

04 February 2026



Princes Road
Maldon
Essex CM9 5DL

www.maldon.gov.uk



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

CHIEF EXECUTIVE
Doug Wilkinson

Dear Councillor

You are summoned to attend the meeting of the;

COUNCIL

on **THURSDAY 12 FEBRUARY 2026 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

Chief Executive



AGENDA COUNCIL

THURSDAY 12 FEBRUARY 2026

1. **Chairperson's notices**

2. **Apologies for Absence**

3. **Minutes - 11 December 2025** (Pages 7 - 18)

To confirm the Minutes of the Council meeting held on 11 December 2025 (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) Strategy and Resources Committee - 29 January 2026 (Pages 19 - 244)

[Link to Committee report pack](#)

Council Tax Support Scheme 2025 / 26

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 Scheme for 2026 / 27 for Pensioners only;
 - b. that any legislative changes being introduced to the Housing Benefit Scheme, for 2026 / 27 are mirrored in the Council's LCTS to ensure consistency;
- (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 largely unchanged framework for the Hardship Provision at **APPENDIX 2**;
- (iv) that the Policy document at **APPENDIX 3** be approved.

Business Rates and Council Tax Discretionary Reductions

RECOMMENDED

- (i) That subject to incorporation of the provisional amendments (set out in the Addendum report to the Strategy and Resources Committee on 29 January 2026 (**APPENDIX 4**), the amended Policy for the granting of Discretionary Non-Domestic Rate Relief at **APPENDIX 1**, to reflect updated Government guidance and legislation be approved;
- (ii) that the Director of Finance (S151 officer), in consultation with the Chairperson of the Strategy and Resources Committee, is granted delegated powers to consider and make minor technical amendments to the Policy for the granting of Discretionary Non-Domestic Rate Relief, in line with final Government guidance, as soon as reasonably practicable, to enable the award of this relief to eligible businesses;
- (iii) that minor amendments to the Empty Homes and Second Homes Premium Policy 2025 / 26 document at **APPENDIX 2** be noted;
- (i) that minor amendments to the Council Tax S13A (1) (C) Local Government Act 1992 Policy document at **APPENDIX 3** be noted.

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 other agenda items (see below) due to be considered at this meeting:

Agenda Item 9 – 2026 / 27 Budget and Medium-Term Financial Strategy

- Medium-Term Financial Strategy 2026 / 27 – 2028 / 29;
- Proposed Budget 2026 / 27;
- Capital and Investment Strategy for 2026 / 27, Minimum Revenue Provision Statement 2026 / 27 and Treasury Management Strategy 2026 / 27.

8. **Meetings of the Council**

To note that since the last Council, up until Wednesday 4 February 2026 (Council agenda dispatch) the following Committees have met, and to receive any questions in accordance with Council and Committee Procedure Rule 6 (2).

Central Area Planning Committee	19 November 2025
Strategy and Resources Committee	20 November
North Western Area Planning Committee	3 December
Overview and Scrutiny Committee	4 December
South Eastern Area Planning Committee	10 December
District Planning Committee	16 December
Central Area Planning Committee	17 December
District Planning Committee (continuation of 16 December 2025 meeting)	7 January 2026
South Eastern Area Planning Committee	14 January
District Planning Committee (special)	15 January
Performance, Governance and Audit Committee	22 January
Strategy and Resources Committee	29 January

9. **2026 / 27 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.
 - a) Medium-Term Financial Strategy (Pages 245 - 260)
 - b) Proposed Budget 2026 / 27 (Pages 261 - 294)
 - c) Capital and Investment Strategy for 2026 / 27, Minimum Revenue Provision Statement 2026 / 27 and Treasury Management Strategy 2026 / 27 (Pages 295 - 330)
 - d) Council Tax 2026 / 27 (Pages 331 - 340)

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

11. **North Essex Local Growth Priorities** (Pages 341 - 404)
To consider the report of the Chief Executive, (copy enclosed).
 12. **Maldon Five-Year Housing Land Supply 2025 Calculation** (Pages 405 - 432)
To consider the report of the Director of Place, Planning and Growth (copy enclosed).
 13. **Extension of South Essex Parking Partnership Joint Committee Agreement**
(Pages 433 - 436)
To consider the report of the Director of Neighbourhood Services and Communities,
(copy enclosed).
 14. **Devolution and Local Government Reorganisation** (Pages 437 - 440)
To consider the report of the Chief Executive, (copy enclosed).
 15. **Business by reason of special circumstances considered by the Chairperson to be urgent**
-

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

We do not have any fire alarm testing scheduled for this meeting. In the event of a fire, a siren will sound. Please use either of the two marked fire escape routes. Once out of the building please proceed to the designated muster point located on the grass verge by the police station entrance. Please gather there and await further instruction. If you feel you may need assistance to evacuate the building, please make a member of Maldon District Council staff aware.

Health and Safety

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

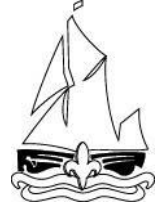
Closed-Circuit Televisions (CCTV)

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.

This page is intentionally left blank



**MINUTES of
COUNCIL
11 DECEMBER 2025**

PRESENT

Chairperson	Councillor K M H Lagan
Vice-Chairperson	Councillor R G Pratt
Councillors	M G Bassenger, V J Bell, D O Bown, J R Burrell-Cook, S Dodsley, 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, S J N Morgan, C P Morley, R H Siddall, U G C Siddall-Norman, N D Spenceley, P L Spenceley, W Stamp, CC, E L Stephens, J C Stilts, M E Thompson and L L Wiffen

387. CHAIRPERSON'S NOTICES

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

The Chairperson advised that he had agreed to allow Councillor M F L Durham to address the chamber. Councillor Durham referred to the July 2025 meeting of the Council and a comment he had made about the Leader not sharing all relevant Local Government Reorganisation data and a further comment that Councillor Durham was using his mobile phone during his discourse. He provided further detail regarding this and accepted that some Members may have felt that he was disrespectful and caused offence. Councillor Durham formally offered his apologies to those concerned.

388. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S J Burwood, M G Neall, N J Swindle and S White.

It was noted that Councillor M G Bassenger would be attending but had been delayed.

389. MINUTES - 25 SEPTEMBER 2025

RESOLVED that the Minutes of the meeting of the Council held on 25 September 2025 be approved and confirmed.

390. DECLARATION OF INTEREST

Councillor J R Burrell-Cook declared that in relation to Agenda Item 12 - North Essex Local Growth Priorities he had been working with Gwyn Owen from Essex County Council and others as part of the Maldon District Tourism Group.

391. PUBLIC QUESTIONS

There were none.

392. CHAIRPERSON'S ANNOUNCEMENTS

The Chairperson sent Members' condolences to Councillor W J Laybourn following the recent loss of her son.

The Chairperson advised how he had recently attended the day of dedication at Maldon Cemetery and commented on the fantastic and well run event by Council Officers.

The Council's staff awards had taken place on Wednesday 10 December and acknowledged the hard work that peers gave to each other. The Chairperson commented that it was a superb event enjoyed by all those that attended.

The Chairperson advised Members that he was taking part in the David Randall charity fun run on Sunday (14 December) and welcomed any sponsorship for the charity event.

In accordance with Part 4 Rule 8(3) of the Constitution, the Chairperson advised that he would be suspending the need to stand.

In response to questions regarding Members being advised of the mechanics of the staff awards process, whether a Member could nominate somebody and who had won awards this year, the Chief Executive advised that this information would be circulated outside of the meeting. The Chairperson reported that there had been 35 nominations for awards this year and they were all considered by a nominations panel along with the narrative for the nomination. The Chairperson assured Members that every single person who had won an award was thoroughly deserved and he made particular mention of the Housing team who had won a special team award.

393. PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE - 18 SEPTEMBER 2025

Councillor W Stamp, Chairperson of the Performance, Governance and Audit Committee presented the following recommendation coming forward from the Performance, Governance and Audit Committee for consideration by the Council.

Minute No. 256 – Council Constitution – Planning Appeals Protocol

RESOLVED that the Council endorses the revised and strengthened version of the Planning Appeals Protocol (attached as Appendix 1 to the agenda), and adopts it for inclusion in the Council's Constitution.

394. STRATEGY AND RESOURCES COMMITTEE - 2 OCTOBER 2025

Councillor J Driver, Chairperson of the Strategy and Resources Committee presented the following recommendation coming forward from the Strategy and Resources Committee for consideration by the Council.

Minute No 283 – Discretionary Fees and Charge Policy 2026 / 27

RESOLVED that the overarching principles for discretionary Fees and Charges policies (as detailed in Appendix A to the agenda) be approved:

395. STRATEGY AND RESOURCES COMMITTEE - 20 NOVEMBER 2025

Councillor J Driver, Chairperson of the Strategy and Resources Committee presented the following recommendation coming forward from the Strategy and Resources Committee for consideration by the Council.

Fees and Charges Schedule 2026 / 27

Councillor Driver advised that following consideration by the Finance Working Group and Officer discussions with Councillor R Pratt the following amendments were proposed to the Fees and Charges Schedule for 2026 / 27:

- That all day Sunday charges for Maldon Town Centre Car Parks should apply after four hours and not three hours. The full daily rate for a Sunday would therefore apply if using a car park for more than four hours.
- That the following items be removed as they were not currently in use:
 - The daily charges for exclusive use of visitor pontoons in Maldon and Burnham-on-Crouch;
 - The weekly winter charge (October – April) for use of the pontoon at Maldon.

Councillor Driver proposed that subject to the above amendments the detailed Fees and Charges Schedule for 2026 / 27 be agreed.

In response to a question regarding White Horse Lane car park and whether signage could be improved to advise of cheaper, alternative car parks within the High Street, it was agreed that this could be referred to the Car Park Working Group.

The Chairperson then put the proposal which was duly seconded and agreed by assent.

RESOLVED that subject to the following amendments, the detailed Fees and Charges Schedule for 2026 / 27 as set out in Appendix A to the Council agenda, be agreed:

- That all day Sunday charges for Maldon Town Centre Car Parks should apply after four hours and not three hours. The full daily rate for a Sunday would therefore apply if using a car park for more than four hours.
- That the following items be removed as they were not currently in use:
 - The daily charges for exclusive use of visitor pontoons in Maldon and Burnham-on-Crouch;
 - The weekly winter charge (October – April) for use of the pontoon at Maldon.

Councillor M G Bassenger joined the meeting during this item of business.

396. 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 5 December 2025 for which Minutes had been published.

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

There were none.

398. SAFEGUARDING POLICY - CHILDREN, YOUNG PEOPLE AND ADULTS

The Council considered the report of the Director of Neighbourhood Services and Communities seeking Members' approval of the Safeguarding Policy: Children, Young People and Adults Policy attached at Appendix A to the report.

The Head of Community Safety and Customer Services introduced himself and presented the report to the Council. The report highlighted the Council's statutory responsibilities for safeguarding Children, Young People and vulnerable adults as a second tier Local Authority under the Care Act 2014(i) and the Children's Act 2004(ii). It was noted that Essex County Council was the statutory lead organisation for Safeguarding. Members were advised that the Council's Safeguarding Policy had been refreshed and rewritten and the report detailed the key updates.

The Chairperson put the recommendations as set out in the report and this was duly seconded.

There was some discussion in response to a question regarding a requirement for all Members to have a Disclosure and Barring Service (DBS) check and it was agreed that this would be raised outside of the meeting. It was confirmed that Members having a DBS check was not a legal requirement.

A lengthy debate ensued and in response to questions raised the following information was provided:

- Officers agreed to provide Members with details of figures relating to the number of safeguarding cases dealt with by the Council.
- There was a process for hirers of Council facilities to follow regarding submitting their own Safeguarding Policy and it was noted that if a user did not have a policy, they could adopt the Council's.
- All Council Officers received safeguarding training as part of the induction process, however it was noted that the level of training depended on the individual role.
- It was confirmed that all Suez staff undertook safeguarding training and a recent audit by the Council had required evidence to support this which had been received.

The Chairperson then put the recommendations to the Council, and these were duly agreed by assent.

RESOLVED

- (i) That the updated Safeguarding Policy at Appendix A to the report be adopted;
- (ii) That the Safeguarding Lead provides an annual safeguarding report to the Senior Leadership Team to support oversight and continuous improvement.

399. COUNCIL TAX BASE

The Council considered the report of the Director of Finance seeking Members' agreement to set its tax base for the financial year 2026 / 27 in order to set its council tax requirement. Members were advised that the Council had to notify its tax base calculations to Essex County Council, Essex Fire Authority, the Police and Crime Commissioner for Essex and Parish / Town Councils in order that they can set their council tax for 2026 / 27.

It was noted that annual setting of the Council's tax base was a pre-requisite for all local authorities under the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. Appendices to the report set out the calculation of the tax base (Appendix A) and the tax base for each Parish / Town Council (Appendix B).

The report provided an update on the current collection rate and reduction in the number of local council tax support cases. It was noted that the Council Tax Base figure for 2026 / 27 represented an increase of 1.63% and this related to the rise in the number of chargeable properties, a decrease in the Local Council Tax Support Scheme, less a slight decrease in the expected collection rate.

The Director of Finance took Members through the report and provided some additional background information to the information detailed.

The Chairperson moved the recommendation as set out in the report. This was duly seconded and agreed.

In response to a question regarding the latest Government announcement regarding mansion tax and the impact on the Council's budget, the Director of Finance advised that the Council was awaiting detail of the provisional Local Government statement for 2026 / 27 which would provide this detail. At this point confirmation was awaited regarding mansion tax.

RESOLVED that in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012 the amount calculated by Maldon District Council as its council tax base for the 2026 / 27 year shall be set at **27,293.0**.

400. NORTH ESSEX LOCAL GROWTH PRIORITIES

The Council considered the report of the Chief Executive seeking Members' approval of the North Essex Councils (NEC), North Essex Local Growth Priorities document attached at Appendix 1 to the report.

The NEC partnership was established to drive forward collaborative working in a range of strategic areas including housing growth, economic development and climate action. The report set out the NEC Members.

The Leader of the Council introduced the report providing detailed background information regarding the development of the priorities document through collaborative

working across all North Essex partners. He highlighted that although the mayoral elections would not be taking place in 2026 the combined authority would still be formed and that local plans were a key part of the work that the Government still wanted to take place. Despite the deferral of mayoral elections, the Leader explained that the formation of the combined authority would progress as previously set out and that the report was therefore the opportunity for the Council to raise a number of its key concerns as part of the formation of that new authority.

The Head of Economic Development gave a short presentation which provided further background information, the NEC vision and outcomes and set out the Growth Priorities which had been identified. The future-facing ambition of the priorities and how they are designed to remain relevant through LGR were set out in Appendix 1 to the report.

The Chairperson moved the recommendation set out in the report and this was duly seconded.

A lengthy debate ensued and in response to comments made the following information was provided:

- It was understood that the new mayor would have the adult skills budget devolved to them which would give greater opportunity and flexibility to ensure the needs of Maldon district are delivered.
- Councillor J R Burrell-Cook informed the Council of work he had been doing with Gwyn Owen on the inclusion of tourism as an addendum to the Policy. He advised that details of this had been shared with the Chief Executive and Leader of the Council.
- In response to comments about the Maldon District being neglected in the report, the Head of Economic Development advised that Officers as well as the Leader had robustly presented the needs of the District, however as a regional strategic document some concessions were required across all North Essex Councils.
- Concerns regarding tourism and hospitality were acknowledged by Officers, and it was noted that the work of the NEC related to the priorities across that particular area. Work regarding tourism, culture, heritage etc. formed part of work being undertaken with Greater Essex devolution.
- It was confirmed, in terms of concessions made by the Council in discussions at the NEC, this related to not having reference to St. Peters Hospital within the document. It was noted that Officers and the Leader had sought for inclusion and therefore investment in this site, but it was not currently included in detail but did reference the St. Peters site. However, it was commented that the projects listed had already received some backing from central government.
- The table on pages 86 – 87 of the report pack detailed the benefit to the District from each of the projects. The Head of Economic Development referred to a more detailed table which was shared at a recent Member briefing. She agreed to circulate this information to Members outside of the meeting.
- In respect of skills, the Council would be paying close attention to the Essex Chamber of Commerce who were charged with delivering the local skills improvement plans (a nationally sponsored and government led programme).

The Leader of the Council advised that the document was a starting point and was not intended to go into industry specific detailed information, how the combined authority would be formed would come out of later, additional work. It was necessary to bring the document through at this point to ensure that it was ready for presenting to the

combined authority in May 2026 so that it was aware of the NEC views. In response to a comment regarding housing affordability and focusing on the medium house price to ratio, the Leader advised that he would speak to Gwen Owen to review this data and ensure it was more reflective of the true position.

During the debate the following declarations of interest were made:

- Councillor K M H Lagan declared that his wife worked for Adult Community Learning in Maldon.
- Councillor M F L Durham declared he was Chairperson of Visit Essex and the Rural Community Council of Essex.
- Councillor J R Burrell-Cook declared he was on the advisory board for Visit Essex and on the Maldon and Heybridge Transport Group.

Further comments and concerns were raised by Members, it was questioned whether the document was premature due to the appointment of a mayor having been delayed.

The Chief Executive thanked Members for their comments and explained how the destination of the document had changed following postponement of the mayoral elections. It was not a statutory document or strategy but intended to give the mayoral candidates an idea of some of the things within the region which were important at a strategic infrastructure level. Specifically, it was intended to give a steer around important regional priorities, and how the new mayor would be the conduit to get central government funding. He referred to the A12 widening project which had been cancelled by central government and how it had been felt important to include this within the document due to its importance for how it could stimulate the economy particularly connectivity and growth. The Chief Executive provided further information regarding St. Peters Hospital and how it had not regionally compared with other schemes, such as a new hospital in Harlow but how a case for it being mentioned in the document had been argued due to the local significance.

In accordance with Procedure Rule No. 13 (3) Councillor M F L Durham requested a recorded vote. This was duly seconded.

The Chairperson then put the recommendation as set out in the report and the voting was as follows:

For the recommendation:

Councillors M G Bassenger, A Fittock, J C Hughes and R H Siddall.

Against the recommendation:

Councillors D O Bown, M F L Durham, A S Fluker, L J Haywood, K M H Lagan, S J N Morgan, C P Morley, R G Pratt, W Stamp, J C Stilts, M E Thompson and L L Wiffen.

Abstention:

Councillors V J Bell, J R Burrell-Cook, S Dodsley, J Driver, K Jennings, A M Lay, W J Laybourn, U G C Siddall-Norman, N D Spenceley, P L Spenceley and E L Stephens.

The Chairperson advised that this was therefore not agreed.

The Deputy Monitoring Officer clarified that where a recommendation failed this did not stop someone putting forward a further recommendation.

Councillor A S Fluker proposed that the report be noted. This was not seconded.

Councillor Durham proposed that the Council wait and see what comes back in version 2 of the document. This was not seconded.

Councillor Burrell-Cook proposed that the Council defer approval of the report until all the included elements come back in the report from Essex County Council and Officers. This was not seconded.

At the point, Councillor P L Spenceley commented that the paragraph within the document referring to St. Peter's Hospital was not strong enough and requested that this be noted.

Councillor Burrell Cook then clarified his earlier proposal, proposing that the matter be deferred until the points raised that required inclusion into the report go back to the NEC and officers to look at the inclusion of the items raised such as St. Peter's, tourism, specific transport and skills & training. This was duly seconded.

Further debate ensued and during this the Leader of the Council clarified that he fought for the Maldon district at every opportunity and across a number of different bodies that he was part of.

There was some discussion on whether the Council could request deferral or if a new report should be requested. To clarify the Deputy Monitoring Officer provided Members with further guidance advising that by deferring the Council was seeking feedback on the points raised as to whether they should be included or not. When this came back to the Council it could then consider the response, whereas if the document was rejected the six-month rule would come into consideration.

Councillor Durham raised a point of clarity as the document had been brought forward to present to a mayoral candidate and there would not be one within the next two years. The Council therefore didn't have to do this right now.

Councillor Fluker raised a point of clarity regarding the six-month rule and sought confirmation that if a decision was made it could return to the Council on the premise that there would be new information. The Chairperson confirmed this.

The Chairperson then moved the proposal in the name of Councillor Burrell-Cook. Upon a vote being taken this was duly agreed.

RESOLVED that the North Essex Local Growth Priorities (attached at Appendix 1 to the report) be deferred and send back to the North Essex Councils to consider inclusion of the items raised by this Council including, St. Peter's Hospital, tourism, specific transport and skills & training.

401. DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION UPDATE

The Council considered the report of the Chief Executive providing an update on Devolution and Local Government Reorganisation (LGR) activity in Greater Essex.

The report set out the four proposals for LGR from councils in Essex, Southend-on-Sea and Thurrock. At its meeting on 25 September 2025 Maldon District Council had agreed to support the Five Unitary Authorities (5UA) proposal. The Government Consultation was currently live and would run until 11 January 2026. The report set out the work being undertaken by Officers including areas where business as usual resources were likely to be impacted as a result of LGR.

The Leader of the Council introduced the report and provided detail including how the statutory instruments to establish the combined authority would be implemented by the Government in the new year. It was noted that the Greater Authority had appointed an interim Chief Executive Officer, and the Government was providing funding to appoint lead staff in the strategy areas. The Leader reported how at the Essex Leaders and Chief Executives meetings he had raised concern regarding the lack of balance in representation with only one district council representatives from the north being appointed to the authority.

The Head of Performance Improvement and LGR advised that since publication of the report, the Government had, on 3 December 2025, alerted the Council that it was mindful to delay the Mayoral Strategic Authority elections from May 2026 to May 2028 to complete the reorganisation process before the Mayor took office.

The Chairperson put the recommendation set out in the report. This was duly seconded by Councillor M F L Durham who advised it was his understanding that there would be a proposal coming forward for two district council representatives.

In response to concern raised that the LGR Working Group and particularly its Chairperson had not received an update regarding the recent changes, the Leader of the Council apologised and commented that this was very recent information and he had had a busy diary earlier in the week which had not allowed any time to share this but committed to update the Chairperson of the LGR Working Group at the earliest opportunity in the future. In response to a further question, the Leader explained to Members the timeline in respect of receiving information from the ministry regarding the proposed change to the appointment of a mayor.

The Chairperson moved the recommendation which was duly agreed.

RESOVLED that the current update of Devolution and LGR, and possible resource implications as the activity to progress LGR develops be noted.

402. CONSULTATION RESPONSE - LOCAL GOVERNMENT REORGANISATION

The Council considered the report of the Director of Legal and Governance (Monitoring Officer) seeking Members' agreement of a formal response on behalf of Maldon District Council (MDC) to the statutory government consultation on Local Government Reorganisation (LGR) in Essex.

The Head of Performance, Improvement and LGR presented the report which provided background information regarding LGR, the Council's decision to support the Five Unitary Authorities (FUA) model and the statutory consultation launched by the Government. The consultation sought views on the proposals received by the Ministry of Housing Communities and Local Government (MHCLG) and was due to run until 11 January 2026. A draft consultation response on behalf of MDC had been produced (attached at Appendix 1 to the report) and considered by the LGR Working Group.

The Chairperson moved the recommendation set out in the report and this was duly seconded.

In accordance with Procedure Rule No. 13 (3) Councillor S J N Morgan requested a recorded vote. This was duly seconded, and the voting was as follows:

For the recommendation:

Councillors M G Bassenger, V J Bell, S Dodsley, J Driver, A Fittock, L J Haywood, J C Hughes, K Jennings, K M H Lagan, A M Lay, R H Siddall, U G C Siddall-Norman, N D Spenceley, P L Spenceley, E L Stephens and J C Stilts.

Against the recommendation:

Councillors M F L Durham and A S Fluker.

Abstention:

Councillors D O Bown, J R Burrell-Cook, W J Laybourn, S J N Morgan, C P Morley, R G Pratt, W Stamp, M E Thompson and L L Wiffen.

The Chairperson advised that this was duly agreed.

RESOLVED that the draft consultation response at Appendix 1 to the report be approved.

403. SCHEDULE OF MEETINGS 2026 / 27

The Council considered the report of the Director of Legal and Governance presenting for Members' consideration the draft Schedule of Meetings for 2026 / 27 (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 2026 / 27 municipal year be approved as set out in Appendix 1 to the report.

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

Councillor W Stamp referred to the work of the Essex Safeguarding Adults Board (ESAB) helping to safeguard adults at risk and enable them to live lives free from abuse and neglect. She asked the Leader if he would work with the Chief Executive to look out for an email from Deborah Stuart Angus Chairperson of the ESAB. Councillor Stamp advised the Council that the work of the ESAB was threatened due to a shortfall of funding from the Police, Fire and Crime Commissioner and outlined the contributions made by District and Borough Councils under Section 43 of the Care Act. Councillor Stamp asked if the Leader would consider bringing forward a motion to consider funding some additional money for the ESAB. She advised that this would be asked of all District and Borough Councils in Essex. In response, the Leader agreed that this should be considered, advising that he would look into this through the Finance Working Group and then to the Strategy and Resources Committee.

Councillor A S Fluker referred to the Planning Appeals Protocol that the Council agreed at an earlier part in the meeting and how he had attended a few planning appeals recently where Members had given evidence. He asked the Leader of the Council if Members could be encouraged to attend such appeals to find out how the worked process worked etc. and suggested that further training was required. In response the Leader advised that it might be useful to get the Planning Advisory Service to provide some training to Members. The Leader suggested that in addition to the statutory training, it would be beneficial to ensure Members had the correct skills, knowledge and abilities.

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

The Chairperson announced that in accordance with Section 100b(4) of the Local Government Act he had agreed to allow the Director of Finance and Director of Neighbourhood Services and Communities to raise an urgent item of business.

406. URGENT BUSINESS - SUPPLEMENTARY ESTIMATE - MALDON DISTRICT COUNCIL ROADWAYS / CAR PARK

The Council considered the urgent report of the Director of Finance / Director of Neighbourhood Services and Communities seeking Members' approval of a supplementary estimate for works previously approved by the Council to conduct resurfacing work located in the Council's parks and a car park. It was noted that this item of urgent business had been brought forward to avoid delay in the planned works which was likely to lead to rescheduling of the work as well as potentially increasing the costs.

The Director of Neighbourhood Services and Communities presented the report which outlined the bids agreed as part of the 2025 / 26 Capital Programme for road resurfacing works at Promenade Park, Riverside Park and Butt Lane / White Horse Lane car parks. Since the excavation works had started it had become clear that unknown issues would need to be addressed to deliver the overall schemes as intended. The report set out the reasons for this additional cost.

During the debate that ensued Members expressed concern regarding the proposed additional costs and some reference was made to the original contract for the works. Members were advised that the works were originally planned 18 months ago, and a large amount of the increase related to a general increase in costs. It was confirmed that a ground / soil survey was undertaken, however it was not until the ground was opened up that further issues were identified in the sub-base of the construction of the road.

At this point Councillor W Stamp referred to an earlier point in the meeting where she had said something unsuitable regarding a situation and apologised to everybody for this.

The Chief Executive provided some further detail regarding highways construction works, explaining how this situation was not uncommon. However, the increase in cost would significantly extend the life of the asset, opposed to just a resurface which would only extend life for 3- 5 years. He referred to how the increased cost had been magnified by the time taken from the original estimates, some 2- 3 years ago, and how the works would provide a far superior product but there was a learning exercise relating to estimates and contracts and the time taken to get to delivery. The Chief Executive advised that a detailed breakdown of the related costs could be provided to Members.

The Chairperson then moved the recommendation set out in the report. This was duly seconded and agreed. Councillor K M H Lagan requested that his vote against the proposal be recorded.

RESOLVED that the Council gives approval for the investment of £142,000 in addition to the previous approvals totalling £288,000 for additional remedial works to the assets concerned in order to ensure that the subsequent resurfacing works are undertaken in a way that maximises the life of the new surface.

The Chairperson thanked Members for the support they had given him this year.

There being no other items of business the Chairperson closed the meeting at 9.33 pm.

K M H LAGAN
CHAIRPERSON

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 2026/2027	December 2025	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 (CTS) 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 alongside the 2024 resident and business survey and responses broadly support the current approach No significant changes are proposed to existing policy.		

Maldon District Council Equality Analysis

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

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 and generated very low volumes of complaints.

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
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.	

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 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.				
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 12th February 2026
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.

This page is intentionally left blank



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 EHP 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 EHP 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 EHP 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 Reduction Scheme**

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

Document Control Sheet

Document title	Council Tax Reduction Policy 2026
Summary of purpose	Council Tax Reduction
Prepared by	Michelle LaMarre
Status (Draft / Final)	DRAFT
Version number	
To be approved by	
Approval date	
Date of implementation	1 April 2026
Review frequency	Annual
Next review date	December 2025
Circulation	
Published on the Council Website	

1.0	Introduction to the Council Tax Reduction Scheme	6
2.0	Interpretation – an explanation of the terms used within this scheme	13
3.0	Definition of non-dependant	21
4.0	Requirement to provide a National Insurance Number	22
5.0	Persons who have attained the qualifying age for state pension credit	22
6.0	Remunerative work	22
7.0	Persons treated as not being in Great Britain and Persons Subject to Immigration Control	23
	Persons subject to immigration control	26
8.0	Temporary Absence (period of absence)	27
9.0	Membership of a family	33
10.0	Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.	33
11.0	Circumstances in which a child or young person is to be treated as being or not being a member of the household	34
12.0	Applicable amounts (Living Allowances)	36
13.0	Polygamous marriages	36
14.0	Applicable amount: persons who are not pensioners who have an award of universal credit	37
15.0	Calculation of income and capital of members of applicant's family and of a polygamous marriage	39
16.0	Circumstances in which capital and income of non-dependant is to be treated as applicant's	40
17.0	Calculation of income on a weekly basis	40
18.0	Treatment of child care charges	40
19.0	Average weekly earnings of employed earners	44
20.0	Average weekly earnings of self-employed earners	45
21.0	Average weekly income other than earnings	45
22.0	Calculation of average weekly income from tax credits	45
23.0	Calculation of weekly income	46
24.0	Disregard of changes in tax, contributions etc.	46
25.0	Earnings of employed earners	46
26.0	Calculation of net earnings of employed earners	47
27.0	Earnings of self-employed earners	48
28.0	Calculation of net profit of self-employed earners	49
29.0	Deduction of tax and contributions of self-employed earners	51
30.0	Calculation of income other than earnings	51
31.0	Capital treated as income	53
32.0	Notional income	53
33.0	Capital limit	57
34.0	Calculation of capital	57
35.0	Disregard of capital of child and young person	57
36.0	Income treated as capital	57
37.0	Calculation of capital in the United Kingdom	57
38.0	Calculation of capital outside the United Kingdom	58
39.0	Notional capital	58
40.0	Diminishing notional capital rule	59
41.0	Capital jointly held	62
42.0	Not Used	62
43.0	Student related definitions	64
44.0	Treatment of students	67
45.0	Students who are excluded from entitlement to council tax reduction	67
46.0	Calculation of grant income	68
47.0	Calculation of covenant income where a contribution is assessed	69
48.0	Covenant income where no grant income or no contribution is assessed	70
49.0	Student Covenant Income and Grant income – non disregard	70
50.0	Other amounts to be disregarded	70
51.0	Treatment of student loans	70
51A.0	Treatment of fee loans	72

52.0	Treatment of payments from access funds	72
53.0	Disregard of contribution	72
54.0	Further disregard of student's income	72
55.0	Income treated as capital	72
56.0	Disregard of changes occurring during summer vacation	73
57.0	Maximum council tax reduction	75
58.0	Non-dependant deductions.....	75
59.0	Council tax reduction taper (applies to persons defined within Class E)	77
60.0	Extended reductions.....	77
60A.0	Duration of extended reduction period	78
60B.0	Amount of extended reduction	78
60C	Extended reductions – movers.....	78
60D.0	Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement.....	79
61.0	Extended reductions (qualifying contributory benefits)	79
61A.0	Duration of extended reduction period (qualifying contributory benefits)	80
61B.0	Amount of extended reduction (qualifying contributory benefits).....	80
61C.0	Extended reductions (qualifying contributory benefits) – movers.....	80
61D.0	Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement	81
62.0 – 63.0	Not Used	81
64.0	Date on which entitlement is to begin	83
65.0	De-minimis Rule for Changes in Circumstances	83
66.0	Periodic Reviews.....	83
67.0	Date on which change of circumstances is to take effect	83
Sections 68– 74A		85
Claiming and the treatment of claims for Council tax reduction purposes		85
69.0	Procedure by which a person may apply for a reduction under the authority's scheme	87
70.0	Submission of evidence electronically.....	90
71.0	Use of telephone provided evidence.....	90
72.0	Information and evidence	90
73.0	Amendment and withdrawal of application.....	91
74.0	Duty to notify changes of circumstances	91
75.0	Decisions by the authority.....	95
76.0	Notification of decision	95
77.0	Time and manner of granting council tax reduction	96
78.0	Persons to whom support is to be paid	96
79.0	Shortfall in support / reduction.....	97
80.0	Payment on the death of the person entitled	97
81.0	Offsetting.....	97
82.0	Payment where there is joint and several liability	97
83.0 – 90.0	Not used.....	98
91.0	Use of information from and to the Department of Work and Pensions (DWP) and His Majesty's Revenues and Customs (HMRC)	100
92.0	Collection of information	100
93.0	Recording and holding information.....	100
94.0	Forwarding of information	100
95.0	Persons affected by Decisions	102
96.0	Revisions of Decisions.....	102
97.0	Written Statements	102
98.0	Terminations	102
99.0	Procedure by which a person may make an appeal against certain decisions of the authority	104
100.0	Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act	106
Electronic Communication		107
101.0	Interpretation	108

102.0 Conditions for the use of electronic communication	108
103.0 Use of intermediaries	108
104.0 Effect of delivering information by means of electronic communication	108
105.0 Proof of identity of sender or recipient of information.....	109
106.0 Proof of delivery of information	109
106A.0Proof of content of information	109
107.0 Counter Fraud and compliance.....	111
Schedule 1	112
Applicable Amounts.....	112
Personal Allowance.....	113
Family Premiums	113
Premiums.....	114
Disability Premium.....	114
Additional Condition for the Disability Premiums	114
Severe Disability Premiums	114
Enhanced Disability Premium	115
Disabled Child Premium.....	115
Carer Premium.....	115
Persons in receipt of concessionary payments.....	115
Persons in receipt of benefit for another	115
Amounts of Premium.....	115
The components	116
Transitional Addition	116
Amount of transitional addition	116
Schedule 2	117
Not Used	117
Schedule 3	118
Sums to be disregarded in the calculation of earnings.....	118
Schedule 4	124
Sums to be disregarded in the calculation of income other than earnings.....	124
Schedule 5	135
Capital to be disregarded.....	135

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 2026.
- 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 2026 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;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026; 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.
- (1) In this scheme—
- (a) a person is a “pensioner” if—
 - (i) he has attained the qualifying age for state pension credit; and

- (ii), he is not and, if he has a partner, his partner is not—
 - (aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit; and
- (b) a person is a "person who is not a pensioner" 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—
 - (aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit.
- (2) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (1) an award of universal credit is to be disregarded during:
 - (a) during the relevant period; or
 - (b) where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award the relevant period.
- (3) In this scheme—
 - "assessment period" has the same meaning as in the Universal Credit Regulations 2013;
 - "relevant period" means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends

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;
- has not attained the qualifying age for state pension credit; or
 - 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:

- have not attained the qualifying age for state pension credit¹; or
- 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.
- be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- is not deemed to be absent from the dwelling;
- 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;
- be somebody in respect of whom a maximum Council Tax Reduction² amount can be calculated;
- not have capital savings above £6,000³;
- 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
- 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:

- have not attained the qualifying age for state pension credit⁷; or
- 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.
- be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- is not deemed to be absent from the dwelling;

¹ Section 5 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

- 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.

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 2026/27

DRAFT

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.

5.2 For the purpose of this scheme an award of universal credit shall be disregarded where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award

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;

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

- 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 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
- (zf) a person who—
 - was residing in a country or territory outside Great Britain immediately before His Majesty's Government—
 - (aa) provided public information to advise British nationals to leave that country or territory, or
 - (bb) arranged the evacuation of British nationals from that country or territory; has left that country or territory and is present in Great Britain; and
 - has—
 - (aa) a right of abode in the United Kingdom within the meaning given in section 2 of the Immigration Act 1971(6),
 - (bb) no requirement of leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act(7),
 - (cc) leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of that Act, or
 - (dd) leave on a discretionary basis outside of rules made under section 3(2) of that Act; or
- (zg) a person who, as part of a safe and legal humanitarian immigration route, has leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of the Immigration Act 1971 or leave on a discretionary basis outside of rules;
- (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;

- (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); or
 - (hb) in receipt of universal credit
- 7.5A Paragraph 7.5 (zf) does not apply after the expiry of 6 months beginning on the day on which the public information is issued, or the evacuation is started.
- 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.

DRAFT

DRAFT

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;
- 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
 - placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
 - 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—
- is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
 - has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
 - 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;
- that child or young person lives with the applicant for part or all of that reduction week; and
 - 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–
- a. 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;
 - b. 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
 - c. 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–

- a. 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;
- b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
- c. 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–

- a. the date that leave ends;
- b. 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
- c. 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

- a. **'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
- b. **'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;

- a. who has, or
- b. 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–

- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - i. 5 weeks, if he is paid weekly; or
 - ii. 2 months, if he is paid monthly; or
- b. 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—
- where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - 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—
- 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;
 - 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
 - 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—
- 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
 - any payment in respect of any—
 - book registered under the Public Lending Right Scheme 1982; or
 - 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–
- 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
 - 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–
- 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;
 - 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—
- where there would be expenses attributable to the sale, 10 per cent.; and
 - 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 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.
- 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 updated 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 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.

DRAFT

DRAFT

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 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.

DRAFT

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.

DRAFT

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

DRAFT

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

DRAFT

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

DRAFT

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

DRAFT

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

DRAFT

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.

DRAFT

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.

DRAFT

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	£95.55
b) is aged not less than 25	£95.55
c) is aged not less than 18 but less than 25	£75.65
2. Lone Parent	£95.55
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£150.15
b) Where one member is aged not less than 18	£150.15
c) For each additional spouse who is a member of the same household as the claimant	£54.60

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;	£87.88
(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.	£87.88
(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, £20.22;
- 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	£44.85
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	£64.00
Severe Disability Premium	£86.05
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	£86.05
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	£172.10
Disabled Child Premium	£84.46 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	£48.15 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) £33.99 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) £22.00 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) £31.40 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 £37.95. 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 £50.35.

