street Naming	0	0	7,300	0	0	0	0	0	0	0	7,300	
		0	0	8,900	0	0	0	0	0	0	0	8,900	
534, 535	Off Street Parking	0	0	192,200	0	0	0	0	(871,000)	0	0	(678,800)	
		0	0	204,700	0	0	0	0	(995,400)	0	0	(790,700)	
TOTAL Highways, Roads & Transport Services		0	0	199,500	0	0	0	0	(871,000)	0	0	(671,500)	
		0	0	213,600	0	0	0	0	(995,400)	0	0	(781,800)	
									124,400				
Housing Services													
204	Rent Allowances	0	0	9,131,700	0	0	0	0	0	(277,600)	(8,844,200)	9,900	
		0	0	9,632,600	0	0	0	0	0	(314,700)	(9,308,000)	9,900	
203	Housing Benefits Admin	0	0	21,400	0	0	0	0	0	(7,000)	(108,700)	(94,300)	
		0	0	21,800	0	0	0	0	0	(7,000)	(108,700)	(93,900)	
591, 592, 593, 598	Other Housing Services	0	0	660,700	0	0	0	0	(105,000)	(32,500)	(525,300)	(2,100)	
		0	0	186,400	0	0	0	0	(13,000)	(32,500)	(143,000)	(2,100)	
TOTAL Housing Services		0	0	9,813,800	0	0	0	0	(105,000)	(317,100)	(9,478,200)	(86,500)	
		0	0	9,840,800	0	0	0	0	(13,000)	(354,200)	(9,559,700)	(86,100)	
									(92,000)				
Non Distributed Costs													
257	Non Distributed Costs	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	
TOTAL Non Distributed Costs		0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	

Appendix 2 - MDC Original Detailed Budgets 2024/25												APPENDIX 2	
BUDGETS REVISED 2023/24 Above (White) BUDGETS ORIGINAL 2023/24 Below (Green)		Direct Costs		Recharges				Income					
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £	
<u>Other Services</u>													
224	Misc Land & Property	0	0	7,600	0	0	0	0	0	(39,000)	0	(31,400)	
		0	0	4,000	0	0	0	0	0	(39,000)	0	(35,000)	
225	Industrial Sites	0	0	400	0	0	0	0	0	(114,900)	0	(114,500)	
		0	0	2,900	0	0	0	0	0	(114,900)	0	(112,000)	
<u>TOTAL Other Services</u>		0	0	8,000	0	0	0	0	0	(153,900)	0	(145,900)	
		0	0	6,900	0	0	0	0	0	(153,900)	0	(147,000)	
<u>SUB TOTAL</u>		<u>ORIGINAL 24/25</u>	11,685,800	123,000	19,677,100	0	0	0	0	(3,259,800)	(4,403,800)	(9,710,300)	14,112,000
		<u>ORIGINAL 23/24</u>	10,813,900	128,300	18,844,400	0	0	0	0	(3,181,000)	(4,266,300)	(9,798,300)	12,541,000
Less Vacancy/Savings Allowance 1%													
<u>TOTAL AGREED BUDGET</u>		<u>ORIGINAL 24/25</u>	11,685,800	123,000	19,677,100	0	0	0	0	(3,259,800)	(4,403,800)	(9,710,300)	14,112,000
		<u>ORIGINAL 23/24</u>	10,813,900	128,300	18,844,400	0	0	0	0	(3,181,000)	(4,266,300)	(9,798,300)	12,541,000

BUDGETS
ORIGINAL 2024/25 Above (White)
ORIGINAL 23/2024 Below (Green)

ORIGINAL 2024/25 Above (White) ORIGINAL 23/2024 Below (Green)		Direct Costs				Recharges		Income			APPENDIX 3	
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
<u>Service Management & Support Services</u>												
172	Strategy, Performance & Governance	1,472,400	4,400	10,700	0	8,500	0	0	0	(65,600)	0	1,430,400
		1,444,000	4,400	10,700	0	9,800	0	0	0	(58,600)	0	1,410,300
171	Resources	2,286,600	0	80,500	0	91,700	0	0	0	0	0	2,458,800
		2,268,100	0	80,100	0	105,400	0	0	0	0	0	2,453,600
170	Service Delivery	39,700	0	20,000	0	140,300	0	0	0	0	0	200,000
		6,777,500	9,500	36,100	0	160,900	0	0	0	0	0	6,984,000
101	Corporate Core	0	0	800	0	0	0	0	0	0	0	800
		0	0	0	0	0	0	0	0	0	0	0
102	Election Services	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
103	Policy & Comms	0	0	68,600	0	0	0	0	0	0	0	68,600
		0	0	61,000	0	0	0	0	0	0	0	61,000
104	Training	0	0	29,000	0	0	0	0	0	0	0	29,000
		0	0	48,200	0	0	0	0	0	0	0	48,200
105	Human Resources	0	0	33,800	0	0	0	0	0	0	0	33,800
		0	0	32,800	0	0	0	0	0	0	0	32,800
106	Apprentices	18,000	0	0	0	0	0	0	0	0	0	18,000
		38,000	0	0	0	0	0	0	0	0	(6,500)	31,500
108	Committee Services	0	0	19,800	0	0	0	0	0	0	0	19,800
		0	0	18,800	0	0	0	0	0	0	0	18,800
109	General Office Support	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
110	Customer Services	756,500	0	11,700	0	0	0	0	0	0	0	768,200
		0	0	16,000	0	0	0	0	0	0	0	16,000
111	Internal Audit & Perf. Review	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
113	Finance	0	0	44,200	0	0	0	0	0	0	0	44,200
		0	0	39,100	0	0	0	0	0	0	0	39,100
114	Revenues & Benefits	918,600	1,200	123,200	0	0	0	0	0	(172,900)	0	870,100
		0	0	103,500	0	0	0	0	0	(172,900)	0	(69,400)
118	Leisure & Community	0	0	72,900	0	0	0	0	0	(9,000)	0	63,900
		0	0	68,900	0	0	0	0	0	(9,000)	0	59,900
119	IT Services	0	0	570,000	0	0	0	0	0	0	0	570,000
		0	0	600,400	0	0	0	0	0	0	0	600,400
121	Council Offices	0	0	308,200	0	(279,100)	0	0	0	(117,100)	0	(88,000)
		0	0	294,600	0	(320,200)	0	0	0	(61,500)	0	(87,100)
124	Princes Rd Depot	0	0	37,500	0	0	0	0	0	(2,200)	0	35,300
		0	0	16,800	0	0	0	0	0	(2,200)	0	14,600
129	Legal Services	0	0	7,700	0	0	0	0	0	(10,000)	0	(2,300)
		0	0	7,200	0	0	0	0	0	(10,000)	0	(2,800)
132	Environmental Health	930,200	1,200	2,000	0	0	0	0	0	0	0	933,400
		0	0	7,800	0	0	0	0	0	0	0	7,800
133	Environmental Waste	0	0	0	0	0	0	0	0	0	0	0
		0	0	2,300	0	0	0	0	0	0	0	2,300
134	Housing	597,000	800	0	0	0	0	0	0	0	0	597,800
		0	0	1,400	0	0	0	0	0	0	0	1,400
141	Parks & Countryside Services	1,328,800	66,900	123,900	0	0	0	0	(46,400)	0	0	1,473,200
		0	75,600	121,200	0	0	0	0	(46,400)	0	0	150,400
149	Nursery	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
153	Parks Rangers	456,800	10,800	3,200	0	0	0	0	0	(70,000)	0	400,800
		0	10,200	4,300	0	0	0	0	0	(57,000)	0	(42,500)
155	Prom Depot	0	0	14,700	0	0	0	0	0	0	0	14,700
		0	0	11,200	0	0	0	0	0	0	0	11,200
163	Enforcement	0	0	0	0	0	0	0	0	0	0	0
		0	0	4,700	0	0	0	0	0	0	0	4,700
164	Economic Development	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
165	Planning Policy Services	725,500	500	4,100	0	0	0	0	0	0	0	730,100
		0	1,500	0	0	0	0	0	0	0	0	1,500
166	Planning Admin Services	0	0	2,200	0	0	0	0	0	0	0	2,200
		0	0	9,000	0	0	0	0	0	0	0	9,000

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BUDGETS ORIGINAL 2024/25 Above (White) ORIGINAL 23/2024 Below (Green)		APPENDIX 3										
Cost Centre	Description	Direct Costs				Recharges				Income		
		Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant	Net Budget
		£	£	£	£	£	£	£	£	£	£	£
167	Development Control Services	1,409,800	1,500	5,900	0	0	0	0	0	0	0	1,417,200
		0	0	17,900	0	0	0	0	0	0	0	17,900
168	Building Control Services	0	800	0	0	0	0	0	0	0	0	800
		0	0	8,200	0	0	0	0	0	0	0	8,200
TOTAL Service Management & Support Services		10,939,900	88,100	1,594,600	0	(38,600)	0	0	(46,400)	(446,800)	0	12,090,800
		10,527,600	101,200	1,622,200	0	(44,100)	0	0	(46,400)	(371,200)	(6,500)	11,782,800
									0			1,755,500
Central Services Corporate Core & Democratic Core												
256	Corporate Management	0	0	475,600	0	0	0	0	0	(235,000)	(85,100)	155,500
		0	0	607,500	0	0	0	0	0	(235,000)	(85,100)	287,400
260	Democratic Representation & Mgt	266,900	14,000	20,700	0	37,000	0	0	0	0	0	338,600
		254,300	14,000	20,400	0	42,500	0	0	0	0	0	331,200
270	FM Implementation	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
TOTAL Corporate & Democratic Core		266,900	14,000	496,300	0	37,000	0	0	0	(235,000)	(85,100)	494,100
		254,300	14,000	627,900	0	42,500	0	0	0	(235,000)	(85,100)	618,600
												(328,500)
Central Services to the Public												
202	Business Rates Collection	0	0	5,800	0	0	0	0	0	(5,100)	(90,000)	(89,300)
		0	0	5,900	0	0	0	0	0	(5,100)	(90,000)	(89,200)
209	Council Tax Benefit Admin	0	0	9,100	0	0	0	0	0	0	(57,000)	(47,900)
		0	0	9,500	0	0	0	0	0	0	(57,000)	(47,500)
216	Council Tax Collection	0	0	47,900	0	0	0	0	0	(101,200)	0	(53,300)
		0	0	48,600	0	0	0	0	0	(101,200)	0	(52,600)
213	Electoral Registration	0	0	49,500	0	0	0	0	0	0	0	49,500
		0	0	49,500	0	0	0	0	0	0	0	49,500
253	Civil Emergencies	0	0	39,900	0	0	0	0	0	0	0	39,900
		0	0	37,900	0	0	0	0	0	0	0	37,900
254	Election Management	0	0	36,000	0	0	0	0	0	0	0	36,000
		0	0	36,000	0	0	0	0	0	0	0	36,000
255	Land Charges	0	0	24,500	0	0	0	0	(90,000)	0	0	(65,500)
		0	0	24,500	0	0	0	0	(124,300)	0	0	(99,800)
TOTAL Central Services		0	0	212,700	0	0	0	0	(90,000)	(106,300)	(147,000)	(130,600)
		0	0	211,900	0	0	0	0	(124,300)	(106,300)	(147,000)	(165,700)
									34,300			(20,800)
Cultural, Environmental & Planning Services Cultural Services												
501, 502, 503, 509, 520, 522	Sport	0	0	51,000	0	0	0	0	0	(36,000)	0	15,000
		0	0	41,900	0	0	0	0	0	(59,000)	0	(17,100)
122, 506, 508	Community Centres	0	0	77,200	0	0	0	0	0	(37,400)	0	39,800
		0	0	31,100	0	0	0	0	0	(37,400)	0	(6,300)
505, 511, 514, 516, 518, 519	Parks & Open Spaces	30,000	0	427,100	0	0	0	0	(798,500)	(259,500)	0	(600,900)
		32,000	0	394,400	0	0	0	0	(746,800)	(204,500)	0	(524,900)
542, 546	Heritage	0	0	2,500	0	1,600	0	0	0	0	0	4,100
		0	0	2,500	0	1,600	0	0	0	0	0	4,100
309	Rivers	0	5,300	35,500	0	0	0	0	(44,600)	(153,800)	0	(157,600)
		0	5,900	37,700	0	0	0	0	(41,500)	(143,200)	0	(141,100)
320, 325, 330	Tourism	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
TOTAL Cultural Services		30,000	5,300	593,300	0	1,600	0	0	(843,100)	(486,700)	0	(699,600)
		32,000	5,900	507,600	0	1,600	0	0	(788,300)	(444,100)	0	(685,300)
									(54,800)			(449,300)
Environmental Services												
340	Public Entertainment Licences	0	0	36,200	0	0	0	0	(62,900)	(6,800)	0	(33,500)
		0	0	33,700	0	0	0	0	(58,500)	(6,400)	0	(31,200)
341	Hackney Carriage	0	0	21,300	0	0	0	0	(1,800)	(40,300)	0	(20,800)
		0	0	20,200	0	0	0	0	(1,800)	(37,500)	0	(19,100)
550	Public Conveniences	0	0	133,500	0	0	0	0	0	0	0	133,500
		0	0	114,200	0	0	0	0	0	0	0	114,200

BUDGETS
ORIGINAL 2024/25 Above (White)
ORIGINAL 23/2024 Below (Green)

		APPENDIX 3										
		Direct Costs				Recharges			Income			
Cost Centre	Description	Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant	Net Budget
		£	£	£	£	£	£	£	£	£	£	£
555	Cemeteries	0	1,500	46,700	0	0	0	0	(169,400)	(300)	0	(121,500)
		0	1,500	41,100	0	0	0	0	(129,800)	(300)	0	(87,500)
562, 563	Community Safety	0	0	37,400	0	0	0	0	0	(12,500)	0	24,900
		0	0	40,800	0	0	0	0	0	(14,300)	0	26,500
576, 579, 581	Waste Management	0	2,300	5,557,900	0	0	0	0	(12,000)	(2,649,900)	0	2,898,300
		0	3,900	5,042,200	0	0	0	0	(12,000)	(2,526,600)	0	2,507,500
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	0	1,200	54,500	0	0	0	0	(23,000)	(900)	0	31,800
		0	1,800	55,500	0	0	0	0	(30,300)	(900)	0	26,100
TOTAL Environmental Services		0	5,000	5,887,500	0	0	0	0	(269,100)	(2,710,700)	0	2,912,700
		0	7,200	5,347,700	0	0	0	0	(232,400)	(2,586,000)	0	2,536,500
									(36,700)			755,000
Planning & Development Services												
232	Discretionary Rate Relief	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
301	Planning Policy	0	0	8,600	0	0	0	0	0	0	0	8,600
		0	0	249,800	0	0	0	0	0	0	0	249,800
302	Development Control	0	0	119,000	0	0	0	0	(1,082,800)	(19,500)	0	(983,300)
		0	0	119,000	0	0	0	0	(757,800)	(15,600)	0	(654,400)
303	Building Regs - Fee Related	0	0	500	0	0	0	0	(193,500)	0	0	(193,000)
		0	0	500	0	0	0	0	(223,400)	0	0	(222,900)
313	Building Regs - Non Fee Related	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
304	Building Conservation	0	0	1,800	0	0	0	0	0	0	0	1,800
		0	0	1,800	0	0	0	0	0	0	0	1,800
305	Economic Development	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
307	Gypsy & Traveller	0	0	8,700	0	0	0	0	0	0	0	8,700
		0	0	9,600	0	0	0	0	0	0	0	9,600
317	Bradwell B	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
565	Community Grants	0	0	85,100	0	0	0	0	0	0	0	85,100
		0	0	85,100	0	0	0	0	0	0	0	85,100
TOTALPlanning & Development Services		0	0	223,700	0	0	0	0	(1,276,300)	(19,500)	0	(1,072,100)
		0	0	465,800	0	0	0	0	(981,200)	(15,600)	0	(531,000)
									(295,100)			
Highways, Roads & Transport Services												
311	Highways	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
312	Street Naming	0	0	8,900	0	0	0	0	0	0	0	8,900
		0	0	8,900	0	0	0	0	0	0	0	8,900
534, 535	Off Street Parking	0	0	219,700	0	0	0	0	(939,000)	0	0	(719,300)
		0	0	204,700	0	0	0	0	(995,400)	0	0	(790,700)
TOTAL Highways, Roads & Transport Services		0	0	228,600	0	0	0	0	(939,000)	0	0	(710,400)
		0	0	213,600	0	0	0	0	(995,400)	0	0	(781,800)
									56,400			
Housing Services												
204	Rent Allowances	0	0	9,131,700	0	0	0	0	0	(277,600)	(8,844,200)	9,900
		0	0	9,632,600	0	0	0	0	0	(314,700)	(9,308,000)	9,900
203	Housing Benefits Admin	0	0	21,200	0	0	0	0	0	(7,000)	(108,700)	(94,500)
		0	0	21,800	0	0	0	0	0	(7,000)	(108,700)	(93,900)
591, 592, 593, 598	Other Housing Services	0	0	202,600	0	0	0	0	(13,000)	(32,500)	(143,000)	14,100
		0	0	186,400	0	0	0	0	(13,000)	(32,500)	(143,000)	(2,100)
TOTAL Housing Services		0	0	9,355,500	0	0	0	0	(13,000)	(317,100)	(9,095,900)	(70,500)
		0	0	9,840,800	0	0	0	0	(13,000)	(354,200)	(9,559,700)	(86,100)
Non Distributed Costs												
257	Non Distributed Costs	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
TOTAL Non Distributed Costs		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0

Appendix 3 - MDC Original Detailed Budgets 2024/25													
BUDGETS ORIGINAL 2024/25 Above (White) ORIGINAL 23/2024 Below (Green)		APPENDIX 3											
Cost Centre	Description	Direct Costs				Recharges		Income				Net Budget	
		Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £		
<u>Other Services</u>													
224	Misc Land & Property	0	0	3,100	0	0	0	0	0	(39,000)	0	(35,900)	
		0	0	4,000	0	0	0	0	0	(39,000)	0	(35,000)	
225	Industrial Sites	0	0	2,900	0	0	0	0	0	(123,400)	0	(120,500)	
		0	0	2,900	0	0	0	0	0	(114,900)	0	(112,000)	
<u>TOTAL Other Services</u>		0	0	6,000	0	0	0	0	0	(162,400)	0	(156,400)	
		0	0	6,900	0	0	0	0	0	(153,900)	0	(147,000)	
<u>SUB TOTAL</u>		<u>ORIGINAL 24/25</u>	11,236,800	112,400	18,598,200	0	0	0	0	(3,476,900)	(4,484,500)	(9,328,000)	12,658,000
		<u>ORIGINAL 23/24</u>	10,813,900	128,300	18,844,400	0	0	0	0	(3,181,000)	(4,266,300)	(9,798,300)	12,541,000
Less Vacancy/Savings Allowance 1%													
<u>TOTAL AGREED BUDGET</u>		<u>ORIGINAL 24/25</u>	11,236,800	112,400	18,598,200	0	0	0	0	(3,476,900)	(4,484,500)	(9,328,000)	12,658,000
		<u>ORIGINAL 23/24</u>	10,813,900	128,300	18,844,400	0	0	0	0	(3,181,000)	(4,266,300)	(9,798,300)	12,541,000

Reserve	Purpose	Review Mechanism	Balance 31-Mar-24 £000's	Movement £000's	Balance 31-Mar-25 £000's	Movement £000's	Balance 31-Mar-26 £000's	Movement £000's	Balance 31-Mar-27 £000's	Movement £000's	Balance 31-Mar-28 £000's
Community Housing Fund Grant	Reserve to support Community-led housing delivery. Objective is to help deliver affordable housing aimed at first time buyers in response to the problem second homes can cause in reducing supply.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	(104)		(104)		(104)		(104)		(104)
Community Infrastructure levy and LDP review	Money has been put aside from unspent budgets to support the creation and adoption of the delayed LDP	Annually by the Strategic and Resources Committee at final accounts approval stage	(764)	168	(596)	298	(298)	298	0		0
Community Sports Network/Health & Wellbeing	The Council has schemes for awarding grants. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	(16)	14	(2)		(2)		(2)		(2)
Corporate Delivery Fund Reserve	Set aside to assist in funding corporate priorities.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(128)		(128)		(128)		(128)		(128)
Council Tax and Business Rates Equalisation	This reserve is to counter the timing differences in Council Tax and Business Rates funding.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(1,810)		(1,810)		(1,810)		(1,810)		(1,810)
Electoral Registration	To provide a reserve to enable the Authority to forward fund the District Elections every 4 years and By-Elections when they occur.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	(102)		(102)		(102)		(102)		(102)
Feasibility Study reserve	Funds set aside for cost incurred in studying the feasibility of various commercial projects.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	(18)		(18)		(18)		(18)		(18)
Homeless Reduction Act Grant	Reserve set up to use three years of grant funding for Homelessness Reduction Officer.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(57)		(57)		(57)		(57)		(57)
Income & Expenditure Reserve	Reserve for smoothing of annual non-recurring surges in income or expenditure.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(49)		(49)		(49)		(49)		(49)

Reserve	Purpose	Review Mechanism	Balance 31-Mar-24 £000's	Movement £000's	Balance 31-Mar-25 £000's	Movement £000's	Balance 31-Mar-26 £000's	Movement £000's	Balance 31-Mar-27 £000's	Movement £000's	Balance 31-Mar-28 £000's
Insurance liability	The Council maintains external insurance policies to cover major risks. In many cases the policies have excess clauses that require the Council to meet the first part of each claim. The Council has established this reserve to cover its liabilities under policy excesses, finance any claims for small risks not insured externally and cover any future liability that may arise from winding up of Municipal Mutual Insurance.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(51)		(51)		(51)		(51)		(51)
Neighbourhood Plan Applications	To provide funding for preparation of Neighbourhood Plans	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(29)		(29)		(29)		(29)		(29)
New Homes Bonus reserve	Committed to funding the Local Development Plan Review. Fully utilised in 2022/23.	Annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	0		0		0		0		0
Pensions Reserve	To provide a reserve to enable the Authority to forward fund the pension deficit for 3 years in 2023 and 2026.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	0	(120)	(120)	(120)	(240)	240	0	(120)	(120)
Repairs & renewals fund	To provide funds to support additional revenue / capital costs arising from the need to maintain the Council's Asset base.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(172)		(172)		(172)		(172)		(172)
Revenue commitments	This reserve exists to smooth out the timing differences between monies being earmarked to expenditure from the annual revenue budget and the expenditure actually occurring.	Annually by the Strategic and Resources Committee at final accounts approval stage.	(11)		(11)		(11)		(11)		(11)
Transformation	To provide funds to meet the one-off investment costs of efficiency savings or service reductions to be realised in	Annually by the Strategic and Resources Committee at final accounts approval stage.	(472)		(472)		(472)		(472)		(472)

Reserve	Purpose	Review Mechanism	Balance 31-Mar-24 £000's	Movement £000's	Balance 31-Mar-25 £000's	Movement £000's	Balance 31-Mar-26 £000's	Movement £000's	Balance 31-Mar-27 £000's	Movement £000's	Balance 31-Mar-28 £000's
Waste Contract Implementation	Money set aside towards the procurement and mobilisation of the new Waste contract.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(15)		(15)		(15)		(15)		(15)
Other Reserves	Other reserves have been set up in relation to the continuation of projects for which external funds have been received but have not been fully utilised within that particular year. These include Community Safety and Economic Development.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages.	(173)	0	(173)	0	(173)	0	(173)	0	(173)
Total Earmarked Reserves			(3,971)	62	(3,909)	178	(3,731)	538	(3,193)	(120)	(3,313)

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Section 151 Officer's statement on robustness of budgets and adequacy of reserves

Introduction

The Section 151 Officer (S151 of the Local Government Act 1972) is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- (1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters-*
- (a) The robustness of the estimates made for the purposes of the calculations, and*
- (b) The adequacy of the proposed financial reserves.*
- (2) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

Assurance Statement of the Council's Section 151 Officer

The following are the summary assurances and recommendations of the Council's Section 151 Officer.