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

DRAFT

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 disregardable 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.

DRAFT

Schedule 4
Sums to be disregarded in the calculation of income other than earnings³⁷

³⁷ Any amounts shown in this schedule will be uprated 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.

DRAFT

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)

This page is intentionally left blank



Maldon District Council Policy for the granting of Discretionary Non-Domestic Rate Relief

Version Control

Document Control Sheet

<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
14	December 2024	LM/DA	Changes to all reliefs for 2025
15	December 2025	LM	Changes to all reliefs for 2026

Document title	Non Domestic Rating Discretionary Rates Relief Policy 2026
Summary of purpose	Discretionary Rate Relief
Prepared by	Michelle LaMarre
Status (Draft / Final)	DRAFT
Version number	
To be approved by	
Approval date	
Date of implementation	1 April 2026
Review frequency	Annual
Next review date	December 2026
Circulation	
Published on the Council Website	

Contents

1.0	Purpose of the Policy.....	4
2.0	Mandatory Relief - Legislative Background.....	5
3.0	Discretionary Relief – Legislative Background.....	6
4.0	Effect on the Council's Finances.....	8
5.0	Administration of Discretionary Relief.....	9
6.0	Scheme of Delegation.....	10
7.0	Reporting changes in circumstances.....	11
8.0	Fraud.....	11
	Appendix A.....	12
	Discretionary Relief – Mandatory Relief recipients.....	12
	Appendix B.....	16
	Discretionary Relief – Non-Profit Making Organisations including Recreation.....	16
	Appendix C.....	21
	Discretionary Relief – Premises within Rural Settlements.....	21
	Appendix D.....	23
	Discretionary Relief – Localism Act 2011.....	23
	Appendix E.....	26
	Supporting Small Businesses Relief (until 31 st March 2029).....	26
	Appendix G.....	42
	Section 49 – Hardship Relief.....	42

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 2026.
- 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.
- 2.4 From 1st April 2025, Central Government determined that all Private Schools which would have previously been entitled to mandatory relief (either as a charity or charitable organisation), will **no longer be entitled to mandatory relief**. For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee is payable.
- 2.5 The Non-Domestic Rating (Multipliers and Private Schools Act 2025) will end relief eligibility for private schools. Private schools which are 'wholly or mainly' concerned with providing full time education to pupils with an Education, Health and Care Plan will remain eligible for relief.

Rural Rate Relief

- 2.6 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.

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.

- 2.7 From 1st April 2025, Central Government allowed 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?

- 2.8 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
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

- 2.9 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) Supporting Small Businesses Relief (from 1st April 2026 for a period of up to three years);
 - (f) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2025 to 31st March 2026);
 - (g) 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 2026
	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

Appendix	Relief Type	Granted after 1st April 2026
	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
	Supporting Small Business Relief	
E	Supporting Small Businesses Relief (from 1 st April 2026 for a period of up to three years if conditions are met	Section 31 Grant
	Retail, Hospitality and Leisure Business Rates Relief	
F	Retail, Hospitality and Leisure Business Rates Relief (from 1 st April 2025 to 31st March 2026)	Section 31 Grant
	S49 Hardship Relief	
G	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 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 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 MHCLG) 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:
- a. The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - b. 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 Yachting	Weightlifting
Ballooning	Flying	Motor Cycling	Shinty	Wrestling
Baseball	Gaelic Football	Motor Sports	Shooting	Yoga
Basketball	Gliding	Mountaineering	Skateboarding	
Baton Twirling	Golf	Movement, Dance, Exercise & Fitness	Skiing	
Biathlon	Gymnastics	Netball	Skipping	
Bicycle Polo	Handball	Orienteering	Snowboarding	
Billiards and Snooker	Hang/Para Gliding	Parachuting	Softball	
Bobsleigh	Highland Games	Petanque	Sombo Wrestling	
Boccia	Hockey	Polo	Squash	
Bowls	Horse Racing	Pony Trekking	Skater/Street Hockey	
Boxing	Hovering	Pool	Sub-Aqua	
Camogie	Hurling	Quoits	Surf Life Saving	
Canoeing	Ice Hockey	Racketball	Surfing	
Caving	Ice Skating	Rackets	Swimming & Diving	
Chinese Martial Arts	Jet Skiing	Raquetball	Table Tennis	
Cricket	Ju Jitsu	Rambling	Taekwondo	
	Judo			

Access to clubs

B.8 Guidance issued by the DCLG (now MHCLG) 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.
- B.17 In view of the changes in legislation from 1st April 2025 which removed certain private schools from receiving mandatory relief, the Council has decided that those establishments will **not** be granted any discretionary relief.
- B.18 For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee or other consideration is payable.



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.
- D.6 In view of the changes in legislation from 1st April 2025 which removed certain private schools from receiving mandatory relief, the Council has decided that those establishments will **not** be granted any discretionary relief under this section.
- D.7 For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee or other consideration is payable.

DRAFT

Appendix E
Supporting Small Businesses Relief (until 31st March 2029)

Introduction

- E.1 At the 2025 Autumn Budget the Chancellor announced that the 2026 SSBR scheme will cap bill increases at £800 per year or the relevant caps within transitional relief (whichever is the greatest) for any business losing eligibility for certain reliefs, including Small Business Rate Relief and Rural Rate Relief, at the 2026 revaluation.

How will 2026 SSBR be provided?

- E.2 For 2026/27 to 2028/29, the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988, to grant 2026 SSBR.
- E.3 It will be for individual local authorities, which administer the 2026 SSBR, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- E.4 Central government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the 2026 SSBR that falls within the definitions in this guidance.

Who is eligible for the 2026 SSBR and how much relief will be available?

- E.5 2026 SSBR will help those ratepayers who at the revaluation are seeing large increases in their bills as a result of losing some or all of their:
- (a) Small Business Rate Relief or Rural Rate Relief;
 - (b) 40% Retail Hospitality and Leisure Relief, and/or;
 - (c) 2023 Supporting Small Business Relief.
- E.6 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2026 SSBR.
- E.7 To support eligible ratepayers, 2026 SSBR will ensure that the increase in the bills of these ratepayers is limited to £800 per year or the relevant caps within transitional relief whichever is the greater.
- E.8 For those ratepayers receiving 2023 SSB relief on 31/3/26 (including those also receiving SBRR, Rural Rate Relief and/or RHL Relief on 31/3/26), any eligibility for 2026 SSBR will end on 31 March 2027.
- E.9 All other eligible ratepayers remain in 2026 SSBR for either 3 years or until they reach the bill they would have paid without the scheme.

- E.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.
- E.11 There is no second property test for eligibility for the 2026 SSBR scheme. However, those ratepayers who during 2025/26 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 (or from 27/11/25 3 years) - can continue on the 2026 SSBR scheme for the remainder of their period of grace.

Sequence of reliefs

- E.12 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2026 SSBR. And, for the avoidance of doubt, small business rate relief or rural rate relief should not be applied to further reduce the bill found under 2026 SSBR.

For example,

- a non-RHL ratepayer eligible for Small Business Rate Relief whose rateable value has increased from £3,000 (paying £0 in 2025/26) to £14,000 would be paying the following in 2026/27 before 2026 SSBR:

Bill before reliefs (including 1p Transitional Relief Supplement):	£6,188

Bill after transitional relief:	£1,572

Bill after Small Business Rate Relief (@1/3)	£1,048

- After 2026 SSBR the bill for 2026/27 would be reduced to £800. No further Small Business Rate Relief should be applied to the £800 bill. No addition for Transitional Relief Supplement is made to a bill within SSBR.

- E.13 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties).
- E.14 The presence of a section 44A certificate should not further reduce the bill found under 2026 SSBR.
- E.15 All other discretionary reliefs, including those funded by section 31 grants, should be considered **after** the application of 2026 SSBR.

Subsidy control

- E.16 The 2026 SSBR is likely to amount to a subsidy. Therefore, any relief provided by local authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

- E.17 To the extent that a local authority 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 2026/27 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'. 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.
- E.18 In those cases where it is clear to the local authority that the ratepayer is likely to breach the MFA limit then the authority should automatically withhold the relief. Otherwise, local authorities may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the MFA limit.
- E.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 local authority will need to include details of the subsidy on the subsidy control database.

Recalculations of reliefs

- E.20 As with other reliefs, the amount of SSBR awarded should 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.

Detailed guidance for operation of the 2026 Supporting Small Business Relief (2026 SSBR)

Day 1 Eligibility for the Scheme

- E.21 For 1 April 2026, a hereditament will be eligible for 2026 SSBR where:
- (a) the chargeable amount for 31 March 2026 was calculated in accordance with:
 - (i) paragraph 4 of Schedule 4ZA (SBRR not in transitional relief), or
 - (ii) regulation 12(6) of, or paragraph 4(5) or 5(5) of the Schedule to, the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 SI 2022 No. 1403 (SBRR within transitional relief), or
 - (iii) paragraph 5 of Schedule 4ZA by virtue of paragraph 8 of Schedule 4ZA (Rural Rate Relief), or
 - (iv) section 47 by virtue of being eligible for schemes introduced by local authorities to deliver:
 - a. the 2023 Supporting Small Business Relief Scheme as set out in guidance issued by this Department on 21 December 2022, or
 - b. the 2025/26 Retail, Hospitality and Leisure Scheme as set out in guidance issued by this Department on 16 January 2025, and
 - (b) the hereditament for 1 April 2026 was occupied, and

(c) the ratepayer for 1 April 2026 was not a charity or trustees for a charity or a community amateur sports club eligible for relief under paragraph 2 of Schedule 4ZA or regulation 12(5) of, or paragraphs 2(4), 3(4), 4(4) or 5(4) of the Schedule to, the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026.

- E.22 Where a hereditament meets these criteria then the rules for determining a chargeable amount below will apply provided that the chargeable amount within the 2026 SSBR scheme is less than it would otherwise be absent the 2026 SSBR scheme.

Ceasing of eligibility for the scheme after 1 April 2026

- E.23 After 1 April 2026, 2026 SSBR will cease to apply where:
- (a) the chargeable amount for a day found under 2026 SSBR is the same as or more than the chargeable amount found in the absence of 2026 SSBR. This ensures that where, for example, the increase in the chargeable amount in 2026 SSBR would take the bill above the level it would otherwise have been then the hereditament will drop out of 2026 SSBR. It also ensures that where, for example, with effect from after 1 April 2026, the hereditament becomes eligible for 100% Small Business Rate Relief then they also fall out of 2026 SSBR, or
 - (b) the ratepayer changes to a charity or trustees for a charity or a community amateur sports club eligible for relief under paragraph 2 of Schedule 4ZA or regulation 12(5) of, or paragraphs 2(4), 3(4), 4(4) or 5(4) of the Schedule to, the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026, or
 - (c) the hereditament for a day is unoccupied, or
 - (d) in respect of days from the 1 April 2027 onwards the hereditament had its chargeable amount for 31 March 2026 found by section 47 by virtue of being eligible for schemes introduced by local authorities to deliver the 2023 Supporting Small Business Relief Scheme as set out in guidance issued by this Department on 21 December 2022. For the avoidance of doubt, such hereditaments which were also eligible for SBRR/RRR or RHL Relief on 31 March 2026 will also cease to be eligible for 26 SSBR from 1 April 2027.
- E.24 Furthermore, where the ratepayer during 2025/26 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month (or from 27/11/25 3 years) period of grace before their relief ended (and therefore was still entitled to small business rate relief on 31 March 2026), then eligibility for 2026 SSBR will cease at the end of that period of grace.
- E.25 Hereditaments which cease to be entitled to 2026 SSBR for a day cannot return to eligibility if their circumstances change from a later day. For example, if a property falls unoccupied it will not then be eligible for 2026 SSBR if it subsequently becomes occupied again.

Eligibility post 1 April 2026 by virtue of a regulation 17 certificate

- E.26 As with the transitional relief scheme, where the valuation officer issues a certificate of rateable value under regulation 17 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026

certifying the correct rateable value at 1 April 2026 (in circumstances where they cannot by rule now amend the list for 1 April 2026) then eligibility for 2026 SSBR and the calculation of 2026 SSBR should be revisited using the regulation 17 certified value in place of the value shown in the list for 1 April 2026. As with the transitional relief scheme, this should have effect as regards the days referred to in regulation 17(4) (the effective date of when the list was altered to correct the inaccuracy and subsequent days) or regulation 17(5) (where no alteration has been made).

- E.27 This ensures that those ratepayers whose compiled list 2026 rateable values are increased by the Valuation Officer but only from the date the list is altered may still be eligible for SSBR from that point onwards. This ensures those ratepayers are not penalised just because the increase in their rateable value was not backdated to 1 April 2026. This follows the same principle which exists in the transitional relief scheme.

Chargeable Amount under the Supporting Small Business Scheme

- E.28 Where 2026 SSBR applies then MHCLG will fund local authorities to apply a chargeable amount under section 47 of the 1988 Act for the period 1 April 2026 to 31 March 2029 found in accordance with the rules in Part 1 to Part 3 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026 ("the 2026 TR Regulations") subject to the following changes.

Base Liability

- E.29 References in the 2026 TR Regulations to the Base Liability (BL) for 2026/27 should be taken to be the chargeable amount for 31 March 2026 x 365 for the hereditament adjusted as necessary for the assumption that:
- (i) section 47 did not apply for 31 March 2026 other than where the hereditament was eligible for the 2023 Supporting Small Business Relief Scheme or the 2025/26 Retail, Hospitality and Leisure Scheme,
 - (ii) The ratepayer on 31 March 2026 was not a charity or a CASC,
 - (iii) the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 SI 2022 No. 1403 did not apply for 31 March 2026 (the 2023 Transitional Relief Scheme), and
 - (iv) the City of London's special authority multiplier and small business multiplier for 2025/26 were 55.5p and 49.9p respectively.
- E.30 This ensures the starting BL for hereditaments eligible for 2026 SSBR include the SBRR, rural rate relief, 2023SSBR or 2025/26 RHL relief for 31 March 2026 but assumes there was no transitional relief or charity relief.
- E.31 Where as a result of the subsidy control limits the amount of RHL relief awarded for 31 March 2026 for a hereditament is less than 40% then the 2026/27 BL for that hereditament should reflect the actual level of RHL relief awarded for 31 March 202

- E.32 Where a certificate has been issued under regulations 18 or 19 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026 then BL for 2026/27 should be found in line with the above but on the assumption that the rateable value in the rating list was the rateable values as certified.
- E.33 References in the 2026 TR Regulations to BL for 2027/28 and 2028/29 should be taken to be references to “(BL x AF) or (BL + 800) whichever is the greater” from the year immediately preceding the year concerned.

Recalculation of chargeable amount for 31/3/26 for the purposes of BL in the 2026 SSBR Scheme

- E.34 Where a hereditament which is eligible for 2026 SSBR was receiving transitional relief on 31 March 2026 it will, therefore, be necessary, for the purposes of determining BL in the 2026 SSBR scheme, to recalculate the chargeable amount for 31 March 2026 on the assumption that transitional relief did not apply.
- E.35 For those ratepayers receiving SBRR, Rural Rate Relief and/or RHL relief on 31/3/26 (but not 23 SSBR), this recalculation for 31/3/26 will give a different figure to the actual chargeable amount. This is because all of those reliefs apply a set percentage relief to the sum after transitional relief – i.e. they are “top down” reliefs.
- E.36 The same is not true for those receiving 2023 SSBR on 31/3/26. 2023 SSBR is a “bottom up” calculation where the chargeable amount is found by increasing the liability for the previous year (in that scheme by £600). Transitional relief therefore has no bearing upon the final chargeable amount of a bill found by 2023 SSBR. In these cases, recalculating the 31/3/26 bill ignoring transitional relief gives the same result. The value of the 2023 SSBR will just compensate for the loss of transitional relief to deliver the same outcome for 31/3/26. This is as intended.

Calculation of Chargeable Amount

- E.37 References in the 2026 TR Regulations to “(BL x AF)” should be taken to be references to “(BL x AF) or (BL + 800) whichever is the greater. This ensures the bill increase is the greater of £800 or the increase under the caps in the transitional relief scheme.
- E.38 Regulations 12(6) & (7) of the 2026 TR Regulations should be assumed to have been omitted. This ensures SBRR is not also applied to the capped bill in 2026 SSBR. This avoids double counting of relief if the hereditament is in the SBRR taper.
- E.39 No change is made to the meaning of NCA from that in the 2026 TR Regulations. Therefore, as with the 2026 TR Regulations, the Transitional Relief Supplement in 2026/27 will be added to NCA. Again, as with the 2026 TR Regulations, there should be no separate addition to bills for hereditaments eligible for 2026 SSBR such that, for example, an eligible ratepayer losing their 100% SBRR on 1 April 2026 would

under the 2026 SSBR scheme pay £800 in 2026/27 and not £800 plus the Transitional Relief Supplement.

- E.40 For the avoidance of doubt, the rules for changes in rateable value with effect from after 1 April 2026 (regulation 13) will continue to apply as normal subject to the amendments above. This ensures that, for example, later increases in rateable value are paid in full in the normal way. As with the main transitional relief scheme, references to the rateable value in the list should, if the hereditament is eligible for Improvement Relief, be taken to be references to the rateable value less the value of the Improvement Relief certificate.

Splits and mergers

- E.41 Hereditaments will be eligible for 2026 SSBR where they have:

- (a) come into existence because of the circumstances described in paragraph 1 of the 2026 TR Regulations, and
- (b) where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for 2026 SSBR.

- E.42 2026 SSBR will not apply or cease to apply to splits and mergers in the circumstances described above (Ceasing of eligibility for the scheme after 1 April 2026).

- E.43 The number of hereditaments eligible for 2026 SSBR which then split or merge is likely to be small and devising rules in particular for mergers with properties outside of 2026 SSBR would be complex. Therefore, as with the previous SSBR schemes, the government has concluded it would be disproportionate to devise detailed rules to prescribe the chargeable amounts in the various circumstances which could arise from a split or a merger.

- E.44 Instead, for hereditaments meeting the criteria above, MHCLG will fund local authorities to apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:
- (a) that the protection offered by 2026 SSBR (that the bill will not rise by more than £800 p.a. or the transitional reliefs caps whichever is the greater) will continue to apply in principle to that part of the newly created hereditament which was immediately before the creation day in 2026 SSBR, and
 - (b) that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of 2026 SSBR.

- E.45 For simple splits of hereditaments previously eligible for 2026 SSBR, authorities may wish to simply apportion the chargeable amount in the SSB scheme for the hereditament before the split in line with the change in rateable value from the split (i.e. in line with the principle in the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026).

- E.46 For mergers and reorganisations, the authority will have to estimate the degree to which, in line with the principle of the 2026 SSBR scheme, that part of the hereditament which was formerly eligible for 2026 SSBR should continue to receive support under the 2026 SSBR scheme. MHCLG does not expect authorities to seek any formal apportionments of the rateable value for this purpose.

Supporting Small Businesses Relief - the Council's policy for granting discretionary relief.

E.47 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

DRAFT

Appendix F
Retail Hospitality and Leisure Relief Scheme (2025/26 - Ends 31
March 2026)

General Explanation

- F.1. The 2025/26 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 40% relief, up to a cash cap limit of £110,000 per business. This relief ends on 31st March 2026 and has been replaced by changes in the multipliers under Non Domestic Rating (Private Schools and Multipliers) Act 2025 and this policy will only apply for periods up to the end date.

How will the relief be provided?

- F.2 As this is a temporary measure for 2025/26, 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.
- F.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.
- F.4 The government expects the Council to apply and grant relief to qualifying ratepayers from the start of the 2025/26 the billing year.

Which properties will benefit from relief?

- F.5 Hereditaments which benefit from the relief will be those which for a chargeable day in 2025/26:
- (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 2026. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
- F.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.
- F.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?

- F.8 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2025/26 under this scheme is for chargeable days from 1 April 2025 to 31 March 2026, 40% of the chargeable amount.
- F.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.
- F.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) 2025/26 Retail Hospitality and Leisure relief scheme; and
 - (v) Other locally funded schemes (such as section 49 hardship).
- F.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 2025/26:
- 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.
- F.12 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- F.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

- F.14 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.

- F.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.
- F.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.
- F.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 2025/26 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'.
- F.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.
- F.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

- F.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

- F.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.
- F.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

F.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

F.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.

F.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:

F.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 (2025/26) - the Council's policy for granting discretionary relief.

F.27 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix G
Section 49 - Hardship Relief

General explanation

- G.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

- G.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. Head of Revenues and Benefits will consider applications. Application forms are available at www.maldon.gov.uk/apply
- G.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.

This page is intentionally left blank



MALDON DISTRICT COUNCIL

Empty Homes and Second Homes Premium Policy 2026-2027

Document title	Maldon Council Tax Empty Homes and Second Homes Premiums Policy
Summary of purpose	Council Tax Premiums
Prepared by	Michelle LaMarre
Status (Draft / Final)	DRAFT
Version number	
To be approved by	
Approval date	
Date of implementation	1 April 2026
Review frequency	Annual
Next review date	April 2027
Circulation	
Published on the Council Website	

Contents

1.	Introduction and background	4
2.	Empty homes premiums.....	5
3.	Introduction of premiums for second homes (From 1 April 2025).....	6
4.	Exceptions from the premiums (empty homes premiums and second homes premium).....	6
5.	Outcome expected and 'safety net'	8
6.	Legislation.....	9
7.	Finance	9
8.	Notification	9
9.	Appeals	9
10.	Delegated Powers.....	10
11.	Fraud.....	10
12.	Complaints.....	10

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 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 1 year.
- 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 amended the Local Government Finance Act 1992 to allow for the following:
- (a) To bring forward the period from two years to **one year** when an unoccupied and substantially unfurnished dwelling (empty dwelling) can be charged a premium of 100% All other empty dwelling premiums remain unchanged, namely:
 - A premium of 200% where dwelling has remained empty for a period of 5 years or more;
 - A premium of 300% where dwelling has remained empty for a period of 10 years or more; and
 - (b) To enable the charging of a 100% premium for any dwellings (second homes) which are:
 - No one's sole or main residence; and
 - Substantially furnished
- 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

- 2.1 Section 11B of the Local Government Finance Act 1992 (amended by the Levelling Up and Regeneration Act 2023) permits billing authorities in England to impose an empty dwellings premium after one year instead of two.
- 2.2 The Council resolved to implement this change with effect from 1 April 2024.
- 2.3 Exceptions to the premiums (both empty homes and second homes) have been introduced by the Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024. Details are shown later in the Section 4 of this policy.

3. Introduction of premiums for second homes

- 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 11C of the Local Government Finance Act 1992 11C 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 did not take effect until the 2025-26 financial year.
- 3.5 The Council has resolved to charge second home premium at 100% 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 Regulations have recently been implemented (The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024) which prevent the council from applying a premium in certain circumstances. These are as follows and cover both empty dwellings and second homes:

Classes of Dwellings	Application	Summary Description
Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation

Classes of Dwellings	Application	Summary Description
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale or under an agreement to be sold (12 months limit). The exception will end either when the 12-month period has ended, when the dwelling has been sold (sale of a freehold or where a lease is granted for seven years or more) or when the dwelling is no longer actively marketed for sale. The council will determine: • whether the dwelling is clearly advertised for sale; • whether the dwelling is being marketed at a fair market value; • whether there are any artificial barriers on the dwelling preventing sale; and • whether the owner is taking any other reasonable steps to market the dwelling for sale. The same owner may only make use of the exception for a particular dwelling marketed for sale once however, the exception may be used again for the same dwelling if it has been sold and has a new owner.
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit) The exception will end either when the 12-month period has ended, when the dwelling has been let or when the dwelling is no longer actively marketed for let. The council will determine: • whether the dwelling is clearly advertised for let; • whether the dwelling is being marketed at a fair market value; • whether there are any artificial barriers on the dwelling preventing letting; and • whether the owner is taking any other reasonable steps to market the dwelling for let. The same owner may make use of the exception for dwellings marketed for let multiple times, however, only after the dwellings has been let for a continuous period of at least 6 months since the exception last applied

Classes of Dwellings	Application	Summary Description
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Second homes only	Job-related dwellings. 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.
Class K	Second homes only	Occupied caravan pitches and boat moorings.
Class L	Second homes only	Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously
Class M	Long-term empty home only	Empty properties requiring or undergoing major repairs or structural alterations (12 months limit)

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 Head of Revenues and Benefits 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 incorrectly or 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.



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

Document Control Sheet

Document title	Section 13A 1 C Policy
Summary of purpose	Reduction in Council Tax Liability
Prepared by	Michelle LaMarre
Status (Draft / Final)	DRAFT
Version number	
To be approved by	
Approval date	
Date of implementation	1 April 2026
Review frequency	Annual
Next review date	April 2027
Circulation	
Published on the Council Website	

Contents

1.0	Introduction.....	4
2.0	Legislation.....	4
3.0	Finance	5
4.0	The Flood Recovery Framework	5
5.0	Care Leavers	6
6.0	Applications for S13A (1) (c) in other cases	8
7.0	Delegated Powers.....	8
8.0	Notification	9
9.0	Review of Decisions	9
10.0	Duration of Reduction	9
11.0	Changes in circumstances and misrepresentation	10

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;
 - (b) **Care Leavers** - this part of the policy covers the situations where Care Leavers have their sole or main residence in a dwelling are liable for Council Tax; and
 - (c) **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, MHCLG 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 Care Leavers

5.1 The purpose of this part of the policy is to ensure that a care leaver living alone or solely with other care leavers will pay no Council Tax (in much the same way as the exemption which is applied to students).

5.2 A care leaver who joins a household which already pays Council Tax will be granted as much relief as is required to ensure that the existing council tax

liability does not increase as a result of their presence in the household.

- 5.3 This policy utilises the discretionary power available to billing authorities arising from S13A(1)(c) of the Local Government Finance Act 1992 to reduce, or further reduce, the amount of Council Tax a care leaver is liable to pay with effect from 1 April 2020. The level of discount will be decided by the council.

- 5.3 For the purpose of this policy, a 'care leaver' is defined as:

A person aged up to 21, who has either:

- (a) been looked after by Essex County Council for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date; or
- (b) who is entitled to leaving care support from Essex County Council

The Children Act 1989 defines the categories of children entitled to leaving care support as:

'Eligible children' are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;

'Relevant children' are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;

'Former relevant children' are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

- 5.4 For the purpose of calculating the amount of discretionary council tax reduction to apply, care leavers and those in their household are required to take steps to minimise their liability for Council Tax by claiming discounts, exemptions and Council Tax reduction.

- 5.5 After all discounts, exemptions and council tax reduction have been claimed the Council will reduce the Council Tax liability so that the liability of the household is the same that it would have been had the care leaver been a 'disregarded persons' (such as students) as detailed in s11 and Schedule 1 of the Local Government Finance Act 1992

For example:

A care leaver joining an existing household with a single person discount in place will be given sufficient discretionary relief to ensure that the Council Tax liability does not increase as a result of their presence.

- 5.6 A household where only care leavers are liable to pay Council Tax will be given sufficient discretionary relief to extinguish the Council Tax liability completely.

- 5.7 A care leaver in a property, which would otherwise be exempt from Council Tax, will be given sufficient discretionary relief to ensure that no council tax continues to be payable.
- 5.8 The care leaver will be required to provide adequate information to enable the Council to determine eligibility.
- 5.9 The discount will be applied from the date that the liability commences and will continue until the liability ends or the care leaver reaches the age of 21. Bills will be sent to confirm any reduction applied.
- 5.10 The policy will take effect from 1 April 2020 and the cost will be monitored throughout each financial year. Reimbursement of ECC's share of the cost will take place in arrears as agreed by an amendment to the existing Council Tax Sharing agreement, which has been in place since 2013-14.

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

- 6.1 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), all applications will be treated on their individual merits.
- 6.2 In such cases, the Council will require the applicant (where appropriate) to:
- Make a formal application for Council Tax Reduction in an appropriate format;
 - 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;
- 6.3 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.

7.0 Delegated Powers

- 7.1 This S13A (1) (c) policy has been approved by the Council. However, the Lead Specialist, Service Delivery 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.

8.0 Notification

- 8.1 In all cases, the Council will 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.

9.0 Review of Decisions

- 9.1 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.
- 9.2 The Lead Specialist, Service Delivery shall undertake the review and shall respond within two months and will have regard to any further evidence supplied.
- 9.3 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.

10.0 Duration of Reduction

- 10.1 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.

11.0 Changes in circumstances and misrepresentation

- 11.1 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
- 11.2 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.
- 11.3 Reductions in liability are not transferable following a change in address.
- 11.4 The Council reserves the right to recover any reductions in liability as a result of a change in legislation or regulation.
- 11.5 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.

**REPORT of
DIRECTOR OF FINANCE**

to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2026

ADDENDUM

AGENDA ITEM 9. BUSINESS RATES AND COUNCIL TAX DISCRETIONARY REDUCTIONS

On Tuesday 27 January 2026 The Ministry of Housing, Communities and Local Government announced that in 2026-27, eligible pubs and live music venues will benefit from a 15% business rates relief on top of the support announced at Budget 2025¹.

This relief will be administered using existing discretionary rate provisions and in light of that, the Policy for the granting of Discretionary Non-Domestic Rate Relief being considered at **APPENDIX 1** (to the main report) will require further updating which, subject to, currently unavailable guidance being provided, will broadly be limited to:

- the insertion of a row to the table at 4.4

Appendix	Relief Type	Granted after 1 st April 2026
	Public and Live Music Relief	
H	Pubs and Live Music Relief (from 1 April 2026 if conditions are met)	Section 31 Grant

- an appendix setting out a general explanation, how the relief will be provided etc., in line with the other policy appendices and the currently unavailable final Government Guidance, based on the following Government scoping information.

Scope

- The government's policy intention is that pubs and live music venues should be eligible for the relief. The relief should apply to occupied properties only.

Pubs

- Relief should only be awarded to pubs which meet all of the following characteristics:
 - is open to the general public
 - allows free entry other than when occasional entertainment is provided
 - allows drinking without requiring food to be consumed
 - permit drinks to be purchased at a bar
- For these purposes, the meaning of pub does not include:
 - restaurants, cafes, nightclubs, snack bars
 - hotels, guesthouses, boarding houses
 - sporting venues
 - festival sites, theatres, cinemas
 - museums, exhibition halls
 - casinos

¹ [1/2026: Pubs and live music venues relief 2026 to 2027 - GOV.UK](https://www.gov.uk/government/news/1-2026-pubs-and-live-music-venues-relief-2026-to-2027)

5. The proposed exclusions in the list in the paragraph above is not intended to be exhaustive and it will be for the local authority to determine those cases where eligibility is unclear. We believe that billing authorities will already have a good understanding of the pubs in their areas and will be able to readily form a view on eligibility in the majority of cases.
6. Where eligibility is unclear authorities should also consider broader factors in their considerations – i.e., in meeting the stated intent of policy that it demonstrates the characteristics that would lead it to be classified as a pub by the natural meaning of the word. For example, being owned and operated by a brewery.

Live music venues

7. Live music venues are properties that are:
 - a. wholly or mainly used for the performance of live music for the purpose of entertaining an audience
 - b. can be used for other activities but only if those other activities are:
 - i. ancillary or incidental to the performance of live music (e.g. the sale of food or drink to audience members)
 - ii. Do not affect the primary use of the premises for the performance of live music (e.g. because the activities are infrequent such as use of the venue as a polling station or fortnightly community event)
8. Properties are not a live music venue for the purpose of this relief if the property 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).
9. There may be circumstances where it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this to be clear in most circumstances, guidance on this may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003.

How much relief will be available?

10. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2026-27:
 - a. Amount of relief to be granted = $V \times 0.15$ (i.e. 15% relief) where:
 - i. V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and certain other discretionary reliefs in line with the guidance in paragraph 12 below.
11. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day. The relief is not subject to any cap.
12. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.

However, as required in the National Non-Domestic Rates guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before pubs and live music venues relief. Authorities may use their discretionary powers to, at cost to themselves, offer further relief outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally funded relief under section 47, this should be applied after the pubs and live music venues relief. The ordering should be applied in following sequence:

- a. Improvement Relief
- b. Transitional Relief
- c. Other mandatory Reliefs (as determined in legislation)
- d. Section 47 Discretionary Relief in the following order:
 - i. 2026 Supporting Small Business (SSB)
 - ii. Former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable, CASC, not for profit) should be applied first in the sequence of discretionary reliefs, after SSB
 - iii. Other discretionary (centrally funded) including Freeport relief
 - iv. 2026-27 pubs and live music venues relief scheme
 - v. Other locally funded scheme

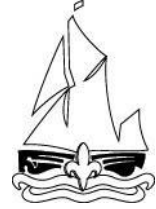
REPORT RECOMMENDATIONS

It is proposed that the recommendations set out in the report are replaced with the following:

To the Council:

- (i) That **subject to incorporation of the provisional amendments (set out above),** amendments to the Policy for the granting of Discretionary Non-Domestic Rate Relief at **APPENDIX 1**, to reflect updated Government guidance and legislation be approved;
- (ii) **that the Director of Finance (S151 officer), in consultation with the Chairperson of this Committee, is granted delegated powers to consider and make minor technical amendments to the Policy for the granting of Discretionary Non-Domestic Rate Relief, in line with final Government guidance, as soon as reasonably practicable, to enable the award of this relief to eligible businesses;**
- (iii) that minor amendments to the Empty Homes and Second Homes Premium Policy 2025 / 26 document at **APPENDIX 2** be noted;
- (iv) that minor amendments to the Council Tax S13A (1) (C) Local Government Act 1992 Policy document at **APPENDIX 3** be noted.

This page is intentionally left blank



REPORT of DIRECTOR OF FINANCE

**to
COUNCIL
12 FEBRUARY 2026**

MEDIUM-TERM FINANCIAL STRATEGY

1. PURPOSE OF THE REPORT

- 1.1 To set out the guiding principles governing the Medium-Term Financial Strategy (MTFS) of the Council and the reasons for them, to inform detailed annual budget setting.

2. RECOMMENDATIONS

- (i) That the Council considers the principles of the MTFS set out in the report and as recommended by the Strategy and Resources Committee, agrees any changes, and makes recommendations as appropriate to the Council.
- (ii) That the Council recognises that the MTFS has been developed through ongoing consultation with the Finance Member Working Group in its meetings from June 2025.

3. SUMMARY OF KEY ISSUES

3.1 Medium term planning

- 3.1.1 It is good practice for a council to prepare a financial strategy covering the coming years. This approach often undertaken covers the 'next year plus 2', 'next year plus 3', or 'next year plus 4'. The next year is always included as it is the framework for the detailed budget in the coming year, to be set as part of the determination of council tax charges for the coming year. The choice over the number of years to follow is made in different ways and often responds to local issues.
- 3.1.2 It has also been recommended that a long-term financial plan is good practice in terms of financial planning. This is particularly useful for larger councils or organisations.
- 3.1.3 Overall, the MTFS process should be understood as a way to identify risks and opportunities in the current year. It is guided by agreed corporate objectives (usually set out as a corporate plan). It begins to define how those objectives can be translated into financial and resource quantities. The detailed outcome becomes an outline of the likely financial position in the coming years. It helps ensure that potential opportunities and risks can be planned for in good time.

3.2 Key issues

3.2.1 The Council currently faces four key strategic issues. These are:

- Reorganisation;
- Digital;
- Geopolitical; and
- Local position.

Figure 1 below sets out key risks and opportunities arising from these.

Figure 1 - risks and opportunities facing the Council

Issue	Risks	Opportunities
Local Government Reorganisation (LGR) The MTFS is prepared on the basis that Greater Essex will be reorganised into 3, 4, or 5 unitary councils from 1 April 2028.	That LGR is delayed. This is mitigated by including the year 28/29 in the MTFS in order that Maldon District Council (MDC) can undertake appropriate planning in the event of a delay. That the new unitary council prioritises social care services, not local services previously delivered by MDC. This is mitigated by investment in council and community assets ahead of LGR, ensuring so far as possible that useful asset lives are extended without reliance on short term repairs and maintenance investments. That a lack of investment in staff, property and other assets, and wider preparation for LGR are detrimental to the future reputation of the Council.	Deploying available resources in a timely and managed way to enhance the assets of the council and to extend their estimated useful lives, leaving the district in good order. Ensuring a good reputation is associated with the memory of MDC after reorganisation. Appropriate levels of preparation so that systems, data, staff and other assets are transferred to the successor council in good state. Ensuring that all services transfer in a managed and prepared way, so that the future reputation of MDC is positive.

Issue	Risks	Opportunities
Geo-political volatility	That wider geo-political events lead to instability in the global economy, impacting national inflation or bank interest rates. That the impact on the UK government from this leads to policy changes that have an adverse impact on the Council ahead of LGR. Inflation rates in particular have remained stubbornly high after Feb. 22 (invasion of Ukraine) despite successive attempts to reduce them. This impacts the supply chain for MDC and leads to cost pressures.	Ongoing review of the likely position regarding national KPIs such as forecast inflation rates.
Digital	Failure to maintain sufficient levels of cyber-security risks MDC becoming subject to a malware or ransomware attack, diverting substantial effort away from the day-to-day delivery of services for local people, and incurring substantial costs as the attack is remedied. Failure to deploy AI (Artificial Intelligence) and to develop the ability of staff to make good use of it risks unnecessarily reducing overall value for money in the council.	Timely investment in cyber-security measures, to a level comparable with other similar councils will ensure that MDC maintains a reasonable level of cyber-security. Investment in AI, deployment appropriately within the Council, and support for staff to enable them to make good use of it will help embed value for money at MDC as well as support staff in the transition into a new authority.
Local factors	There has been a low level of investment in local assets in recent years, prompted by low (below real-terms) growth in funding in successive government funding settlements. The latest funding settlement has confirmed that real-terms funding to 2028/29 will reduce. Government has indicated that it expects lower tier councils losing funding to deploy reserves and to exploit grant flexibilities to sustain services.	MDC has a relatively sparse population living in a coastal area. The local area benefits from significant tourism, with around 0.5m visitors to the Maldon Town area each year. The Council has a strong financial position, including substantial uncommitted reserves, a strong council tax base, and no external borrowing (but capacity to take on borrowing if appropriate). The Council is well-placed to invest in local assets to mitigate any detrimental impacts on the local area that might arise through LGR.