In relation to the 2024/25 budget, I have examined the budget proposals and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management resolve to implement them, good management, and the sound monitoring of performance and budgets. I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with issues which may arise unexpectedly during the year.

1. My assurance is conditional upon:

- The agreement of a Medium-Term Financial Strategy for 2024/25 to 2026/27.
 - Understanding of the inherent risk of volatility within the council's major contracts which are demand-led e.g. Waste and Leisure. Of particular note is the uncertainty around the leisure centre management fee pending the procurement of a new contract during 2024. There are also significant risks around income levels from waste linked to the wider economic uncertainty.
 - Inflation has risen higher than forecast during 2023/24 and while this is expected to reduce during 2024/25, high levels are still currently embedded in the economy. Assumptions have been made future inflation levels, based on advice from the council's Treasury Advisors, but rates are still uncertain and will impact on the council's costs and income. The staff pay award for 24/25 is budgeted at 5% but the actual pay award is unknown; however it is considered unlikely that the 2024/25 pay award will exceed the 5% budgeted.
 - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent financial planning.
 - Councillors, Directors, Service Managers and budget holders managing their services with challenge on spending decisions and giving due regard to and exercising the financial controls and checks set out within the Council's Financial Regulations and Contract Standing Orders and delegations and spending within budget.
 - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
2. There remains a high degree of uncertainty around income from Business Rates. Assurance around the budgeted figures has been provided by an external consultant; however, there is potential that the income could vary dependent on a number of factors including the impact of appeals, the impact of changes to the

way the government calculates the Business Rates multiplier for 2024/25, the wider impact of continuing to participate in the Essex Business Rates Pool, and any future changes in how the government adjusts the Business Rates baseline as part of any review of future funding across local government. These risks are dealt with via the Business Rates Appeals Provision and the Council Tax and Business Rates Equalisation Reserve to manage any volatility; therefore the risk of needing to draw on General Balances to manage this risk is deemed low.

3. In relation to the adequacy of reserves, the overall position is that the authority has adequate balances for the period up 2026/27 across the General Fund based on current Medium Term Financial Strategy (MTFS) projections. The policy on reserves and use of balances is set out annually and agreed in the medium term financial strategy.
4. In relation to the Capital Programme 2024/25, balances remain sufficient currently but there remains a risk around capital reserves being insufficient to fund future capital expenditure requirements; therefore it is recognised that borrowing may be needed to finance future capital plans. This would also have a revenue impact due to the need to make Minimum Revenue Provision and to fund interest costs and would therefore need to be considered carefully to ensure it is affordable.

Level of Reserves

The Local Authority Accounting Panel (LAAP) Bulletin 99) sets out the following categories of budget assumptions that Councils should consider when assessing the adequacy of their reserves.

Budget Assumptions	Financial standing and management assessment/impact
The treatment of inflation and interest rates	Inflation has been budgeted for based on forecasts set out in the MTFS. Currently inflation is high but is now falling. The Council's biggest underlying exposure is to changes in pay inflation and cost increases on major contracts e.g. the waste contract. This is considered further in the expenditure breakdown below. Based on current interest rate projections, investment income is forecast to remain higher in 2024/25 than originally assumed. There remains a risk that rates may be lower than budgeted and therefore 25% less income against the budget of £1m should be provided for in the Minimum General Balance levels @ £250k.
Estimates of the level and timing of capital receipts	The capital programme is currently anticipated to be funded from within existing capital receipts.
The treatment of demand led pressures	The pandemic saw an increase in house waste and recycling. Services have adjusted to this, and further significant increases are deemed low risk. Due to a variety of factors, support for housing from

APPENDIX 5

Budget Assumptions	Financial standing and management assessment/impact
	the Council is increasing. This has been contained within existing grant funding to date but there is a risk this demand will increase further in 2024/25.
The treatment of planned efficiency savings/ productivity gains	The savings proposed are achievable but will need to be monitored closely during 2024/25 to ensure they remain deliverable.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The leisure contract is due to be re-procured during 2024/25. The budget assumes that the current level of management fee will continue, although it is hoped that further income can be achieved from this contract in future.
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The Council takes a low-risk approach to insurance and does not seek to self-insure through reserves or other means. There is a budget for unexpected emergency planning events and the Council would take advantage of the Bellwin scheme for financial assistance in exceptional emergency circumstances. The council retains a provision for Business Rates appeals which is regularly reviewed by external advisors to ensure it remains adequate. There is a unbudgeted expenditure associated with the risk of successful planning appeals.
The general financial climate to which the authority is subject	Figures from the Local Government Finance Settlement have been incorporated into the budget. As it is a one-year settlement there is uncertainty for future years although the risk of future settlements being significantly lower than budgeted is assumed low, and therefore overall funding from central government is assumed to be flat in future years The high level of inflation is taken into account as far as possible within the budget, as well as potential impacts on collection rates and the business rates equalisation reserve, which also provides for fluctuations in income.

Risk should also be considered in terms of the Council's largest areas of expenditure and income:

Expenditure	£000	% of Gross Exp.	Risk Analysis
Employee Costs	10,970	52%	An uplift of 5% has been assumed in the budget for the 2024/25 pay award. Inflation is now expected to fall next year, with this year's

APPENDIX 5

Expenditure	£000	% of Gross Exp.	Risk Analysis
			pay award averaging 5.00%. Benchmarking has shown we are at the upper end of the range of assumptions made by other authorities; therefore it is not considered necessary to make further provision for a higher uplift in 2024/25. There remains a risk of keeping employee costs within the agreed budgetary provision for 2024/25, as some service areas e.g. planning remain heavily reliant on agency staff where recruitment of permanent staff remains difficult, which is more expensive. In addition there remains a risk of the establishment needing to grow to meet increased demand for services across the council. However it is not proposed to make provision for additional employee costs within the Minimum General Fund Balance, since the Corporate Leadership Team has committed to keeping employee costs within budget as part of their establishment control processes, and the Council has a track record of delivering this in previous years. This position will continue to be monitored throughout 2024/25.
Non Employees Costs	10,133	48%	Provision has been made for inflationary increases across non-employee expenditure, including on major contracts. Inflation is now expected to fall next year; however there remains a wider risk of uncontrollable demand pressures being higher than anticipated e.g. for waste and housing services such as Temporary Accommodation. Additionally there is a risk that the costs of the new leisure contract (which will be re-procured during 2024/25) being higher than currently anticipated. The 2024/25 budget currently assumes no increase on current costs. There is also a more general risk of unforeseen costs pressures arising in any given year; therefore to provide a contingency against this it is deemed prudent to allow a 20% cushion for non-employee costs within the Minimum General Balances of just over £2m.
Total	21,103	100%	

Income	£000	% of Gross Inc	Risk Analysis
Refuse & Recycling	2,657	31%	Tonnage and prices can vary the income that is received by the Council. An additional £96k was included in the budget as prices for recycling glass increased. To manage risk this figure should be available in reserves if prices change unexpectedly.
Car Parking	1,438	17%	Budget readjusted to remove Ignite stretch target but add 10% inflation. There is a risk that increased prices could result in lower demand meaning the assumed budget for fees and charges is not achieved.
Development & Building Control	1,296	15%	Demand for planning services remains strong; however there is a risk that increased prices could reduce demand meaning the uplift assumed in the budget for fees and charges is not achieved.
Property Rent and Leases	554	7%	The Council's property profile has remained robust through COVID however it would be prudent to provide a 10% allowance of £55k to reflect the risk of voids given current market conditions.
Attractions	305	3.6%	There remains risk from uncontrollable factors such as the weather as well as demand slowing due to the cost of living crisis.
Total	6,250	74%	

Overall it seems prudent to allow for the specific risks around recycling income volatility and voids on property rentals/leases. In addition a general 5% contingency to allow for demand for discretionary services being lower than anticipated in 2024/25 should be included at **£150k** across the total fees and charges budgets, including the car parking, planning services and attractions income lines detailed above.

Breakdown of the Proposed Minimum General Fund Balance Requirement

Risk Area	£000
Non-Employee Expenditure @20% of total	2,026
Recycling Income – additional amount assumed in 2024/25	96
Rents and Leases Income @10% of total	55
Reduction in Interest rates @25% of total investment income	250
Reduction in fees and charges @ 5% of total income	150
Total	2,577

Based on the risks it is recommended the minimum general fund level remains at £2.6m. This represents 20% of total 2024/25 net service expenditure.

Assurance

Given all these factors, I, as the Council's Section 151 Officer, consider the estimates for 2024/25 to be sufficiently robust, but challenging, for approval by the Council. I am also able to advise the Council that the planned level of usable General Fund Reserves and the working balance is adequate over the MTFS period, based on current assumptions.

This forecast is based on a variety of assumptions and no further assumed action being taken to address this. As such it is important that this is viewed as an early warning of the significant future challenges ahead and that prompt action is taken to avoid an unsustainable use of reserves in future years.

Naomi Lucas, Interim Chief Finance Officer (Section 151 Officer)

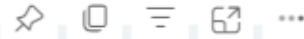
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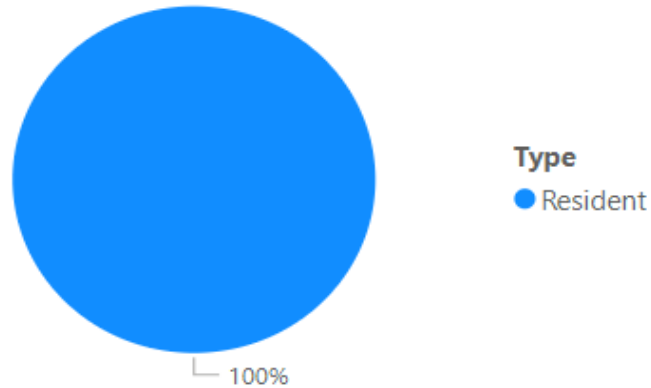
Survey Methodology

The budget survey was live from 11th August to 26th September. It was online and supported by Communications, with the option of calling to request a paper survey also promoted.

In 2022 we received 134 responses to the previous budget survey, This year, the response number was 75, which was a decrease and caution must be applied, as 300+ counts as a good representative sample for a self-selecting survey in Maldon.