- 3.2.2 The recommended financial strategy of the Council therefore includes a number of elements, summarised in Figure 2.¹

Figure 2 - key elements in the MTFS

Element	Implication for the MTFS
Preparation for LGR	Sustainable, planned, and managed investment in assets, staff, and systems to ensure that residents see no obvious interruption to the standard of local services in the period 2026-30.
Fees and charges	To continue to increase fees and charges each year in line with inflationary pressures to maintain the income stream for this council and its successor.
Discretionary charges for Council Tax and Business Rates; Local Council Tax support scheme.	To maintain the current policies, and to engage actively with the members of the successor council as these become harmonised across a wider footprint.
Use of reserves	To retain a minimum 'safe' level of reserves consistent with risks. To use the 'most economically advantageous' source of funding for capital and revenue investments. To consider externalisation of borrowing should this become necessary.
Investment in repairs and renewals and capital investment	To taper investments in 2027/28 ahead of reorganisation, subject to member decisions.
Core spending power and grants outside aggregate finance	To plan based on the Provisions Settlement Dec 2025. To assume council tax increases in line with the expectations set out in the settlement. To make reasonable assumptions regarding funding outside core spending power. To continue to review external grants that may be attractive to MDC to support capital, infrastructure, or community investments.

3.3 Medium-term Financial Plan

- 3.3.1 The Medium-term Financial Strategy provides a review of the medium-term context for MDC financial planning. Translating the MTFS into financial values leads to the construction of the medium-term financial plan (MTFP). The MTFP for the Council is set out below.

¹

The elements of the MTFS and the MTFP arising were discussed in meetings with the Finance Member Working Group in July, August, September, October, December (x2) 2025, January 2026. These discussions provided the political direction that informed the update to the MTFS presented to Strategy and Resources committee meetings during the year.

3.4 Funding Estimates 2026-2029

- 3.4.1 Funding estimates are set out in Figure 3 below which shows that for the current year, the overall funding position includes £11.7m of core spending power. This reduces to £11.1m by 2028/29 and is offset by application of reserves.

Figure 3 - funding estimates 2026-29

Funding	2025-26	2026-27	2027-28	2028-29
	£000s	£000s	£000s	£000s
New Homes Bonus	(587.1)	0.0	0.0	0.0
Fair Funding allocation		(4,700.0)	(4,100.0)	(3,400.0)
Estimated Yield from Council Tax	(6,230.5)	(6,521.7)	(6,826.4)	(7,145.5)
Homelessness, Rough Sleeping and Domestic Abuse transition		(300.0)	(400.0)	(400.0)
				(200.0)
Renewable Energy	(973.3)			
Business Rates Baseline Funding	(1,275.2)			
Business Rates Growth incl S31	(2,041.0)			
Business Rates levy/benefit	334.5			
NNDR Under-Indexing	(355.2)			
Other Grants	(37.4)			
Funding Floor	(443.3)			
Estimated Collection Fund (surplus)/deficit	(100.1)			
Core Spending Power	(11,708.4)	(11,521.7)	(11,326.4)	(11,145.5)
EPR Funding	(636.0)	(698.7)	(698.7)	(698.7)
Investment Interest	(663.5)	above	above	above
Contribution from Leisure Smoothing Reserves	(72.3)	below	below	below
Reserves funding required to balance	0.0	(51.7)	(591.4)	(1,065.7)
Total Funding	(13,080.3)	(12,272.0)	(12,616.5)	(12,909.8)

3.5 Operational net spending

- 3.5.1 Net spending includes the main spending budgets provided for service delivery, plus locally generated resources (such as service generated fees and charges or government grants outside of core spending power).
- 3.5.2 Estimated net spending is set out in Figure 4 below which shows current financial year operational spending as £13.080m. This is the basis for planning the starting position for next financial year. There is assurance that the base budget is fundamentally correct, as the reported performance against the base budget in the current financial year is progressing with only very small variations to the budget. This indicates that the basic financial management across the majority of the Council's budgets is robust.
- 3.5.3 Savings, growth and pressures are detailed in the budget report. It is assumed that revenue growth is funded from reserves. Repairs and renewals are included in revenue budgets as they do not constitute capital spending. These budgets are also funded from reserves.
- 3.5.4 Income from invested funds is assumed to reduce year-to-year as reserves are applied to the objectives described above.

- 3.5.5 A small surplus is forecast in the current financial year for the collection fund. This becomes a benefit for the general fund in the coming year. Each year, the position for the collection fund will be monitored to ensure that appropriate provision for any collection fund deficit is made in the general fund.
- 3.5.6 Based on the estimates set out in the two tables, income and expenditure are in balance across the medium-term.

Figure 4 - estimated operational net spending 2026-29

Operational Budget	2025/26	2026/27	2027/28	2028/29
	£000s	£000s	£000s	£000s
	12,931.4	13,080.3	13,096.1	13,116.5
Virement Reversals	(742.3)	0.0	0.0	0.0
reversal of prior year one-off growth	0.0	(206.3)	(479.7)	0.0
Increase in Salaries	518.6	540.1	450.0	450.0
Contract Inflation (incl. Waste)	229.0	712.3	253.4	265.2
Fees & Charges/other	(129.0)	(433.5)	(200.0)	(200.0)
Base budget	12,807.8	13,692.9	13,119.8	13,631.7
Prior Year Approved Savings	(190.5)	0.0	0.0	0.0
New Savings	(503.9)	(824.0)	0.0	0.0
New Recurrent Pressures and Growth	1,278.1	1,198.7	0.0	0.0
New non-recurrent Growth	206.3	479.7	0.0	0.0
Reserve Funding for growth	(439.3)	(1,451.2)	(3.3)	(371.8)
Repairs and Renewals		751.5	300.0	
Repairs and Renewals - funding from reserves		(751.5)	(300.0)	
MTFS	(78.1)	0.0	0.0	0.0
Net Cost of Services	13,080.3	13,096.1	13,116.5	13,259.9
Investment Income		(800.0)	(500.0)	(350.0)
Contribution to Pension Payment		0.0	0.0	0.0
Collection fund (surplus)/ deficit from PFY		(24.1)		
Total non-service budgets		(824.1)	(500.0)	(350.0)
Net operational spending	13,080.3	12,272.0	12,616.5	12,909.9

3.6 Capital investment

- 3.6.1 Capital investment is set out in the capital programme and is summarised in Figure 5 below. This shows existing capital investment plans of £7.928m, with additional new schemes proposed of £3.271m. The proposed full programme is £11.199m. Funding and the profile year-to-year is also shown.
- 3.6.2 The detail of capital schemes is included in the Capital and Investment Strategy elsewhere on this agenda.

Figure 5 - proposed capital programme 2026-29, summary

	Capital programme delivery profile				Original Budget	proposed Capital Programme	Existing capital prog. (Feb 2025)	New schemes proposed (Feb 2026)	Proposed funding			
	2025/26	2026/27	2027/28	2028/29	2029/30	Total			Reserves	Internal Borrowing	Better Care Fund	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Riverside Park	193	-	275	-	-	275	275	-	275	-	-	275
Promenade Park	899	1,958	930			2,888	2,012	876	2,888			2,888
Other Parks and Open Spaces	360	360	-	-	-	360	140	220	360	-	-	360
Playsites	305	660	740	-	-	1,400	-	1,400	-	1,400	-	1,400
All Parks and opens spaces	1,757	2,978	1,945	-	-	4,923	2,427	2,496	3,523	1,400	-	4,923
Leisure centres and Sports pitches	3,966	3,522	435	-	-	3,957	3,635	322	757	3,200	-	3,957
Housing	539	539	539	-	-	1,078	1,078	-	-	-	1,078	1,078
Car Parking	138	30	360	-	-	390	360	30	390	-	-	390
Community Centres	-	55	182	-	-	237	182	55	237	-	-	237
Sports	-	225	-	-	-	225	-	225	225	-	-	225
Cemeteries	-	20	105	-	-	125	105	20	125	-	-	125
I.T	47	47	47	47	-	141	141	-	141	-	-	141
Vehicle & Plant Replacement	181	65	-	-	-	65	-	65	65	-	-	65
Public Conveniences	-	58	-	-	-	58	-	58	58	-	-	58
Princes Road	270											
Total	6,898	7,539	3,613	47	-	11,199	7,928	3,271	5,521	4,600	1,078	11,199

3.7 Use of reserves

- 3.7.1 Reserves levels have been estimated to 2028 as showing in Figure 6 below. This model assumes that all proposed investments are approved. If any are removed or reduced, this will increase reserves held on hand. The model also assumes that £10m of borrowing is externalised in 2027/28.

Figure 6- estimated reserves 2026-2028

	Total Earmarked Reserves	General reserves	Total usable reserves
Forecast P8	(5,772)	(8,064)	(13,835)
Items not yet included in the 25/ 26 P8 forecast			
Hyth Quay de-silting allocation	0	100	100
LGR5UA model contribution	24		24
Unspent revenue contingency	0	(325)	(325)
Capital prog 25/26	0	2,600	2,600
EPR unapplied 25/26	0	(350)	(350)
Pension strain	240		240
LGR preparation	(1,000)	1,000	0
revised 25/26	(5,508)	(5,039)	(10,547)

	Total Earmarked Reserves	General reserves	Total usable reserves
2026/27 start	(5,508)	(5,039)	(10,547)
Local plan top up	0		0
revenue growth	1,744	25	1,769
Leisure contract	(183)		(183)
Capital (new schemes)	1,913	758	2,671
capital (existing cap prog spend in 26/27)	0	2,000	2,000
Capital - internal borrowing	0	3,860	3,860
Repairs and renewals out 26/27	752		752
Tfr for repairs and renewals in 26/27	0		0
Tfr for 27/28	0		0
IN YEAR 26/27	4,226	6,643	10,869
2027/28 start	(1,282)	1,604	322
Revenue growth	0	827	827
Repairs and renewals	300		300
Leisure contract	(514)		(514)
Capital (new schemes in 26/27)	0	633	633
Capital (cap prog internal borrowing)	0	740	740
External borrowing		(10,000)	(10,000)
Services	108		108
IN YEAR 27/28	(106)	(7,800)	(7,906)
2028/29 start	(1,388)	(6,196)	(7,584)

4. BACKGROUND ANALYSIS

4.1 Key issues

- 4.1.1 Key issues for Maldon are described in the following paragraphs. This analysis is supplemented by charts from the Institute for Government (IfG) 'performance tracker 2025: Local Government'² which provide an overview of the general position for local government and context for the Maldon position.

4.2 Budgetary concerns

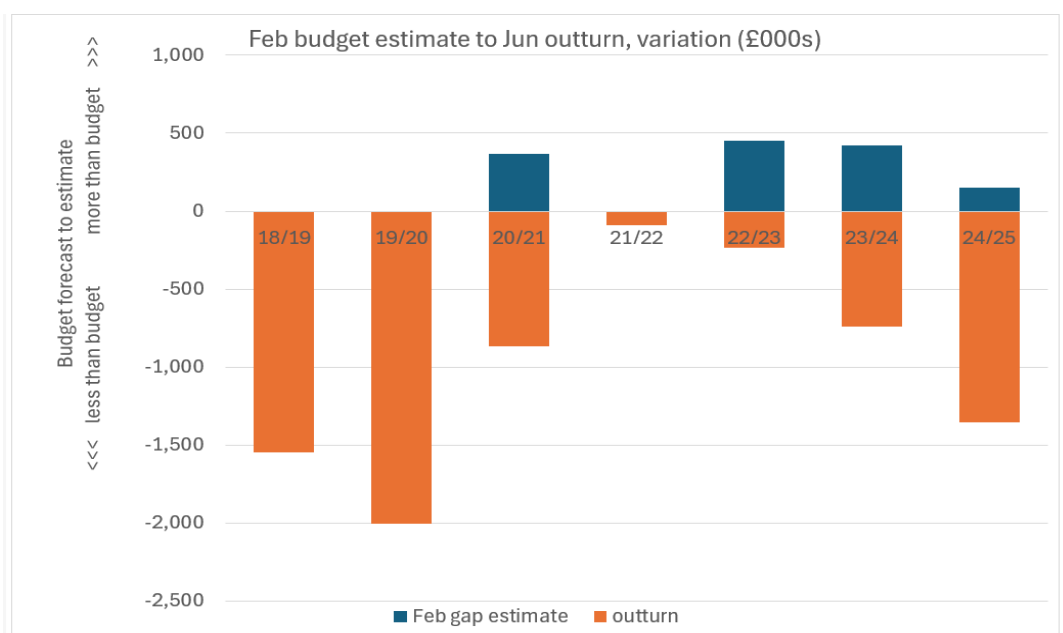
- 4.2.1 Previous budgets have assumed that the lack of real-terms funding growth means that budgets have needed to significantly constrain all expenditure. The prospect of LGR means that it is no longer the case that the Council needs to plan for the long-term. Rather, it becomes possible to focus on the short term, knowing that LGR will mean that assets and liabilities will be transferred to a successor body.

4.3 Strong results

- 4.3.1 Despite the clearly prudent approach to budgets in previous years, actual results have proven very positive. Figure 7 below, shows that in the last 7 years, usable reserves have increased by £6.4m, or around £0.8m per year. Planned savings have also been delivered.

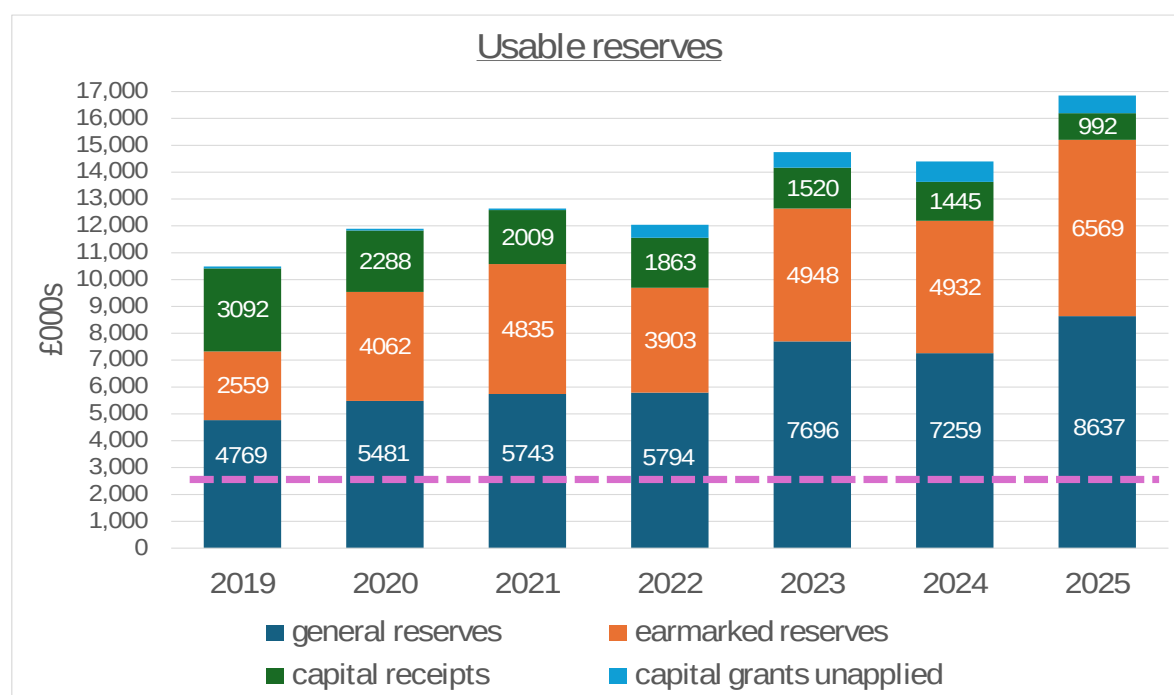
² [Performance Tracker 2025: Local government | Institute for Government](#)

Figure 7 - comparison of February assumptions and outturn position, 2018-25



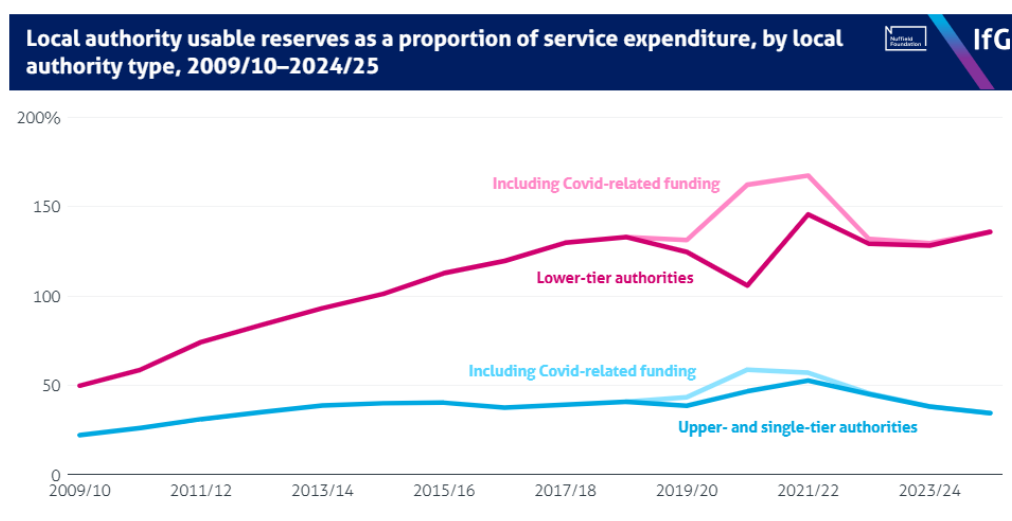
4.4 Figure 8 below, shows these strong results have led to growth in usable reserves across the period.

Figure 8 – Usable reserves



- 4.4.1 This runs counter to the general trend for lower tier councils, shown in the Figure 9 below.

Figure 8 - reserves as a proportion of service spending (Source- IfG)



4.5 Future outlook

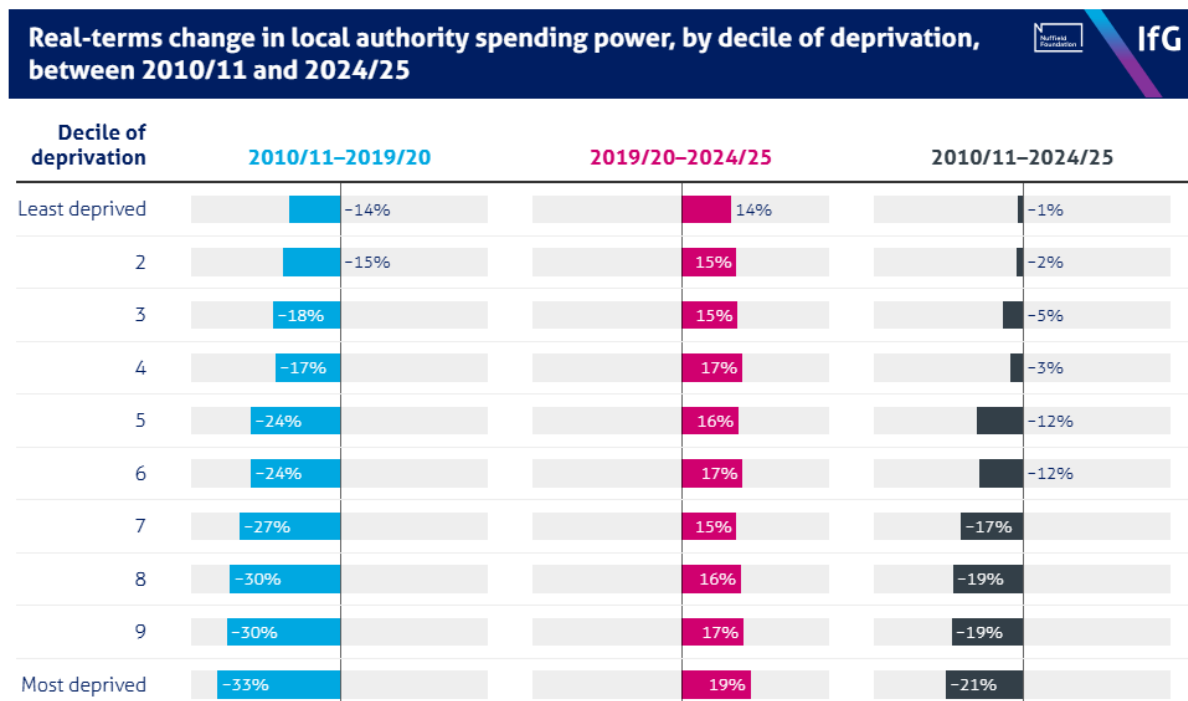
- 4.5.1 The financial settlement published by government in December 2025 covered the coming three years. This was the first multi-year settlement for ten years. This settlement shows that anticipated core spending power (the main elements of council funding from government) will reduce from £11.6m in the current year to £11.3m by 2028/29 (see Figure 10 below). This is predominantly due to the introduction of the new 'fair funding' approach by the government. This has focused extensively on securing greater parity between more affluent and less affluent areas of the country.
- 4.5.2 Since Maldon has received funding that is generally higher than average in recent years, this reduction is the result of that being adjusted for. Additionally, government has sought to reduce the variation in 'core spending power per person'. Again, recent years have seen overall funding per person in Maldon being higher than in other areas, and, again, the reduction in core spending power in the period 2026-29 reflects some of the changes in government's funding priorities.

Figure 9 - provisional financial settlement (Dec 2025) showing the position for Maldon Council 2024-29

Maldon					
Illustrative Core Spending Power of Local Government:					
	2024-25 £ millions	2025-26 £ millions	2026-27 £ millions	2027-28 £ millions	2028-29 £ millions
Fair Funding Allocation ¹	0.0	0.0	4.7	4.1	3.4
Legacy Funding Assessment	4.9	5.0	0.0	0.0	0.0
Council tax requirement ^{6,7}	5.9	6.2	6.5	6.9	7.2
Homelessness, Rough Sleeping and Domestic Abuse ^{8,9}	0.2	0.2	0.3	0.4	0.4
Families First Partnership ¹⁰	0.0	0.0	0.0	0.0	0.0
Total Transitional Protections ¹¹	0.0	0.0	0.0	0.0	0.2
Grants rolled in to Revenue Support Grant ¹²	0.2	0.2	0.0	0.0	0.0
Recovery Grant	0.0	0.0	0.0	0.0	0.0
Recovery Grant Guarantee ¹³	0.0	0.0	0.0	0.0	0.0
Mayoral Capacity Fund	0.0	0.0	0.0	0.0	0.0
Core Spending Power	11.2	11.6	11.5	11.3	11.3
Core Spending Power year-on-year change (£ millions)		0.4	-0.1	-0.2	0.0
Core Spending Power year-on-year change (%)		3.8%	-0.9%	-2.1%	-0.1%

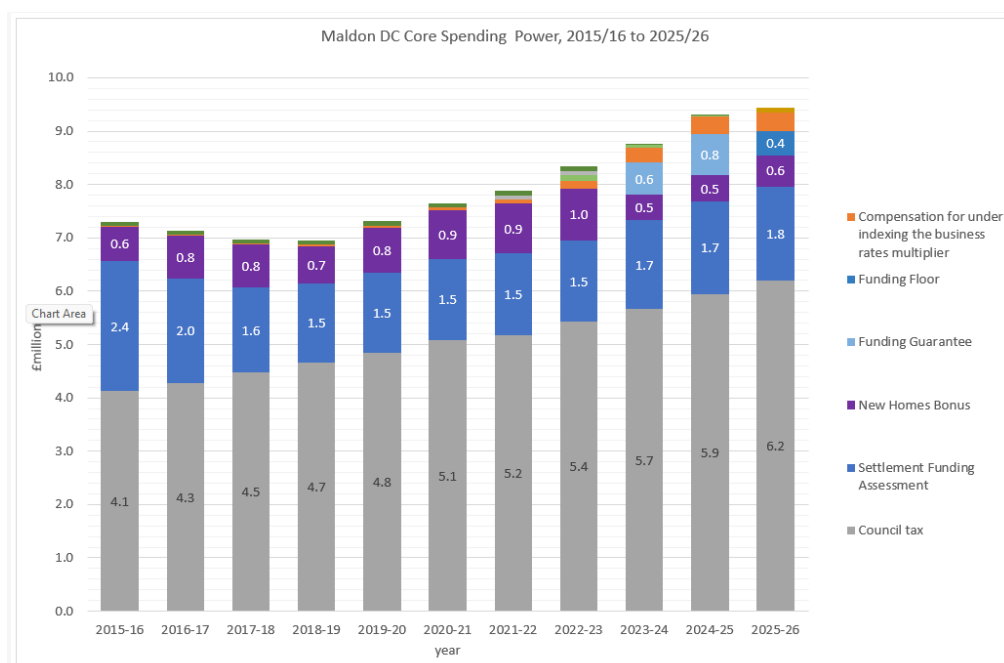
4.5.3 The IfG chart below at Figure 11, shows the real-terms change in local authority spending power compared to deprivation factors (such as the index of multiple deprivation, IMD). It shows how the most deprived areas have seen the biggest funding reductions, something that is being corrected in recent years but has not yet been fully mitigated.

Figure 10- local authority spending power and deprivation since 2010 (source: IfG)



4.5.4 In recent years, the composition of core spending power in Maldon has seen increasing reliance on council tax receipts. This is in common with the wider local authority sector, as shown below at Figure 12.

Figure 11 - elements of core MDC spending power, 2015-26 (source: MHCLG)



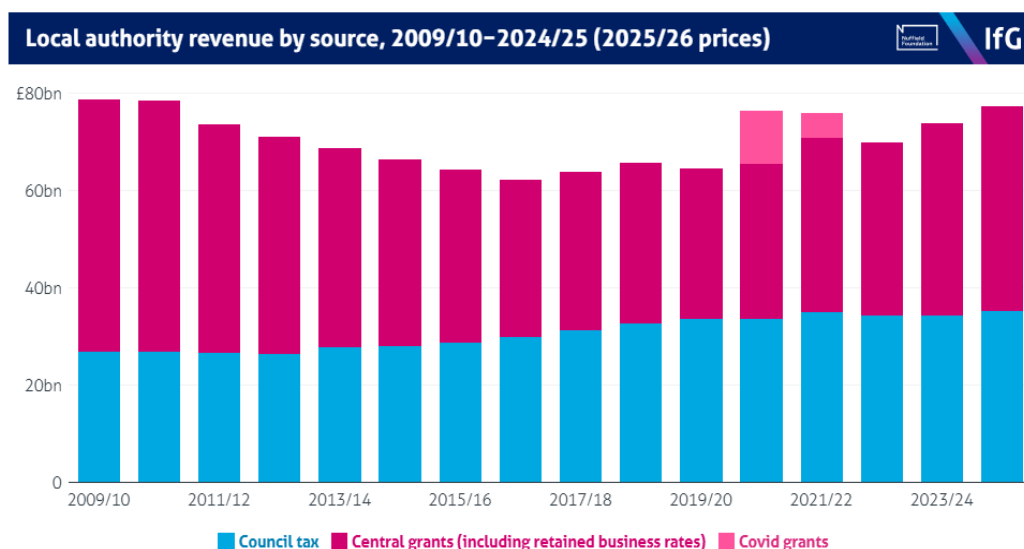


Figure 12 - local authority revenue funding by source since 2010 (IfG)

4.6 Benchmarking

4.6.1 Part of the review of the operating environment of the Council undertaken as part of preparing this MTFS included comparison of council performance with similar councils in the Greater Essex. Figure 14 below, shows that council tax charges are very similar, and that core spending power allocations are also similar. By contrast, levels of usable reserves are higher than for similar councils, when compared on a 'per person' basis.

Figure 13 - financial benchmarking data 25/26 (source: MHCLG)



4.7 Value for money and productivity

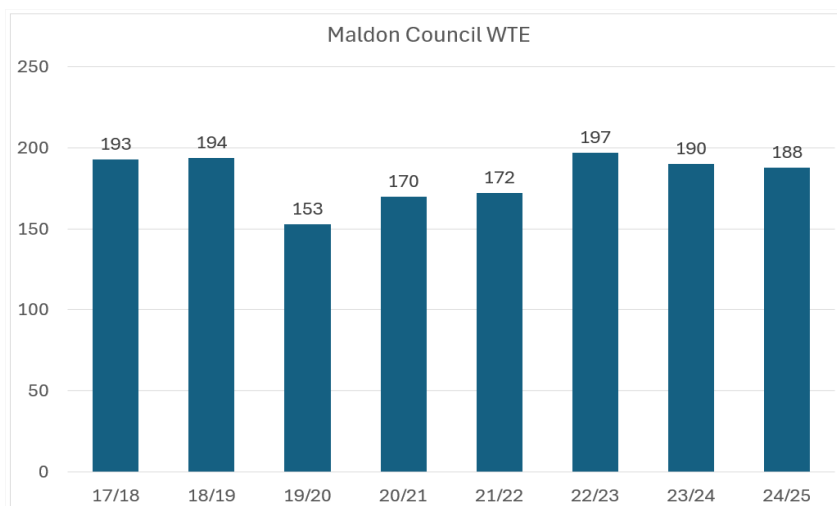
- 4.7.1 The Council has a duty to review and ensure value for money ('best value') for local services it provides. One way to understand the position is to consider the average level of growth, inflation, and pressure over the last ten years. This is summarised below.
- 4.7.2 Figure 15 below, shows that population growth has average around +1% per year, while pay and price inflation has risen by around 4% per year (greater increases for some specialist and larger contracts such as waste collection). This presents average year-to-year pressures of +5%. In addition, the requirements placed on the council relating to some ongoing areas of service delivery have been increased or extended by government. During the same period, core spending power has increased at around 2% per year (this has varied considerably year-to-year, however).
- 4.7.3 This means that an overall, real terms cost pressure of around 3% per year has been absorbed – for example, through increased efficiency, reduced supply chain costs, some reductions in service scope, deferral of asset maintenance and investment. The same services continue to be delivered consistently across the last ten years, and they have been delivered with little or no interruption. From a resident perspective, it can therefore be argued that largely the same services are being delivered, but from a much reduced real-terms cost base. On this basis, there is a strong argument to be made for the overall productivity of the Council.

Figure 14- average funding and price growth per year (source – ONS, Maldon District Council)

10 year averages	Maldon DC	English Shire Districts
Population growth	+1.0% pa	+0.8% pa
Pay and price inflation (CPI)	+4.0% pa	+4.0% pa
Pressures (pop'n + infl'n)	+5.0% pa	+4.8% pa
Funding (Core Spending Power growth pp)	+2.0% pa	+0.7% pa
Gap (met through efficiencies or service constraint or reduced repairs and maintenance)	+3.0% pa	+4.1% pa

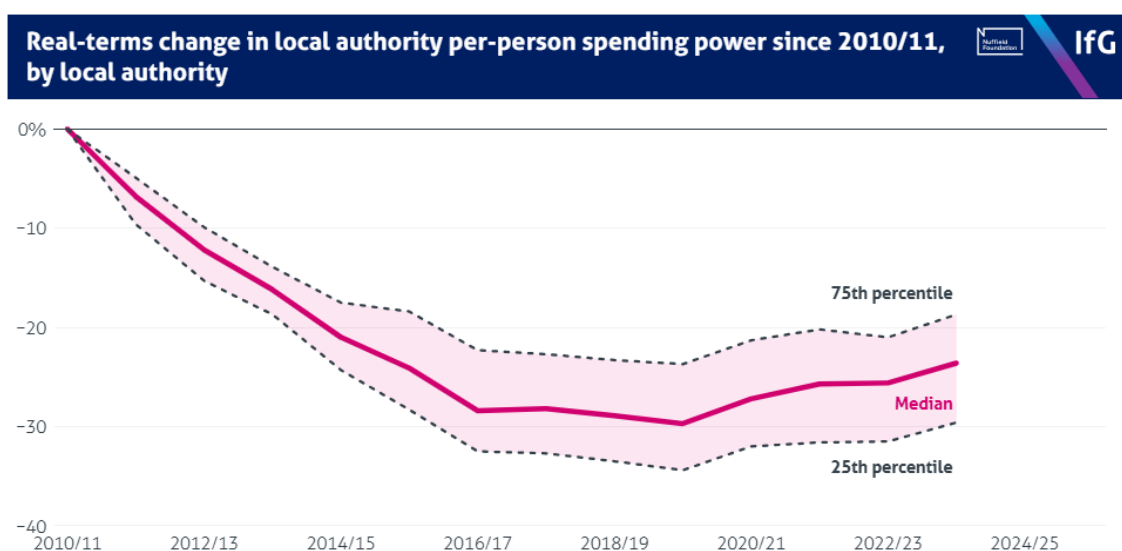
- 4.7.4 The year-to-year consistency of MDC revenue spending in the face of population and price growth can also be seen in Figure 16 below, which shows the level of staffing WTE (Whole Time Equivalent) in recent years. This shows that staffing in the post COVID period remains largely the same as in the pre-COVID period, despite local government responsibilities increasing.

Figure 15 - Maldon Council WTE by year, 2017-2025



4.7.5 Figure 17 below shows, this local position is echoed in the wider position as shown by IfG.

Figure 16 - real terms change in per-person spending power since 2010 (IfG)



5. CONCLUSION

- 5.1 The MTFS sets out the salient themes affecting financial planning for council services in the coming years.
- 5.2 The MTFP sets out the estimated financial values arising from that strategy.
- 5.3 These considerations then inform the detailed planning for the coming year.

6. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

6.1 Supporting our communities

- 6.1.1 The MTFS supports alignment of resources with this objective. It is not always the case that higher priorities require more funds, but it is the case that all priorities should be reflected in the overall plans.

6.2 Investing in our District

- 6.2.1 The MTFS supports necessary investment in repairs and renewals to sustain council and community assets.

6.3 Growing our economy

- 6.3.1 Investment in the district supports and encourages tourist visits, which themselves support local businesses.

6.4 Protecting our environment

- 6.4.1 Where appropriate and in line with member decisions, funds have been allocated for environmental protection.

6.5 Delivering good quality services

- 6.5.1 Investment in services to meet budget pressures and growth requests helps to ensure that services remain fit for purpose and adapt to the changing operational requirements the Council faces.

7. IMPLICATIONS

- (i) **Impact on Customers** – Consideration of the impact on residents and customers is included throughout the MTFS.
- (ii) **Impact on Equalities** – Equalities impact assessments are completed for the overall proposals and MTFS themes, as well as for the details of the MTFP.
- (iii) **Impact on Risk (including Fraud implications)** – Areas of revenue pressure include a range of areas where risk has increased in recent year. Reducing these risks and particularly reducing fraud risks are considered in preparing these estimates.
- (iv) **Impact on Resources (financial)** – The subject of the report. The proposals in the MTFS and also in the detailed budget report include detailed estimates of the expected impact on resources and the implications of that.
- (v) **Impact on Resources (human)** – The proposals include a number of items designed to ensure that staff are properly and appropriately supported and protected. Wherever possible, these items are benchmarked to ensure that the approach is consistent with similar councils elsewhere.

Visibly investing in staff resources is a key aspect of managing adverse LGR impacts. As LGR approaches, it is likely that there will be an increasing level of staff movement between the current and the emerging new councils. Maldon has sometimes struggled to recruit key roles, a fact sometimes attributable to

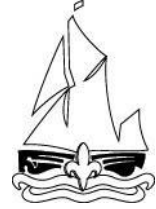
geography and accessibility or to scale and challenge, etc. Investing in staff becomes a 'pull' or retention factor to mitigate this risk, while disinvestment could become a 'push' factor.

- (vi) **Impact on Devolution / Local Government Reorganisation** – Devolution and reorganisation items have been included in the estimates in order to ensure that these are properly covered.

Background Papers:

[Performance Tracker 2025: Local government | Institute for Government](#)

Enquiries to: Ben Jay, Director of Finance (Section 151).



REPORT of DIRECTOR OF FINANCE

to
COUNCIL
12 FEBRUARY 2026

PROPOSED BUDGET 2026 / 27

1. PURPOSE OF THE REPORT

- 1.1 To present the proposed Budget 2026 / 27 estimates for to the Committee and to seek their recommendation to the Council for approval, including the proposed level of Council Tax for Maldon District in 2026 / 27.

2. RECOMMENDATIONS

That the following be discussed and approved:

- (i) The reduction in core spending power allocation as set out in the provisional financial settlement for local government (see section 4.2 below). The final settlement is expected in the week of 9 February, and any changes will be reported to the meeting.
- (ii) The base budget changes from 2025/26 to 2026/27 (section 4.4 and **APPENDIX 1**).
- (iii) The revenue budget growth bids received and recommended growth and savings as discussed by the Finance Member Working Group (section 4.7 and **APPENDIX 2**);
- (iv) The repairs and renewals schemes proposed for 2026/27 (section 4.8 and **APPENDIX 3**);
- (v) The budget assumes the average Band D Council Tax of £238.95 (excluding parish precepts), which is a £6.94 or 2.99% increase for 2026/27 (section 4.9). The formal council tax resolution to be approved by council is set out elsewhere on this agenda. The basis for calculating the charge is set out in **APPENDIX 4**;
- (vi) The impact on reserves and the current policy for reserves, including of a minimum general fund balance of £2.6m as discussed by the Finance Member Working Group (section 4.10 and **APPENDIX 5**);
- (vii) Consider the proposed policy on 'excess' reserves (paragraph 4.11.3);
- (viii) The advice of the Chief Finance Officer (S151 Officer) regarding the robustness of budgets and adequacy of reserves (section 5.6 and **APPENDIX 6**).

3. SUMMARY OF KEY ISSUES

- 3.1 A key function of the council is the setting and collection of council tax. Council tax is then a key component of funding for the council's operational activities in the coming year. This report provides the background for the decision on the proposed council charge for the coming year by setting out the proposed expenditure budgets of the council to support service delivery.
- 3.2 The main funding stream for the Council is Core Spending Power (CSP), which combined government grants and retained council tax receipts. Other grant funding is also available but is outside CSP. This is going to reduce from the current £11.5m to £11.3m by 2028/29. The report sets out how this reduction will be responded to.
- 3.3 Information on the Core Spending Power of the council was set out by government in the provisional Financial Settlement for Local Government, published in December. The final settlement is expected to be published in the week of 9 February. There may be changes to the core spending power for Maldon council between the provisional and final settlements. If so, the CFO will provide a verbal update in the meeting, detailing the impact of the changes and any material changes to the budget proposals.
- 3.4 The report covers four key aspects of the revenue budget:

Category	Description
Revenue resources	The resources available to the authority to support day-to-day activity, including core spending power (government support + council tax), investment income, and application of reserves.
Base budgets	Funding for ongoing operational activity, primarily from core spending power and investment income. Any remaining gap is funded through reserves. These represent the spending levels required to continue services at current levels into the new year.
Growth requests	Funding requests arising from service pressures, new requirements, or innovation. If approved, these are funded from reserves on a short-term basis.
Repairs and renewals	Investments to maintain assets in a functional state (not capital schemes). Schemes are submitted by service areas to ensure ongoing service availability. Costs are met from reserves.

- 3.5 The report shows how core spending power, supplemented by investment income, the Extended Producer Responsibility (EPR) grant and application of reserves will support the operational base budgets. It sets out the proposed bids to fund revenue pressures and growth, also using reserves. It includes the proposed repairs and renewals schemes for the year, and existing and new capital schemes. If proposed investments in growth and pressures funding, or repairs and renewals funding are not approved, the impact will be to reduce the use of reserves.
- 3.6 These proposals have been developed through consultation with the Finance Member Working Group. The objective of the investment proposed is to ensure that council and community assets are maintained and made ready for reorganisation in a way that will leave them in a good state well beyond 2028.
- 3.7 Overall, a package of both revenue and capital investment is proposed of £5.1m, as shown below. The estimates of reserves to 2028 included in the report demonstrate that this is affordable.

Table 1 - summary of proposals

	26/27 revenue - proposed funding for existing pressures and necessary growth	26/27 (urgent) repairs and renewals proposals	26/27 capital proposals	26/27 total proposed investments
<i>Promenade Park</i>		385,000	876,000	1,261,000
<i>Play sites (all areas)</i>			660,000	660,000
<i>Other Parks and Open Spaces (all areas)</i>			360,000	360,000
<i>Riverside Park</i>		2,500	-	2,500
All Parks and opens spaces		387,500	1,896,000	2,283,500
Leisure centres and Sports pitches		80,000	547,000	627,000
I.T.	417,000		-	417,000
Planning	299,500		-	299,500
Property mgt. and capital scheme delivery	275,100		-	275,100
Public Conveniences		135,000	58,000	193,000
Housing	87,200		-	87,200
Community Centres		28,500	55,000	83,500
Car Parking	24,800	25,000	30,000	79,800
Cemeteries		47,000	20,000	67,000
Vehicle & Plant Replacement			65,000	65,000
Other	574,800	48,500	-	623,300
Total	1,678,400	751,500	2,671,000	5,100,900

4. 2026/27 PROPOSED BUDGETS – BACKGROUND AND ANALYSIS

4.1 Forecast General Fund Revenue Budget outturn 2025 / 26

- 4.1.1 The latest Budget Monitoring Report (for the year to the end of November 2025, 'P8'), continues to shows that operational budgets are being adhered to. Agreed savings for the current financial year are or have been delivered. This provides assurance that the baseline budget estimates for services are appropriate and confirms that this is a suitable base for future service planning.
- 4.1.2 Where there has been greater deviation from the budget estimates approved by the Council in February 2025 is in the area of overall funding. Consequently, this has been an area of review as part of the current budget round to ensure that all expected resources are considered alongside budget proposals. This helps to ensure that services and finances are planned in a way that supports value for money and efficiency.

Figure 1 - period 8 revenue budget forecast

Maldon District Council - Period 8	Revised Budget	Actuals P8	Forecast Year end	(Under) / Overspend
Sub-Directorate Level	£'000s	£'000s	£'000s	£'000s
Neighbourhood Services and Communities	5,237	2,083	5,246	9
Legal & Governance	2,767	3,236	2,767	0
Place, Planning & Growth	2,022	389	1,916	(106)
Finance	1,836	5,903	1,829	(7)
Strategy & Improvement	1,687	489	1,810	123
Chief Executive	732	374	704	(28)
	14,282	12,474	14,273	(9)
MRP	496	0	496	0
Investment Income	(664)	(373)	(895)	(231)
Total Service Net Expenditure	14,114	12,101	13,874	(240)
Funded by:				
Government Grants	(1,703)	(866)	(1,863)	(160)
Council Tax	(6,275)	0	(6,275)	0
Business Rates	(4,693)	1,864	(4,693)	0
Transfer (from) / to Earmarked Reserve	(871)	0	(871)	0
Transfer (from) / to General Fund	(572)	0	(276)	296
Total Funding	(14,114)	998	(13,978)	136
Net Total Expenditure	0	13,099	(104)	(104)

4.2 Core Spending Power 2026 - 29

- 4.2.1 The provisional 2026/27 local government finance settlement was announced in December 2025. It set out the likely level of funding for all councils to 2028/29 and as such was the first multi-year settlement in over 10 years. This forward view on likely resources helps appropriate planning to be undertaken and supports wider value for money. The settlement has also been calculated using the new 'Fair Funding 2.0' approach, which takes greater account of latest population and deprivation data.
- 4.2.2 Details of the final settlement are expected to be published in the week of 9 February. There may be changes to the core spending power for Maldon Council between the provisional and final settlements. If so, an update will be provided in the meeting, including any material changes to the budget proposals.
- 4.2.3 For some years the government's preferred measure of council spending has been called 'Core Spending Power' (CSP). It is made up of retained Council Tax and Business Rates income, and the 'fair funding allocation' (replacing the previous Settlement Funding Assessment, (SFA)). The position for Maldon is shown below.

Figure 2 - Core Spending Power based on 2026/27 provisional settlement data.

Maldon					
Illustrative Core Spending Power of Local Government:					
	2024-25 £ millions	2025-26 £ millions	2026-27 £ millions	2027-28 £ millions	2028-29 £ millions
Fair Funding Allocation ¹	0.0	0.0	4.7	4.1	3.4
Legacy Funding Assessment	4.9	5.0	0.0	0.0	0.0
Council tax requirement ^{6,7}	5.9	6.2	6.5	6.9	7.2
Homelessness, Rough Sleeping and Domestic Abuse ^{8,9}	0.2	0.2	0.3	0.4	0.4
Families First Partnership ¹⁰	0.0	0.0	0.0	0.0	0.0
Total Transitional Protections ¹¹	0.0	0.0	0.0	0.0	0.2
Grants rolled in to Revenue Support Grant ¹²	0.2	0.2	0.0	0.0	0.0
Recovery Grant	0.0	0.0	0.0	0.0	0.0
Recovery Grant Guarantee ¹³	0.0	0.0	0.0	0.0	0.0
Mayoral Capacity Fund	0.0	0.0	0.0	0.0	0.0
Core Spending Power	11.2	11.6	11.5	11.3	11.3
Core Spending Power year-on-year change (£ millions)		0.4	-0.1	-0.2	0.0
Core Spending Power year-on-year change (%)		3.8%	-0.9%	-2.1%	-0.1%

- 4.2.4 The table shows how the trend of the last 10 years is extended to 2028/29 – that is, that retained local Council Tax receipts take a growing share of core spending power, with a consequent reduction in the level of government grant funding.
- 4.2.5 There is a risk that the final settlement, once published, may be lower than published at the provisional settlement stage. In which case, it is suggested that reserves applied are increased to fund the difference.
- 4.2.6 The headline for Maldon is the material reduction in resources. This is driven by the updating of population data for all councils, plus the greater profile given to deprivation indications in the allocations to individual councils. Figure 2 clearly shows a reduction from CSP of £11.6m in the current year to £11.3m in 2028/29. This is a 2.5% reduction applied in real terms.
- 4.2.7 The Council is therefore faced with the choice to either reduce core service spending such that the balance in the base budget is maintained and long-term spending and funding are aligned; or to continue to support services in the period before Local Government Reorganisation (LGR) by applying uncommitted usable reserves.
- 4.2.8 Discussion with the Finance Member Working Group was clear that it was preferable to continue to support services at their current level rather than to reduce services ahead of LGR. Further it was noted that the current level of retained reserves is already higher than in benchmark authorities and that further spending reductions would continue to maintain that. By contract, the application of reserves – in a targeted and sustainable way – would preserve services and amenities for local people and so reduce the level of reserves that would be handed over to the successor authority.
- 4.3 **Other funding**
- 4.3.1 Other sources of funding for core services include the Extended Producer Responsibility (EPR) grant, which will be £0.694m in 2026/27. This can be used flexibly, although government expects it to be fully applied and that it is targeted towards waste management budgets.
- 4.3.2 The Council is also able to earn income on invested funds which are temporarily surplus to operational cashflow requirements. In the current year, the expected overall income

will be c£894k. This level of income is forecast to reduce due to the plans (set out in the report) to apply reserves to operating and capital costs. This will reduce available balances for investment, and so the level of income achievable.

4.4 Base budgets 2025/26 to 2026/27

4.4.1 Budget planning begins by effecting any necessary adjustments to base budgets (such as the recoupment of one-off reserves funding for growth in prior years) and then calculating estimates of pay and price growth for the coming year. These changes are summarised below (figure 3). Details of the base budget position summarised in figure 3 are included in detail as **APPENDIX 1**.

4.4.2 This shows that the net impact of technical adjustments and pay and price inflation is additional pressures of £0.819m. Growth in the budgets for goods and services (contractors and suppliers) is notable. This is due to a combination of technical changes (where grant funding and supplier costs were previously netted off but are now separated in line with best practice) and inflationary pressures, including the inflation in the cost of the waste contract (which tends to be above background inflation). The increase in the cost of the waste collection contract can be offset through application of the Extended Producer Responsibility (EPR) grant.

Figure 3 - growth in base budgets, 2025/26 to 2026/27

£M	Goods and Services	Staffing	Transport	Capital Charges	spending	Government Grant	Fees and Charges	Other Income	Offices and Depots	resources	Net Budget
base budget b/f	18.390	11.892	0.119	0.801	31.201	(9.303)	(4.348)	(4.322)	(0.148)	(18.121)	13.080
net change	0.712	0.540	(0.019)	0.103	1.336	(0.159)	(0.104)	(0.244)	(0.010)	(0.517)	0.819
revised base budget after inflation	19.102	12.432	0.100	0.904	32.537	(9.462)	(4.452)	(4.566)	(0.157)	(18.638)	13.899
change %	3.9%	4.5%	-16.2%	12.9%	4.3%	1.7%	2.4%	5.7%	6.4%	2.9%	6.3%
2026/27 spend type as % of total spend/income	59%	38%	0%	3%	100%	50.8%	23.9%	24.5%	0.8%	100.0%	NA

4.5 Directorate allocations of the base budget

4.5.1 The base budget is allocated across the Director's budgets as shown in the table below.

Directorate	Budget 2025/26	Budget 2026/27
Neighbourhood Services & Communities	5,279,400	5,518,600
Legal & Governance	3,954,900	2,742,300
Place, Planning & Growth	1,837,400	2,025,900
Finance	854,400	1,817,800
Strategy & Improvement	642,200	1,432,000
Chief Executive	352,800	218,400
Corporate	159,200	144,200
Total delegated budgets before recurrent savings	13,080,300	13,899,200

Figure 4 - base budgets split across director responsibility areas

4.6 Savings

- 4.6.1 The Council is part of the Greater Essex Council Tax pool and has been for some years. The objective of the pool is to support districts in ensuring that collection rates are maximised. This is largely led as a process by Essex County Council (ECC). Their own interest is in ensuring that the substantial contribution of council tax receipts to offsetting the ECC social care budget pressures is maintained. To this end, the pool has two functions. First, there is a fixed level of financial support provided to ensure that staffing levels in revenues teams are maintained at a robust level. Second, where a council is able to exceed an agreed level of collection, there is a 'gainshare' or reward payment. This usually arises in the following year, once values have been confirmed.
- 4.6.2 The level of financial support for the staffing element of this arrangement was increased in 2025/26 but this was not reflected in MDC budgets, so it is now being included.
- 4.6.3 Due to uncertainty over the level of benefit to be achieved, previous budgets have not budgeted for the gainshare element of this arrangement. This is being amended in the current budget to ensure that oversight of value for money is maintained.
- 4.6.4 Extended producer responsibility grant funding to MDC was £648k in 2025/26. It increases to £694k in 2026/27. The grant is intended to be spent in support of enhanced waste collection services arising from the extended producer responsibility for food packaging. The grant is not ringfenced and can be applied as needed. IT is expected to be fully applied to waste services.
- 4.6.5 Around 50% of the grant has been committed to MDC waste management services in the current financial year. The remainder is being applied and will free up base budget at the end of the year, which can then be carried forward.
- 4.6.6 The previous provision for the pension fund deficit is no longer required as the deficit has now been fully funded.

Figure 5 - proposed savings (income increases)

Savings	2026/27
Council Tax - Essex-wide pool; staffing uplift	(0.100)
Council Tax - Essex-wide pool; gainshare	(0.270)
Extended Producer Responsibility - 2025/26 benefit to base budgets	(0.334)
Remove Pension provision (deficit now closed)	(0.120)
Total	(0.824)

4.7 Revenue growth and pressures bids

- 4.7.1 Services were invited to submit revenue bids for funding, either for existing service pressures or for growth bids. Bids totalling £3.3m were initially received.
- 4.7.2 Further to officer review, a number of bids were withdrawn, identified to overlap or duplicate, or were otherwise unnecessary. Bids being taken forward were reduced to £1.678m. These were discussed with Finance Member Working Group.
- 4.7.3 As part of these bids, a number of items were brought forward which could be funded from existing earmarked reserves – a total of £0.679m. This takes the value of bids requiring funding from other earmarked reserves or from general reserves to £0.999m. These are summarised in the table below. The details of the bids are included as **APPENDIX 2**.

Figure 6 - revenue budget bids and recommendations

Directorate	Budget 2025/26	Budget 2026/27	Ongoing Revenue bids 2026/27	One-off Revenue bids 2026/27	Bids Recommen ded 2026/27	Suggested use of earmarked reserves 2026/27	Total Requested 2026/27	Implied spending 2026/27
Neighbourhood Services & Communities	5,279,400	5,518,600	163,400	136,500	299,900	(87,830)	212,070	5,730,670
Legal & Governance	3,954,900	2,742,300	8,000		8,000	0	8,000	2,750,300
Place, Planning & Growth	1,837,400	2,025,900	144,500	242,200	386,700	(386,700)	0	2,025,900
Finance	854,400	1,817,800	323,800		323,800	0	323,800	2,141,600
Strategy & Improvement	642,200	1,432,000	502,000	86,000	588,000	(204,000)	384,000	1,816,000
Chief Executive	352,800	218,400	57,000	15,000	72,000	0	72,000	290,400
Corporate	159,200	144,200	0	0	0	0	0	144,200
Total delegated budgets before recurrent savings	13,080,300	13,899,200	1,198,700	479,700	1,678,400	(678,530)	999,870	14,899,070
Savings								(824,000)
Total delegated budgets after recurrent savings								14,075,070

4.8 Repairs and Renewals

- 4.8.1 Bids for repairs and renewals were invited from service areas. These bids relate to areas where substantial investment is required to ensure service continuity, but where the investment does not 'enhance or extend the life of' the assets (which would then qualify as capital).
- 4.8.2 Repairs and renewals bids to the value of £0.752m have been recommended, further to discussion with Finance Member Working Group. These are set out in detail in **APPENDIX 3**.
- 4.8.3 Repairs and renewals schemes, where approved, are added to revenue budgets for the purpose of monitoring delivery. Funding is provided through the allocation of reserves.

Figure 7- Repairs and Renewals bids grouped by theme

proposal	repairs & renewals
PROMENADE PARK	385,000
RIVERSIDE PARK (Repairs and Renewals)	2,500
CEMETERY (Repairs and Renewals)	47,000
COMMUNITY CENTRES	28,500
PRINCES ROAD DEPOT (Repairs and Renewals)	48,500
DENGIE 100 (Repairs and Renewals / Capital)	80,000
CAR PARKS (Repairs and Renewals / Capital)	25,000
PUBLIC CONVENIENCES (Repairs and Renewals / Capital)	135,000
Total	751,500

4.9 Council Tax

- 4.9.1 The calculations for the council tax requirement of MDC have been prepared assuming that the proposals for the revenue budget are approved by the Council. In the even that any proposals are not approved, this will create a reduction in spending and an increase in reserves. The council tax has been assumed at +2.99% on the charge and +1.6% on the base, in line with government estimates and local information. Reduction in the proposed council tax charge will reduce core spending power.

- 4.9.2 The Council Tax referendum threshold set by the Secretary of State for 2026 / 27 was announced as part of the Provisional Settlement; and for Maldon, the threshold has been set at 2.99% increase over 2026 / 27 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 also.
- 4.9.3 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 3.4.2) it is important that the Council considers the option of the 2.99% increase for 2026 / 27.

Figure 8- council tax 2026/27

Options for Increase in Council Tax from 2025 / 26 to 2026 / 27	Increase on 2025 / 26 Band D Council Tax		Additional Income Band D
Tax Base = 27,293.0	0.00%	2.99%	
Band D Council Tax 2026 / 27	£232.01	£238.95	£6.94
Maldon District Council: Council Tax	£6,230k	£6,522k	£291k

- 4.9.4 Increasing the Council Tax by £6.94 to £238.95 will raise an additional income of £291,175 in 2026 / 27. The increase of £6.94 per year equates to 13p per household per week; The charge of £238.95 per year equates to £4.60p per household per week.
- 4.9.5 The tax base to be used for setting the 2026 / 27 Council Tax. It has been calculated at 27,293.0 "Band D equivalent" properties, after allowing for a non-collection rate. This tax base is being applied for the purposes of setting the 2026 / 27 Council Tax. Further details of the Council Tax calculation are included as **APPENDIX 4**.
- 4.9.6 It is expected that there will be a surplus of around £200k on the collection fund in 2025/26. This will be a benefit to the Council in 2026/27 in proportion to the MDC share of the overall council tax charge in the district (10.6%, or around £20k).
- 4.9.7 In accordance with the legislation under the Local Government Finance Act 1992, all parish precepts must be charged to the Council's General Fund. At the time of writing this report not all parish precepts had been received. It is expected that all the parish precepts will be reported at the Council meeting on 12 February 2026 for Council Tax setting purposes.
- 4.10 Reserves**
- 4.10.1 Based on the proposals set out in this report, the estimated level of reserves to April 2028 has been prepared. This is shown below. The estimates include an assumed £10m of external borrowing to be undertaken in 2027/28, although the amount and the timing is not yet known with certainty. The overall position retains £2.6m of 'core' reserves as a result.
- 4.10.2 At present, the council has no external borrowing. The decision to use external borrowing has been taken, in principle, in the approval of Council given to the 2025/26 Treasury Management Strategy in its meeting of February 2025.¹ This budget sets out that external borrowing is now expected (but not yet confirmed). This change in the operation of treasury management in the council will be supported by independent advice from Link Group LLP regarding the most advantageous value, timing and maturity of external borrowing. It will also be supported by Internal Audit review, and review through Performance, Governance and Audit Committee, to supplement the existing reporting of treasury management performance to Strategy and Resources Committee.

¹ [\(Public Pack\)Agenda Document for Council, 13/02/2025 19:30](#) – P272

- 4.10.3 Of the 15 councils in Greater Essex, Maldon is one of 2 with no borrowing at present. Across all 15 councils, the average level of borrowing is £250m, although this includes £548m held by Essex County Council and £840m held by Thurrock Council. It should be noted that most councils also have social housing responsibilities with the consequence of higher levels of external borrowing (funded through the housing account). Across all English councils, around 90% hold borrowings at any point in time, most commonly through HM Treasury (Public Works Loan Board – PWLB).
- 4.10.4 The proposed use of reserves includes earmarked reserves set aside of £0.4m to support Local Plan delivery and £1m for preparation for LGR. It is not yet clear if the full £1m will be required, but early indications from the discussions of officers and Chief Executives across Greater Essex are that potential cost pressures may be significant and should be provided for. In the event that this proves incorrect, the earmarked reserve can be reduced or removed. This will be reviewed during the 2026/27 year. Details of all proposed use of earmarked reserves and general reserves through to April 2028 are included at **APPENDIX 5**.
- 4.10.5 It is proposed to add to the policy on use of reserves that 'Councillors should review reserves and how they are proposed to be used if the overall level of usable revenue reserves exceeds Core Spending Power' (CSP is shown above in Figure 2 and is £11.5m in 2025/26).

Figure 9 - estimated reserves levels to April 2028

	Total Earmarked Reserves	General reserves	Total usable reserves
Forecast P8	(5,772)	(8,064)	(13,835)
Items not yet included in the 25/26 P8 forecast			
Hyth Quay de-silting allocation	0	100	100
LGR5UA model contribution	24		24
Unspent revenue contingency	0	(325)	(325)
Capital prog 25/26	0	2,600	2,600
EPR unapplied 25/26	0	(350)	(350)
Pension strain	240		240
LGR preparation	(1,000)	1,000	0
revised 25/26	(5,508)	(5,039)	(10,547)
2026/27 start	(5,508)	(5,039)	(10,547)
Local plan top up	0		0
revenue growth	1,744	25	1,769
Leisure contract	(183)		(183)
Capital (new schemes)	1,913	758	2,671
capital (existing cap prog spend in 26/27)	0	2,000	2,000
Capital - internal borrowing	0	3,860	3,860
Repairs and renewals out 26/27	752		752
Tfr for repairs and renewals in 26/27	0		0
Tfr for 27/28	0		0
IN YEAR 26/27	4,226	6,643	10,869
2027/28 start	(1,282)	1,604	322
Revenue growth	0	827	827
Repairs and renewals	300		300
Leisure contract	(514)		(514)
Capital (new schemes in 26/27)	0	633	633
Capital (cap prog internal borrowing)	0	740	740
External borrowing		(10,000)	(10,000)
Services	108		108
IN YEAR 27/28	(106)	(7,800)	(7,906)
2028/29 start	(1,388)	(6,196)	(7,584)

5. OTHER MATTERS

5.1 Greater Essex Business Rates Pool

As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool (the Pool) in April 2016. The Pool is not expected to continue to operate in 2026 / 27 due to the impact of the rest of business rates and the impact of that. The Council has expressed interest in rejoining the pool, should it be beneficial to do so, but otherwise it will not.

5.2 Greater Essex Council Tax Pool

5.2.1 This council has been part of the council tax pool in Greater Essex for a number of years. The pool was originally set up such that the County Council would support districts to maximise council tax collection, which is a material benefit to the county (in respect of social care and similar costs, most of which are 80%+ funded through council tax).

5.2.2 The benefits arise in two ways. First, the council receive a contribution from ECC to the cost of staff in revenues and benefits. This is to prevent the council feeling obliged to reduce staffing, which is likely to reduce collection rates, and so impact the county council. Second, if the collection rate arising from this position is able to exceed an agreed threshold, the council receives a 'dividend' (or 'gain share') from ECC as a result.

5.2.3 In the last year, the staffing costs contribution was increased to £2004k, from £100k. Additionally, the benefit arising from achieving or exceeding the agreed collection rate (which has varied between £180k and £360k) has not been budgeted for as the amount and timing has been uncertain. For this year, it has been included in budget estimates as the income source is highly dependable, if variable. The estimate has been made based on the average of the last 4 years.

5.3 Interest on Investments

5.3.1 Investment income is received when surplus cash funds are invested in suitable counter-parties, as defined in the treasury management strategy. Amounts achievable are estimated based on likely cash-balances and the prevailing bank rates. Estimated income is assumed to reduce across the coming years as reserves balances are applied to revenue and capital investments.

5.4 Local Plan

5.4.1 Further to revised requirements from government relating to the local plan, provision for potential costs has been made in earmarked reserves rather than within revenue budgets. This is because the amount required is not yet known with any certainty.

5.5 Future investment in Promenade Park

5.5.1 Members are in discussion regarding the potential to invest in revitalisation of the museum and the site previously occupied by the classroom at Promenade Park. This is in the context of Maldon Town and the Promenade Park securing visitors to the level of c 0.5m per year – a clear benefit to the local economy.

5.5.2 No estimates for the development of delivery costs of possible future investments have yet been included in budget estimates, as a clear plan is required before the amount can be estimated. As plans are brought together and gain member agreement, these can (if appropriate) be added to revenue and capital estimates in the usual way. There remains

headroom in the Council's investment capacity (considering reserves and possible external borrowing together) to accommodate such proposals.

- 5.5.3 The Council faces several key risks, also described as the key themes in the Medium-Term Financial Strategy (MTFS) report (also on this agenda). These include Local Government Reorganisation (LGR), digital (Cyber-security and AI (Artificial Intelligence)), the impact of geopolitical volatility, and specific risks and opportunities arising in the Maldon district area. Overall, the key strategic risk is to the ongoing reputation of the Council, up to and after reorganisation. The budget proposals in this report, and the capital investment proposals and the medium-term strategy, all propose a range of investments to help to secure a strong reputational legacy for the Council, based on clear achievements and lasting investments.

5.6 Section 25 assurances

- 5.6.1 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. In sum, the s151 officer is reassured that the budget estimates as presented are robust and that the level of reserves is adequate. The assurance on these points is derived from professional review of current and previous financial performance, which shows that base budgets are understood and adhered to, and the modelling forward of likely reserves balances to ensure that amounts available remain adequate through to the likely date for reorganisation. Further, planning to map the likely position in April 2028 provides a clear understanding of the position to be managed should LGR be delayed. These assurances are set out in **APPENDIX 6**.

6. CONCLUSION

- 6.1 This report proposes a revenue budget for 2026/27 which meets the corporate plan objectives of the Council, prioritised based on the advice of the Finance Member Working Group.
- 6.2 It proposes an increase in the average band D Council Tax in 2026 / 27 of 2.99% in line with government assumptions.

7. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 7.1 This budget is prepared in support of delivery of all corporate plan priorities and objectives for the 2026/27 financial year.

8. 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 2026 / 27, 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 (including Fraud implications)** – The distribution of resources reflected in the revenue and capital budgets is designed to support the Council'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.
- (vi) **Impact on Devolution / Local Government Reorganisation** – This budget falls outside the planned implementation of Local Government Reorganisation (due to commence from 1 April 2028).

Appendices

APPENDIX 1 – base budget detail (detailed analysis of base budgets by cost centre and spending type)

APPENDIX 2 – revenue growth and pressures bids

APPENDIX 3 – proposed repairs and renewals schemes

APPENDIX 4 – council tax resolution

APPENDIX 5 – estimated levels of reserves, 2026-28

APPENDIX 6 – assurances on the robustness of the estimates and adequacy of the reserves

Background Papers:

Budget Monitoring report (Quarter 2) to the Strategy and Resources Committee, 20 November 2025.

Fees and Charges report to the Strategy and Resources Committee, 20 November 2025.

Enquiries to: Ben Jay, Director of Finance.

This page is intentionally left blank

**Service
Management &
Support Services**

Above (WHITE) ORIGINAL 25/26 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>Service Management & Support Services</u>												
172	Strategy, Performance & Governance	1,994,100	2,500	41,900	0	52,300	0	0	0	(97,000)	0	1,993,800
		3,686,700	4,400	38,300	0	52,300	0	0	0	(229,100)	0	3,552,600
171	Resources	0	0	(301,000)	0	0	0	0	0	0	0	(301,000)
		0	0	0	0	0	0	0	0	0	0	0
170	Service Delivery	81,300	0	32,100	0	0	0	0	0	0	0	113,400
		81,300	0	32,100	0		0	0	0	0	0	113,400
101	Corporate Core	201,900	0	216,500	0	0	0	0	0	(200,000)	0	218,400
		432,600	0	16,500	0	0	0	0	0	(96,300)	0	352,800
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	648,600	500	44,300	0	0	0	0	0	(22,000)	0	671,400
		0	0	43,700	0	0	0	0	0	0	0	43,700
104	Training	0	0	18,000	0	0	0	0	0	0	0	18,000
		0	0	7,000	0	0	0	0	0	0	0	7,000
105	Human Resources	0	0	41,000	0	0	0	0	0	0	0	41,000
		0	0	39,900	0	0	0	0	0	0	0	39,900
106	Apprentices	0	0	0	0	0	0	0	0	0	0	0
		18,000	0	0	0	0	0	0	0	0	0	18,000
108	Committee Services	340,500	600	20,300	0	0	0	0	0	0	0	361,400
		0	0	17,100	0	0	0	0	0	0	0	17,100
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	825,800	0	83,700	0	0	0	0	0	0	0	909,500
		768,900	0	11,900	0	0	0	0	0	0	0	780,800
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	858,000	800	44,700	0	0	0	0	0	0	0	903,500
		0	0	42,600	0	0	0	0	0	0	0	42,600
114	Revenues & Benefits	1,219,500	1,200	122,300	0	0	0	0	0	(114,800)	(213,900)	1,014,300
		947,100	1,200	123,200	0	0	0	0	0	(114,800)	0	956,700
118	Leisure & Community	0	0	65,300	0	0	0	0	0	(9,000)	0	56,300
		0	0	62,900	0	0	0	0	0	(9,000)	0	53,900
119	IT Services	0	0	572,500	0	0	0	0	0	0	0	572,500
		0	0	533,600	0	0	0	0	0	0	0	533,600
121	Council Offices	0	0	321,400	0	(209,600)	0	0	0	(111,800)	0	0
		0	0	310,400	0	(200,100)	0	0	0	(110,300)	0	0
124	Princes Rd Depot	0	0	30,400	0	0	0	0	0	(2,200)	0	28,200
		0	0	29,300	0	0	0	0	0	(2,200)	0	27,100
129	Legal Services	0	0	8,400	0	0	0	0	0	(10,000)	0	(1,600)
		0	0	7,700	0	0	0	0	0	(10,000)	0	(2,300)
132	Environmental Health	1,063,100	1,200	1,500	0	0	0	0	0	0	0	1,065,800
		1,119,000	1,200	1,500	0	0	0	0	0	0	0	1,121,700
133	Environmental Waste	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
134	Housing	757,700	0	0	0	0	0	0	0	0	(103,800)	653,900
		721,800	0	0	0	0	0	0	0	0	(129,600)	592200
141	Parks & Countryside Services	1,204,400	62,800	128,600	0	0	0	0	(65,600)	0	0	1,330,200
		1,000,700	75,600	123,200	0	0	0	0	(66,400)	0	0	1,133,100
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	529,400	9,000	3,200	0	0	0	0	0	(131,800)	0	409,800
		443,900	9,000	3,200	0	0	0	0	0	(105,000)	0	351,100

BUDGETS ORIGINAL 26/27 Above (WHITE) ORIGINAL 25/26 Below (GREEN)		MDC Original Detailed Budgets 2025/26 and 2026/27											APPENDIX 1
		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	
		£	£	£	£	£	£	£	£	£	£	£	
155	Prom Depot	0	0	14,100	0	0	0	0	0	0	0	0	14,100
		0	0	13,700	0	0	0	0	0	0	0	0	13,700
163	Enforcement	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
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	0	0
165	Planning Policy Services	848,700	500	4,100	0	0	0	0	0	(39,300)	0	814,000	
		800,200	500	4,100	0	0	0	0	0	(40,100)	0	764,700	
166	Planning Admin Services	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
167	Development Control Services	1,578,400	1,500	5,900	0	0	0	0	0	(123,400)	0	1,462,400	
		1,598,700	1,500	5,900	0	0	0	0	0	(122,200)	0	1,483,900	
168	Building Control Services	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL Service Management & Support Services		12,151,400	80,600	1,519,200	0	(157,300)	0	0	(65,600)	(861,300)	(317,700)	12,349,300	
		11,618,900	93,400	1,467,800	0	(147,800)	0	0	(66,400)	(839,000)	(129,600)	11,997,300	

Page 276

Central Services

Corporate Core & Democratic Core

256	Corporate Management	0	0	483,300	0	0	0	0	0	0	0	483,300
		0	0	458,300	0	0	0	0	0	(281,000)	55,100	232,400
260	Democratic Representation & Mgt	278,500	7,000	14,900	0	0	0	0	0	0	0	300,400
		270,900	14,000	14,900	0	0	0	0	0	0	0	299,800
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		278,500	7,000	498,200	0	0	0	0	0	0	0	783,700
		270,900	14,000	473,200	0	0	0	0	0	(281,000)	55,100	532,200

Central Services to the Public												
202	Business Rates Collection	0	0	5,800	0	0	0	0	0	(5,100)	0	700
		0	0	5,800	0	0	0	0	0	(5,100)	(90,000)	(89,300)
209	Council Tax Benefit Admin	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
216	Council Tax Collection	0	0	47,900	0	0	0	0	0	(101,200)	0	(53,300)
		0	0	57,000	0	0	0	0	0	(101,200)	0	(44,200)
213	Electoral Registration	0	0	49,400	0	0	0	0	0	0	0	49,400
		0	0	49,400	0	0	0	0	0	0	0	49,400
253	Civil Emergencies	0	0	39,900	0	0	0	0	0	0	0	39,900
		0	0	39,900	0	0	0	0	0	0	0	39,900
254	Election Management	0	0	38,900	0	0	0	0	0	0	0	38,900
		0	0	38,300	0	0	0	0	0	0	0	38,300
255	Land Charges	0	0	24,500	0	0	0	0	(81,000)	0	0	(56,500)
		0	0	24,500	0	0	0	0	(78,000)	0	0	(53,500)
TOTAL Central Services		0	0	206,400	0	0	0	0	(81,000)	(106,300)	0	19,100
		0	0	214,900	0	0	0	0	(78,000)	(106,300)	(90,000)	(59,400)

BUDGETS ORIGINAL 26/27 Above (WHITE) ORIGINAL 25/26 Below (GREEN)		MDC Original Detailed Budgets 2025/26 and 2026/27											APPENDIX 1	
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>Cultural, Environmental & Planning Services</u>														
<u>Cultural Services</u>														
501, 502, 503, 509, 520, 522	Sport	0	0	41,800	278,500	0	0	0	0	(647,300)	0	(327,000)		
		0	0	34,200	175,500	0	0	0	0	(234,000)	0	(24,300)		
122, 506, 508	Community Centres	0	0	33,300	0	0	0	0	0	(37,600)	0	(4,300)		
		0	0	32,200	0	0	0	0	0	(37,600)	0	(5,400)		
505, 511, 514, 516, 518, 519	Parks & Open Spaces	2,000	0	363,900	0	0	0	0	(724,500)	(323,700)	0	(682,300)		
		2,000	0	436,800	0	0	0	0	(699,800)	(412,900)	0	(673,900)		
542, 546	Heritage	0	0	4,200	0	0	0	0	0	0	0	4,200		
		0	0	4,200	0	0	0	0	0	0	0	4,200		
309	Rivers	0	5,300	40,300	0	0	0	0	(47,300)	(162,600)	0	(164,300)		
		0	4,800	41,700	0	0	0	0	(45,600)	(157,000)	0	(156,100)		
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		
335, 355, 356, 357, 358, 359, 361, 362, 363, 365	UKSPF	0	0	129,100	0	0	0	0	0	0	0	129,100		
		0	0	0	0	0	0	0	0	0	0	0		
<u>TOTAL Cultural Services</u>		2,000	5,300	612,600	278,500	0	0	0	(771,800)	(1,171,200)	0	(1,044,600)		
		2,000	4,800	549,100	175,500	0	0	0	(745,400)	(841,500)	0	(855,500)		
<u>Environmental Services</u>														
340	Public Entertainment Licences	0	0	38,400	0	0	0	0	(73,900)	0	0	(35,500)		
		0	0	37,000	0	0	0	0	(71,200)	0	0	(34,200)		
341	Hackney Carriage	0	0	22,300	0	0	0	0	(23,300)	0	0	(1,000)		
		0	0	21,700	0	0	0	0	(32,100)	0	0	(10,400)		
550	Public Conveniences	0	0	147,100	0	0	0	0	0	0	0	147,100		
		0	0	141,900	0	0	0	0	0	0	0	141,900		
555	Cemeteries	0	1,500	161,500	0	0	0	0	(181,700)	(300)	0	(19,000)		
		0	1,500	156,200	0	0	0	0	(175,100)	(300)	0	(17,700)		
562, 563	Community Safety	0	0	37,400	0	0	0	0	0	(10,000)	0	27,400		
		0	0	37,400	0	0	0	0	0	(12,500)	0	24,900		
576, 579, 581	Waste Management	0	3,900	5,671,700	625,000	0	0	0	(1,099,000)	(1,773,200)	0	3,428,400		
		0	3,900	5,371,500	625,000	0	0	0	(1,063,100)	(1,739,300)	0	3,198,000		
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	0	1,200	70,300	0	0	0	0	(24,000)	(3,400)	0	44,100		
		0	1,200	52,500	0	0	0	0	(23,400)	(3,400)	0	26,900		
<u>TOTAL Environmental Services</u>		0	6,600	6,148,700	625,000	0	0	0	(1,401,900)	(1,786,900)	0	3,591,500		
		0	6,600	5,818,200	625,000	0	0	0	(1,364,900)	(1,755,500)	0	3,329,400		
<u>Planning & Development Services</u>														
232	Discretionary Rate Relief	0	0	0	0	0	0	0	0	0	0	0		

三

[illegible]

BUDGETS ORIGINAL 26/27 Above (WHITE) ORIGINAL 25/26 Below (GREEN)		MDC Original Detailed Budgets 2025/26 and 2026/27										APPENDIX 1
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	3,400	0	0	0	0	0	(19,600)	0	(16,200)
		0	0	3,400	0	0	0	0	0	(39,400)	0	(36,000)
225	Industrial Sites	0	0	2,900	0	0	0	0	0	(130,900)	0	(128,000)
		0	0	2,900	0	0	0	0	0	(126,100)	0	(123,200)
<u>TOTAL Other Services</u>		0	0	6,300	0	0	0	0	0	(150,500)	0	(144,200)
		0	0	6,300	0	0	0	0	0	(165,500)	0	(159,200)