Respondent type



Summary of Findings

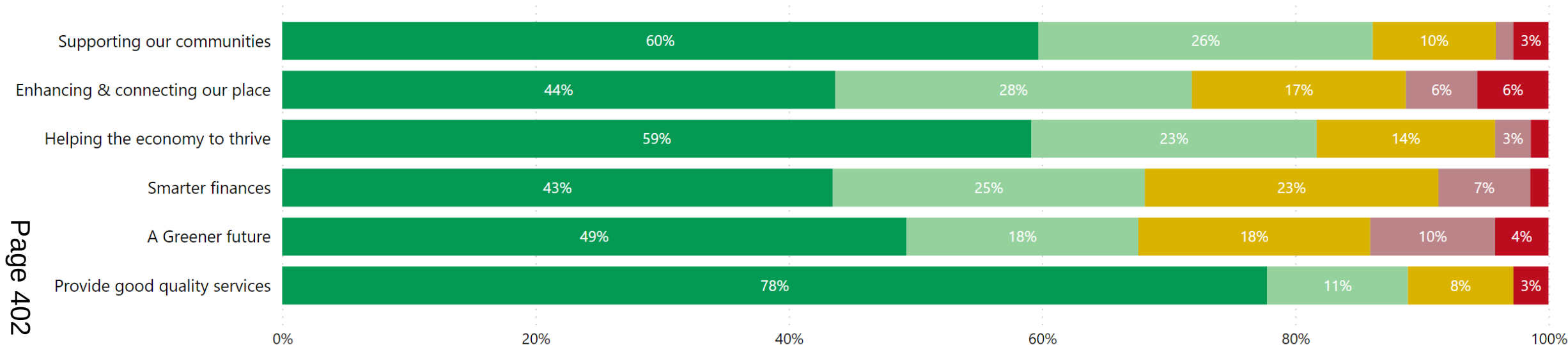
- Overall the majority were in agreement with the corporate plan priorities, with `Provide good quality services` being the most agreed with.
- 62% of people are in agreement to the Council Tax increase approach.
- 59% of people are in some way `comfortable` with the cost of living crisis impacts, which is a 28% increase from last year.
- 48% did not agree with the minimum contribution for those in receipt of council tax support, with suggesting alternative methods for the Council to find relief on public funds. Where respondents did agree, the most common suggestion for contribution should be 21-25%.
- There was a fairly even split of agreement V disagreement for reducing the savings limit to receive council tax support. Where respondents agreed, the suggested amount was equal between £5,000 or £5,000 or less.
- The most selected funding priorities for the 3 areas were Community safety, Climate action response & Refuse recycling and collection. The two other areas which were suggested but not as commonly were, Providing affordable housing and preventing homelessness, & Street cleansing.
- Car park charging structure & Commercial investments were the most suggested for income generation

Note: Open ended questions have been clustered to represent a trend.

Corporate Priority Agreement

Do you agree with the six priorities set out in the Corporate Plan?

● Strongly Agree ● Slightly Agree ● Not Sure ● Slightly Disagree ● Strongly Disagree



When asked: If you would like to provide any comments relating to the selections you have made above please do so here.

40% of people responded to this question. The top theme of comment was `Better transport links (Buses, walking & cycling)`, responses illustrating the link of easing accessibility of the District to support other priorities.

Second theme was `Communication/focus of Corporate plan`, most responses were noting the need for more detail to enable understanding, focus & accountability.

Third theme was `Environment protection`, noting the need to preserve & maintain the green spaces

[Click here to see full results please](#)

When asked: If there is a different strategic priority you think the Council should focus on, please tell us here

35% of people responded to this question.

There were two equal themes which was `Infrastructure`, responses covering the need for more to support growth, and then `Limit Development`, noting the need to slow new build housing and prevent the District from becoming over developed

Second most common theme was `Transport`, with all comments illustrating the need to connect the more rural parts of the District, and to improve community access to key infrastructure.

[Click here to see full results please](#)





When asked: If you would like to provide any comments relating to the selections you have made above please do so here.

Theme 1 (Priority Comments)	Occurrence
Better transport links (Bus, Walking, Cycling etc)	6
Communication/focus of Corporate Plan	5
Environment protection	4
Performance/Goal Setting	2
Quality services delivered	2
Stronger Development Negotiations (Infrastructure)	2
Business Support	1
Business Support & Staffing Structure	1
Community focus	1
Community focus for spending	1
Digital Support	1
Exclude Finances	1
Less climate & more people focus	1
Privatise appropriate services	1
Remove cars from towns	1

‘It is impossible to disagree with any of these corporate priorities, and the Corporate Plan, while very pretty to look at, needs to be much more accessible and focused. The Council's future priorities should be prioritised and ideally the whole plan can be summed up on one side of A4 paper ‘

‘Services are the essential role of a local authority and should take precedence, if people can move around all the different and great places in our district then the economy will thrive and people's access to services will improve ‘

When asked: If there is a different strategic priority you think the Council should focus on, please tell us here

Theme 2 (Priority Direction)	Occurrence
Infrastructure	6
Limit Development	5
Transport	3
Crime Management	2
Efficient Services	2
Protecting Coast & Countryside	2
Road Management Engagement	2
Energy saving	1
Reduction in size of Council	1
Service Quality	1
Stronger Development Negotiations	1
Support working community	1

Prioritising essential infrastructure to support growing communities

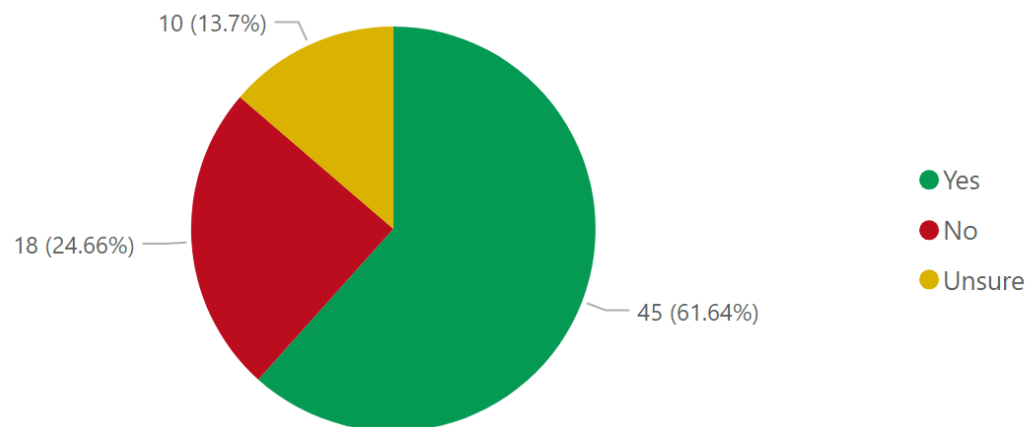
‘Prevent even more land being lost to development, and communities being swallowed up.‘

‘ The land for housing development needs careful consideration as using previously fertile land for houses instead of growing our food is not sustainable for the UK, Maldon needs to lead this consideration when thinking about planning. ‘



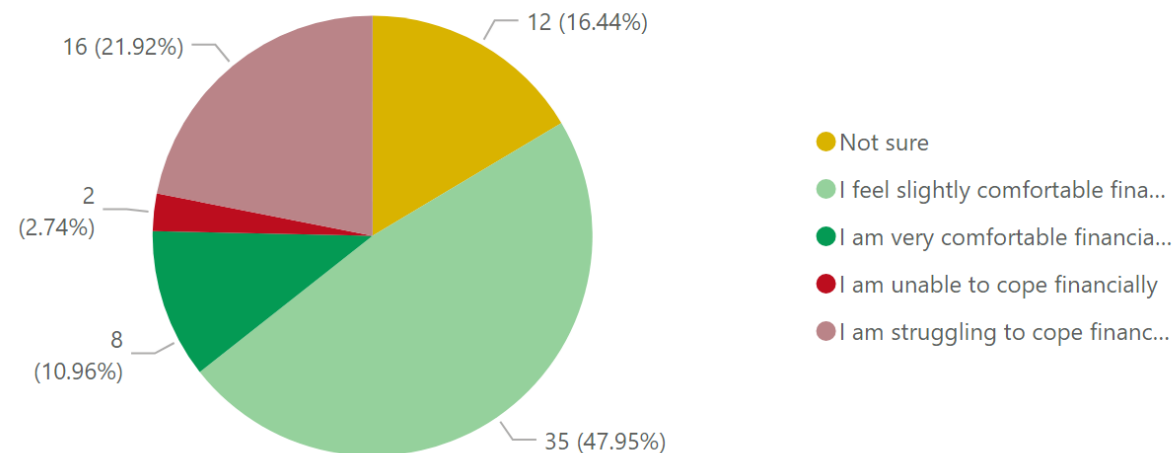
Agreement to Council tax increase approach

The government has set a limit for district councils to increase council tax by 3% in 2024/25. Maldon has factored this increase into its medium term financial plan to try and maintain services, given uncertainty around government grant funding and continued inflationary pressures



Cost of living crisis impact

Do you feel the current cost of living crisis is having an impact of how you manage your household financ...



When asked: If you would like to provide any comments relating to the selections you have made above please do so here.

21% of people responded to this question, all responses were unique and did not form a trend or priority.

- Clear increase in Council Tax Criteria (i.e) all bands
- Improve communication between council & Residents
- Ensure good policies are in place
- Explanation as to the need for increases
- Government Tax Initiatives
- Improvement to community and animal welfare
- Improvement to infrastructure & Environment
- Lobby to lift restriction on Council Tax increase
- More cost effective activities in the District
- Stop over development
- Promotion what the Council achieves.
- Senior Staffing Review
- Understanding of council funding issues

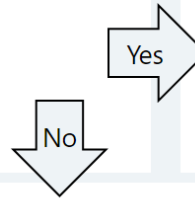
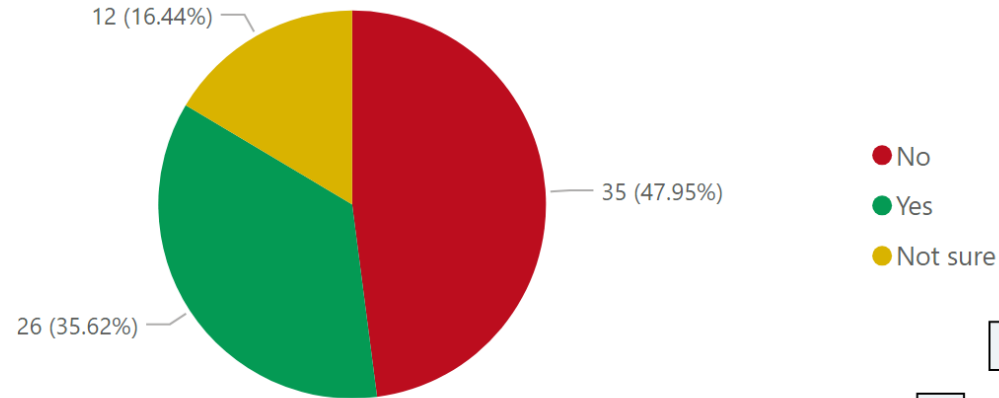
'The Council should show off what I does well - your recycling stats are fantastic for example'

'I think MDC should lobby the government to lift the limit to council tax increase'

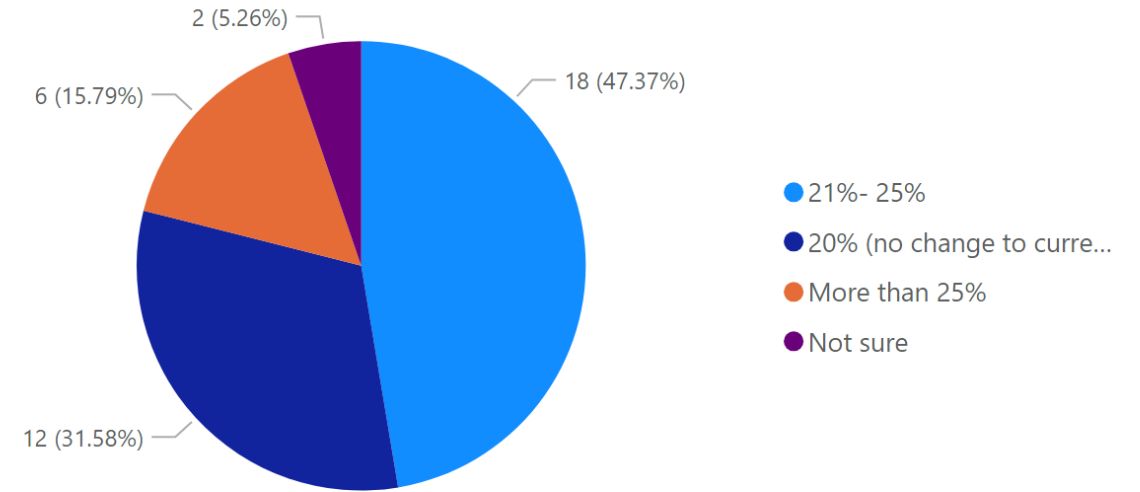


Minimum Council Tax payment for all non-exempt working age residents

All non-exempt working age residents pay a minimum of 20% towards their Council Tax, that percentage hasn't changed since 2013. This would reduce the cost of the Council Tax Support Scheme on public funds but would mean that households on a low income would have to pay more

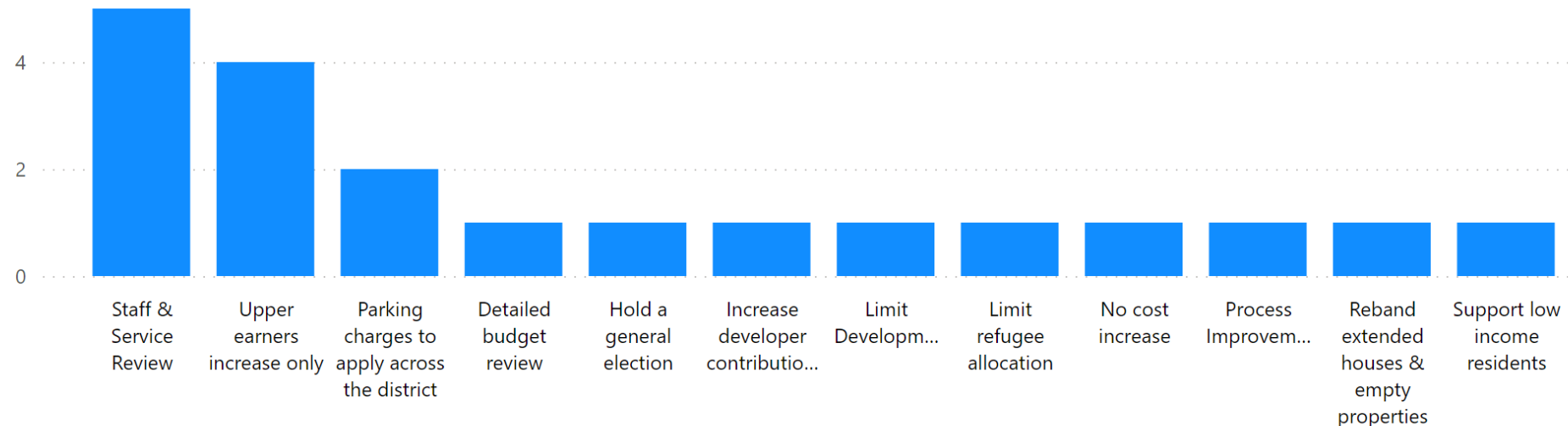


Suggestion levels of minimum payment that you think each household should pay



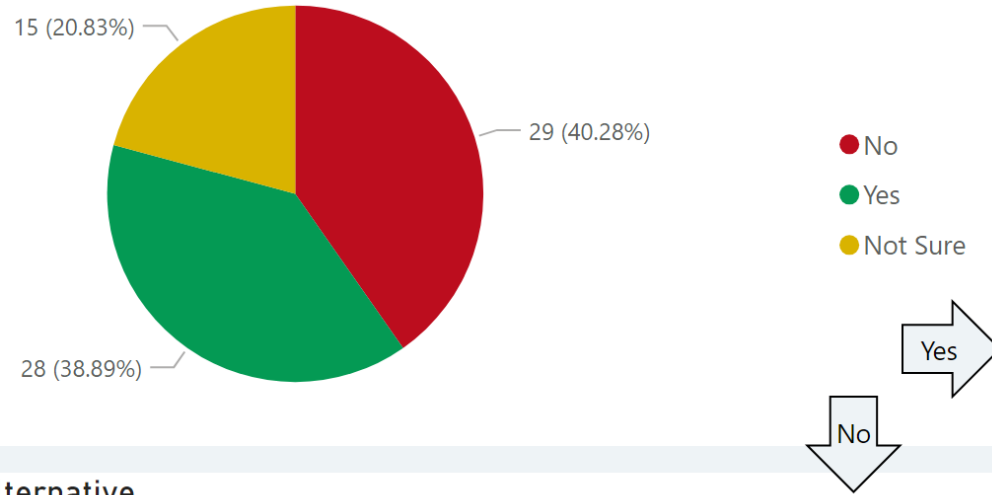
Suggestions on alternative approach for cost reduction

When asked: If you disagree what alternative to reducing costs would you propose?

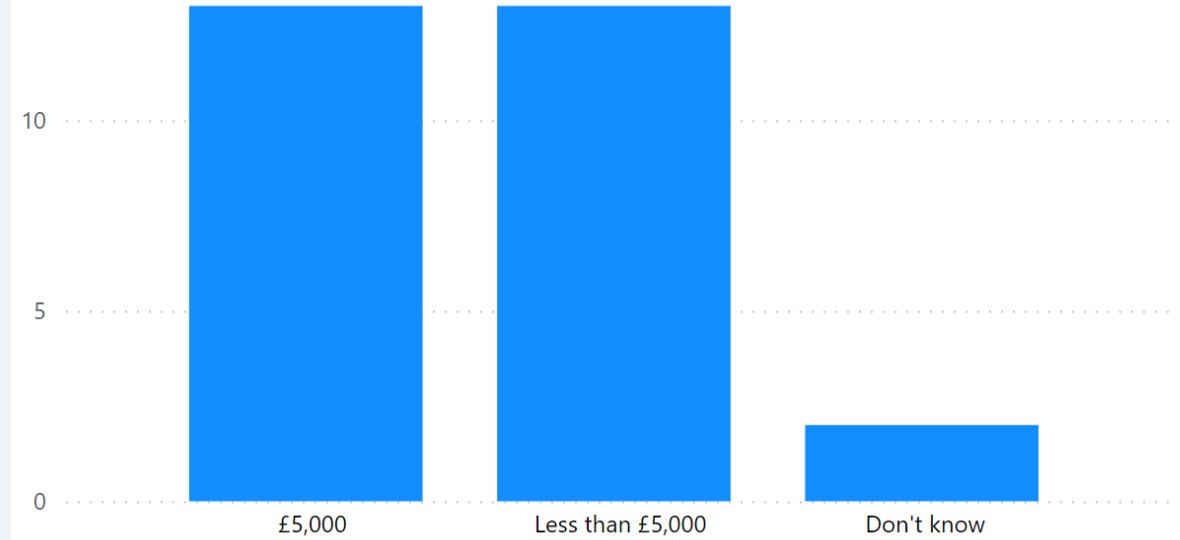


Support for reduction in the £6,000 savings limit, for Council Tax support

Working age residents with savings over £6,000 are not eligible for Council Tax Support, that figure hasn't changed since 2013. Would you support a reduction in the £6,000 savings limit? This would reduce the cost of the Council Tax Support Scheme but would mean that low income households with more savings ...



What do you think the capital limit should be set at?

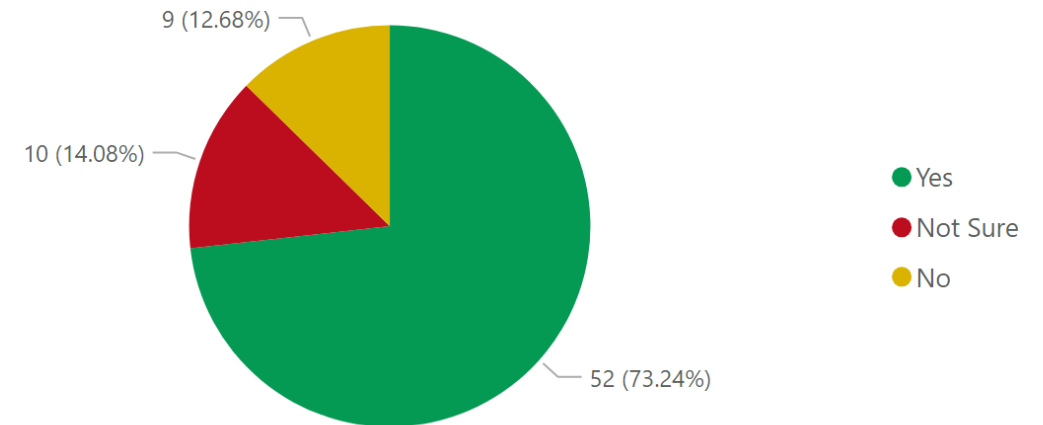


Cost reduction alternative

When asked: If you disagree what alternative to reducing costs would you propose?



Do you agree that every working age resident who has capital/savings over a set amount should not qualify for Council Tax Support?