SUB TOTAL		ORIGINAL 26/27	12,431,900	99,500	19,102,100	903,500	(157,300)	0	0	(4,452,000)	(4,566,300)	(9,462,200)	13,899,200
		ORIGINAL 25/26	11,891,800	118,800	18,389,800	800,500	(147,800)	0	0	(4,347,800)	(4,321,900)	(9,303,100)	13,080,300
Less													
Vacancy/Savings													
Allowance 1%													
<u>TOTAL AGREED BUDGET</u>		ORIGINAL 26/27	12,431,900	99,500	19,102,100	903,500	(157,300)	0	0	(4,452,000)	(4,566,300)	(9,462,200)	13,899,200
		ORIGINAL 25/26	11,891,800	118,800	18,389,800	800,500	(147,800)	0	0	(4,347,800)	(4,321,900)	(9,303,100)	13,080,300

This page is intentionally left blank

Proposal	rationale	Revenue bids and pressures	proposed earmarked reserves / funding source	proposed use	balance - funding requested
Neighbourhoods & Communities					
Car Parking		24,800		6,800	18,000
Freeze on car parking charges in line with Car Parking Member Working Group proposals.	member request	18,000			18,000
Integration of RingGo on to the Patroller software.	operational efficiency	6,800	transformation reserve = £729k	6,800	-
Property management		169,200		3,000	166,200
Maldon Citizens Advice - Funding shortfall. If agreed, 26/27 impact is £50k, but 27/28 impact is £100k. Total funding will then be £200k. Further review needed to confirm VFM.	member request - to support to well used service which provides early advice and reduces higher costs later on	50,000			50,000
Insurance Valuations - ensuring insured values are correct.	accuracy of insurance cover	40,000			40,000
Ensure sufficient Health & Safety Budget	operational resilience	15,000			15,000
Prom Park property management	operational resilience	14,000			14,000
Additional contract costs for Public Convenience cleaning.	operational resilience	14,000			14,000
Removal of paper files at the Princes Road depot to more suitable location.	operational resilience	8,700			8,700
Recruitment of cleaner.	operational resilience	8,500			8,500
Brickhouse Farm property maintenance	operational resilience	6,000			6,000
Property valuations (rental properties) to ensure that appropriate rent is charged.	relevant income	5,000			5,000
Energy Performance Certificates (for legal compliance)	operational resilience	5,000			5,000
Asset mapping software (GIS)	operational resilience	3,000	transformation reserve = £729k	3,000	-
Capital programme delivery		105,900		78,030	27,870
Technical resource and project administrator (2 posts) to support capital programme delivery	operational resilience	91,800	capital costs	78,030	13,770
Senior Project Officer Grade L (prev short-term transformation funding; split costs as 15% revenue, 85% capital)	operational resilience	14,100	capital costs	applied	14,100
Total		299,900		87,830	212,070
Place, planning & growth					
Planning (development management, building control, planning policy & implementation)		299,500		299,500	-
Development Management Principal / Senior Officer Capacity (2FTE - increased applications)	operational resilience - Increase in the establishment to reflect the increase in major planning applications	112,000	transformation reserve = £729k	112,000	-
Investment in software to support collection, monitoring and allocation of S106, CIL, RAMS and potentially SANG and SAMM payments	meets new government requirements	90,000	transformation reserve = £729k	90,000	-
Community Infrastructure Levy (CIL) implementation project (development to proposal)	operational resilience; capital funding Without this funding there is not the capacity to take forward CIL, which means the Council could miss opportunities to collect developer contributions for infrastructure from a wider range of new development	40,000	transformation reserve = £729k	40,000	-
Peer Review of the development management service	operational resilience	25,000	transformation reserve = £729k	25,000	-
Subscription to Planning Resource, DCP Online and Compass.	operational resilience Important source to latest legislation changes, ministerial briefings, case law etc	12,500	transformation reserve = £729k	12,500	-
Investment in software to support collection of Building Safety Levy from Oct 2026.	operational resilience	20,000	transformation reserve = £729k	20,000	-
Housing		87,200		87,200	-
Rough Sleeping prevention (coordinator role)	loss of grant funding – In talks with ECC for an extension for Rough Sleeper Navigator for 12 months – currently funded to October 2026, but likely to seek to exist after that date	28,150	Homelessness reduction act grant = £57k	28,150	-
Temporary Accommodation Maintenance / Operational Costs	Currently not budgeted for, kinked to the opening of Stephen’s House	29,000	Community housing fund = £93k	29,000	-

Proposal	rationale	Revenue bids and pressures	proposed earmarked reserves / funding source	proposed use	balance - funding requested
Domestic Abuse Coordinator - funding from Oct 2026 by MDC	loss of funding	27,050	DA grant = £84k	27,050	-
	ECC has taken away the funding for this post.	3,000	DA grant = £84k	3,000	-
Total		386,700		386,700	-
Strategy & Improvememnt					
Health and Wellbeing		73,000	transformation reserve = £729k transformation reserve = £729k transformation reserve = £729k LGR reserve = £262k Econ Devt reserve = £10k	-	73,000
Due to NHS ICB reforms, the secondment agreement through which the NHS funds 33% of this post may not get extended into 26/27.	loss of fnding	27,000			27,000
Health Improvement Officer Grade F	operational resilience	46,000			46,000
ICT - cybersecurity and LGR preparation		417,000		140,000	277,000
Cyber Security Systems (system penetration testing @ £20k + security operations centre - 3rd party contract @ £40k)	operational resilience	60,000		60,000	-
Cloud Computing (Essex Digital Partnership convergence; standard approach based on use of MS Azure)	operational resilience	50,000		50,000	-
Level 2 ICT Caseworker Grade E	operational resilience	45,000			45,000
Electronic Document Management System (Civica) to support ongoing work with systems where digital documents are generated (e.g. Academy - Revs and bens)	operational resilience	30,000		30,000	-
New ICT team roles - team leaders x 2+ officers x 2	operational resilience	232,000			232,000
Local government reorganisation - preparation		54,000		54,000	-
Project, improvement & analysis resource to support LGR	LGR preparation	54,000		54,000	-
Economic development and tourism		44,000		10,000	34,000
To enable Economic Development to increase proactive marketing to increase business engagement activity and promotion of the district.	discretionary (member decision)	32,000		10,000	22,000
Increase from 30 hours to 37 hours. Tourism specialist role.	operational resilience	12,000			12,000
Total		588,000		204,000	384,000
Corporate					
Removal of Vacancy Factor Budget.	Where vacant posts arise, it is often preferable to fill quickly or with interims to ensure service stability, so this savings target is no longer viable.	281,000			281,000
Phase 2 restructure associated net costs	Identified changes arising from the wider review of staffing - linked to job re-evaluations and responsibility changes.	57,000			57,000
Previous growth for finance team was understated.	Budget is understated.	20,000			20,000
Corporate training	Reinstates the budget previously removed. To be funded through the transformation reserve as it supports the wider 'transforming together' programme.	15,000			15,000
Corporate - loss of grant funding (Redmond Review on external audit)	Funding removed.	15,000			15,000
Correct legal income budget in line with recent actual delivery	Income consistently unacheived.	8,000			8,000
Collection Fund operational support, removed as part of previous restructuring.	Collection fund management has been neglected in recent years. The Fund holds all NDR and council tax receipts, and shortfalls become a charge to the general fund (operational) budgets. The fund receives £75m of income per year and is governed by specific technical guidance.	7,800			7,800
Total		403,800			403,800
All bids		1,678,400			999,870

Proposal	Description	Repairs & renewals	In principle Finance Working Group response
PROMENADE PARK		385,000	
Parks and other open spaces lighting (Prom and Riverside park) £60,000 (Repairs and Renewals)	Service delivery could continue; however, the existing installations are approaching the end of their operational life (c 20 years old) and will require replacement in the near future. Undertaking this work now would allow for the installation of more energy-efficient lighting, resulting in reduced electrical consumption and cost savings. If the current installations fail, they cannot be replaced as they are obsolete due to age (15–20 years). New installations would be more cost-effective to operate. While this project could potentially be scheduled for 2027/28, there is a risk of failure in the interim. A 10% contingency has been included.	60,000	Recommend approval.
Bath Wall Dolphin Removal £40,000 (Repairs and Renewals - the 'dolpin' is a wooden structure on the foreshore)	Service delivery would continue; however, the dolphins have long been disused and are deteriorating to such an extent that they will eventually collapse, creating a potential hazard for boats using the river. This could result in damage or accidents, leading to insurance claims and significant reputational risk.	40,000	Recommend approval.
Delph Ditch Replacement Bridge £45,000 (Repairs and Renewals)	No longer regularly used. These elements are beyond economic repair and require replacement. Failure to undertake this work will result in the removal of public access to these areas.	45,000	Recommend approval.
Renovation of Prom Park Boating lake landscaping and replacement pontoon £240,000 (Repairs and Renewals) (Contingency 10%)	Works first undertaken in 2006. Well used by model boating clubs. All these works are essential to provide a safe facility for the public and to ensure it can be more easily maintained in the future. Failure to carry out these works may result in closure of the asset to the public. More cost-effective solutions for materials may be possible; however, this estimate is based on a like-for-like replacement. Some work could potentially be deferred to 2027/28.	240,000	Recommend approval (community asset)
Refurbishment of the recycling banks £60,000 (Repairs and Renewals)	All recycling sites are due to be refurbished to include bin frames, signage and more robust bins, with the aim of preventing fly-tipping and damage to the bins.	fund from EF	Recommend approval.
RIVERSIDE PARK (Repairs and Renewals)		2,500	
Riverside park safety barrier £2500 (Repairs and Renewals)	Following accidents involving a member of the public, these works are necessary to prevent similar incidents for individuals descending the pathway.	2,500	Recommend approval.
CEMETERY (Repairs and Renewals)		47,000	
Heybridge Chapel flooring £25,000 (Repairs and Renewals) (Contingency 10%)	Discretionary – The chapel is not currently being used, and the works are essential to make it safe for use. Through a meeting with the Chief Executive, the Friends of Heybridge Chapel have expressed a wish to use the facility. Without this work, the chapel would remain out of use.	25,000	Recommend approval.
Maldon Cemetery Pergola £12,000 (Repairs and Renewals) (Contingency 10%)	The structure needs urgent repairs within 2026/27 to ensure that they don't constitute a H&S risk to cemetery users and staff. If the work is not undertaken, the pergola would need to be removed for safety reasons.	12,000	Recommend approval.
New Ashes Beds Maldon Cemetery £10,000 (Repairs and Renewals)	Existing ashes beds are running out, so new ones are needed. This will enable the service to continue. The ROI would be 18 months.	10,000	Recommend approval.
COMMUNITY CENTRES		28,500	
West Maldon Community Centre roadway £28,500 (Repairs and Renewals) (Contingency 20%)	There is currently a developing collapse of the access road into WMCC, which will eventually result in closure of the road if no works are undertaken. This would present a serious safety issue.	28,500	Recommend approval.
PRINCES ROAD DEPOT (Repairs and Renewals)		48,500	
Health and Safety Infrastructure work £25,000 (Repairs and Renewals) (Contingency 10%)	Essential works to ensure H&S compliance	25,000	Recommend approval.
Depot floor strengthening £15,000 (Repairs and Renewals) (Contingency 10%)	This floor holds the paper planning files and currently there is no access due to the floor requiring repair. The records cannot be accessed to retrieve them without these works. Options for alternative storage/scanning of the planning records are being explored	15,000	Recommend approval.
Depot roller shutters £8,500 (Repairs and Renewals) (10% Contingency)	Essential under H&S as the existing shutters do not conform.	8,500	Recommend approval.
DENGIE 100 (Repairs and Renewals / Capital)		80,000	
Replacement windows and Doors £30,000 (Repairs and Renewals)	Discretionary – Investment is required to enable the centre to function at its optimum level; this is not currently a health and safety issue.	30,000	Recommend approval.
Replacement of Electricity boards £50,000 (Repairs and Renewals)	Essential – Investment is necessary to prevent closure due to the centre being unable to operate. This is a landlord responsibility.	50,000	Recommend approval.
CAR PARKS (Repairs and Renewals / Capital)		25,000	
Car Parks infrastructure £25,000 (Repairs and Renewals) Type 1 / Gravel car parking areas various small car parks areas i.e. Orchard Meadows (Contingency 10%)	Service would continue; however, there is a risk of the surface deteriorating further, creating health and safety hazards and potential insurance claims. The estimated cost of £25,000 is sufficient to cover an area of approximately 250m ² (i.e. £100 per m ² - average costs are between £20/m ² and £150/m ² , depending on the area to be covered - smaller areas have higher average unit costs - and the condition of the substrate).	25,000	Recommend approval.
PUBLIC CONVENIENCES (Repairs and Renewals / Capital)		135,000	
Toilet refurbishments across district £110,000 (Repairs and Renewals) (Contingency 10%)	The existing 'Wallgate' hand wash stations are beyond repair. The parts are obsolete, and the company will not provide service cover as these are first edition units. All units need replacing or they will fail, leaving toilets without hand washing facilities as there are no basins or taps	110,000	Recommend approval.
Hand washing stations £25,000 (Repairs and Renewals) Contingency 10%	This discretionary project was submitted to support MDC's green objectives. While the service will continue without this investment, the project would provide a 6–8 year payback period.	25,000	Recommend approval.
Total		751,500	

This page is intentionally left blank

Council Tax Summary				
		Original	Revised	Budget
		2025/26	2025/26	2026/27
Directorates		£000	£000	£000
Neighbourhood Services and Communities		5,397	5,238	5,512
Legal & Governance		3,874	2,767	2,742
Place, Planning & Growth		1,840	2,022	2,026
Finance		943	1,842	1,962
Strategy & Improvement		673	1,687	1,439
Chief Executive		353	726	218
Cost of Services		13,080	14,282	13,899
MRP		0		
Interest on Investments		(664)	(895)	
Net Operating Expenditure		12,416	13,387	13,899
Funding:				
Government Grants		(1,703)		
Council Tax Prior year (Surplus)/Deficit		(45)		(282)
Business Rates		(4,365)		
To/(From) Earmarked Reserves		(73)		
To/(From) General Fund Reserve		0		
Expenditure to be Funded		6,230	13,387	13,617
		2025/2026	2026/2027	
Property Tax Base (Band D equivalent)		26,854.4	27,293.0	
		2025/2026	2025/2026	
Council Tax Charges	Charge @	Total	Charge @	Total
	Band D	Cost	Band D	Cost
	£ : p	£	£ : p	£
Revenue Expenditure to be Funded	232.01	6,230,487	238.95	6,521,662
Maldon District Council Charge	232.01	6,230,487	238.95	6,521,662
Parish Precepts	71.28	1,914,181	To Be Confirmed (TBC)	TBC
Essex County Council Precept	1,538.28	41,309,571	TBC	TBC
Police & Crime Commissioner for Essex	253.79	6,815,376	TBC	TBC
Essex Fire Authority	84.26	2,262,751	TBC	TBC
Final Charge	2,179.62	58,532,366	238.95	6,521,662

This page is intentionally left blank

Modelled balances for earmarked and general reserves	Policies and Use of Financial Reserves																			Total Earmarked Reserves	General reserves	Total usable reserves	
	Council Tax & Business Rates equalisation	Insurance liability	Repairs & Renewals Fund	LG Reorganisation	Community Housing Fund Grant	Domestic Abuse Grant	Homeless Reduction Act Grant	Revenues & Benefits	Sports Development	CIL and LDP review	Community Safety	Corporate Delivery	Economic Development	Electoral Registration	Heritage Projects	Neighbourhood Plan Applications	Triennial Pensions Payment	Revenue Budget Commitments	leisure contract internal borrowing fund				Transformation
Forecast P8	(2,930)	(51)	(162)	(286)	(93)	(84)	(57)	(468)	(31)	(273)	(75)	(125)	(10)	(121)	(8)	(29)	(240)	0	0	(729)	(5,772)	(8,064)	(13,835)
Items not yet included in the 25/26 P8 forecast																							
Hyth Quay de-silting allocation																					0	100	100
LGR 5UA model contribution				24																	24		24
Unspent revenue contingency																					0	(325)	(325)
Capital prog 25/26																					0	2,600	2,600
EPR unapplied 25/26																					0	(350)	(350)
Pension strain																	240				240		240
LGR preparation				-1000																	(1,000)	1,000	0
revised 25/26	(2,930)	(51)	(162)	(262)	(93)	(84)	(57)	(468)	(31)	(273)	(75)	(125)	(10)	(121)	(8)	(29)	0	0	0	(729)	(5,508)	(5,039)	(10,547)
2026/27 start	(2,930)	(51)	(162)	(262)	(93)	(84)	(57)	(468)	(31)	(273)	(75)	(125)	(10)	(121)	(8)	(29)	0	0	0	(729)	(5,508)	(5,039)	(10,547)
Local plan top up	127									-127											0		0
revenue growth		51		100	93	84	57	360	31		75	125	10	121	8	29				600	1,744	25	1,769
Leisure contract																			-183		(183)		(183)
Capital (new schemes)	1913																				1,913	758	2,671
Capital (existing cap prog spend in 26/27)																					0	2,000	2,000
Capital - internal borrowing																					0	3,860	3,860
Repairs and renewals out 26/27			752																		752		752
Tfr for repairs and renewals in 26/27	590		-590																		0		0
Tfr for 27/28	300		-300																		0		0
IN YEAR 26/27	2930	51	-138	100	93	84	57	360	31	(127)	75	125	10	121	8	29	0	0	(183)	600	4,226	6,643	10,869
2027/28 start	0	0	(300)	(162)	0	0	0	(108)	0	(400)	0	0	0	0	0	0	0	0	(183)	(129)	(1,282)	1,604	322
Revenue growth																					0	827	827
Repairs and renewals			300																		300		300
Leisure contract																			-514		(514)		(514)
Capital (new schemes in 26/27)																					0	633	633
Capital (cap prog internal borrowing)																					0	740	740
External borrowing																						(10,000)	(10,000)
Services							108														108		108
IN YEAR 27/28	0	0	300	0	0	0	0	108	0	0	0	0	0	0	0	0	0	0	(514)	0	(106)	(7,800)	(7,906)
2028/29 start	0	0	0	(162)	0	0	0	0	0	(400)	0	0	0	0	0	0	0	0	(697)	(129)	(1,388)	(6,196)	(7,584)

This page is intentionally left blank

Section 151 Officer's statement on robustness of budgets and adequacy of reserves

1. Introduction

- 1.1 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.*
- 1.2 This includes reporting and taking into account:
- 1.2.1 The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
 - 1.2.2 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.
- 1.3 This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

2. Assurance Statement of the Council's Section 151 Officer

- 2.1 The last 12 months have seen an increase in scrutiny of the section 25 assurances by the s151 officer, in the wake of the increase in s114 (effective bankruptcy) notices in recent years. The question being raised regards the thoroughness of review undertaken and the transparency of the disclosures arising. This statement is prepared with that in mind.
- 2.2 The following are the summary assurances and recommendations of the Council's Section 151 Officer.
- 2.3 In relation to the 2026/27 budget, I have examined the proposals brought forward and compared them to actual performance in the current year (2025/26). Current year results indicate that budgets are being effectively managed by budget holders. The consistency of planning assumptions year-to-year gives credibility to adequacy of budget planning assumptions for the coming year. Inclusion of a revenue budget as well as review of the core £2.6m of the General Fund Balance gives further confidence that the services that the council plans to deliver for local residents in the coming year will be provided without unnecessary interruption.
- 2.4 In considering the risks arising from the external environment, the budget has been prepared with due regard for:
 - 2.4.1 The impact of local government reorganisation.
 - 2.4.2 The potential for geo-political instability, with consequent impacts on supply chain price inflation and product availability.
 - 2.4.3 The risk and opportunity of digital changes, including cyber security and wider use of artificial intelligence.
 - 2.4.4 The unusual position of Maldon District Council as a small, coastal community. This both a benefit (e.g. tourism) and a risk (e.g. increased travel times for residents).
- 2.5 The proposals set out in the revenue and capital budget proposals have been extensively discussed with senior officers and the Finance Member Working Group. This has helped to build consensus around the key aspects of the proposals, notably that the coming years before reorganisation should see the council investing in assets in a way which ensure that the area is passed to a successor authority in good repair.
- 2.6 Consideration has also been given to the impact of changes in business property valuations on the collection fund. This remains an area of concern, but one that can be managed through the usual processes regular scrutiny of actual and anticipated performance and adjustments to financial management approaches as necessary.
- 2.7 Regarding the adequacy of reserves, the Ministry of Housing, Communities and Local Government (MHCLG) has indicated that a helpful benchmark position is to consider the ratio of usable reserves to core spending power (CSP). The current position is that the council holds usable reserves of around 1.3x CSP. This is widely regarded as a sufficient for most purposes (many councils hold usable reserves at a level of 20% of CSP or less).

Detailed modelling of likely calls on reserves in the coming years is included in the budget proposals to substantiate this view.

- 2.8 Regarding the funding of the Capital Programme for 2025/26 – 2028/29, current balances are sufficient. However, there is a risk that capital reserves may be inadequate to fund future capital expenditure requirements. Consequently, borrowing may be necessary to finance future capital plans. This would have a revenue impact due to the need to make Minimum Revenue Provision and to cover interest costs, so it must be carefully considered to ensure affordability.

3. Level of Reserves

- 3.1 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 provided for against staff costs, contract inflation, and the inflationary increase in fees and charges. These account for the majority of £654k of growth in base budgets from 2025/26 to 2026/27. Any further increase in national inflation above anticipated levels within the year will impact on pay negotiations and supplier prices for 2027/28. Interest rates are likely to fluctuate during the year. Current estimates assume that the latest interest rate projections transpire. Increased rates will lead to greater investment income (but also higher borrowing costs and potentially also some supplier costs) while decreased rates will lead to lower incomes (but with some benefits elsewhere).
Estimates of capital receipts	There are no assets currently held for disposal.
The treatment of demand-led pressures	Demand pressures chiefly impact waste collection and housing services. No significant changes are expected to current levels of demand.
The treatment of planned efficiency savings / productivity gains	The savings proposed are based on changes to the recognition of specific items of costs and income. They are largely controllable and estimated based on 5 or more years of actual data. Productivity gains are built into base budget assumptions in terms of the expected level of growth in funding (nil) compared to the expected level of growth in demand (1% demographic growth plus 4% inflation pressures).
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The leisure contract was agreed in 2024/25. The contract was signed early in 2025/26. The Member-led Partnership board with Places Leisure provides oversight of current activities and performance against plan. No new partnerships are expected during the MTFS period.

Budget Assumptions	Financial standing and management assessment/impact
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 and collection fund impaired debt which is reviewed by external advisors to ensure it remains adequate.
The general financial climate which the authority is subject to	Figures from the Local Government Finance Settlement have been incorporated into the budget. For the first time in 10 years, this is a multi-year settlement which means that indicative values for the next two years have also been published.

3.2 Risk should also be considered in terms of the Council's largest areas of expenditure and income:

Expenditure Overall: £32.4m	£m	% of Gross Exp.	Risk Analysis
Employee Costs	£12.4m	38%	Staff pay costs are 38% of base budgets. Budgets have been based on the assumption of all posts being full for the whole year. Any additional funding for agency or interim staff has been included for a part year only, with a contingency budget retained by the Chief Executive. Revenue growth bids relating to posts are proposed to be funded from reserves. Any reduction in the extent of proposals will benefit the reserves not used as a result. There is no scope to increase staff costs without further decisions involving members.
Non Employees Costs	£19.1m	59%	This includes £9.2m rent allowances (housing) and £5.7m waste management. These are largely defined by contractual or similar arrangements and are not expected to fluctuate significantly.
Total	£31.5m	97%	

Income Overall: £18.5m	£m	% of Gross Inc	Risk Analysis
Rent allowances	£8.9m	48%	This income is linked to overall activity and so costs. Allowances are managed to keep income and spending in balance.
Refuse & Recycling	£2.9m	16%	Income from recycling has reduced through 2025/26 as a result in falling tonnage prices in the wider economy. Budgets proposed for 2026/27 have been adjusted to accommodate this.

Income Overall: £18.5m	£m	% of Gross Inc	Risk Analysis
Car Parking	£1.1m	6%	Investment in car park re-surfacing combined with a freeze on increases for the current year is expected to ensure that income targets are met or exceeded. Actual usage will determine this.
Development & Building Control	£1.1m	6%	Demand for planning services remains good and the 2025/26 forecast outturn indicates that income targets are being exceeded.
Total	£14.0	76%	

4. Proposed Minimum General Fund Balance Requirement

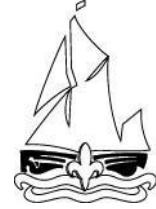
- 4.1 There is no clear guidance on the level of reserves to be held as a minimum. The amount held in difference authorities varies depending on local circumstances, the view of the Chief Finance Officer (CFO) (S151), and the risk appetite of the authority.
- 4.2 Further to discussion with The Finance Member Working Group, the minimum balance has been agreed to be retained at £2.6m.
- 4.3 While there is no specific guidance, Grant Thornton have cited good practice which is to hold a minimum balance of 5% of net budget or 2% of gross budget. Using the 2026/27 proposed base budget values, this indicates a minimum balance to be held of around £0.7m.
- 4.4 Retaining the minimum balance at a level higher than recommended is acceptable as this provides additional headroom from which unanticipated pressures can be addressed. Such pressures could include a significant adverse impact arising from the business rates 'reset' or lower than the expected rate of collection of council tax.

5. Assurance

- 5.1 Given this context, as the Council's Section 151 Officer, I am content that the budget estimates for 2026/27, which have been presented for approval, are sufficient and robust enough to properly support the delivery of the service for residents of Maldon District Council in the coming year. I can also confirm that the levels of reserve balance are sufficient to cover expenditure and risks over the Medium-Term Financial Strategy (MTFS) period.

Ben Jay, Director of Finance (Section 151 Officer)

This page is intentionally left blank



REPORT of DIRECTOR OF FINANCE

to
COUNCIL
12 FEBRUARY 2026

CAPITAL AND INVESTMENT STRATEGY FOR 2026/27, MINIMUM REVENUE PROVISION STATEMENT 2026/27, AND TREASURY MANAGEMENT STRATEGY 2026/27

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to approve an annual Capital and Investment Strategy, Minimum Revenue Provision (MRP) Statement and Treasury Management Strategy before the start of the financial year to which they relate. The report proposes £11.2m of capital investment in the coming two years. £7.9m relates to previous decisions, and £3.3m are new proposals.

2. RECOMMENDATION

That the following be approved:

- (a) the Capital and Investment Strategy 2026/27 (**APPENDIX 1**), which includes the Capital Programme for 2026/27 – 2029/30 and new Capital Projects Bids (**APPENDIX 2**);
- (b) the Minimum Revenue Provision Statement 2026/27 (**APPENDIX 3**);
- (c) the Treasury Management Strategy 2026/27 (**APPENDIX 4**, with the Treasury Management Practices).

3. SUMMARY OF KEY ISSUES

- 3.1 Capital assets are made up of property (land and buildings) or equipment which yield benefit through a number of years. The benefit may be seen in a revenue stream (tourism income or charges for use) or as a community benefit (such as for parks and open spaces).
- 3.2 The capital programme sets out how those assets will be enhanced or added to in the coming years. Repairs and maintenance costs which do not enhance or extend the life of an asset are regarded as operational (revenue) costs.
- 3.3 The current capital programme was approved by the Council in February 2025. Spending in 2025/26 has progressed according to plan, with the exception of investment in Blackwater Leisure Centre. This investment was included for 2025/26 before a detailed programme of works had been identified, with the result that some of the works planned for 2025/26 have been carried forward to 2026/27. Overall, the previously agreed capital programme for 2026/27, taking into account the decisions of February 2025 and subsequent delivery through 2025/26, stands at £7.9m

- 3.4 New schemes have also been proposed for 2026/27 to a total of £3.3m. If all these schemes are approved, the total programme will amount to £11.2m.
- 3.5 Councillors should note that previously agreed schemes may be ceased, depending on the state of any works undertaken and any implications arising from such a reversal. All new schemes may be considered for inclusion. If any schemes are rejected, the result will be to reduce the overall cost of the proposed capital programme. This is most likely to lead to an increase in reserves above forecast levels, which assume that all proposed schemes are accepted.
- 3.6 The Capital programme including all new and existing schemes is summarised below at Figure 1, showing the profile by year, the split of new and existing schemes, and the proposed funding source.

Figure 1- summary capital programme 2026-28

Capital programme delivery profile					
	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000
<i>Riverside Park</i>	193	-	275	-	275
<i>Promenade Park</i>	899	1,958	930		2,888
<i>Other Parks and Open Spaces</i>	360	360	-	-	360
<i>Playsites</i>	305	660	740	-	1,400
All Parks and opens spaces	1,757	2,978	1,945	-	4,923
Leisure centres and Sports pitches	3,966	3,522	435	-	3,957
Housing	539	539	539	-	1,078
Car Parking	138	30	360	-	390
Community Centres	-	55	182	-	237
Sports	-	225	-	-	225
Cemeteries	-	20	105	-	125
I.T	47	47	47	47	141
Vehicle & Plant Replacement	181	65	-	-	65
Public Conveniences	-	58	-	-	58
Princes Road	270				
Total	6,898	7,539	3,613	47	11,199

Existing schemes and new proposed schemes	Existing capital prog. (Feb 2025)	New schemes proposed (Feb 2026)	Total
	£'000	£'000	£'000
<i>Riverside Park</i>	275	-	275
<i>Promenade Park</i>	2,012	876	2,888
<i>Other Parks and Open Spaces</i>	140	220	360
<i>Playsites</i>	-	1,400	1,400
All Parks and opens spaces	2,427	2,496	4,923
Leisure centres and Sports pitches	3,635	322	3,957
Housing	1,078	-	1,078
Car Parking	360	30	390
Community Centres	182	55	237
Sports	-	225	225
Grant funded projects	-	-	-
UKSPF	-	-	-
REPF	-	-	-
Cemeteries	105	20	125
I.T	141	-	141
Vehicle & Plant Replacement	-	65	65
Public Conveniences	-	58	58
Princes Road			-
Total	7,928	3,271	11,199

Proposed funding	Reserves	Borrowing	Better Care Fund	Total
	£'000	£'000	£'000	£'000
<i>Riverside Park</i>	275	-	-	275
<i>Promenade Park</i>	2,888			2,888
<i>Other Parks and Open Spaces</i>	360	-	-	360
<i>Playsites</i>	-	1,400	-	1,400
All Parks and opens spaces	3,523	1,400	-	4,923
Leisure centres and Sports pitches	757	3,200	-	3,957
Housing	-	-	1,078	1,078
Car Parking	390	-	-	390
Community Centres	237	-	-	237
Sports	225	-	-	225
Grant funded projects	-	-	-	-
UKSPF	-	-	-	-
REPF	-	-	-	-
Cemeteries	125	-	-	125
I.T	141	-	-	141
Vehicle & Plant Replacement	65	-	-	65
Public Conveniences	58	-	-	58
Princes Road				-
Total	5,521	4,600	1,078	11,199

- 3.7 The Capital and Investment Strategy details the intended capital expenditure plans and funding arrangements of the Council and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital and Investment Strategy for 2026/27 is at **APPENDIX 1**.
- 3.8 The Capital Strategy includes the Capital Programme at **APPENDIX 2**, which is a four-year financial plan for delivering the Strategy. The Capital Programme includes all approved capital projects, rolling programmes and new capital bids.
- 3.9 A full breakdown of new capital bids is included in **APPENDIX 2**, revised following discussions at the Strategy and Resources Committee on 10 November 2025.
- 3.10 Local authorities must set aside funds annually to repay debt from capital expenditure, ensuring they do not take on more debt than they can afford. This charge is the Minimum Revenue Provision (MRP). The MRP Statement 2026/27 is at **APPENDIX 3**, which details the methodology applied by the Council in charging a minimum amount to revenue.
- 3.11 The Treasury Management Strategy for 2026/27 is at **APPENDIX 4**. This strategy ensures the Authority maintains a balanced budget by managing cash flow and low-risk investments. Effective treasury management is crucial for meeting spending commitments and protecting the General Fund Balance. Governance of Treasury Management Practices is detailed in **APPENDIX 4**.
- 3.12 These Strategies have been compiled with the advice and support of the Council's Treasury Advisor, Link Group, with the latest available data and interest rate forecasts at the time the strategies were drafted in December 2025.

4. CONCLUSION

- 4.1 The Capital and Investment Strategy, MRP Policy, and Treasury Management Strategy have been developed with the Council's strategic plans in mind, ensuring affordability and prudence.
- 4.2 These strategies have been updated to comply with statutory requirements and best practices. They consider the Council's financial position and align with broader corporate strategies, plans, and objectives, incorporating advice from the Council's external Treasury Advisor.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Investing in our District

- 5.1.1 Utilising reserves and alternative funding sources to acquire or enhance the Council's assets minimises the reliance on annual local tax revenues.

5.2 Delivering 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 (including Fraud implications)** – Any new investment decisions will be entered with suitable due diligence to ensure that any risks are identified and mitigated, where possible.
- (iv) **Impact on Resources (financial)** – The Council generates investment income from invested balances held in reserve. Any approved capital project bids may impact on the Council's reserves.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** - No direct implication as decisions for the 2026/27 year will not have an impact on the overall progress of either Devolution or Reorganisation. There may be indirect implications, but these are within the existing framework for transition to new arrangements.

Background Papers:

APPENDIX 1 – Capital and Investment Strategy

APPENDIX 2 – Proposed Capital Programme 2026-29 and New bids 2026/27

APPENDIX 3 – MRP Policy 2026/27

APPENDIX 4 – Treasury Management Strategy 2026/27, including Governance of Treasury Management Practices

Enquiries to: Ben Jay, Director of Finance (Section 151).

This page is intentionally left blank

Capital Strategy 2026/27 – 2028/29

Maldon District Council

1. Introduction

- 1.1 The Capital and Investment Strategy for Maldon District Council outlines our approach to managing capital expenditure and investments to support the delivery of our strategic priorities.
- 1.2 This strategy ensures that our capital investments are aligned with our long-term goals, providing a framework for decision-making that promotes financial sustainability, effective asset management, and prudent use of resources.
- 1.3 This integrated approach ensures that our capital investments are not only strategically aligned but also financially responsible, supporting the Council's commitment to transparency, accountability, and effective risk management.

2. Objectives

- 2.1 **Align Capital Investments with Strategic Priorities:** Ensure that all capital projects and investments support the Council's strategic objectives and community needs.
- 2.2 **Promote Financial Sustainability:** Manage capital expenditure and financing in a way that maintains the Council's financial health and sustainability.
- 2.3 **Effective Asset Management:** Optimise the use and management of the Council's assets to maximise value and service delivery.
- 2.4 **Prudent Financial Management:** Adhere to principles of prudence and affordability in capital financing, ensuring compliance with relevant regulations and guidance.
- 2.5 **Risk Management:** Identify and mitigate risks associated with capital investments to protect the Council's financial position.
- 2.6 **Transparency and Accountability:** Maintain clear and transparent processes for capital investment decisions, ensuring accountability to stakeholders.

3. Capital Expenditure and Financing

- 3.1 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.

- 3.2 Service managers bid annually to include projects in the Council's capital programme. Bids are collated by the finance team who calculate the financing cost. The Senior Leadership Team (SLT) and Finance Member Working Group appraise bids based on a comparison of service priorities against financing costs and make recommendations to Strategy and Resources Committee. The final capital programme is then presented to the Council in February each year for discussion and agreement. It is necessary to formally approve any new schemes for inclusion in the capital programme. Existing approved schemes which have not substantially progressed can be ceased. Some costs incurred may not be recoverable ('sunk') but further investments can be avoided.
- 3.3 To support the review of new bids, officers have indicated whether proposed schemes are discretionary (i.e. their rejection will not adversely impact on services and residents) or essential (i.e. their rejection is highly likely to lead to services being reduced or ceased with consequent adverse impact on residents and visitors).
- 3.4 All capital expenditure must be financed, either from external sources (government grants or developer contributions), or the Council's own resources (revenue budgets, uncommitted reserves and capital receipts) or through other external sources (internal or external borrowing).

4. Capital Programme

- 4.1 The current capital programme and the proposed new schemes are summarised below, at Table 1, including funding.

Table 1: Capital Programme and Funding

Capital programme delivery profile					
	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000
<i>Riverside Park</i>	193	-	275	-	275
<i>Promenade Park</i>	899	1,958	930		2,888
<i>Other Parks and Open Spaces</i>	360	360	-	-	360
<i>Playsites</i>	305	660	740	-	1,400
All Parks and opens spaces	1,757	2,978	1,945	-	4,923
Leisure centres and Sports pitches	3,966	3,522	435	-	3,957
Housing	539	539	539	-	1,078
Car Parking	138	30	360	-	390
Community Centres	-	55	182	-	237
Sports	-	225	-	-	225
Cemeteries	-	20	105	-	125
I.T	47	47	47	47	141
Vehicle & Plant Replacement	181	65	-	-	65
Public Conveniences	-	58	-	-	58
Princes Road	270				
Total	6,898	7,539	3,613	47	11,199

Existing schemes and new proposed schemes	Existing capital prog. (Feb 2025)	New schemes proposed (Feb 2026)	Total
	£'000	£'000	£'000
<i>Riverside Park</i>	275	-	275
<i>Promenade Park</i>	2,012	876	2,888
<i>Other Parks and Open Spaces</i>	140	220	360
<i>Playsites</i>	-	1,400	1,400
All Parks and opens spaces	2,427	2,496	4,923
Leisure centres and Sports pitches	3,635	322	3,957
Housing	1,078	-	1,078
Car Parking	360	30	390
Community Centres	182	55	237
Sports	-	225	225
Grant funded projects	-	-	-
UKSPF	-	-	-
REPF	-	-	-
Cemeteries	105	20	125
I.T	141	-	141
Vehicle & Plant Replacement	-	65	65
Public Conveniences	-	58	58
Princes Road			-
Total	7,928	3,271	11,199

Proposed funding	Reserves	Borrowing	Better Care Fund	Total
	£'000	£'000	£'000	£'000
<i>Riverside Park</i>	275	-	-	275
<i>Promenade Park</i>	2,888			2,888
<i>Other Parks and Open Spaces</i>	360	-	-	360
<i>Playsites</i>	-	1,400	-	1,400
All Parks and opens spaces	3,523	1,400	-	4,923
Leisure centres and Sports pitches	757	3,200	-	3,957
Housing	-	-	1,078	1,078
Car Parking	390	-	-	390
Community Centres	237	-	-	237
Sports	225	-	-	225
Grant funded projects	-	-	-	-
UKSPF	-	-	-	-
REPF	-	-	-	-
Cemeteries	125	-	-	125
I.T	141	-	-	141
Vehicle & Plant Replacement	65	-	-	65
Public Conveniences	58	-	-	58
Princes Road				-
Total	5,521	4,600	1,078	11,199

5. Capital Financing and Borrowing

- 5.1 The Capital Financing Requirement (CFR) as set out at Table 2 below, is the difference between the approved capital programme and the available sources of funding. Any shortfall indicates that borrowing may be required – so, the 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 reserves, capital receipts, grants or charges to revenue.