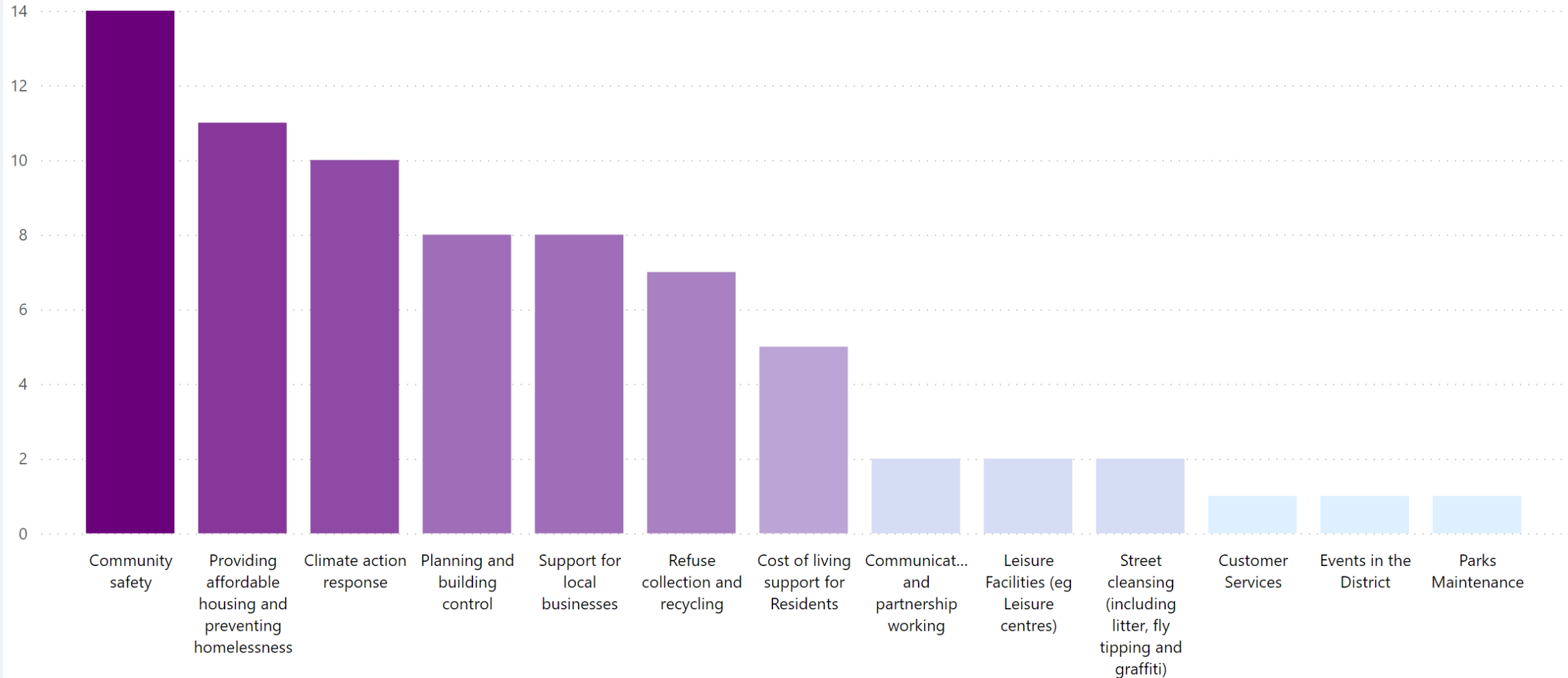
Priority 1

Priority 2

Priority 3

Funding Priority One

Please select which you think is a priority for council funding - Priority one





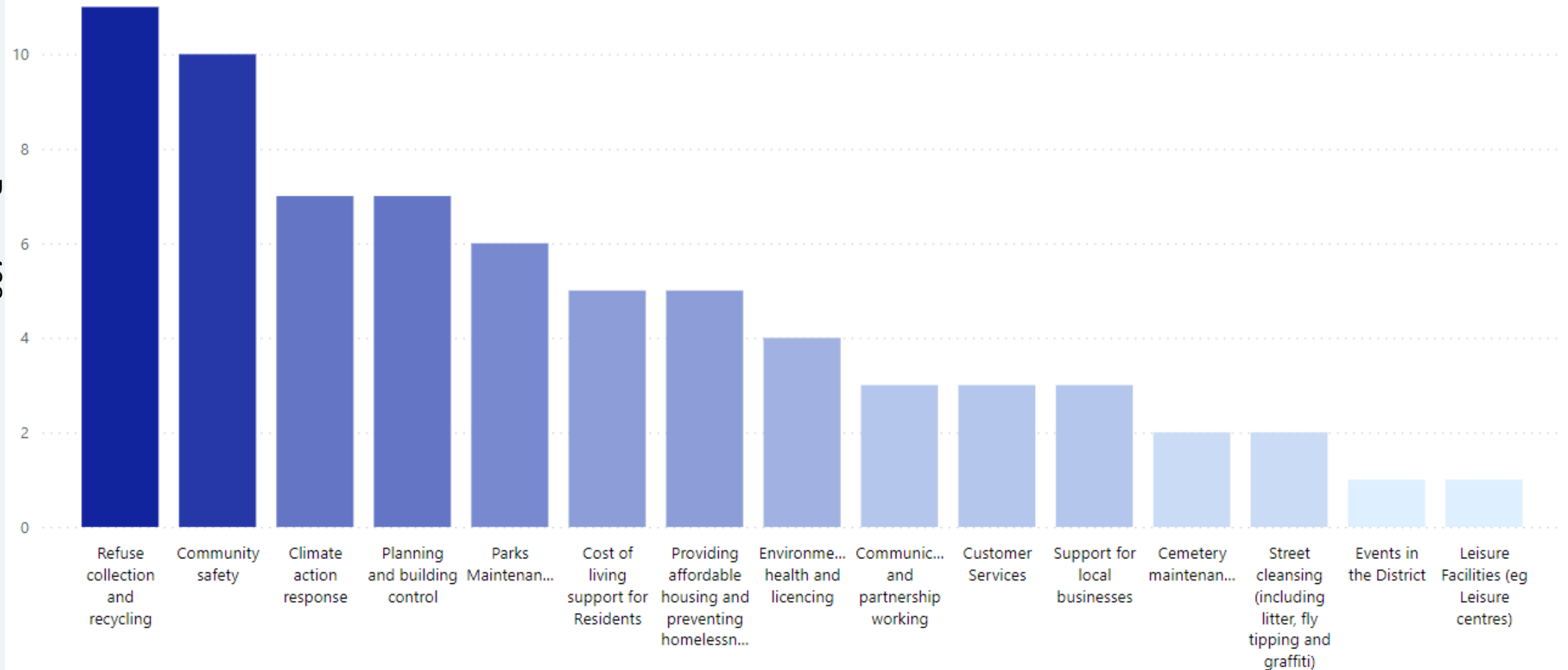
Priority 1

Priority 2

Priority 3

Funding Priority Two

Please select which you think is a priority for council funding - Priority two





Funding Priorities

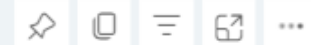
APPENDIX 6



Priority 1

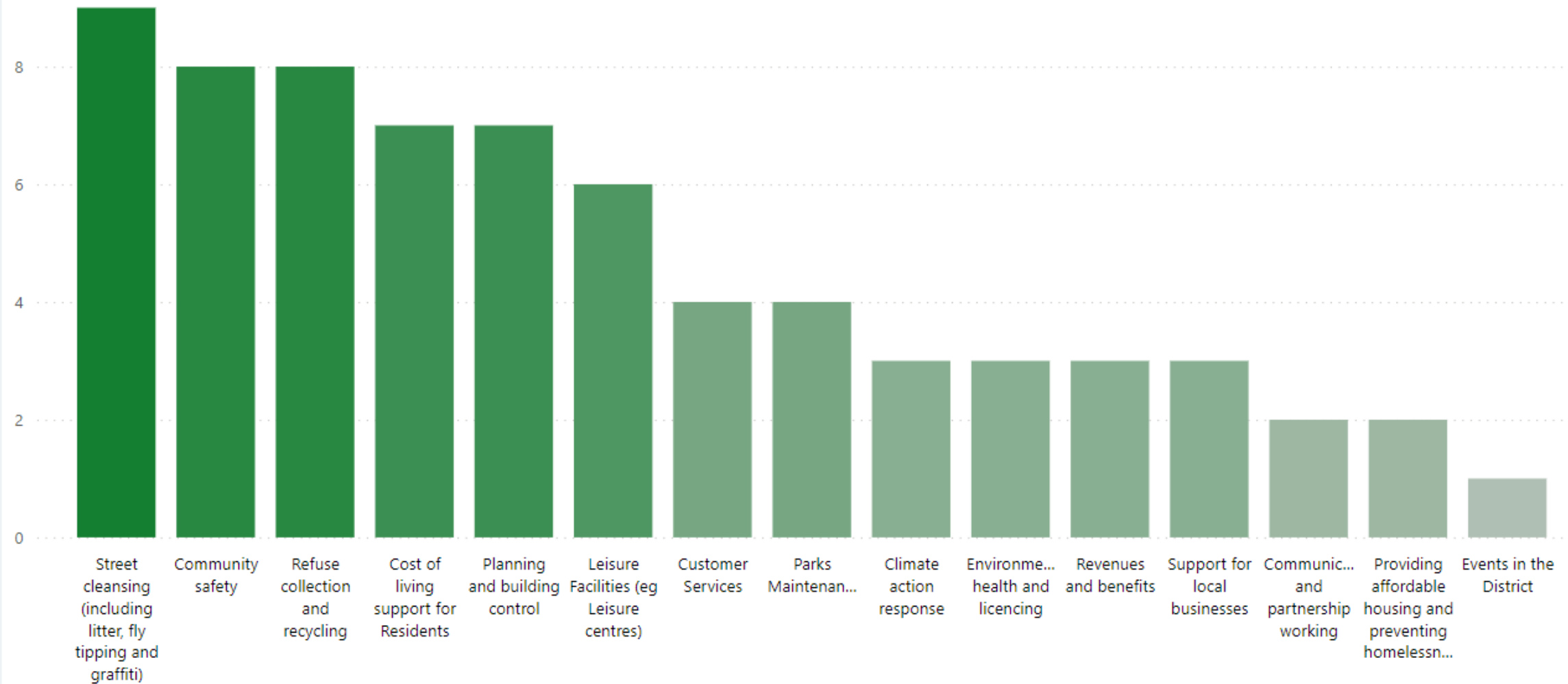
Priority 2

Priority 3



Funding Priority Three

Please select which you think is a priority for council funding - Priority three





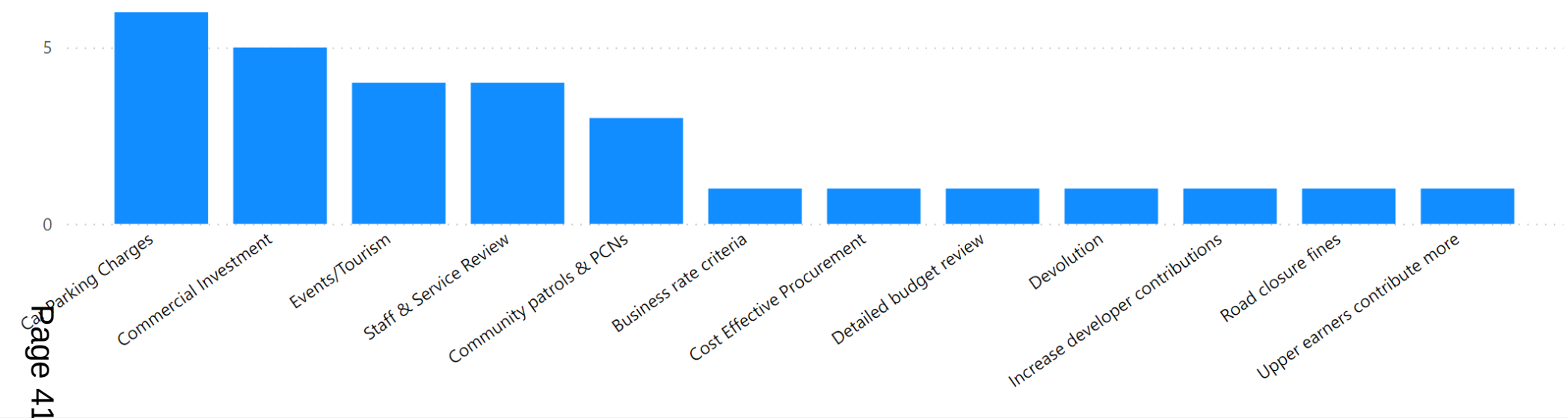
Income & Budget Suggestions



APPENDIX 6

Income generation suggestions

When asked: If you have any suggestions as to how the Council should save money or generate more income, please tell us.

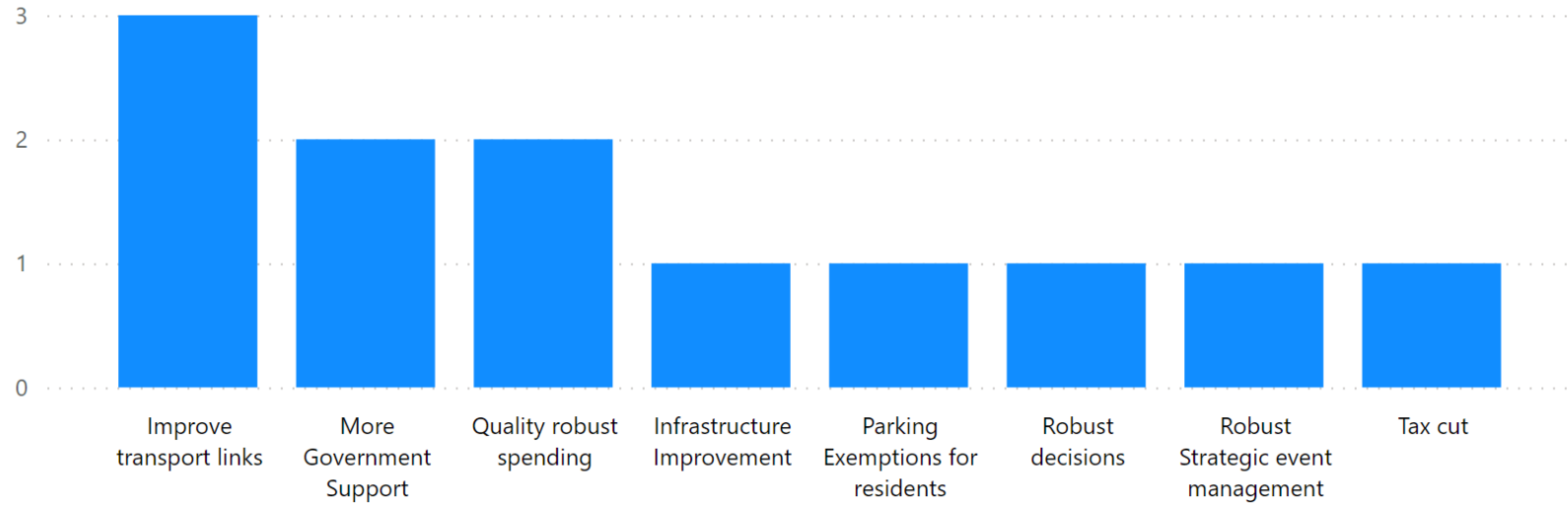


‘More creativity on generating revenue. Offer more free parking days in the town and record this to a normal day and share with local residents to see if it makes a difference’

‘A municipal park and ride scheme could generate income while allowing prime property currently used for car parking in town to be sold/developed/re-purposed’

Other suggestions on budget

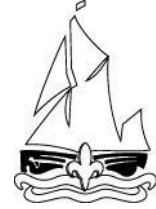
When asked: If you have any other comments on the Council's budget please tell us.



‘Sustainable transport, including cycle paths’

‘Councils have too much statutory obligations with too little government support’

‘Past cuts did a lot of damage to internal services, this has to be put right’



REPORT of INTERIM CHIEF FINANCE OFFICER

to
COUNCIL
15 FEBRUARY 2024

COUNCIL TAX 2024 / 25

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to set out the total amount that needs to be raised from Council Tax in the forthcoming year. This is known as the Council Tax Requirement for Maldon District Council and forms part of the funding that supports the services provided by the Council. Ultimately, this report sets the amount of Council Tax charged to each household in the District.
- 1.2 The report not only details the average amount of Council Tax charged by Maldon but also includes the total amounts of Council Tax expected to be collected for Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (EPFCCFRA) for both Fire and Police services, and the various Parish Councils within the District.

2. RECOMMENDATIONS

- (i) that Maldon District Council's Council Tax Requirement for 2024 / 25 is set at £5,947,173;
- (ii) that the Maldon District Council's Band D Council Tax (excluding Parish precepts) is set at £225.27, reflecting an increase of £6.52 (2.98%), all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iii) that the precept demands and level of Band D Council Tax of the Essex County Council, the EPFCCFRA for both Police and Fire, and the various Parish Councils within the District be determined as set out in the report, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iv) that the Council agrees the resolution set out at **APPENDIX A**.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and, including precepts determined by the other precepting authorities, to determine the Council Tax for the 2024 / 25 financial year (**APPENDIX A**).
- 3.2 Setting the level of council tax to be charged and calculating the total amount of council tax to be drawn from the collection fund is the final stage of the budget

process. Council tax is a major form of funding that pays for the services provided to residents. The amount of funding the council may raise in council tax is limited by:

- the number and council tax valuation band of the properties in the district on which a charge for council tax can be applied (referred to as the council tax base); and
- the maximum increase that may be applied to the current council tax level (without a referendum being triggered).

3.3 Maldon's council tax base for 2024 / 25 expressed as Band D equivalent properties is 26,400.2 and was agreed by the Council on 2 November 2023.

3.4 The Government laid before the House of Commons a written ministerial statement on the Final Referendum Principles for approval. For Maldon District Council, if it wished to raise its relevant basic amount of Council Tax for 2024 / 25 by the greater of:

(a) 3%, or more, greater than its relevant basic amount of council tax for 2024 / 25;

and

(b) more than £5 greater than its relevant basic amount of council tax for 2024 / 25.

then a referendum of the local electorate would be required to approve or veto the increase.

3.5 The Council is intending to increase its own Council Tax by 2.98%, which is within the referendum thresholds. The table below illustrates the impact of this increase for each of the council tax bands:

A	B	C	D	E	F	G	H
£4.35	£5.07	£5.80	£6.52	£7.97	£9.42	£10.87	£13.04

3.6 Essex County Council is proposing a budget and precept increase of 4.99%, including an increase of the Adult Social Care Precept by 2.0%. This is subject to agreement on 13 February 2024. The Police and Crime Commissioner for Essex and Essex County Fire and Rescue Service have agreed budget increases of 5.55% and 2.91% respectively.

3.7 Maldon District Council's Council Tax Requirement 2024 / 25

3.7.1 The Council Tax Requirement as calculated and recommended is £5,947,173. The table below illustrates the calculation:

	2023 / 24	2024 / 25
	£	£
Maldon District Council Net Budget Requirement	7,389,503	11,604,790
Government Grant		
Baseline Business Rates	(683,345)	(1,305,000)
Business Rates Retention Scheme	(1,800,394)	(1,682,000)
Collection Fund Net Deficit/(Surplus)	758,197	(2,670,616)
Maldon District Council Tax Requirement	5,664,960	5,947,173

- 3.7.2 The Council Tax Requirement including all preceptors is shown in the table below. The percentage increase is due to both an increase in the Tax Base and the Budget Requirement.

Precepting and Billing Authority	2023 / 24 £	2024 / 25 £	Change %
Essex County Council	37,548,240	40,195,097	7.05%
Essex County Fire and Rescue Service	2,078,613	2,181,185	4.93%
Office of the Police and Crime Commissioner for Essex	6,044,992	6,505,537	7.62%
Maldon District Council	5,663,960	5,947,304	5.00%
Parish Council's (Aggregate)	1,652,967	1,792,273	8.43%
Total	52,988,771	52,988,771	6.86%

- 3.7.3 The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. The average is always shown as Band D equivalent. All other bands are calculated by applying a ratio to the Band D Council Tax.
- 3.7.4 The table below shows the resulting Band D Council Tax amount for each of the precepting authorities that make up the Council Tax bill. The Parish element is not shown in this table as it will be different for each Parish area depending on the amount of the Parish precept. The individual Parish Precepts are show in **APPENDIX A** section 3 (g).

Precepting and Billing Authority	2023 / 24 £	2024 / 25 £	Change %
Essex County Council	1,450.17	1,522.53	4.99%
Essex County Fire and Rescue Service	80.28	82.62	2.91%
Office of the Police and Crime Commissioner for Essex	233.47	246.42	5. 55%
Maldon District Council	218.75	225.27	2.98%
Total	1,982.67	2,076.84	4.75%

- 3.7.5 The 2024 / 25 average Parish Band D Council Tax increase equates to £67.89 and gives an overall Band D average charge of £2,144.73 compared to the current year Band D average charge of £2,045.49.
- 3.7.6 In accordance with Section 30-36 of the Local Government and Finance Act, 1992, as amended, the Council Tax payable for each band of property by Parish taking into account the individual precept requirement for each Parish Council has been calculated as set out in **APPENDIX A** – Table A.

4. CONCLUSION

- 4.1 The Council as the billing authority is statutorily required to determine its own Council Tax Requirement and include the precepts determined and notified to the Council by the precepting authorities, to determine the Council Tax for the 2024 / 25 financial year, as set out in this report.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

- 5.1 This report discharges the Council's statutory function as a Council Tax billing authority, which is a cornerstone in its priority to achieve smarter finances.

6. IMPLICATIONS

- (i) **Impact on Customers** – The report and **APPENDIX A** sets out the Council Tax that will be payable by residents of the District for the financial year commencing 1 April 2024.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk** – Significant legal and statutory default risk if the Council fails to set the Council Tax for its area for 2024 / 25.
- (iv) **Impact on Resources (financial)** – Significant financial and statutory default risk if the Council fails to set the Council Tax for its area for 2024 / 25.
- (v) **Impact on Resources (human)** – None arising from this report.

Background Papers: Council Tax Base Report to Council, 2 November 2023.

Enquiries to: Lance Porteous, Lead Finance Specialist.

COUNCIL TAX 2024 / 25 RESOLUTION

The Council is recommended to resolve as follows:

1. That it be noted that at its meeting on 2 November 2023 the Council calculated its Council Tax Base for the year 2024 / 25:
 - (a) for the whole district as 26,400.2 Item T in the formula in Section 31B of the Local Government Finance Act 1992 (the Act), as amended by the Localism Act 2011; and
 - (b) for dwellings in those parts of its district to which a Parish precept relates as listed below:

Althorne	509.1
Asheldham	70.3
Bradwell-on-Sea	341.1
Burnham-on-Crouch	3,712.0
Cold Norton	508.3
Dengie	47.6
Goldhanger	318.1
Great Braxted	181.5
Great Totham	1,338.1
Hazeleigh	57.5
Heybridge	2,820.9
Heybridge Basin	273.8
Langford	90.1
Latchingdon	484.1
Little Braxted	80.0
Little Totham	194.6
Maldon	5,907.3
Mayland	1,484.9
Mundon	146.4
North Fambridge	537.3
Purleigh	585.8
Southminster	1,633.3
St. Lawrence	593.7
Steeple	187.7
Stow Maries	83.4
Tillingham	405.9
Tollesbury	1,031.0
Tolleshunt D'arcy	446.5
Tolleshunt Knights	426.4
Tolleshunt Major	271.3
Ulting	78.9
Wickham Bishops	1,018.9
Woodham Mortimer	258.9
Woodham Walter	275.3
	26,400.2

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2024/25 (excluding Parish precepts) is £5,947,173.

3. That the following amounts be calculated by the Council for the year 2023 / 24 in accordance with new Sections 31 to 36 of the Act as amended:
- (a) £31,527,937 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils **(i.e. gross expenditure including Parish precepts)**
 - (b) £23,788,461 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act **(i.e. gross income including government grants)**
 - (c) £7,739,477 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act) **(i.e. Council Tax Requirement including Parish precepts)**.
 - (d) £293.16 being the amount at 3(c) above (Item R) divided by the amount at 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(i.e. average Band D Council Tax including Parish precepts)**
 - (e) £1,792,273 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act **(i.e. Parish Council precepts)**
 - (f) £225.27 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates **(i.e. District Council Band D Council Tax excluding Parish precepts)**.
 - (g) Basic Amount of Council Tax by Parish 2024 / 25

Town/Parish	Local Precept	Town/Parish Band D	District + Town/Parish Band D
Althorne	27,000.00	53.03	278.30
Asheldham	4,365.00	62.09	287.36
Bradwell-on-Sea	28,840.00	84.55	309.82
Burnham-on-Crouch	198,390.00	53.45	278.72
Cold Norton	44,694.00	87.93	313.20
Dengie	2,955.00	62.08	287.35
Goldhanger	12,000.00	37.72	262.99
Great Braxted	13,977.00	77.01	302.28
Great Totham	35,754.00	26.72	251.99
Hazeleigh	1,363.00	23.70	248.97
Heybridge	210,000.00	74.44	299.71
Heybridge Basin	31,500.00	115.05	340.32
Langford	7,195.00	79.86	305.13

APPENDIX A

Town/Parish	Local Precept	Town/Parish Band D	District + Town/Parish Band D
Latchingdon	40,000.00	82.63	307.90
Little Braxted	4,886.00	61.08	286.35
Little Totham	9,055.00	46.53	271.80
Maldon	457,122.00	77.38	302.65
Mayland	105,322.00	70.93	296.20
Mundon	7,500.00	51.23	276.50
North Fambridge	22,960.00	42.73	268.00
Purleigh	48,000.00	81.94	307.21
Southminster	155,089.00	94.95	320.22
St. Lawrence	34,233.00	57.66	282.93
Steeple	11,613.00	61.87	287.14
Stow Maries	7,020.00	84.17	309.44
Tillingham	37,200.00	91.65	316.92
Tollesbury	118,257.00	114.70	339.97
Tolleshunt D'arcy	24,766.00	55.47	280.74
Tolleshunt Knights	15,000.00	35.18	260.45
Tolleshunt Major	10,000.00	36.86	262.13
Ulting	6,305.00	79.91	305.18
Wickham Bishops	22,530.00	22.11	247.38
Woodham Mortimer	6,137.00	23.70	248.97
Woodham Walter	31,245.00	113.49	338.76

These amounts are calculated by adding to the amount at 3(f) above, the amounts of the special item or items relating to dwellings in those parts of the Councils area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Calculation of Basic Amounts of Council Tax by Parish for Different Valuation Bands