Table 2: Capital Financing Requirement

	<u>2024/25</u> <u>Forecast</u>	<u>2025/26</u> <u>Forecast</u>	<u>2026/27</u> <u>Budget</u>	<u>2027/28</u> <u>Budget</u>
Opening CFR	44	4,714	7,897	4,752
Capital Expenditure	8,861	5,212	1,836	586
Minimal Revenue Provision (MRP)	-12	-496	-642	-678
Government & Other Grants (Better Care Fund (BCF) / Disabled Facility Grants (DFG))	-3,512	-539	-539	-539
Capital Receipts	-667	-994	0	0
Reserves			-3,800	-1,721
Closing CFR	4,714	7,897	4,752	2,400

- 5.2 Debt provides a temporary source of finance which must eventually be repaid – although this can be done over 20 years or more. To ensure debt repayment is affordable, the Council must approve a ‘Minimum Revenue Provision’ statement. This is the minimum amount due to be set aside each year to ensure that the debt is repaid overall. The Council’s full Minimum Revenue Provision statement is shown at Appendix 4.
- 5.3 At any point in time, around 35-40 (10%) councils have no borrowings. Conversely 340-360 councils do have borrowings (90%). Research has not identified any correlation of borrowing and markers of financial distress (for example, Exceptional Financial Support) – or, many councils use borrowing very effectively to fund capital investment without it impacting on the effectiveness of their financial management.

6. Asset disposals

When a capital asset is no longer needed for operational purposes it becomes surplus. It may then be sold so that the proceeds, capital receipts, can be spent on new assets or to repay debt, or to fund service transformation projects. The council does not currently have any surplus assets held for disposal.

7. Treasury Management

- 7.1 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 funds are invested until required, while a shortage of funds will be met by short term borrowing. The Council is typically cash rich in the short-term as revenue income (principally council tax) is received before it is spent.
- 7.2 The Council currently has £0m (nil) external borrowing and around £20m treasury investments at an average rate of 4.1% (although both the cash amount and the interest rate vary).

8. Borrowing strategy

- 8.1 The Council does not currently have any external borrowing but is utilising internal borrowing (i.e. temporary, as opposed to permanent, use of reserves). It is likely to become necessary to externalise borrowing in the medium term in order to maintain cash balances at a suitable level.

9. Borrowing limits

- 9.1 The Council is legally obliged to set an authorised borrowing limit each year and to review this annually. This is an upper limit for any borrowing, based on

its affordability. A lower “operational boundary” is also set based on a guideline level of planned use. It is proposed that these limits are left unchanged from previous years as set out in Table 3 below.

Table 3: Prudential Indicators: Authorised limit and operational boundary for external debt

	2025 / 26 limit £000	2026 / 27 limit £000	2027 / 28 limit £000
Authorised limit	16,500	16,500	16,500
Operational boundary	12,000	12,000	12,000

10. Treasury investment strategy

- 10.1 Should the Council receive income before it is needed to be spent, a surplus will temporarily exist in its cash flows. If this surplus is expected last for a short period of time, investments can be made. Investments are made on the criteria of security, then liquidity, then yield. That is to say, the primary concern is that the invested sum will be completely returned; the next highest consideration is whether investment is reasonable, given likely cash requirements. The yield (or investment income arising) is only considered once the previous considerations have been made. Councils should not invest primarily for an economic return.
- 10.2 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 4: Treasury Management Investments (£000s)

	31.3.2028 Budget	31.3.2029 Budget
Near-Term Investments	0	0
Longer-Term Investments	5,000	5,000
TOTAL	5,000	5,000

11. Governance of Treasury Management

- 11.1 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer, who must act in line with the treasury management strategy approved by Council. Half yearly reports on treasury management activity are presented to Overview and Scrutiny Committee. The audit committee is responsible for scrutinising treasury management decisions.

12. Investments for Service Purposes

- 12.1 The Council does not make investments to assist local public services.

13. Commercial Activities

- 13.1 The Council currently does not have any significant commercial activities for investment returns aside from a small number of property holdings (industrial units).

14. Liabilities

- 14.1 The Council has made payments to cover previous pension fund deficits. As a result of these and of strong fund performance, the council pension liabilities have now been removed.

15. Revenue Budget Implications

- 15.1 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.

16. Sustainability

- 16.1 The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable within available resources.

17. Knowledge and Skills

- 17.1 The Council routinely seeks advice on treasury management from Link Group LLP. Link provide extensive advice across the local government sector. The Council also liaises with the Valuation Office as property value advisors. Council finance staff are responsible for understanding the interaction of

different aspects of council finance and the responsibilities of the council in respect of treasury management. Link provide detailed technical advice on emerging opportunities and risks based on their close involvement with the finance sector.

18. CAPITAL BIDS SUMMARY

	<u>Capital bid (£)</u>
Playsites	660,000
Play site Equipment – various sites	660,000
<u>Promenade Park</u>	<u>736,000</u>
Multi-Use Games Area (MUGA), (previously described as the tennis courts)	275,000
Promenade Park Car Parks Infrastructure	300,000
Promenade Park Roads Resurfacing Infrastructure	140,000
Maldon Bowls / Maldon Saints drain defect (Capital)	21,000
<u>Public Conveniences</u>	<u>338,000</u>
Toilet Refurbishments	280,000
Toilets - Installation of Solar Panels	58,000
<u>Leisure Centres</u>	<u>322,000</u>
Blackwater Leisure Centre - Air Handling unit	47,000
Blackwater Leisure Centre - Replacement distribution panel	175,000
Dengie 100 - Building work for changing facilities	60,000
Dengie 100 - Replacement flat roof, soffits, facias	40,000
<u>Sports</u>	<u>225,000</u>
Replacement Surface Plume school astro pitch	150,000
Replacement Surface St Peters Burnham-on-Crouch school astro pitch	75,000
<u>Other parks and open spaces</u>	<u>220,000</u>
Road repairs Burnham-on-Crouch	220,000
<u>Park Vehicles</u>	<u>65,000</u>
New 4x4 truck for Parks	40,000
Ventrac Tough Deck (Mower attachment)	15,000
Purchase of MEWP (Cherry Picker)	10,000
<u>Community Centres (CC)</u>	<u>55,000</u>
Brickhouse Farm CC - flooring/electrics	55,000
<u>Car Parks</u>	<u>30,000</u>
Car Park signage	30,000
<u>Cemeteries</u>	<u>20,000</u>
Cemeteries Maldon Cemetery - bronze Memorial Tree	20,000
<u>Total</u>	<u>2,671,000</u>

Proposed Capital Programme	Original Budget	Original Budget (Agreed Feb 25)	Revised Budget	Forecast Spend	Original Budget	Original Budget	Original Budget	proposed Capital Programme						Proposed funding
	2025/26	2025/26	2025/26	2025/26	2026/27	2027/28	2028/29	2026-29	existing	new	Reserves	Borrowing	Better Care Fund	2026-29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Information & Communication Technology		47	47	47	47	47	47	141	141	-	141	-	-	141
PC and Printer Replacement Programme	47	47	47	47	47	47	47	141	141		141			141
Vehicle & Plant Replacement		163	184	181	65	-	-	65	-	65	65	-	-	65
Community Engagement vehicle	18	18	36	36					-					-
Maintenance Team Vehicle	35	35	38	35					-					-
Ride on Mower	35	35	35	35					-					-
Parks Vehicle Transit	35	35	35	35					-					-
Tractor Side-Arm Flail	40	40	40	40					-					-
4 x 4 Truck					40			40		40	40			40
Ventrac tough deck fail for longer grass					15			15		15	15			15
Cherry picker					10			10		10	10			10
Maldon Promenade Park		100	899	904	1,958	930	-	2,888	2,012	876	2,888	-	-	2,888
Amphitheatre rebuild works			79	79										-
Secret Garden - Landscaping & Renovation	0		93	93										-
New accessible play site (Sensory) (S106)	100	100	100	105										-
Skate Park Prom park	0		617	617										-
Splash park elements	0		10	10										-
Car park resurfacing					300			300		300	300			300
Tennis court (Multi-Use Games Area, MUGA) resurfacing					275			275		275	275			275
Replacement of modular toilets					280			280		280	280			280
Maldon Saints/Bowls club drainage work					21			21		21	21			21
Lake seating area covers (Promenade Park Management Plan - PPMP)					254			254	254		254			254
Litter bins PPMP					45			45	45		45			45
Kiosk refurbishment PPMP					270			270	270		270			270
Celebration pathway PPMP					110			110	110		110			110
Maldon Museum Initiative centre					48			48	48		48			48
Outdoor Gym PPMP					160			160	160		160			160
Nature Trail PPMP					175			175	175		175			175
Biodiversity					20			20	20		20			20
Bath wall and pathway resurfacing and strengthening						480		480	480		480			480
Service road and kiosk pathway						138		138	138		138			138
Beach hut replacements						92		92	92		92			92
Multi-Use Games Area (MUGA) New roof						220		220	220		220			220
Riverside Park		-	193	193	-	275	-	275	275	-	275	-	-	275
Riverside Park - skate park and equipment	0		193	193										-
BMX Track – Renovation						110		110	110		110			110
Field pathways resurfacing						40		40	40		40			40
Outdoor fitness equipment						125		125	125		125			125

Proposed Capital Programme	Original Budget	Original Budget (Agreed Feb 25)	Revised Budget	Forecast Spend	Original Budget	Original Budget	Original Budget	proposed Capital Programme						Proposed funding
	2025/26	2025/26	2025/26	2025/26	2026/27	2027/28	2028/29	2026-29	existing	new	Reserves	Borrowing	Better Care Fund	2026-29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Public Conveniences		-	-	-	58	-	-	58	-	58	58	-	-	58
Installation of solar panels to Public conveniences					58			58		58	58			58
Community Centres		-	26	25	55	182	-	237	182	55	237	-	-	237
Scout Hut Brickhouse Farm Works	0		26	25										-
Brickhouse Farm - Replacement windows/doors, electrical works					55			55		55	55			55
Brickhouse farm car pak resurfcaing						77		77	77		77			77
WMCC Car park resurfacing						105		105	105		105			105
Playsites		265	305	309	660	740	-	1,400	-	1,400	1,400	-	-	1,400
Fencing and Bollards - Parks (prom & riverside)	20	20	20	20										-
New Playsite Equipment - West Maldon Cllr Shaunagssey	125	125	139	143										-
Playsite Surfacing - Oaktree Meadow	60	60	115	114										-
Play Site Fencing	60	60	31	32										-
Playsite regeneration district wide					660	740		1,400		1,400	1,400			1,400
Other Parks and Open Spaces		98	245	245	360	-	-	360	140	220	360	-	-	360
MDC Roads Resurfacing (Prom Park)	98	98	180	180	140			140	140		140			140
Road repairs station road junction to skate park (Riverside Park)					220			220		220	220			220
Longfields Pathway Resurfacing Works	0		65	65										-
Rivers				13										-
Demolition of Hythe Quay Classroom	0	-	-	13										-
														-
Leisure centres		4,000	3,966	2,620	3,522	435	-	3,957	3,635	322	757	3,200	-	3,957
New Leisure Centre Facilities (Blackwater Leisure Centre, per contract)	4,000	4,000	3,946	2,600	3,200			3,200	3,200			3,200		3,200
Roof safety system (Blackwater Leisure Centre landlord responsibility)			20	20				-		-				-
New distribution panel (Blackwater Leisure Centre landlord responsibility)					175			175		175	175			175
Dengie100 changing room upgrade					60			60		60	60			60
New Air handling unit (Blackwater Leisure Centre landlord responsibility)					47			47		47	47			47
Dengie 100 flat roof replacement, guttering fascia's					40			40		40	40			40
BWLC and Dengie 100 car park resurfacing						435		435	435		435			435
Princes Road		-	270	270										-
Fire system and Door access system			160	160										-
Princes Road replacement doors and windows			110	110										-
														-
Car Parking		-	250	250	30	360	-	390	360	30	390	-	-	390
White Horse Lane Resurfacing	0		112	112										-
Butt Lane Subsidence	0		138	138										-
Car parking signage - prom park/town centre					30			30		30	30			30
Butt Lane resurfacing						360		360	360		360			360

Proposed Capital Programme	Original Budget	Original Budget (Agreed Feb 25)	Revised Budget	Forecast Spend	Original Budget	Original Budget	Original Budget	proposed Capital Programme						Proposed funding
	2025/26	2025/26	2025/26	2025/26	2026/27	2027/28	2028/29	2026-29	existing	new	Reserves	Borrowing	Better Care Fund	2026-29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Waste</u>				5										-
Food Waste Bins - government funded	0	-	-	5										-
														-
<u>Sports</u>		-	-	-	225	-	-	225	-	225	225	-	-	225
Replacement surface Plume school astro pitch					150			150		150	150			150
Replacement surface Ormiston Academy astro pitch					75			75		75	75			75
<u>Cemeteries</u>		-	-	-	20	105	-	125	105	20	125	-	-	125
Maldon cemetery memorial tree					20			20		20	20			20
Burnham Cemetery entrance /exit road resurfacing						105		105	105		105			105
<u>Housing</u>		539	539	539	539	539	-	1,078	1,078	-	-	-	1,078	1,078
Disabled Facility Grants	539	539	539	539	539	539		1,078	1,078				1,078	1,078
										-				
<u>UK Shared Prosperity Fund</u>			20	20										-
99 Wood road Community Supermarket location	0		20	20										-
														-
<u>Rural England Propserity Fund</u>			36	36										-
REPF concession infrastructure Riverside Park	0		18	18										-
HER space burnham on crouch			18	18										-
<u>Total Capital Programme</u>		5,212	6,980	5,656	7,539	3,613	47	11,199	7,928	3,271	6,921	3,200	1,078	11,199

Capital programme summary	Original Budget 2025/26	Original Budget 2025/25	Revised Budget 2025/26	Forecast Spend 2025/26	Original Budget (Proposed) 2026/27	Original Budget (Proposed) 2027/28	Original Budget (Proposed) 2028/29	Capital programme (Proposed) 2026-29	existing	new	Reserves	Borrowing	Better Care Fund	proposed funding
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Maldon Promenade	100	100	899	904	1,958	930	-	2,888	2,012	876	2,888	-	-	2,888
Riverside Park	-	-	193	193	-	275	-	275	275	-	275	-	-	275
Other Parks and Open Spaces	98	98	245	245	360	-	-	360	140	220	360	-	-	360
Playsites	265	265	305	309	660	740	-	1,400	-	1,400	1,400	-	-	1,400
All Parks and opens spaces		463	1,642	1,651	2,978	1,945	-	4,923	2,427	2,496	4,923	-	-	4,923
Leisure centres and Sports pitches	4,000	4,000	3,966	2,620	3,522	435	-	3,957	3,635	322	757	3,200	-	3,957
Housing	539	539	539	539	539	539	-	1,078	1,078	-	-	-	1,078	1,078
Car Parking	-	-	250	250	30	360	-	390	360	30	390	-	-	390
Community Centres	-	-	26	25	55	182	-	237	182	55	237	-	-	237
Sports	-	-	-	-	225	-	-	225	-	225	225	-	-	225
Cemeteries	-	-	-	-	20	105	-	125	105	20	125	-	-	125
I.T	47	47	47	47	47	47	47	141	141	-	141	-	-	141
Vehicle & Plant Replacement	163	163	184	181	65	-	-	65	-	65	65	-	-	65
Rivers				13										
Waste				5										
Public Conveniences	-	-	-	-	58	-	-	58	-	58	58	-	-	58
Princes Road		-	270	270										
Grant funded projects		-	56	56										
Total	210	5,212	6,980	5,656	7,539	3,613	47	11,199	7,928	3,271	6,921	3,200	1,078	11,199

This page is intentionally left blank

Annual Minimum Revenue Provision Statement 2026/27

1. Introduction:

- 1.1 The guidance on Minimum Revenue Provision (MRP) is held in statute in the Capital finance: guidance on minimum revenue provision (5th edition) and the Guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. Local authorities are required to “have regard” to this guidance.
- 1.2 Local authorities must set aside funds annually to repay debt from capital expenditure, ensuring they do not take on more debt than they can afford. The amount of MRP is based on the Capital Financing Requirement (CFR), which represents the total amount of capital expenditure that has not yet been financed through revenue or other resources. Essentially, the CFR reflects the authority’s underlying need to borrow for capital purposes. It increases with new capital expenditure and decreases as debt is repaid or financed through other means.
- 1.3 Failure to charge MRP prudently can lead to financial risks, including the inability to repay debt, passing liabilities to future taxpayers, and encouraging unsustainable debt levels. The duty to charge MRP is crucial for maintaining the affordability of capital expenditure.
- 1.4 Regulation 27 of the guidance requires local authorities to charge MRP to their revenue account each year for all capital expenditure financed by debt. Regulation 28, introduced in 2008, allows flexibility in calculating MRP, provided the amount is prudent and in line with guidance.

2. MRP Methodologies Implemented:

- 2.1 The Department for Levelling Up, Housing and Communities (DLUHC) Guidance requires the Authority to approve an Annual MRP Statement each year and sets out several options for calculating a prudent amount of MRP. The Council has decided to adopt the following methods:
 - (a) **Asset Life Equal Instalment Method:** For capital expenditure on assets, MRP will be calculated using the asset life equal instalment method. This method spreads the cost of the asset evenly over its useful life.
 - (b) **Annuity Method:** For capital loans, MRP will be calculated using the annuity method. This method spreads the cost of the asset over its useful life in a way that reflects the time value of money, using the PWLB interest rate at the time the loan is agreed.

3. Changes to Policy or Methodologies from the Prior Year

3.1 Summary of Changes

This policy was amended last year (2025/26) to adopt the annuity method for calculating MRP for capital loans.

3.2 Rationale

Due to the recent investment in the Leisure Contract and the proposed PWLB loan to finance this investment over 20 years, the annuity method is preferred for calculating MRP over longer periods of time.

3.3 Financial Impact

The annuity method results in lower MRP charges in the early years and higher charges in later years, which can help manage cash flow more effectively. This approach considers the time value of money and ensures a more equitable impact on local taxpayers compared to the Equal Instalment Method.

4. Compliance with Statutory Requirements and Guidance

4.1 Statutory Requirements

The Authority has considered the requirements set out in statute and the DLUHC Guidance to ensure it is meeting its duty to make prudent provision.

4.2 Description of Departures

There are no departures from the statutory guidance in the current policy.

5. Voluntary Overpayment of MRP

There are no overpayments planned at this time, but should approval be given, overpayments may be applied in future to reduce debt.

6. MRP Forecast

Based on the Authority's latest estimate of its Capital Financing Requirement (CFR), the budget for MRP has been set as follows:

Table 1: Minimum Revenue Provision Forecast 2025/26 – 2027/28

Minimum Revenue Provision Forecast				
Actual	Actual	Forecast	Budget	Budget
2023/24	2024/25	2025/26	2026/27	2027/28
£'000	£'000	£'000	£'000	£'000
226	14	496	642	678

Treasury Management Strategy 2026/27

Maldon District Council

1. Introduction

- 1.1 The Authority operates a balanced revenue budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 1.2 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 the Authority can meet its capital spending operations. This management of longer-term cash may involve arranging long or shortterm loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Authority risk or cost objectives.
- 1.3 Accordingly, treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, 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."
- 1.4 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.

2. UK Context

- 2.1 The third quarter of 2025/26 saw:
 - 2.1.1 A -0.1% m/m change in real GDP (Gross Domestic Product) in October, leaving the economy no bigger than at the start of April.
 - 2.1.2 The 3myy rate of average earnings growth excluding bonuses fall to 4.6% in October, having been as high as 5.5% earlier in the financial year.
 - 2.1.3 CPI (Consumer Price Index) inflation falls sharply from 3.6% to 3.2% in November, with core CPI inflation easing to 3.2%.
 - 2.1.3 The Bank of England cut interest rates from 4.00% to 3.75% in December, after holding in November.
 - 2.1.5 The 10-year gilt yield fluctuate between 4.4% and 4.7%, ending the quarter at 4.5%.

- 2.2 From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern (0.1% q/q). October's disappointing -0.1% m/m change in real GDP suggests that growth slowed to around 1.4% in 2025 as a whole.
- 2.3 Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK rose from 51.2 in November to 52.1 in December, suggesting the economy may be benefiting somewhat from pre-Budget uncertainty fading. This may also reflect a diminishing drag from weak overseas demand. While the services PMI rose from 51.3 to 52.1, the improvement in the manufacturing output balance from 50.3 to 51.8 was larger. Indeed, the manufacturing sector has been more exposed to the recent weakness of external demand and has lagged the services sector since the end of last year.
- 2.4 Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. Nonetheless, the 0.1% m/m fall in retail sales volumes in November built on the 0.9% m/m drop in October, suggesting the longer-lasting effects of weak employment and slowing wage growth are impacting. Moreover, the decline in the GfK measure of consumer confidence from -17 in October to -19 in November suggests that consumers are not that optimistic at present.
- 2.5 Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the Office for Budget Responsibility (OBR). For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- 2.6 Following the 26 November Budget, the OBR calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- 2.7 Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs (National Insurance Contributions) on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.

- 2.7 After the Budget, public net sector borrowing of £11.7bn in November was comfortably below last November's figure of £13.6bn and was the lowest November borrowing figure since 2021, mainly due to tax receipts being £5.4bn higher, largely because of the hike in employer NICs in April 2025. Cumulative borrowing in the first eight months of 2025/26 was still £10bn above last year's total. However, lower inflation and a disposal of assets ahead of the Budget should mean borrowing in 2025/26 comes in below last year's total.
- 2.8 The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE (Pay As You Earn) measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, the 38,000 fall in payroll employment in November was the tenth monthly decline in the past 13 months, causing the annual growth rate to slow further, from -0.5% to -0.6%. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022) but the less reliable Labour Force Survey data showed that employment fell by 16,000 in the three months to October, with the unemployment rate rising further, from 5.0% to 5.1%. All this suggests the labour market continues to loosen, albeit at a slow pace.
- 2.9 A looser labour market is driving softer wage pressures. The 3myy growth rate of average earnings including bonuses eased from 4.9% in September to 4.7% in October. And excluding bonuses, the 3myy rate slowed from 4.7% to 4.6%. Regular private sector pay growth continued to slow from 4.2% to 3.9%. That left it broadly on track to meet the Bank's end of December prediction of 3.5%.
- 2.10 CPI inflation fell sharply in November, easing from 3.6% in October to 3.2%. This was the third consecutive softer-than-expected inflation outturn and suggests that disinflation is well underway. There was a widespread easing in price pressures with inflation slowing in 10 of the 12 main categories. Core inflation fell from 3.4% to 3.2% and services inflation dipped from 4.5% to 4.4%. However, a great deal will depend on the adjustments to regulated and indexed prices scheduled for next April. Capital Economics forecast CPI inflation to drop from 3.2% in March to 2.0% in April, thereby leaving inflation on track to settle at the 2.0% target, or below, by the end of 2026.
- 2.11 An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to a high of c4.8%, before ending June at 4.50%.
- 2.12 More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late

September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although, subsequently, gilt yields fell back after the Budget, supported by a tighter fiscal plan, fewer tax hikes required following a smaller-than-expected downgrade to the OBR's fiscal forecast, and a favourable shift in bond issuance away from long-dated debt. Gilt yields hovered around 4.5% at the end of the quarter.

- 2.13 The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further significant jump in value. The stock market hit new record highs above 9,900 in Mid-November, driven by a global rebound on hopes of a US government-shutdown resolution, expectations of a December rate-cut, and strong corporate earnings. Despite some jitters around Budget time, the FTSE 100 closed Q4 at 9,931, 5% higher than at the end of September and 22% higher since the start of 2025.

3. Local Context

- 3.1 As of 31 December 2025, the Council held no borrowing and £17m 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.
- 3.2 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.
- 3.3 The Council is currently not forecasting any need for external borrowing. Investments are forecast to fall to £14m by 31 March 2026 after the internal borrowing requirement and as capital receipts are used to finance capital expenditure budget.

Table 1: Expected Investments

Year End Resources	2025/26	2026/27
£m	Estimate	Estimate
Usable reserves	-9,459	-9,306
Capital receipts Reserves	-614	-442
Provisions	-100	-100
Other	-9,727	-8,927

Total core funds	-19,900	-18,775
Working capital*	2,600	2,600
CFR	8,185	8,543
Expected investments	-9,115	-7,632

4. Borrowing Strategy

- 4.1 The Council does not currently have any external borrowing however its capital expenditure plans include expenditure of £5,713k on leisure facilities between 2026/27 and 2027/28 as part of the new Leisure contract. This is planned to be financed through internal borrowing (with a move to external borrowing if needed) and will be repaid over the 20-year Leisure contract.
- 4.2 In addition, the Council may borrow short-term loans, if required, to cover unplanned cash flow shortages.
- 4.3 **Sources of External Borrowing:** The approved sources of long-term and short-term borrowing are:
- 4.3.1 HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - 4.3.2 any institution approved for investments (see below)
 - 4.3.3 any other bank or building society authorised to operate in the UK
 - 4.3.4 any other UK public sector body
 - 4.3.5 UK public and private sector pension funds (except our Local Government Pension Fund)
 - 4.3.6 capital market bond investors
 - 4.3.7 UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 4.4 **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:
- 4.4.1 leasing
 - 4.4.2 hire purchase (this is currently being utilised to acquire 2 tractors)
 - 4.4.3 sale and leaseback
- 4.5 **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.

- 4.6 **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.
5. **Treasury Investment Strategy 2026/27**
- 5.1 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 £19m and £27 million. Levels are expected to decrease in the forthcoming year as internal borrowing is utilised and reserves are used to fund planned capital and revenue expenditure.
- 5.2 **Objectives:** The CIPFA (Chartered Institute of Public Finance and Accountancy) 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.
- 5.3 **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.
- 5.4 **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.
- 5.5 **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.
- 5.6 **Business models:** Under the new IFRS (International Finance Reporting Standards) 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.
- 5.7 **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	2025-26 Counterparty limit	2026-27 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:

- 5.8 **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 [AA]. 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.

- 5.9 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.
- 5.10 **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.
- 5.11 **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.
- 5.12 **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.
- 5.13 **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.
- 5.14 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.
- 5.15 **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.

- 5.16 **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.
- 5.17 **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:
- 5.17.1 no new investments will be made;
 - 5.17.2 any existing investments that can be recalled or sold at no cost will be; and
 - 5.17.3 full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.18 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 longterm direction of travel rather than an imminent change of rating.
- 5.19 **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.
- 5.20 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.
- 5.21 **Investment limits:** 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

- 5.22 **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.
- 5.23 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.

6. Treasury Management Prudential Indicators

- 6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 6.2 **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.
- 6.3 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	3.4

- 6.4 **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	£26,000

- 6.5 **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	£222,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-£222,000

- 6.6 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.
- 6.7 **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%

- 6.8 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.
- 6.9 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.

- 6.10 **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	2025/26 £000	2026/27 £000	2027/28 £000
Limit on principal invested beyond year end	£7,500	£7,500	£7,500
Current long term investments	£5,000	£5,000	£5,000

- 6.11 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.

7. 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.

7.1 Financial Implications of the Council's Treasury Management Strategy 2026/27

The budget for investment income in 2025-26 is £664,000, based on an average investment portfolio at an average interest rate. The budget for debt interest paid in 2025/26 is currently zero as there no plan for any external borrowing requirement. The estimate for interest lost due to internal borrowing in 2024/25 is £220,000. If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget may change.

7.2 Other Options Considered

7.3 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

7.4 Prospects for Interest Rates

The Authority has appointed MUFG Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG provided the following forecasts in December 2025.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

7.5 Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of or forecasts, but the risk to our forecasts are generally to the upsides. Our Target borrowing rates are set **two years forward** (as MUFG expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB borrowing	Current borrowing rates as at 22.12.25 p.m. %	Target borrowing rate now (end of Q4 2027) %	Target borrowing rate previous (end of Q4 2027) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70
25 years	6.01	5.30	5.30
50 years	5.78	5.10	5.10

7.6 **Borrowing advice:** MUFGs long-term (beyond 10 years) forecast for Bank Rate remains at 3.5%. As all PWLB certainty rates are still 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 (<5 years PWLB maturity/>10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

7.7 MUFGs 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 %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

7.8 We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

7.9 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.

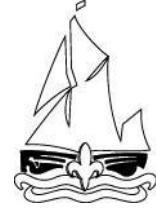
Appendix A – Existing Investment and Debt Portfolio Position

	31 Dec 2025 Actual Portfolio £m	31 Dec 2025 Average Rate %
Total external borrowing	0	n/a
Total gross external debt	0	n/a
Treasury investments:		
UK Banks	2	3.6
Building societies (unsecured)	2	4.2
Certificate Deposit	0	0.0
Money Market Funds	5	6.6
Local Authorities	0	0.0 0
Other Financial Intermediaries	0	4.0
Debt management office *	10	
Total treasury investments **	20	3.5

* Balances invested during the year but £0 as at 31 December 2025

** Excludes £5m of Long Term Pooled Fund investments-

This page is intentionally left blank



REPORT of DIRECTOR OF FINANCE

to
COUNCIL
12 FEBRUARY 2026

COUNCIL TAX 2026 / 27

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 2026 / 27 is set at £6,521,662;
- (ii) that the Maldon District Council's Band D Council Tax (excluding Parish precepts) is set at £238.95, reflecting an increase of £6.94 (2.99%), 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 formal 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 2026 / 27 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 2026 / 27 expressed as Band D equivalent properties is 27,293.0 and was agreed by the Council on 11 December 2025.

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 2026 / 27 by the greater of:

- (a) 3%, or more, greater than its relevant basic amount of council tax for 2026 / 27; and
- (b) more than £5 greater than its relevant basic amount of council tax for 2026 / 27.

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 2.99%, 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
£4.63	£5.40	£6.17	£6.94	£8.48	£10.02	£11.57	£13.88

3.6 Essex County Council is proposing a budget and precept increase of 3.95%. This is subject to agreement in February 2026. The Police and Crime Commissioner for Essex and Essex County Fire and Rescue Service have proposed budget increases of 5.74% and 5.65% respectively. These are also subject to their formal approval process in February 2026.

3.7 Maldon District Council's Council Tax Requirement 2026 / 27

3.7.1 The Council Tax Requirement as calculated and recommended is £6,521,662.

	2025 / 26	2026 / 27
	£	£
Maldon District Council Net Budget Requirement	13,080,489	13,899,200
Income		
Interest on Investment	(664,000)	(800,000)
New Homes Bonus	(587,000)	NA
Other Grants	(1,970,000)	(998,700)
Transfer (from) / to Reserves	(192,000)	NA
Business Rates	(3,337,000)	NA
Collection Fund Net Deficit/(Surplus)	(100,000)	NA
Savings and reserves applied	NA	(878,838)
Fair Funding Allocation	NA	(4,700,000)
Maldon District Council Tax Requirement	6,230,489	6,521,662

- 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	2025/26	2026/27	Change
	£	£	%
Essex County Council	42,418,941.70	44,814,014.28	5.65%
Essex Fire Authority	2,351,639.81	2,525,148.36	7.38%
Office of the Police and Crime Commissioner for Essex	6,992,080.13	7,514,035.83	7.46%
Maldon District Council	6,230,489.34	6,521,662.35	4.67%
Parish Council's (Aggregate)	1,968,055.79	2,173,256.65	10.43%
Total	59,961,206.77	63,548,117.47	5.98%

- 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	2025/26	2026/27	Change
	£	£	%
Essex County Council	1,579.59	1,641.96	3.95%
Essex Fire Authority	87.57	92.52	5.65%
Office of the Police and Crime Commissioner for Essex	260.37	275.31	5.74%
Maldon District Council	232.01	238.95	2.99%
Total	2,159.54	2,248.74	4.13%

- 3.7.5 The 2026 / 27 average Parish Band D Council Tax increase equates to £79.63 and gives an overall Band D average charge of £2,328.37 compared to the current year Band D average charge of £2,232.83.
- 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 2026 / 27 financial year, as set out in this report.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 This report discharges the Council's statutory function as a Council Tax billing authority, which is a cornerstone in its priority to support our communities and invest in our District.

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 2026.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk (including Fraud implications)** – Significant legal and statutory default risk if the Council fails to set the Council Tax for its area for 2026 / 27.
- (iv) **Impact on Resources (financial)** – Significant financial and statutory default risk if the Council fails to set the Council Tax for its area for 2026 / 27.
- (v) **Impact on Resources (human)** – None arising from this report.
- (vi) **Impact on Devolution / Local Government Reorganisation** – This budget falls outside the planned implementation of Local Government Reorganisation (due to commence from 1 April 2028).

Background Papers: Council Tax Base Report to the Council, 11 December 2025.

Enquiries to: Ben Jay, Director of Finance (S151).

COUNCIL TAX 2026 / 27 RESOLUTION

The Council is recommended to resolve as follows:

1. That it be noted that at its meeting on 11 December 2025 the Council calculated its Council Tax Base for the year 2026 / 27:
 - (a) for the whole district as **27,293.0** 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	518.0
Asheldham	68.4
Bradwell-on-Sea	353.3
Burnham-on-Crouch	3,877.1
Cold Norton	510.2
Dengie	47.2
Goldhanger	302.8
Great Braxted	193.5
Great Totham	1,526.4
Hazeleigh	166.9
Heybridge	2,895.2
Heybridge Basin	278.6
Langford	89.4
Latchingdon	535.7
Little Braxted	82.1
Little Totham	191.6
Maldon	6,037.9
Mayland	1,497.2
Mundon	149.6
North Fambridge	545.7
Purleigh	593.0
Southminster	1,653.4
St. Lawrence	611.1
Steeple	193.6
Stow Maries	90.3
Tillingham	409.9
Tollesbury	1,049.2
Tolleshunt D'arcy	450.1
Tolleshunt Knights	441.8
Tolleshunt Major	275.1
Ulting	83.1
Wickham Bishops	1,020.9
Woodham Mortimer	265.0
Woodham Walter	289.8
Total Parishes	27,293.0

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2026/27 (excluding Parish precepts) is £6,521,662.35.
3. That the following amounts be calculated by the Council for the year 2026 / 27 in accordance with new Sections 31 to 36 of the Act as amended:
 - (a) £34,095,400 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) £25,400,481 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) £8,694,919 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) £318.58 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) £2,173,257 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) £238.95 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 2026 / 27

Town/Parish	Local Precept	Town/Parish Band D	District + Town/Parish Band D
Althorne	29,344.00	56.65	295.60
Asheldham	4,402.81	64.37	303.32
Bradwell-on-Sea	28,843.00	81.64	320.59
Burnham-on-Crouch	274,147.50	70.71	309.66
Cold Norton	49,499.00	97.02	335.97
Dengie	3,038.19	64.37	303.32
Goldhanger	12,750.00	42.11	281.06

Town/Parish	Local Precept	Town/Parish Band D	District + Town/Parish Band D
Great Braxted	17,417.00	90.01	328.96
Great Totham	51,660.00	33.84	272.79
Hazeleigh	3,089.91	18.51	257.46
Heybridge	320,000.00	110.53	349.48
Heybridge Basin	29,000.00	104.09	343.04
Langford	9,539.00	106.70	345.65
Latchingdon	44,265.00	82.63	321.58
Little Braxted	5,335.00	65.06	304.01
Little Totham	9,983.00	52.10	291.05
Maldon	526,640.35	87.22	326.17
Mayland	107,428.00	71.75	310.70
Mundon	9,600.00	64.17	303.12
North Fambridge	34,630.70	63.46	302.41
Purleigh	53,500.00	90.22	329.17
Southminster	179,127.30	108.34	347.29
St. Lawrence	36,962.00	60.48	299.43
Steeple	14,848.00	76.69	315.64
Stow Maries	8,417.00	93.21	332.16
Tillingham	40,000.00	97.58	336.53
Tollesbury	132,665.80	126.44	365.39
Tolleshunt D'arcy	26,890.00	59.74	298.69
Tolleshunt Knights	23,000.00	52.06	291.01
Tolleshunt Major	14,000.00	50.89	289.84
Ulting	7,231.00	87.02	325.97
Wickham Bishops	26,200.00	25.66	264.61
Woodham Mortimer	4,906.09	18.51	257.46
Woodham Walter	34,897.00	120.42	359.37

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.