PARISH	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Althorne	185.53	216.46	247.38	278.30	340.14	401.99	463.83	556.60
Asheldham	191.57	223.50	255.43	287.36	351.22	415.08	478.93	574.72
Bradwell-on-Sea	206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64
Burnham-on-Crouch	185.81	216.78	247.75	278.72	340.66	402.60	464.53	557.44
Cold Norton	208.80	243.60	278.40	313.20	382.80	452.40	522.00	626.40
Dengie	191.57	223.49	255.42	287.35	351.21	415.06	478.92	574.70
Goldhanger	175.33	204.55	233.77	262.99	321.43	379.87	438.32	525.98
Great Braxted	201.52	235.11	268.69	302.28	369.45	436.63	503.80	604.56
Great Totham	167.99	195.99	223.99	251.99	307.99	363.99	419.98	503.98
Hazeleigh	165.98	193.64	221.31	248.97	304.30	359.62	414.95	497.94
Heybridge	199.81	233.11	266.41	299.71	366.31	432.91	499.52	599.42
Heybridge Basin	226.88	264.69	302.51	340.32	415.95	491.57	567.20	680.64
Langford	203.42	237.32	271.23	305.13	372.94	440.74	508.55	610.26
Latchingdon	205.27	239.48	273.69	307.90	376.32	444.74	513.17	615.80
Little Braxted	190.90	222.72	254.53	286.35	349.98	413.62	477.25	572.70

APPENDIX A

PARISH	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Little Totham	181.20	211.40	241.60	271.80	332.20	392.60	453.00	543.60
Maldon	201.77	235.39	269.02	302.65	369.91	437.16	504.42	605.31
Mayland	197.47	230.38	263.29	296.20	362.02	427.84	493.67	592.40
Mundon	184.33	215.06	245.78	276.50	337.94	399.39	460.83	553.00
North Fambridge	178.67	208.44	238.22	268.00	327.56	387.11	446.67	536.00
Purleigh	204.81	238.94	273.08	307.21	375.48	443.75	512.02	614.42
Southminster	213.48	249.06	284.64	320.22	391.38	462.54	533.70	640.44
St. Lawrence	188.62	220.06	251.49	282.93	345.80	408.68	471.55	565.86
Steeple	191.43	223.33	255.24	287.14	350.95	414.76	478.57	574.28
Stow Maries	206.29	240.68	275.06	309.44	378.20	446.97	515.73	618.88
Tillingham	211.28	246.49	281.71	316.92	387.35	457.77	528.20	633.84
Tollesbury	226.65	264.42	302.20	339.97	415.52	491.07	566.62	679.94
Tolleshunt D'arcy	187.16	218.35	249.55	280.74	343.13	405.51	467.90	561.48
Tolleshunt Knights	173.63	202.57	231.51	260.45	318.33	376.21	434.08	520.90
Tolleshunt Major	174.75	203.88	233.00	262.13	320.38	378.63	436.88	524.26
Ulting	203.45	237.36	271.27	305.18	373.00	440.82	508.63	610.36
Wickham Bishops	164.92	192.41	219.89	247.38	302.35	357.33	412.30	494.76
Woodham Mortimer	165.98	193.64	221.31	248.97	304.30	359.62	414.95	497.94
Woodham Walter	225.84	263.48	301.12	338.76	414.04	489.32	564.60	677.52

These amounts are calculated by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year, in respect of categories of dwellings listed in different valuation bands.

That it be noted for the year 2024 / 25 the major precepting authorities have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below:

Precepting Authority	Valuation Bands			
Essex County Council	A	£1,015.02	E	£1,860.87
	B	£1,184.19	F	£2,199.21
	C	£1,353.36	G	£2,537.55
	D	£1,522.53	H	£3,045.06
Essex PFCC F&RA Essex Police and Crime Commissioner	A	£164.28	E	£301.18
	B	£191.66	F	£355.94
	C	£219.04	G	£410.70
	D	£246.42	H	£492.84
Essex PFCC F&RA Essex Fire and Rescue Authority	A	£55.08	E	£100.98
	B	£64.26	F	£119.34
	C	£73.44	G	£137.70
	D	£82.62	H	£165.24

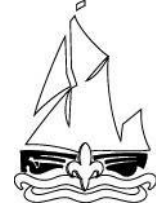
5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the year 2024 / 25 for each part of its area and for each of the categories of dwelling shown in Table A attached.
6. Determines that the Council's basic amount of Council Tax for 2024 / 25 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.

As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2024 / 25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992, as amended.

TABLE A

**Total Council Tax Amounts (£) by Band and Area
2024/25**

Parish/Area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Althorne	1,419.91	1,656.57	1,893.22	2,129.87	2,603.17	3,076.48	3,549.78	4,259.74
Asheldham	1,425.95	1,663.61	1,901.27	2,138.93	2,614.25	3,089.57	3,564.88	4,277.86
Bradwell-on-Sea	1,440.93	1,681.08	1,921.24	2,161.39	2,641.70	3,122.01	3,602.32	4,322.78
Burnham-on-Crouch	1,420.19	1,656.89	1,893.59	2,130.29	2,603.69	3,077.09	3,550.48	4,260.58
Cold Norton	1,443.18	1,683.71	1,924.24	2,164.77	2,645.83	3,126.89	3,607.95	4,329.54
Dengie	1,425.95	1,663.60	1,901.26	2,138.92	2,614.24	3,089.55	3,564.87	4,277.84
Goldhanger	1,409.71	1,644.66	1,879.61	2,114.56	2,584.46	3,054.36	3,524.27	4,229.12
Great Braxted	1,435.90	1,675.22	1,914.53	2,153.85	2,632.48	3,111.12	3,589.75	4,307.70
Great Totham	1,402.37	1,636.10	1,869.83	2,103.56	2,571.02	3,038.48	3,505.93	4,207.12
Hazeleigh	1,400.36	1,633.75	1,867.15	2,100.54	2,567.33	3,034.11	3,500.90	4,201.08
Heybridge	1,434.19	1,673.22	1,912.25	2,151.28	2,629.34	3,107.40	3,585.47	4,302.56
Heybridge Basin	1,461.26	1,704.80	1,948.35	2,191.89	2,678.98	3,166.06	3,653.15	4,383.78
Langford	1,437.80	1,677.43	1,917.07	2,156.70	2,635.97	3,115.23	3,594.50	4,313.40
Latchingdon	1,439.65	1,679.59	1,919.53	2,159.47	2,639.35	3,119.23	3,599.12	4,318.94
Little Braxted	1,425.28	1,662.83	1,900.37	2,137.92	2,613.01	3,088.11	3,563.20	4,275.84
Little Totham	1,415.58	1,651.51	1,887.44	2,123.37	2,595.23	3,067.09	3,538.95	4,246.74
Maldon	1,436.15	1,675.50	1,914.86	2,154.22	2,632.94	3,111.65	3,590.37	4,308.45
Mayland	1,431.85	1,670.49	1,909.13	2,147.77	2,625.05	3,102.33	3,579.62	4,295.54
Mundon	1,418.71	1,655.17	1,891.62	2,128.07	2,600.97	3,073.88	3,546.78	4,256.14
North Fambridge	1,413.05	1,648.55	1,884.06	2,119.57	2,590.59	3,061.60	3,532.62	4,239.14
Purleigh	1,439.19	1,679.05	1,918.92	2,158.78	2,638.51	3,118.24	3,597.97	4,317.56
Southminster	1,447.86	1,689.17	1,930.48	2,171.79	2,654.41	3,137.03	3,619.65	4,343.58
St. Lawrence	1,423.00	1,660.17	1,897.33	2,134.50	2,608.83	3,083.17	3,557.50	4,269.00
Steeple	1,425.81	1,663.44	1,901.08	2,138.71	2,613.98	3,089.25	3,564.52	4,277.42
Stow Maries	1,440.67	1,680.79	1,920.90	2,161.01	2,641.23	3,121.46	3,601.68	4,322.02
Tillingham	1,445.66	1,686.60	1,927.55	2,168.49	2,650.38	3,132.26	3,614.15	4,336.98
Tollesbury	1,461.03	1,704.53	1,948.04	2,191.54	2,678.55	3,165.56	3,652.57	4,383.08
Tolleshunt D'arcy	1,421.54	1,658.46	1,895.39	2,132.31	2,606.16	3,080.00	3,553.85	4,264.62
Tolleshunt Knights	1,408.01	1,642.68	1,877.35	2,112.02	2,581.36	3,050.70	3,520.03	4,224.04
Tolleshunt Major	1,409.13	1,643.99	1,878.84	2,113.70	2,583.41	3,053.12	3,522.83	4,227.40
Ulting	1,437.83	1,677.47	1,917.11	2,156.75	2,636.03	3,115.31	3,594.58	4,313.50
Wickham Bishops	1,399.30	1,632.52	1,865.73	2,098.95	2,565.38	3,031.82	3,498.25	4,197.90
Woodham Mortimer	1,400.36	1,633.75	1,867.15	2,100.54	2,567.33	3,034.11	3,500.90	4,201.08
Woodham Walter	1,460.22	1,703.59	1,946.96	2,190.33	2,677.07	3,163.81	3,650.55	4,380.66



**REPORT of
DIRECTOR OF STRATEGY AND RESOURCES**

to
COUNCIL
15 FEBRUARY 2024

**POLICE, FIRE AND CRIME COMMISSIONER ELECTION - 2 MAY 2024 - POLLING
STATIONS**

1. PURPOSE OF THE REPORT

- 1.1 To delegate authority to the Council's Returning Officer to decide on an alternative polling station at the forthcoming elections in May 2024, in the event of any designated venues not being available for use.
- 1.2 To request approval for change of location for polling stations in Burnham-on-Crouch (North) Ward.

2. RECOMMENDATIONS

- (i) That for the elections to be held on 2 May 2024, the Council delegates authority to the Returning Officer to decide on suitable alternative venues, should any designated polling stations become unavailable.
- (ii) That the changes as detailed in paragraphs 3.3 and 3.4 below be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council has a duty under the Representation of the People Act 1983 (RPA 1983) to designate Polling Places for each Polling District.
- 3.2 The Council also has a duty under Schedule A1 to the RPA 1983 to review polling places every five year and the last review took place in 2019. The next one is due to be completed by January 2025.
- 3.3 For the May 2021 elections Burnham Village Hall was used instead of Ormiston Academy as the school could not accommodate the Council at that time. For May 2023 elections the Council returned to Ormiston Academy, as this was one of the usual polling places. However further to feedback, it is felt that the facilities available for staff working at the polling stations and for the electors, are no longer suitable.
- 3.4 As the village hall has accommodated the Council before, they were approached again, and have agreed that their smaller hall could be used by the Council. The accommodation is well placed in terms of location and the facilities offered to staff and electors. No complaints were received relating to the change of Polling Station for the May 2021 elections. It will be useful to have the extra space within the building, to assist with the new regulations regarding the need for Voters to show a form of ID, in private, if they wish, before they can be given a ballot paper.

- 3.5 Plus, considering the likelihood of a General Election being called at some point in 2024, this will give us the ideal opportunity to ensure everything works and is in place before the Council must run that election.

4. CONCLUSION

- 4.1 The Council must ensure that all electors are able to cast their vote on polling day and know as soon as possible the polling station venue, if that differs from the normal designated venue, or has been changed to a more suitable alternative going forward.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

- 5.1 The change detailed assists with the corporate goal of 'Delivering good quality, cost effective and valued services.'

5.2 Supporting our communities

- 5.2.1 Enables electors to access a suitable venue to be able to vote.

5.3 Enhancing and connecting our place

- 5.3.1 Enables electors to access a suitable venue to be able to vote.

5.4 Smarter finances

- 5.4.1 Enables best value for money.

5.5 Provide good quality services.

- 5.5.1 Enables electors to access a suitable venue to be able to vote, and ensure staff have access to good facilities.

6. IMPLICATIONS

- (i) **Impact on Customers** – We must ensure that the elections are conducted in accordance with the election timetables.
- (ii) **Impact on Equalities** – Where necessary, it is important that we provide stations which are accessible to everyone.
- (iii) **Impact on Risk** – We could be challenged if we do not provide a polling station fit for purpose.
- (iv) **Impact on Resources (financial)** – A different venue may result in a different hire fee.
- (v) **Impact on Resources (human)** – Electors and staff access to better facilities.

Background Papers: None.

Enquiries to: Paul Dodson, Director of Strategy and Resources and appointed Returning Officer.

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