APPENDIX A

(h) Calculation of Basic Amounts of Council Tax by Parish for Different Valuation Bands

District & Parish Town	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Althorne	197.07	229.91	262.76	295.60	361.29	426.98	492.67	591.20
Asheldham	202.21	235.92	269.62	303.32	370.72	438.13	505.53	606.64
Bradwell-on-Sea	213.73	249.35	284.97	320.59	391.83	463.07	534.32	641.18
Burnham-on-Crouch	206.44	240.85	275.25	309.66	378.47	447.29	516.10	619.32
Cold Norton	223.98	261.31	298.64	335.97	410.63	485.29	559.95	671.94
Dengie	202.21	235.92	269.62	303.32	370.72	438.13	505.53	606.64
Goldhanger	187.37	218.60	249.83	281.06	343.52	405.98	468.43	562.12
Great Braxted	219.31	255.86	292.41	328.96	402.06	475.16	548.27	657.92
Great Totham	181.86	212.17	242.48	272.79	333.41	394.03	454.65	545.58
Hazeleigh	171.64	200.25	228.85	257.46	314.67	371.89	429.10	514.92
Heybridge	232.99	271.82	310.65	349.48	427.14	504.80	582.47	698.96
Heybridge Basin	228.69	266.81	304.92	343.04	419.27	495.50	571.73	686.08
Langford	230.43	268.84	307.24	345.65	422.46	499.27	576.08	691.30
Latchingdon	214.39	250.12	285.85	321.58	393.04	464.50	535.97	643.16
Little Braxted	202.67	236.45	270.23	304.01	371.57	439.13	506.68	608.02
Little Totham	194.03	226.37	258.71	291.05	355.73	420.41	485.08	582.10
Maldon	217.45	253.69	289.93	326.17	398.65	471.13	543.62	652.34
Mayland	207.13	241.66	276.18	310.70	379.74	448.79	517.83	621.40
Mundon	202.08	235.76	269.44	303.12	370.48	437.84	505.20	606.24
North Fambridge	201.61	235.21	268.81	302.41	369.61	436.81	504.02	604.82
Purleigh	219.45	256.02	292.60	329.17	402.32	475.47	548.62	658.34
Southminster	231.53	270.11	308.70	347.29	424.47	501.64	578.82	694.58
St. Lawrence	199.62	232.89	266.16	299.43	365.97	432.51	499.05	598.86
Steeple	210.43	245.50	280.57	315.64	385.78	455.92	526.07	631.28
Stow Maries	221.44	258.35	295.25	332.16	405.97	479.79	553.60	664.32
Tillingham	224.35	261.75	299.14	336.53	411.31	486.10	560.88	673.06
Tollesbury	243.59	284.19	324.79	365.39	446.59	527.79	608.98	730.78
Tolleshunt D'arcy	199.13	232.31	265.50	298.69	365.07	431.44	497.82	597.38
Tolleshunt Knights	194.01	226.34	258.68	291.01	355.68	420.35	485.02	582.02
Tolleshunt Major	193.23	225.43	257.64	289.84	354.25	418.66	483.07	579.68
Ulting	217.31	253.53	289.75	325.97	398.41	470.85	543.28	651.94
Wickham Bishops	176.41	205.81	235.21	264.61	323.41	382.21	441.02	529.22
Woodham Mortimer	171.64	200.25	228.85	257.46	314.67	371.89	429.10	514.92
Woodham Walter	239.58	279.51	319.44	359.37	439.23	519.09	598.95	718.74

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 2026 / 27 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	£1,094.64	E	£2,006.84
	B	£1,277.08	F	£2,371.72
	C	£1,459.52	G	£2,736.60
	D	£1,641.96	H	£3,283.92
Essex PFCC F&RA Essex Police and Crime Commissioner	A	£183.54	E	£336.49
	B	£214.13	F	£397.67
	C	£244.72	G	£458.85
	D	£275.31	H	£550.62
Essex PFCC F&RA Essex Fire and Rescue Authority	A	£61.68	E	£113.08
	B	£71.96	F	£133.64
	C	£82.24	G	£154.20
	D	£92.52	H	£185.04

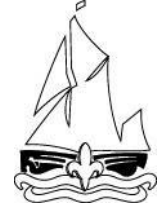
5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the year 2026 / 27 for each part of its 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 2026 / 27 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 2026 / 27 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
2026/27

Parish/Area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Althorne	1,536.93	1,793.08	2,049.24	2,305.39	2,817.70	3,330.01	3,842.32	4,610.78
Asheldham	1,542.07	1,799.09	2,056.10	2,313.11	2,827.13	3,341.16	3,855.18	4,626.22
Bradwell-on-Sea	1,553.59	1,812.52	2,071.45	2,330.38	2,848.24	3,366.10	3,883.97	4,660.76
Burnham-on-Crouch	1,546.30	1,804.02	2,061.73	2,319.45	2,834.88	3,350.32	3,865.75	4,638.90
Cold Norton	1,563.84	1,824.48	2,085.12	2,345.76	2,867.04	3,388.32	3,909.60	4,691.52
Dengie	1,542.07	1,799.09	2,056.10	2,313.11	2,827.13	3,341.16	3,855.18	4,626.22
Goldhanger	1,527.23	1,781.77	2,036.31	2,290.85	2,799.93	3,309.01	3,818.08	4,581.70
Great Braxted	1,559.17	1,819.03	2,078.89	2,338.75	2,858.47	3,378.19	3,897.92	4,677.50
Great Totham	1,521.72	1,775.34	2,028.96	2,282.58	2,789.82	3,297.06	3,804.30	4,565.16
Hazeleigh	1,511.50	1,763.42	2,015.33	2,267.25	2,771.08	3,274.92	3,778.75	4,534.50
Heybridge	1,572.85	1,834.99	2,097.13	2,359.27	2,883.55	3,407.83	3,932.12	4,718.54
Heybridge Basin	1,568.55	1,829.98	2,091.40	2,352.83	2,875.68	3,398.53	3,921.38	4,705.66
Langford	1,570.29	1,832.01	2,093.72	2,355.44	2,878.87	3,402.30	3,925.73	4,710.88
Latchingdon	1,554.25	1,813.29	2,072.33	2,331.37	2,849.45	3,367.53	3,885.62	4,662.74
Little Braxted	1,542.53	1,799.62	2,056.71	2,313.80	2,827.98	3,342.16	3,856.33	4,627.60
Little Totham	1,533.89	1,789.54	2,045.19	2,300.84	2,812.14	3,323.44	3,834.73	4,601.68
Maldon	1,557.31	1,816.86	2,076.41	2,335.96	2,855.06	3,374.16	3,893.27	4,671.92
Mayland	1,546.99	1,804.83	2,062.66	2,320.49	2,836.15	3,351.82	3,867.48	4,640.98
Mundon	1,541.94	1,798.93	2,055.92	2,312.91	2,826.89	3,340.87	3,854.85	4,625.82
North Fambridge	1,541.47	1,798.38	2,055.29	2,312.20	2,826.02	3,339.84	3,853.67	4,624.40
Purleigh	1,559.31	1,819.19	2,079.08	2,338.96	2,858.73	3,378.50	3,898.27	4,677.92
Southminster	1,571.39	1,833.28	2,095.18	2,357.08	2,880.88	3,404.67	3,928.47	4,714.16
St. Lawrence	1,539.48	1,796.06	2,052.64	2,309.22	2,822.38	3,335.54	3,848.70	4,618.44
Steeple	1,550.29	1,808.67	2,067.05	2,325.43	2,842.19	3,358.95	3,875.72	4,650.86
Stow Maries	1,561.30	1,821.52	2,081.73	2,341.95	2,862.38	3,382.82	3,903.25	4,683.90
Tillingham	1,564.21	1,824.92	2,085.62	2,346.32	2,867.72	3,389.13	3,910.53	4,692.64
Tollesbury	1,583.45	1,847.36	2,111.27	2,375.18	2,903.00	3,430.82	3,958.63	4,750.36
Tolleshunt D'arcy	1,538.99	1,795.48	2,051.98	2,308.48	2,821.48	3,334.47	3,847.47	4,616.96
Tolleshunt Knights	1,533.87	1,789.51	2,045.16	2,300.80	2,812.09	3,323.38	3,834.67	4,601.60
Tolleshunt Major	1,533.09	1,788.60	2,044.12	2,299.63	2,810.66	3,321.69	3,832.72	4,599.26
Ulting	1,557.17	1,816.70	2,076.23	2,335.76	2,854.82	3,373.88	3,892.93	4,671.52
Wickham Bishops	1,516.27	1,768.98	2,021.69	2,274.40	2,779.82	3,285.24	3,790.67	4,548.80
Woodham Mortimer	1,511.50	1,763.42	2,015.33	2,267.25	2,771.08	3,274.92	3,778.75	4,534.50
Woodham Walter	1,579.44	1,842.68	2,105.92	2,369.16	2,895.64	3,422.12	3,948.60	4,738.32



REPORT of CHIEF EXECUTIVE

to
COUNCIL
12 FEBRUARY 2026

NORTH ESSEX LOCAL GROWTH PRIORITIES

1. PURPOSE OF THE REPORT

- 1.1 To seek Member approval of the amended North Essex Councils, North Essex Local Growth Priorities document attached at **APPENDIX 1**.

2. RECOMMENDATIONS

- (i) That Members acknowledgement the amendments made to the document further to feedback;
- (ii) That the North Essex Local Growth Priorities (**APPENDIX 1**) be approved for the socio-economic benefit of the region and District.

3. SUMMARY OF KEY ISSUES

- 3.1 On 11 December, the Council considered the report of the Chief Executive seeking Members' approval of the North Essex Councils (NEC), North Essex Local Growth Priorities document (the document) attached at **APPENDIX 1**.
- 3.2 Members raised concerns regarding several key areas, which would require further dialogue and amendment before the document could be adopted by the Council.
- 3.3 A recommendation was approved that the North Essex Local Growth Priorities be deferred and sent back to NEC to consider inclusion of the items raised by this Council including, St. Peter's Hospital, tourism, specific transport and skills & training.
- 3.4 Further to the meeting, Officers arranged for the Director of the NEC to attend the Council's Group Leaders meeting on 16 January 2026.
- 3.5 During the meeting, the Director of NEC noted they are keen to take on board the feedback from Maldon and confirmed that he had also reviewed the concerns raised at the previous full Council meeting. He noted the collaborative nature of this work across the nine councils.
- 3.6 The Director of NEC reiterated that the ambition is to develop a unified North Essex position and stressed that although there will be no Mayor in place until 2028, the strategic planning must begin now and NEC want to ensure that the priorities are credible.

- 3.7 Attendees of the meeting requested clarity on some of the content of the proposed plan;
- Clarification was sought on references to 'Maldon', is the document referring to 'Maldon Town' or 'Maldon District', particularly in relation to transport and population density. The officer confirmed for rapid transit population density is required. This would then link into the other areas within the district.
 - Concerns raised regarding hospital provision. The officer confirmed the wording would be refined with input from Members engaged with the St Peter's Hospital work.
 - Concerns raised that the risk of flooding in Maldon District is not noted in the original draft document. The Director will take forward an action to ensure the flooding risk within Maldon District is included.
 - Members recognised that this is a high-level document but emphasised the need for Maldon District's voice to be clearly reflected, particularly around transport connectivity and district-wide priorities.
- 3.8 The officer agreed to incorporate feedback and to return to the Council with the revised document, which is included as **APPENDIX 1** of this report.

4. CONCLUSION

- 4.1 The feedback provided by Members has been incorporated to the North Essex Local Growth Priorities. By identifying shared priorities for the region now, NEC members are laying the groundwork for coherent, joined-up economic planning that can support stronger, more strategic local leadership in the years ahead which will be helpful for any new Mayor taking up office in May 2028.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Supporting our communities

- 5.1.1 The North Essex Local Growth Priorities shared vision is 'creating a more productive, better-connected and more resilient North Essex where everyone can thrive'. This is underpinned by the outcome of 'A more inclusive North Essex' which supports this priority.

5.2 Investing in our District

- 5.2.1 The North Essex Local Growth Priorities shared vision is 'creating a more productive, better-connected and more resilient North Essex where everyone can thrive'. This is underpinned by the outcome of 'A better-connected North Essex' which supports this priority.

5.3 Growing our economy

- 5.3.1 The North Essex Local Growth Priorities shared vision is 'creating a more productive, better-connected and more resilient North Essex where everyone can thrive'. This is underpinned by the outcome of 'A more productive North Essex' which supports this priority.

5.4 Protecting our environment

- 5.4.1 The North Essex Local Growth Priorities shared vision is 'creating a more productive, better-connected and more resilient North Essex where everyone can thrive'. This is underpinned by the outcome of 'A more resilient North Essex' which supports this priority.

6. IMPLICATIONS

- (i) **Impact on Customers** – The North Essex Growth Priorities bring together a shared vision for sustainable, inclusive growth that reflects the distinct strengths and ambitions of our cities, towns, coastal areas and rural communities, whilst ensuring residents across North Essex benefit from this growth.
- (ii) **Impact on Equalities** – The North Essex Growth Priorities will ensure everyone has access to opportunities and will address deep-rooted disparities across parts of the region. As inclusion and health are inseparable, reducing deprivation, improving access to opportunity and delivering healthy homes are among the most effective wider determinants of health for closing gaps between communities.
- (iii) **Impact on Risk (including Fraud implications)** – None.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on Devolution / Local Government Reorganisation** - The North Essex Growth Priorities seek to take full advantage of the opportunities Devolution will offer to our residents and businesses as we continue towards the unitarisation of local Government in Essex, ensure that the priorities identified by North Essex Councils are understood and supported by the future Greater Essex Mayor and enable the new unitary authorities to have a 'head start' and deliver early success by laying the foundations for these priorities to progress before new authorities are created.

Background Papers:

[Minutes of Council meeting 11 December 2025, agenda item 12 North Essex Local Growth Priorities](#)

APPENDIX 1 – Revised North Essex Local Growth Priorities

Enquiries to: Leanda Cable, Head of Economic Development.

This page is intentionally left blank

DRAFT

North Essex Local Growth Priorities

Contents

About North Essex Councils – 3
About the North Essex Growth Priorities – 4
Harnessing our strengths - 5
Tackling our growth challenges – 9
Our mission – 14
Our investment priorities – 18
Three new Garden Communities – 23
Bathside Bay – 28
Stansted Airport – 32
Princess Alexandra Hospital – 35
A12 widening Marks Tey-Chelmsford – 38
A120 dualling (Braintree to the A12) and improvements – 41
M11 J7/8 improvements – 44
Trainline improvements from Clacton – 46
North Essex Rapid Transit System – 49
Delivering skills for growth - 52
Conclusion and next steps – 59

About North Essex Councils

The North Essex Councils (NEC) partnership was established to drive forward collaborative working in a range of strategic areas including housing growth, economic development and climate action. Members include:

- Braintree District Council
- Chelmsford City Council
- Colchester City Council
- Epping Forest District Council
- Essex County Council
- Harlow District Council
- Maldon District Council
- Tendring District Council
- Uttlesford District Council

We recognise that the Local Government landscape is changing, with Devolution and Local Government Reorganisation (LGR) set to fundamentally reshape how we deliver services, including economic development programmes. At the same time, North Essex faces enormous growth pressures and opportunities, with over 250,000 homes needing to be built over the next 30 years, major infrastructure requirements to support these homes and a range of pressing climate resilience challenges to be tackled head-on. As a result, our North Essex Growth Priorities seek to:

- take full advantage of the opportunities Devolution will offer to our residents and businesses as we continue towards the unitarisation of local Government in Essex
- ensure that the priorities identified by North Essex Councils are understood and supported by the future Greater Essex Mayor
- enable the new unitary authorities to have a 'head start' and deliver early success by laying the foundations for these priorities to progress before new authorities are created

About the North Essex Growth Priorities

Co-authored and endorsed by all nine NEC partner councils, the North Essex Growth Priorities are our pro-growth proposal for the next 30 years. They set out what we collectively believe to be the key priorities for action, which together will help achieve the full potential of our region. The North Essex Growth Priorities bring together a shared vision for sustainable, inclusive growth that reflects the distinct strengths and ambitions of our cities, towns, coastal areas and rural communities, whilst ensuring residents across North Essex benefit from this growth.

Our ambition is clear; however, real progress will require more than strong local leadership – it requires a shared, reciprocal commitment. Along with partners in Government, the private sector and the new Greater Essex MCCA, we must deliver upon our collective responsibility to invest boldly and consistently in the long-term future of North Essex. Through this shared endeavour, North Essex can go even further, building on our status as one of the UK's great economic success stories, to deliver growth and opportunity to benefit both the local and national economy.

These Priorities are a call for partnership and commitment to secure the targeted investment and coordinated action needed to turn our exciting vision into reality. This document is a rallying point for local and national partners, inviting the incoming Mayor of Greater Essex, Greater Essex Business Board (GEBB), anchor institutions, partners in Government and others to align behind our priorities and turn ambition into action. It is a deliverable blueprint for growth, which will unlock a step change in housing delivery, infrastructure and economic opportunity. By setting out a clear vision, these Priorities aim to influence the forthcoming statutory Mayoral documents (the Greater Essex Local Growth Plan, Spatial Development Strategy, Local Transport Plan and Skills Strategy), ensuring strategic alignment and maximising the impact of investment across the county.

The scale of what can be achieved is significant and the return on investment even more so. By securing the additional investment needed to secure benefits for all corners of our communities, the North Essex Growth Priorities can deliver more than 250,000 new homes, tens of thousands of jobs and billions in gross added value (GVA). North Essex partners recognise, however, that this growth cannot be achieved without a step-change in infrastructure investment and long-term resilience planning. This document sets out to address these challenges and to represent not just a local growth agenda, but a critical component of the UK's wider economic strategy. If delivered in full, these priorities will generate long-term rewards for productivity, infrastructure resilience and sustainable growth that can adapt at pace to future pressures.

Harnessing our strengths

North Essex is a significant driver of regional and national prosperity, with our pro-growth approach and an economy worth over £25 billion. It's a place where entrepreneurial spirit, strategic location and natural assets combine to create real momentum for growth. This momentum forms the foundations of this document and highlights our readiness to respond to national priorities around housing, skills, clean growth and productivity.

NEC has already demonstrated what is possible through major schemes such as three Garden Communities, Freeport East and town centre regeneration. While we have the ambition and track record to deliver transformative growth, it is critical that North Essex now receives the sustained investment in key projects and infrastructure to ensure our growth can continue at the pace and scale required to fulfil our potential, delivering maximum benefits to our residents and businesses as well as the UK economy.

Housing growth

Greater Essex is home to four emerging garden settlements – more than any other county in the UK. Of these, three are located in North Essex. Together, Tendring Colchester Borders Garden Community, Harlow and Gilston Garden Town and Chelmsford Garden Community will provide over 30,000 new homes. They will create thousands of jobs and vital new infrastructure, demonstrating our ability to deliver growth at scale.

These settlements also represent a model for growth that is infrastructure-led and future-focussed, breaking the cycle of piecemeal development and ensuring that new communities are well-connected, healthy and resilient.

The North Essex Garden Communities are some of the most ambitious new settlements in the UK. They reflect our long-term commitment to growth and the credibility of our future ambitions. These settlements also underscore the critical importance of securing the upfront infrastructure investment needed to sustain delivery at scale and pace over the coming decades and beyond.

Following recent changes to the National Planning Policy Framework (NPPF), North Essex is preparing to deliver more than 250,000 homes over the next 30 years – an ambitious target that reflects the region's pivotal role in meeting the national housing need. This long-term programme of delivery will further cement North Essex's position as a major net contributor to the UK economy, driving housing growth, unlocking resilient infrastructure, attracting private investment and powering productivity and job growth in key sectors. It is essential that North Essex receives the right backing to enable partners to continue to support the Government's wider growth objectives and deliver at unprecedented scale and pace.

A gateway to London, Europe and the world

North Essex is strategically located between London, Cambridge and the coast and boasts strong connectivity to Europe via Stansted Airport and Harwich International Port. Our unrivalled geographic location not only supports local business growth and commuter accessibility but also underpins our role in national supply chains and international trade.

Fast, direct rail routes link many parts of North Essex to London Liverpool Street in under an hour. The existing offer to commuters has been further enhanced by the opening of Beaulieu Park Station, the first new station on the Great Eastern Mainline in over 100 years.

The A12, A120 and M11 provide critical road access to London, the East of England and beyond. The M11 also sits at the heart of the UK Innovation Corridor (UKIC), driving significant investment, boosting innovation-led growth and delivering new, high-value jobs.

North Essex is also home to Stansted Airport, the UK's fourth-busiest airport and the East of England's largest single-site employer. The airport saw a record-breaking 29.8 million passengers in 2024, sitting only just behind Manchester Airport's 30.8 million. Stansted Airport has planning consents in place to expand significantly and has scope to increase passenger numbers to 43 million passengers per year. Stansted also handles 250,000 tonnes of cargo per annum, making it the third-largest cargo airport in the country.

At the eastern end of the A120 sits Harwich International Port, one of the UK's leading passenger and freight terminals. The port handles over one million passengers and over 4.2 million tonnes of cargo each year, playing a critical role in international tourism, trade and supply chain resilience.

Harwich International Port is one of the two main tax and custom zones of Freeport East, one of 12 Freeports in the UK. Freeport East has already attracted £250 million in private investment and created over 2,000 jobs, while Bathside Bay in Harwich represents an opportunity to transform the area into a green energy hub. As one of the largest land reclamation projects in the country, it will unlock over 120 hectares of high-quality employment land adjacent to the international port, creating the foundations for a nationally important green energy hub. Bathside Bay will generate over 3,500 new jobs on site while acting as a catalyst for unlocking other stalled sites across Harwich and Dovercourt, which have the potential to bring forward an additional 3,000 jobs and support inclusive growth at scale in one of North Essex's most deprived communities.

Powering progress

North Essex sits at the heart of the largest overhaul of the electricity grid in generations. Infrastructure projects led by the National Grid to scale up capacity and update networks to carry clean energy from offshore wind installations will support over 55,000 new UK jobs and contribute £14.5 billion to the economy.

North Essex has further potential for solar and onshore wind generation. Both generate low-cost, low-carbon electricity with the potential to boost North Essex's renewable supply and energy resilience, support the grid and lower bills for consumers. Across the region, there is significant potential for large-scale solar farms. The forthcoming Longfield Solar Farm, for example, will provide a 500MW solar and battery storage facility near Chelmsford. It will also bring direct investment in skills and employment, with over £2 million already committed to training and supply chain development. Onshore wind potential, meanwhile, exists across the entirety of North Essex, with areas of Uttlesford, Maldon, Braintree and Colchester particularly well suited for energy generation from wind.

The region also has a strong network of community energy groups. Government has made a commitment to scale up local energy and create 8GW of municipally and community owned renewable generation across the UK as part of its Clean Power Plan. Working with North

Essex's already strong network to develop a pipeline of small and medium-sized renewable generation projects will position the region to secure investment, helping to power communities in a way that is equitable, affordable and sustainable for the long term.

A strong entrepreneurial spirit

North Essex has a thriving SME sector and is home to over 47,000 micro and small businesses, as well as larger household names such as Teledyne e2v, The Hill Group, Galliard Homes, Crittall Windows, Maldon Sea Salt and Wilkin & Sons. Our business base has particular strengths in growing and thriving sectors, including clean energy, construction, advanced manufacturing and engineering, digitech, creative, financial services and life sciences.

Strong business survival rates (5% higher than the national five-year survival rate) and an entrepreneurial culture position the area well to continue to scale up activity, provided the right support – including workspace and finance – is in place.

Survival rates of new enterprises since 2018			
Geography	3-year (%)	4-year (%)	5-year (%)
North Essex	61.7%	52.2%	44.3%
Essex County Council area	61.1%	51.6%	43.7%
England	57.5%	47.2%	39.4%

Providing skills for the future

Unemployment is low across the geography (3.2% compared to a national average of 4.4%), supported by impressive job availability in economic hubs such as Chelmsford, Colchester and Harlow. Furthermore, planned development around the Garden Communities and Freeport East is set to create thousands of new jobs in future-proof sectors.

Ensuring our residents have the skills they need to access these opportunities is the next key next step. Working under the umbrella of the Local Skills Improvement Plan (LSIP), our employers and training providers are working to match local skills provision to business need. Targeted work will expand the range of in-demand training available across North Essex, including at the UK's only on-site aviation establishment, Stansted Airport College.

Our two universities – the University of Essex (UoE) and Anglia Ruskin University (ARU) – also play a key role in building North Essex's future talent pipeline. Ranked 29th in the UK in the Complete University Guide 2026, UoE excels in areas such as green growth, digital transformation and finance. UoE's Accounting and Finance degree sits in the UK Top 50, while its highly regarded Science and Engineering Schools position it well for digital growth. The university has also ranked in the UK Top 3 for the number of Innovate UK Knowledge Transfer Partnerships (KTPs) secured over the past decade, helping to embed academic expertise into local businesses, accelerating innovation and creating commercial value in sectors such as health tech, cyber security and advanced manufacturing.

ARU, meanwhile, is climbing the ranks in a number of important and high-demand degrees, including Civil and Mechanical Engineering. It consistently ranks well for Nursing and Midwifery, while its recently acquired Writtle Campus positions the university strongly for veterinary medicine. ARU's Arise Innovation Hub – with locations in Harlow and Chelmsford

– are fostering a thriving ecosystem for local start-ups and entrepreneurs in key growth sectors. They provide the space, expertise and networks to boost innovation across MedTech and health tech, helping to translate research and ideas into real-world impact.

DRAFT

Tackling growth challenges

Without urgent intervention and the right scale of investment North Essex's growth potential — as well as our ability to deliver inclusive, sustainable and resilient growth for generations to come — will be constrained. Our structural economic challenges, infrastructure deficit and climate risks must be addressed to fully harness our enormous ambition and translate opportunity into success.

Tackling these challenges will require sustained effort, long-term thinking and close partnership, to which NEC partners are already committed. Coordinated investment from Government and the private sector will also unlock major opportunities and ensure that North Essex continues to deliver against national growth priorities.

Inclusive growth

Despite overall prosperity, there are significant pockets of deprivation across North Essex. Parts of Jaywick, Clacton, Harwich and St Osyth's rank in the 10% most deprived places in the country. Colchester, Chelmsford, Harlow and Epping Forest all have Lower-layer Super Output Areas (LSOAs) within the most 10-20% most deprived places. These areas see poorer physical and mental health outcomes, reduced access to services and limited employment opportunities.

The tables below from the 2025 Index of Multiple Deprivation (IMD) exemplify these issues.

Tendring 018A LSOA covering Jaywick and St Osyth:

Sub-domain	Rank (where 1 represents the most 10% deprived of all LSOAs in England)
Education, skills and training	1
Children and young people	1
Adult skills	1
Living environment	1
Barriers to housing and services	1

Colchester 008A LSOA covering Greenstead:

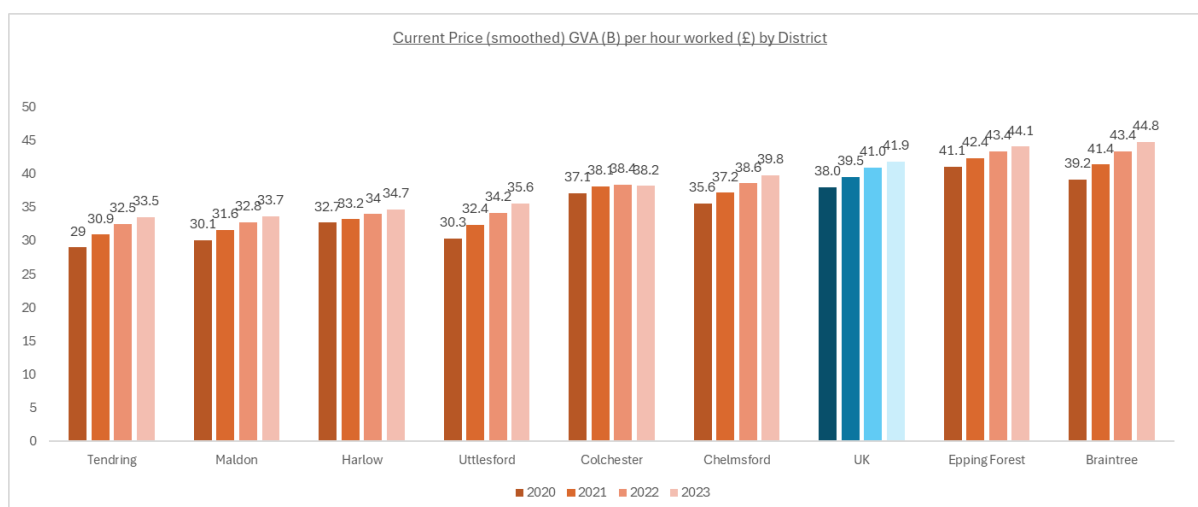
Sub-domain	Rank (where 1 represents the most 10% deprived of all LSOAs in England)
Education, skills and training	1
Children and young people	1
Adult skills	1
Living environment	1
Barriers to housing and services	1

The strategic initiatives outlined in this document – alongside local, place-based initiatives – are critical in ensuring all residents in North Essex benefit from growth. This, in turn, will help to significantly improve outcomes for the most deprived parts of the area.

Productivity and business growth

Productivity continues to lag behind regional and national averages. In 2023, the average GVA per hour worked across North Essex was 38, compared to a national average of 41.9.

Although productivity is rising across most districts, it is not keeping pace with national increases.



A high ratio of microbusinesses (0-9 employees) to large businesses (250+ businesses) and lower-than-average R&D investment contribute to this stagnation. North Essex saw under £35 million in Innovation Grants between 2020/21 and 2024/25, ranking the area significantly behind regional competitors. Meanwhile, the region's micro business count sat at 42,975 in 2024, while its large business count sat at 140. The growth of large businesses in North Essex is also extremely slow, with the count rising by just ten between 2021 and 2024, evidencing that scale-up rates continue to remain modest, with access to finance, innovation space and commercial infrastructure often causing barriers to growth.

Although our thriving SME community forms the backbone of our local economy, this strength must be complemented with a greater presence of large businesses to achieve a substantial step change in productivity. The scale, investment capacity and innovation ecosystems that larger employers bring are critical to creating high-value jobs, attracting skilled talent and ensuring that North Essex continues to compete on a national stage.

To fully realise our potential, we must also unlock high-value sector growth, enhance digital infrastructure, improve the quality and quantity of local business accommodation and support innovation clusters (especially those linked to our universities, Stansted Airport and Freeport East). These efforts will drive productivity, stimulate business growth and make North Essex an even stronger regional and national competitor; however, this growth can only be sustained if North Essex builds firm foundations for energy, water and climate resilience, ensuring we can meet the resource demands of larger businesses while remaining a desirable place to live and work.

Housing growth

North Essex faces sustained pressure on housing, with higher mandatory housing targets reflecting long-term demand and placing greater emphasis on ensuring homes are delivered at pace. If delivery fails to keep pace with demand, existing affordability challenges will likely intensify, putting further strain on our residents.

5-year average ratio of median house price to median gross annual workplace-based earnings	
LA	5-year average
Braintree	10.24
Chelmsford	11.37
Colchester	9.63
Epping Forest	14.11
Harlow	10.12
Maldon	12.38
Tendring	9.03
Uttlesford	12.89
England	8.32

5-year average ratio of median house price to median gross annual residence-based earnings	
LA	5-year average
Braintree	9.14
Chelmsford	10.38
Colchester	8.92
Epping Forest	12.42
Harlow	10.39
Maldon	10.15
Tendring	8.52
Uttlesford	11.30
England	8.32

Meanwhile, poor quality housing stock in some localities affects our residents' quality of life. While areas with poorer housing conditions exist across many parts of the region, the proportion of households at risk tend to be more concentrated in our more rural districts. A number of households are also living in fuel poverty, increasing the risk of multiple health problems and exacerbating social isolation. The most at-risk wards are located in Tendring, Maldon and Braintree, where rates of fuel poverty remain stubbornly high.

Wards in North Essex with the highest rates of fuel poverty		
Ward	District	Fuel poverty (%)
National average	N/A	11%
West Clacton and Jaywick Sands	Tendring	62.9%
Pier	Tendring	62.4%
Tillingham	Maldon	53.4%
St James	Tendring	53.1%
St Osyth	Tendring	50.4%
Tollesbury	Maldon	50.2%
Harwich & Kingsway	Tendring	49.8%
Yeldham	Braintree	45.0%
Maldon North	Maldon	42.8%
Walton	Tendring	41.3%

The number of homes at risk of coastal, river and surface water flooding is rising. Over 75,000 North Essex homes are now at risk of surface water flooding alone, which is set to

continue increasing with urbanisation bringing more 'grey surfaces'. Harlow, Epping Forest and Chelmsford are most vulnerable to surface water flooding, with 17,154, 13,591 and 11,271 homes at risk respectively. Coastal flooding is also an ever-present risk, with this impacting on parts of Colchester, Maldon and Tendring. For example, without further intervention, over 4,500 homes in Tendring will be at coastal flood risk in the long-term (by 2105), while over 2,400 will be at risk by 2055.

With three emerging Garden Communities, NEC partners are already seeking to tackle this challenge head on. We will continue to work as planning authorities and with neighbouring authorities to ensure a strong and steady supply of high-quality, affordable and healthy homes. At the same time, North Essex will continue to drive the retrofit of its existing housing stock and invest in nature-based flood mitigation to reduce health and financial inequalities and ensure communities across the region benefit from future growth.

Infrastructure and connectivity

Our key transport corridors – including the A12, A120, M11 and our rail lines – are under significant strain, with congestion and poor journey reliability hampering growth. Many local roads, junctions and connections to rail hubs also require upgrades to support planned housing and employment development. The infrastructure-first model being piloted across our garden settlement provides a blueprint for future progress, but significant investment is urgently needed now to tackle the current infrastructure delivery lag and enable us to continue to unlock major sites.

Whilst large parts of North Essex are served by strong rail links, capacity and reliability continue to constrain growth. Our lines face bottlenecks and peak-hour crowding, which is set to be exacerbated by new, large-scale developments. The new Beaulieu Park Station will be essential for addressing constraints at Chelmsford; however, investment in existing and new infrastructure will be key for enhancing wider sustainable connectivity around the region and between North Essex and its neighbouring areas.

Targeted support and investment in our branch lines in areas such as Braintree, Maldon and Tendring are vital to ensure coastal and rural communities – often isolated despite their proximity to growth hubs – can access emerging opportunities across North Essex. Many coastal and rural communities currently face barriers to travelling by rail due to the high cost, infrequent service and long, slow journeys.

Our electricity grid faces issues with both capacity and resilience. As heat and transport electrify and industrial growth intensifies, this will place significant additional demands on electricity distribution networks. When a site electrifies, it may require upgrades or a new connection to the electricity distribution network, which, in some cases, can take up to ten years. Support to enable investment in the network and connections to come forward in a timely manner will be vital to ensuring North Essex can realise its potential.

Furthermore, all infrastructure — whether new or existing — is vulnerable to the impacts of climate change, including overheating, extreme weather events, flooding and subsidence. Critical infrastructure outages can trigger cascading impacts, particularly when electricity supply is affected. This vulnerability is set to increase as housing and transport decarbonisation efforts accelerate. Consequently, North Essex is committed to designing, constructing and maintaining infrastructure in a way that maximises our resilience for our residents and businesses.

A skilled workforce

Despite low unemployment across most of North Essex, economic inactivity is rising across several districts. 24.6% of working age residents are currently economically inactive, compared to a national average of 21.3%. Furthermore, skills levels vary widely, with 18.4% of adults not holding any qualifications. This places North Essex just above the national average of 18.2% and limits access to highly paid, future-proof roles. Our high growth sectors – including construction, engineering and clean energy – also report consistent recruitment challenges and skills gaps, significantly constraining their growth.

Leveraging the Greater Essex LSIP and subsequent new partnerships between local authorities, training providers and employers will be essential for developing a coherent skills pipeline and improving access to training and re-skilling opportunities.

Protecting our natural advantage

Our natural environment is one of our greatest assets, driving tourism and placing us at the heart of the Government's clean energy mission. Destinations such as the Dedham Vale Area of Outstanding Natural Beauty, Mersea Island, Maldon's Saltmarsh Coast and Dengie Peninsula as well as Tendring's Sunshine Coast attract thousands of visitors per year. Our extensive coastline also underpins North Essex's significant renewable energy potential, with Freeport East playing a central role in the construction and servicing of offshore wind.

Despite being drivers of growth, our natural assets also make us more vulnerable to the impacts of climate change. For example, our coastal and river areas are already facing increased risk of flooding as a result of rising sea levels, while hotter, dryer summers are impacting our agricultural sector. Water supply and wastewater capacity are cause for concern in areas with some of the highest growth potential, while limited grid capacity is already constraining new developments across the region. It is essential that energy security and climate resilience are embedded into major developments and investment decisions moving forward. This will ensure our economy is sustainable in the medium to long term while strengthening the preparedness of our businesses and communities as the climate continues to change and extreme weather events become more frequent.

Our mission

“Creating a more productive, better-connected and more resilient North Essex where everyone can thrive.”

Our mission reflects our ambition to deliver growth at an unprecedented scale, while ensuring this transformation delivers prosperity for all and enhances our unique character and assets. It is underpinned by four core outcomes, designed to accelerate long-term growth, innovation and collaboration. In achieving these outcomes, these priorities also contribute directly to the wider determinants of health for the region, recognising that better-quality housing, meaningful employment, affordable transport and a clean environment are among the most effective levers for reducing health inequalities.

Outcome 1: A more productive North Essex

North Essex has the space, skills and potential to power growth for the wider East of England. With engines of innovation and commerce in areas such as Chelmsford, Harlow and Colchester, we are committed to unlocking further potential by delivering the homes, employment land and business support needed to deliver sustainable growth, without compromising the region’s climate resilience.

Delivering the homes our residents need is at the centre of our growth ambitions. We must ensure that healthy, future-proof new homes are delivered in tandem with high-quality jobs for local residents and the infrastructure needed to provide resilience and long-term growth. Ramping up our inward investment efforts will help to create more high-quality jobs, alongside modern infrastructure and new opportunities for local supply chains.

North Essex has many strengths in a range of high-value sectors. Through targeted interventions and partnerships, we will drive further growth in these sectors of the future, while enabling our SMEs to innovate, scale up and create new jobs.

A critical element of our productivity agenda is ensuring that businesses have the right accommodation to start, grow or relocate. Scaling up efforts to support a mix of flexible workspaces, industrial premises, innovation centres and more remains at the heart of our ambition, helping to attract high-growth businesses to the region, and ensuring that businesses that start here can grow and achieve their full potential here.

At the same time, we will work with employers and training providers, through new LSIP networks, to equip our residents with the skills required for the jobs of the future. This will ensure that local growth translates to opportunity for local residents, with a dual focus on those entering the workforce for the first time and lifelong learning opportunities for adults of all ages to adapt and progress throughout their careers. These opportunities will support better health outcomes, recognising that secure jobs are one of the most influential wider determinants of health and drivers of a better quality of life.

Outcome 2: A better-connected North Essex

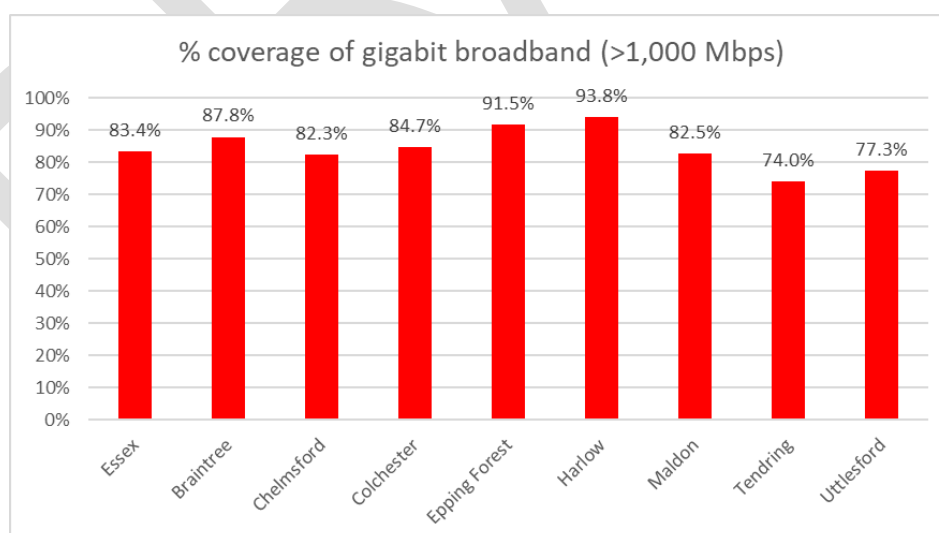
Connectivity – physical and digital – is the foundation of growth. Our roads, railways, ports, airports, digital infrastructure and electricity distribution network are the economic pillars of our region, making our economy more productive and leading to a better quality of life for

those who live here. Better connectivity also widens access to employment, education, healthcare and green spaces, all of which are essential wider determinants of health. Despite our strategic location at the heart of several nationally significant transport corridors, many of our communities remain underserved or face barriers around reliability, affordability, journey times and integration.

Our ambition is to secure long-term investment in infrastructure and transport networks that unlock new development, improve quality of life, facilitate smoother business and freight journeys, support modal shift and ultimately enhance the resilience of our economy. From progressing upgrades to our key networks to ensuring strategic growth is aligned with sustainable mobility, we will work with Government, operators and other national and regional partners to deliver transformative change to the movement of people and goods around North Essex.

To deliver inclusive growth for all of our communities, our residents need transport that is affordable, reliable and joined-up, with shorter journey times to reduce isolation. This is particularly important in our rural and coastal areas where travel options can be more limited. In addition to increasing the use of public transport, we also need to encourage active travel, with safe and accessible walking and cycling infrastructure acting as appealing alternatives to private vehicles.

Digital connectivity is equally as critical. Too many of our towns and villages — especially those in coastal and rural areas — lack access to superfast broadband, Gigabit and 5G. Tendring, Uttlesford, Chelmsford and Maldon, for example, all fall behind the Essex average of 83.4% Gigabit coverage, which lags substantially behind the UK average of 88%. This challenge significantly constrains growth and innovation while exacerbating isolation. By simultaneously tackling connectivity and digital exclusion we will ensure no part of North Essex is left behind on our growth journey, while also attracting new, innovative businesses to the region.



Increased demand for electricity is set to put rising pressure on the distribution network, which threatens to significantly constrain North Essex's growth potential. Working with partners in Government and the energy sector will be essential to strengthen the networks in order to meet increasing demand in the long term and enable critical investment in network capacity ahead of need.

Outcome 3: A more resilient North Essex

To future-proof our growth, we must prioritise environmental, economic and social resilience. This means securing energy and water supplies, delivering healthy and energy efficient homes, investing in nature-based flood mitigation and building communities that can adapt and thrive in the face of future challenges. A resilient environment underpins resilient communities, with clean air and secure energy and water all contributing directly to population health.

Meeting this challenge will require a step-change in green skills delivery. Demand for skills in Essex's green industries — from clean energy and sustainable construction to retrofit and low-carbon infrastructure — is set to rise by more than 90% by 2030. With three Garden Communities, a Freeport, a growing airport, significant new transport infrastructure needs and multiple clean energy NSIPs, the scale of need in North Essex will only increase further with future generations. We must respond with targeted interventions, embedding green skills in our lifelong learning approach, aligning delivery with the needs of business and supporting reskilling in essential foundational sectors, such as construction and logistics. Without this pipeline, North Essex's resilience ambitions cannot be delivered at pace or scale.

We will work with partners and national bodies to secure affordable energy solutions that reduce our dependency on finite resources, while helping to insulate households and businesses from rising costs. Through local energy generation, smart networks and community-led initiatives, we will strengthen energy resilience at every level, while ensuring our residents benefit from clean growth. This is particularly critical for rural communities, where households may remain reliant on oil for hot water and heating. In Maldon, for example, 19.8% of homes have oil central heating. This figure is 16.3% in Uttlesford, significantly higher than the national average of 5%. Retrofitting existing homes will also be essential for delivering inclusive growth and ensuring North Essex communities benefit from new investment, while improving the health and resilience of the current housing stock. A retrofit programme for North Essex would also drive significant economic growth and create major employment opportunities for the region's construction professionals.

Water is a critical issue for our region, with North Essex already reliant on other parts of the country to supply almost half of its drinking water. Water scarcity is one of the most challenging barriers to future growth, with the majority of new requests for water supply for non-household use (such as new commercial and industrial developments) already being refused. Working with regional and national partners, we must secure long-term water resilience, improve water infrastructure and ensure that growth does not exacerbate existing pressures, recognising that North Essex is unable to achieve its growth ambitions without the water to support them.

This pressure further increases the need to make sure that our housing stock is fit for the future. With emerging Garden Communities, we are already championing healthy and energy efficient homes. NEC partners will ensure that future developments can withstand climate extremes while protecting and enhancing our impressive natural assets and landscapes, recognising their value for resilience, nature, tourism and public health. Importantly, building in resilience does not have to add prohibitive cost. North Essex planning authorities are already committed to embedding climate resilience into Local Plans in line with Essex Design Guide best practice. This approach ensures that energy and water

efficiency measures are not add-ons, but are considered from the outset, maintaining viability while delivering long-term benefits.

Resilience also provides significant opportunities. To enhance our economic resilience, we must support residents into secure, well-paid jobs in growing sectors. Through targeted programmes and interventions, we will build a workforce for North Essex that can adapt and succeed in a changing economy.

Outcome 4: A more inclusive North Essex

We do not believe in growth for growth's sake – it must benefit everyone across North Essex. Our mission will ensure everyone has access to opportunities and will address deep-rooted disparities across parts of the region. As inclusion and health are inseparable, we believe that reducing deprivation, improving access to opportunity and delivering healthy homes are among the most effective wider determinants of health for closing gaps between communities.

Delivering transformative, place-based regeneration will tackle long-standing deprivation and improve our physical, social and economic environment. Our determined efforts to address long-term economic inactivity will ensure residents benefit from the opportunities generated through these regeneration programmes. Through partnerships with the DWP, local employers, health partners and the voluntary sector, we will provide tailored employability and skills support that helps individuals, businesses and communities to thrive. This includes targeted programmes for young people, initiatives that break down barriers to opportunity and support for adults looking to reskill.

Access to healthy homes that are affordable and energy efficient is a fundamental building block of inclusion. These Growth Priorities will ensure that housing delivery is aligned with local need as the region continues to grow. This document seeks out to ensure that the new homes that are delivered are supported by the accessible, reliable infrastructure upon which our communities depend.

Finally, our inclusivity outcome is inextricably linked with our mission to make North Essex more resilient. Vulnerable households often face the most significant challenges from fuel poverty, flooding, poor air quality, overheating and other climate risks. However, as we move towards local energy generation and a more resilient future for the region, there will be significant opportunities for our communities to benefit from the transition to a cleaner North Essex – not just in the immediate future, but for generations to come.

Our growth priorities: An introduction

NEC partners have identified a set of priority projects that – if met with significant private and public investment – will create a step-change in delivering long-term, sustainable growth across North Essex.

These projects have been selected as the initiatives with the strongest potential to advance all four of our core outcomes. They are expanded upon later in this document, forming the basis for strategic investment and policy focus in the years ahead. While not an exhaustive list of all the opportunities across North Essex, these projects represent our highest priorities for coordinated investment and the most significant opportunities to deliver transformational change.

These priorities demonstrate North Essex's readiness to contribute to shared Greater Essex ambitions. They provide a clear basis for collaboration through forthcoming Mayoral strategies, including the Local Growth Plan, Strategic Development Strategy, Skills Plan and Local Transport Plan. They also include several initiatives capable of early delivery and quick, tangible impact.

These priorities are future-facing in their ambition and are designed to remain relevant through LGR. By identifying shared priorities for the region now, NEC members are laying the groundwork for coherent, joined-up economic planning that can support stronger, more strategic local leadership in the years ahead.

Delivering these projects in full will unlock inclusive opportunity, help to future-proof North Essex's infrastructure and ensure that our communities become ever more productive, resilient and well-connected. These priorities represent a once-in-a-generation opportunity to reshape the region at scale, to deliver resilience in the face of future pressures and to secure economic outcomes of national significance.

Growth priority 1: delivering three new Garden Communities

Our three emerging Garden Communities reflect our mission to build a more **resilient** and **inclusive** North Essex, creating healthy homes and neighbourhoods, while supporting long-term growth. These major new settlements — set to create over 45,000 new homes between them — will be supported by early infrastructure, ensuring communities are **well-connected** to opportunities across North Essex and beyond. Their innovative approach to delivering employment space will boost **productivity** across the region, while vibrant community amenities, active travel infrastructure, commitment to sustainable development and plentiful green spaces will improve quality of life for those who live in these new settlements.

Growth priority 2: Bathside Bay

Bathside Bay represents a unique development opportunity and will unlock further potential at North Essex's Freeport. It will support new port capacity and accelerate **productivity** by attracting inward investment (with over £250 million already pledged across Freeport East), generating 3,500 high-value jobs and facilitating world-leading innovation in clean energy development that is set to boost the UK's energy **resilience**. Bathside Bay's coastal location supports **inclusive** regeneration in Tendring, while its **connectivity** to Europe presents exciting opportunities for North Essex businesses.

Growth priority 3: maximising the benefits of Stansted Airport

Stansted Airport is a cornerstone of a more **productive** and **better-connected** North Essex. The airport already sees 29.8 million passengers a year and has the ability to increase this to 43 million within existing planning consents. This would generate a further 5,000 new jobs in aviation, technology and logistics and support the growth of innovation clusters around the airport. As the airport continues to utilise more of its capacity, it will also support **inclusive** employment and skills provision through its cutting-edge onsite airport college, while its strategic location – offering strong regional benefits – will continue to attract investment and boost **resilience** through sectoral diversity.

Growth priority 4: delivering the new Princess Alexandra Hospital

A next-generation health campus is planned for the West of the region, set to replace outdated infrastructure and serve growing populations with modern, integrated healthcare services. Investment in Princess Alexandra Hospital supports a more **resilient** and **inclusive** North Essex, directly addressing health outcome inequalities and population pressures. The development will also present new opportunities in health innovation, contributing to a more **productive** economy and creating high-value jobs for North Essex residents.

Growth priority 5: A12 widening (Chelmsford to Marks Tey)

The A12 is one of the most important roads in the East of England, yet current limitations significantly constrain growth in the surrounding areas. Upgrading this key route along one of its busiest stretches underpins our mission to make North Essex more **resilient** and **productive**, facilitating more reliable journeys for businesses and residents. Improving **connectivity** along one of the country's most strategically important routes will also unlock substantial housing developments, whilst supporting significant job growth in Colchester, Chelmsford and beyond.

Growth priority 6: A120 dualling (Braintree to the A12) and improvements

Despite being one of North Essex's most strategically important roads and underpinning several major housing and employment developments, the A120 is currently not fit for purpose. Most notably, it is constrained by a stretch of single carriageway between Braintree and the A12 which causes bottlenecks and undermines regional growth. Furthermore, there are a range of improvements needed between Colchester and Harwich as part of the Bathside Bay development. Upgrading this key east-west route will support journeys to and from a range of key locations within North Essex, including but not limited to Harwich International Port, Stansted Airport and urban centres including Braintree and Colchester. It will support **productivity** and **connectivity**, unlocking new housing and economic zones while enhancing **resilience** in our transport network. Improving this key route will also facilitate **inclusive** growth in communities along and close to the A120 by enhancing access to opportunity.

Growth priority 7: improving junctions 7 and 8 of the M11

Ensuring smoother, more reliable journeys on and off the M11 and easing pressure on this key route will support the **resilience** of our transport network, while improving **connectivity** to Harlow and Gilston Garden Town, Stansted Airport and nearby enterprise zones.

Improvements to these strategic junctions have the potential to significantly boost the region's **productivity** by unlocking housing and employment growth, helping to realise Stansted Airport's full potential and supporting the ongoing success of the UKIC.

Growth priority 8: improving train services from Clacton

Rail enhancements between Clacton and Colchester could double the frequency of trains departing from Clacton to London Liverpool Street (currently only one train per hour). This must be coupled with affordability and efficiency measures to make the train an attractive option for Clacton residents. This project – if coupled with the right investment and partner support – would significantly improve access to opportunity for residents of all ages in some of our most deprived places. In doing so, improved train services would not only better **connect** Clacton to the rest of Essex and London but also support **inclusive** growth and drive increased **productivity** in Tendring and beyond.

Growth priority 9: Rapid Transit System (RTS) expansion

The RTS currently in development will initially serve Colchester and areas in the immediate vicinity. The first phases will connect major growth areas, including the city centre, University of Essex and Colchester Tendring Borders Garden Community. Providing faster, more regular and more direct bus services between key towns elsewhere in North Essex could provide quick, affordable, reliable connectivity to the region's major employment and skills opportunities, significantly increasing local productivity. This priority could be tested through new pilot routes and expanded further if the initiative is successful. Rapid, dependable and low-cost public transport that links into the RTS could accelerate **inclusive** growth in some of North Essex's most deprived coastal places, providing access to opportunity like never before. Facilitating low-carbon mobility and reducing car dependency, meanwhile, supports energy **resilience** for the long term.

Growth priority 10: delivering skills for growth

Delivering North Essex's growth ambitions depends on equipping residents of all ages, regardless of where in North Essex they live with the skills needed to power our future industries and drive a more **productive** economy. By aligning our expert education provision with the needs of employers, improving **connectivity** for all residents to training and education and expanding provision in line with national sectoral priorities, we have the opportunity to build a more **resilient** regional economy whereby skills provision meets the needs of current and future jobs. Strengthening our Further and Higher Education offers and ensuring everyone can access high-quality training wherever they live is also imperative for building a more **inclusive** region for the long term.

These flagship projects represent significant opportunities to address North Essex's challenges while building on our many strengths, including our international gateways, ambitious business community and major housing growth. This document will explore each growth priority in turn, demonstrating how targeted investment can unlock long-term, place-based growth across our geography.

Delivering upon each of these priorities will make a substantial, positive impact upon the growth of the North Essex economy. Collectively the North Essex Growth Priorities have the potential to transform the economy across North Essex, across all sectors and industries. The case study set out in the table below examines the potential impact of the Growth

Priorities on tourism – a vital sector of the North Essex economy which employs a substantial proportion of the North Essex workforce, particularly in areas such as Maldon and Tendring which have significant tourist industries.

Tourism case study: how will the Growth Priorities impact upon key sectors of the North Essex economy?	
Priority	Impact upon tourism in North Essex
1: delivering three new Garden Communities	• High quality housing and tourism are tightly connected parts of a North Essex's overall appeal, resilience, and economic vibrancy. • Tourism relies heavily on workers - hospitality, retail, maintenance, transport, events and the provision of three large new garden communities delivering thousands of new homes will help more workers live more locally. • If workers are unable to live locally businesses can struggle to hire, opening hours and service quality can become harder to sustain – ultimately putting visitor satisfaction, turnover and the viability of businesses at risk • The new Garden Communities will help ensure North Essex's housing stock is better able to meet the needs and demands of the North Essex population, ensuring that people are better able to live in the region
2: Bathside Bay	• Bathside Bay will generate major economic growth in Harwich • This growth will help strengthen tourism in the region by improving services, infrastructure, workforce stability and the overall appeal of the area through the associated benefits arising from economic growth • Bathside Bay will generate thousands of new, well-paid, stable and skilled jobs. In turn this will provide greater opportunities for hotels, restaurants, cafés, attractions and transport services. • This increased trade will help businesses extend opening hours, improve service quality, provide more stable employment to attract and retain staff as well as being able to operate year-round. In turn, these improvements should also help improve visitor satisfaction.
3: maximising the benefits of Stansted Airport	• Expanding Stansted Airport's capacity directly strengthens North Essex's tourism economy by increasing international connectivity, creating thousands of jobs, and driving major investment into local infrastructure. • As Stansted expands and the number of routes increase North Essex's destinations become easier to reach for millions more visitors from abroad. • Improved airport facilities should make travel through the terminal smoother and easier, encouraging repeat visits and boosting North Essex's reputation as a well-connected destination. • The airport expansion is going to create thousands of new jobs which will support local residents to have stable incomes resulting in stronger local spending, helping tourism to further thrive.
4: delivering the new Princess Alexandra Hospital	• Whilst not directly related to tourism, the provision of modern, high quality hospitals would strengthen the wider visitor economy in several powerful, indirect ways. • Tourism thrives in places that feel safe, well-served, well-connected and economically confident. Modern hospital provision contributes to that. • Hospitals are important economic anchors which provide for a larger, more stable workforce in the local area. This in turn supports tourism as the area becomes busier and more vibrant. More residents with greater disposable incomes means money circulates locally, supporting restaurants, leisure venues and attractions.

Tourism case study: how will the Growth Priorities impact upon key sectors of the North Essex economy?	
Priority	Impact upon tourism in North Essex
Priorities 5, 6 and 7. (Improvements to A12, A120, and junctions 7 and 8 of M11)	• An improved A12 would mean: shorter journey times, fewer delays and bottlenecks and more predictable travel for tourists. When a place is easier and quicker to reach, more people choose to visit. This will support hotels, restaurants, cultural venues and the visitor economy as a whole. • Many of North Essex's tourism hotspots depend heavily on road access. Improving the A12 strengthens the entire visitor route into many of these areas. This will help make many localities in North Essex more competitive when compared with other areas. • Improved confidence around journey times will also help support business confidence to invest in expanding or opening new businesses.
8: improving train services from Clacton	• More frequent trains provide passengers with a more predictable trip which will help more tourists to choose to come to Clacton. • More tourists arriving by train should boost the local economy by providing more custom for cafes, restaurants, attractions and shops. • Increased train travel should help reduce pressure on local roads, most notably the A133 and also make it easier to hold larger events in Clacton.
9: Rapid Transit System (RTS) expansion	• When tourists can reach a destination easily, affordably and comfortably, the destination is more likely to attract larger numbers of tourists. Good quality transport also shapes how a place looks and feels which is an important factor for tourists. • High quality public transport reduces reliance on cars which can help an area feel less congested and provide a calmer, more pleasant environment which in turn can further support tourism. • Good quality public transport also enables larger scale events as the capacity to move people to and from a venue is improved.
10: delivering skills for growth	• A skilled, well-educated workforce is the backbone of tourism – it is the people working in the tourism industry that help make a place worth visiting. • Having education providers and businesses work closely together and ensuring equity of provision across North Essex for all residents will help the tourism industry attract and retain the talent it needs to provide visitors with high quality experiences that mean they will come back and the reputation of North Essex as a destination will continually improve.

Growth priority 1: delivering three new Garden Communities

North Essex is home to one of the most ambitious programmes of planned growth in the UK. Our three Garden Communities offer a unique opportunity to shape high-quality, sustainable and inclusive places at scale. These long-term developments are not only central to our mission, but also critical for meeting national growth priorities. They are not just about homes, but are also major economic drivers, creating thousands of high-quality jobs across growing sectors. The settlements are also designed with resilience at their core. From water-saving technologies to net-zero development standards, these new developments are future proofed to protect communities against climate shocks and rising energy bills.

An unparalleled growth opportunity

Our three Garden Communities are:

- **Tendring Colchester Borders Garden Community (TCBGC):** a flagship development, providing up to 7,500 new homes, with delivery set to commence in 2027. Alongside major employment space and ambitions to deliver a Sustainable Skills centre, a new RTS is also planned for Colchester to support the community.
- **Harlow and Gilston Garden Town (HGGT):** a cross-boundary development, set to deliver over 21,000 homes in Harlow, Epping Forest and East Hertfordshire. The Garden Town will support the regeneration of Harlow town centre, attract investment and unlock critical east-west connectivity, anchored by the success of the UKIC. It will also be home to the new UK Health Security Agency (UKHSA) campus.
- **North-East Chelmsford Garden Community:** the delivery of over 10,000 new homes to the North-East of Chelmsford will build upon the success of the award-winning Beaulieu and Channels neighbourhoods, significantly expanding the city.

National and regional impact

More than just housing schemes, North Essex's Garden Communities are key drivers of the region's economic competitiveness, with the potential to deliver tens of thousands of jobs between them. They are backed by strong collaboration at local, regional and national levels and directly support Government ambitions across housing delivery, inclusive growth and climate resilience. When it comes to water resilience, for example, North Essex's Garden Communities are designed to prioritise water saving, supply and reuse, alongside integrated flood management and mitigation solutions, with standards for new homes that could reduce average water consumption from 152 litres per person per day to just 85.

Tendring Colchester Borders Garden Community

In addition to 7,500 high-quality homes and 2,000 purpose-built student units, the development will provide 25 hectares of employment land and 7,500 jobs, including at a new business park and high-value knowledge-based employment sites. With its innovative approach to growth, TCBGC has a total scheme value of £6.5 billion, underpinned by £500 million in infrastructure investments, making it one of the most valuable and transformative development opportunities in the region.

Forward investment in key infrastructure means Phase 1 of the A133 Link Road is already underway, connecting the site to key movement corridors. Sections A, B and C of the

Colchester RTS are also near completion, providing affordable, reliable and efficient public transport and embedding sustainable travel choices from the outset. To complement and make best use of the RTS, a 650-space Park and Choose facility is proposed adjacent to the University of Essex. Unlike a conventional Park and Ride, the Park and Choose will provide a hub from which residents can take sustainable modes of transport to access Colchester's employment, skills, leisure and onward-travel opportunities. This includes connecting to the RTS, walking or cycling to access opportunities within the new development.

Impressive community infrastructure will include up to five new primary schools and one new secondary school. Delivering to Garden Community net zero standards and providing exceptional water efficiency measures will create a blueprint for climate resilience. Over 50% of the site is allocated to open space and multifunctional green and blue infrastructure, including a new country parks, waterways and other green spaces. Together with a minimum commitment to 10% biodiversity net gain (BNG), this will support active travel, access to nature and help to boost the physical and mental wellbeing of residents.

A highlight of the new development will be the Sustainable Skills Innovation Centre, currently proposed to come forward as Part 1 of TCBGC. This facility has the potential to equip local residents with the skills needed for the construction of the new Garden Community and for the wider economy. Based on the current designs, the facility will be capable of hosting 700 learners and 40 staff. Accommodation will comprise of 900 square meters of modern workshop spaces and an innovation hub, supporting a curriculum spanning apprenticeships, T Levels (vocational qualifications that are equivalent to three A Levels), higher-level courses and other flexible programmes.

There is also potential for TCBGC to anchor a new AI Growth Zone. Proposed to span part of the Garden Community and closely tied to the University of Essex and Freeport East, the North Essex AI Growth Zone could position the region at the forefront of the national digital and clean energy economy. Backed by Government policy to accelerate AI Infrastructure, the Zone offers over 100 acres of development-ready land, 3GW+ of clean energy capacity and over 150MW of AI-ready data centre infrastructure, alongside the UK's first 'AI-by-design' future living testbed. It has the potential to support 30,000 jobs and deliver £1.8bn in annual GVA while harnessing the University's 200+ strong AI research community. Crucially, partners are committed to prioritising sustainability in delivery, including transparency in water and energy reporting and exploring innovations such as waterless cooling systems. This approach will ensure that the proposed AI Growth Zone strengthens — rather than compromises — the long-term resilience of North Essex.

Harlow and Gilston Garden Town

With over 21,000 homes planned from 2025 across four Garden Communities and the urban area of Harlow, HGGT presents an opportunity to deliver housing at vast scale. With £6 billion in economic impact expected from delivery, HGGT also promises to support the regeneration of one of North Essex's most strategically located towns.

25ha of new employment land, including allocations within the Harlow Enterprise Zone and the relocation of the UK Health Security Agency (UKHSA) to the town, will support Harlow's evolution as a regional hub for innovation, health, MedTech and advanced manufacturing. These sites in Harlow, Epping Forest and Gilston (in East Hertfordshire) are set to deliver 12,000 jobs and strengthen the role of the growing UKIC.

HGGT's approach to infrastructure-led growth is underpinned by investment to deliver the new Junction 7a of the M11 (completed in 2022), as well as improving access to the town and surrounding growth corridors. A series of interconnected sustainable transport corridors is also being developed to connect new and existing communities to economic and social opportunities, prioritising modal shift from the outset. The timely delivery of these sustainable transport corridors, however, is critical. Current planning determinations are contingent on their progress and, without them, the full benefits of HGGT will not be realised.

The delivery of new primary and secondary schools, as well as healthcare facilities — including a new health campus (see Princess Alexandra Hospital chapter) — are integrated into plans, ensuring local services grow alongside housing delivery. Harlow will also be the focus of regeneration plans, with new leisure and civic infrastructure and cultural assets set to transform the town centre. Meanwhile, the integration of nature-based flood mitigation and green spaces will deliver improved health outcomes while enhancing the resilience of the Garden Town. Alongside highway and public realm improvements, this development is set to deliver over £1 billion in improved infrastructure for Harlow, Gilston and nearby communities.

North-East Chelmsford Garden Community

The NE Chelmsford Garden Community will build on Chelmsford's strength as an extraordinarily fast-growing and economically dynamic city. Alongside over 10,000 new homes, 16.4 hectares of employment land will provide 10,000 new jobs, with a focus on high-value, knowledge-intensive sectors and green industries. Over 3,000 homes have already been built alongside a new secondary school, two primary schools, a neighbourhood centre, healthcare and community facilities, all set within an exemplar open space network. Beaulieu, which is one of the first new neighbourhoods being built, was awarded the Academy of Urbanism national Great Neighbourhood of the Year award in 2024.

With a total scheme value of £3.19 billion, the NE Chelmsford Garden Community is underpinned by £700 million worth of new infrastructure investment, including the first section of the Chelmsford North-East Bypass and a new rail station. Beaulieu Park Station, the first new station on the Great Eastern Mainline in over 100 years which opened in October 2025, and facilitates smooth, sustainable regional and London-bound connectivity, unlocking growth across Chelmsford and beyond. Further modal shift interventions include the expansion of the current Rapid Bus Transit for NE Chelmsford, which will connect new neighbourhoods to the existing Chelmer Valley Park and Ride and new Beaulieu Park Station.

Over 50% of the development will be dedicated to green space, while a focus on walkability and low-carbon travel will support healthier active lifestyles with new phases providing 20% biodiversity net gain. A further new secondary school and four new primary schools are planned, ensuring access to high-quality education within walking distance and supporting inclusive growth from day one.

Optimising our unrivalled growth

Despite their scale and strategic positioning, each of the North Essex Garden Communities faces delivery barriers that risk delaying or diluting their benefits.

Primarily, key enabling infrastructure remains unfunded or delayed, impacting the pace of delivery. This includes important transport routes, education, digital networks and utilities.

Without addressing these barriers, we risk compromising the scale, pace and environmental quality of housing delivery, constraining economic growth, reducing the number of new jobs and missing a generational opportunity to transform North Essex and the wider East of England region.

Tackling these challenges can only be achieved through stronger, cross-system collaboration between councils, developers, infrastructure providers, Homes England and other Government departments. Greater Essex requires a clear strategic framework for bringing partners together to align planning, funding and delivery, which should also embed mechanisms for learning from past large-scale developments. Only through coordinated partnership working can we accelerate delivery, unlock investment and ensure that these Garden Communities deliver on their full potential for tens of thousands of new homes and jobs.

- **A1331 Link Road, Phase 2:** this is the single most critical transport intervention for TCBGC. Timely investment will accelerate the delivery of this route, essential for providing efficient connectivity for TCBGC residents. It also presents an opportunity to increase the pace of housing delivery.
- **Sustainable Skills Innovation Centre at TCBGC:** the timely securing and aligning of capital funding with S106 contributions will be essential if the college facility is to be delivered as part of Phase 1 of TCBGC. Support from the incoming Mayor of Greater Essex could help ensure all necessary funding is secured in the first TCBGC development phase, make certain that the site is ready for construction and help to attract private sector investment to further underpin TCBGC's skills and employability ambitions.
- **Park and Choose facility:** repayable grant support for the £6 million Park and Choose facility for the TCBGC would unlock delivery, ease developer cashflow and reduce viability pressures across the wider scheme. Mayoral intervention could bring this infrastructure forward sooner, supporting sustainable transport provision from the outset of the community's development.
- **North Essex AI Growth Zone:** swift Government approvals for the zone and Mayoral leadership of its delivery will ensure North Essex sees active benefits for local businesses and communities, not just passive capacity.
- **Further investment into the HGGT Rolling Infrastructure Fund:** this fund underpins the delivery of critical transport interventions across the HGGT area, with a particular focus on sustainable transport. Additional support would enable the timely construction of a much-needed vehicle crossing over the River Stort. It would also facilitate the creation of strategic north-south and east-west sustainable transport corridors that would deliver a new bus system and network of high-quality cycleways and footpaths, enabling a step change in modal shift. While developer contributions are already helping to fund critical infrastructure, further grant funding is essential to ensure transport infrastructure keeps pace with housing growth and maximises the benefits of planned development. Without investment in transport interventions that secure modal shift, the highway network in and around HGGT will not have the capacity to accommodate growth at the planned scale.
- **A12 Junction 19 Boreham Interchange:** critical investment to provide strategic capacity improvements would support the development of a proposed second 4,500-home garden community to the East of Chelmsford. Full improvements would also

increase housing capacity at the NE Chelmsford Garden Community by a further 2,500 new homes.

North Essex's Garden Communities represent an opportunity to deliver nationally significant housing, infrastructure and economic growth in tandem and at scale. With the right partnership arrangements and targeted investment in enabling infrastructure, we have the potential to accelerate delivery, unlock billions in economic value and create new blueprints for resilient and inclusive placemaking across the East of England and beyond.

North Essex partners urge the incoming Mayor to support the successful delivery of the three Garden Communities through prioritised packages in their Local Growth Plan and Spatial Development Strategy. The Mayoral Investment Fund could also be invaluable in bridging early viability gaps and accelerating critical transport interventions.

DRAFT

Growth priority 2: Bathside Bay

Bathside Bay offers a once-in-a-generation opportunity to position North Essex as a driving force in the UK's clean energy economy. Located within the Freeport East Industrial Zone and backed by national tax incentives, Bathside Bay is uniquely placed to unlock scalable green growth, supporting thousands of high-quality jobs, driving inclusive growth in coastal communities and facilitating energy resilience through offshore wind supply chain leadership.

As clean energy, logistics and technology become ever more interlinked, Bathside Bay also presents opportunities to create synergies with wider North Essex ambitions, particularly in AI and digital innovation thanks to the strong digital clusters anchored around the University of Essex in Colchester. The development offers a direct bridge to the Government's clean energy mission and port infrastructure ambitions under the Modern Industrial Strategy and the Clean Power 2030 Action Plan, helping to deliver against national objectives for energy security and low-carbon maritime growth.

A global gateway for clean growth

Bathside Bay is a 122-hectare development site at Harwich. It sits within the Freeport East Industrial Zone, which covers over one thousand square kilometres across Essex and Suffolk. This includes the Port of Felixstowe, Harwich International Port and Gateway 14 (Stowmarket). Freeport East's vision — in line with the Government's Modern Industrial Strategy — is to become a hub for growth in key sectors, including Clean Energy Industries, Advanced Manufacturing, Digital Technologies and Ports and Logistics. These are underpinned by an emphasis on innovation that will attract new investment and high-quality jobs.

Its Skills and Employment Plan commits Freeport East to maximising labour market opportunities for local residents (especially those furthest from the labour market). Its Green Freight Corridor partnership, meanwhile, pledges to decarbonise the transport networks that stretch from the Freeport to its local, regional and international destinations.

Bathside Bay is primed to become a green energy hub that also supports a longer-term use case for its container handling terminal. Harwich International Port already supports and attracts a wide range of offshore wind activities and, in recent years, has also attracted new investors in green hydrogen and sustainable aviation fuels. The new development is led by one of the world's leading port investors, Hutchinson Ports, and supported by Freeport East and other local partners.

Bathside Bay will create a new deep-water, heavy-duty quay to support offshore wind and clean energy projects with associated marshalling and capability to stimulate innovation and manufacturing clusters for clean energy. Critically, Bathside Bay will include the provision of lay down space to enable the assembly of large wind turbines. There are few comparable facilities elsewhere in the UK and Bathside Bay is one of only a handful of new developments with full planning consents in place. As such, Freeport East is uniquely positioned as a logistics and innovations hub, poised to support the UK's offshore wind delivery ambitions alongside a wider range of clean energy projects and activities, encompassing clean fuels and nuclear.

Delivering infrastructure, jobs and innovation

Bathside Bay forms part of the broader Freeport-wide programme expected to generate £5.5 billion in GVA over the next decade, with Bathside Bay contributing significantly through the provision of 122 hectares of employment land. This includes over 100,000 square metres of new industrial and office space, alongside a new dedicated Innovation Hub to support the growth of clean energy SMEs.

Bathside Bay offers scalable capacity for both fixed and floating offshore wind construction and manufacturing, as well as new capacity to support other projects in the nuclear, grid and clean fuels sectors. With sheltered and direct sea access, the site is well-positioned to support national offshore wind deployment targets, driving innovation, lowering costs and strengthening the domestic supply chain. In doing so, Bathside Bay will unlock essential infrastructure, enhancing energy resilience and security across the East of England and the UK.

Alongside its economic value, Bathside Bay will also see significant improvements to the local environment. The development includes the creation of a 117-hectare wildlife sanctuary, making it one of the largest green infrastructure schemes in the Freeport East programme. Bathside Bay also unlocks important active travel benefits, with new pedestrian and cycle infrastructure planned to connect the site to Harwich town centre and nearby rail stations, reducing car reliance and opening access to existing and future employment opportunities at Freeport East.

Freeport tax incentives enhance the site's investment offer, including 0% National Insurance for new hires, 100% business rate relief for the first five years of business occupation and stamp duty exemptions. These incentives are available until September 2031 (with relief continuing to 2036). The site also operates under a bespoke customs model, which removes import and export duties for value-added assembly and manufacturing. This reduces friction and increases efficiency for international trade, helping bolster the region's ability to export to foreign markets.

The development is shaped by a clear commitment to innovation, with the newly opened Harwich Innovation Hub, a flexible workspace for businesses in growth sectors that align with the Freeport's ambitions, such as clean energy, maritime and digital technologies. Located in the heart of the port and industry area of Harwich, the hub provides space for businesses to collaborate, grow and access training opportunities. Freeport East is also exploring the development of smaller-scale manufacturing spaces in Harwich, which are in strong demand from offshore wind supply chains and across other sectors.

These developments form a key part of the emerging Harwich Innovation District – a broader strategy to drive economic development and innovation across the wider Tendring area. Working with partners such as the University of Essex and Harwich Haven Authority, Freeport East has identified a number of local clusters across key sectors to attract new inward investment to the area. The success of attracting Australia-based hydrogen storage experts, Rux Energy, to set up in Harwich and commitment from Firefly Green Fuels to produce Sustainable Aviation Fuels (SAF) at the Haltermann Carless Refinery are examples of what this work can achieve. It also demonstrates the opportunity to capture more of the global value chain in growing sectors that align with the Modern Industrial Strategy's priority sectors (the IS-8).

Job creation is a core element of the site's impact. Bathside Bay will support up to 3,500 high-quality jobs and act as a catalyst for unlocking adjacent sites that have the potential to deliver a further 3,000 roles. Over half of these jobs are anticipated to be in the clean energy sector, representing a significant step-change toward delivering a skilled, future-facing workforce and inclusive growth in one of England's 10% most deprived communities. Freeport East already has a proven track record in supporting economically inactive individuals into full-time employment. Its partnership with Road to Logistics in Felixstowe, for example, provided holistic support to help benefit claimants and ex-offenders into sustainable employment in the logistics sector.

The potential to tackle long-standing inequalities and boost household incomes is stark, especially if coupled with the right employability support and pathways for local residents to benefit. This will require coordinated collaboration with colleges, schools, FE and HE providers and skills hubs to not only deliver a strong talent pipeline for the Freeport, but also to ensure residents can access and thrive in emerging sectors.

Realising Bathside Bay's potential

Whilst the site's strategic case is robust, significant public investment is required to fully unlock Bathside Bay's economic, environmental and social potential. This is principally due to the challenge for offshore wind developers to make long-term commitments to support port investments. This, in turn, makes long-term capital investment in the port challenging for private investors. In practice, only Government has the strategic policy oversight and market levers to provide the certainty required, alongside the support of local stakeholders.

Although Bathside Bay is consented and investor interest is strong, there remains the need for a longer-term, Government-led support mechanism that would enable the private sector to invest with confidence. Local authorities in the area, together with private partners, have already committed tens of millions of pounds to land assembly, early infrastructure and innovation assets, demonstrating strong local leadership and private sector backing. The catalytic power of Government investment, however, is needed to accelerate the development, provide certainty and thus crowd in further private capital.

Significant investment is required in a package of complementary interventions that go beyond core infrastructure to ensure Bathside Bay contributes to inclusive growth and local resilience. Investment in improved active travel and bus services, would better link Clacton, Jaywick and the wider North Essex geography with high-quality jobs at Bathside Bay and beyond, linking some of England's most deprived coastal communities to new and existing employment opportunities. NEC member councils have a strong track record of planning and delivering sustainable transport corridors to support new growth and are committed to applying this expertise to Bathside Bay. Crucially, the A120 dualling between Braintree and the A12, alongside the planned improvements to the A120 between Colchester and Harwich as part of the enabling works for Bathside Bay will underpin these transport interventions and will be essential for unlocking Bathside Bay's full potential. Current limitations constrain the wider port, but improvements could provide a stronger freight and workforce corridor to maximise productivity, boost supply chain resilience and ensure residents can access new employment and skills opportunities.

The skills plan for Bathside Bay is already well developed, with partners investing in training provision, employer engagement and SME support to ensure a strong talent pipeline. The Harwich Energy Skills Centre — established through collaboration between NEC local

authorities and FE providers — is already operational. It has proven to be a strong foundation for scaling up critical green skills delivery and is well-positioned to cater for the anticipated increase in clean energy jobs at Bathside Bay and wider East of England region. Capital investment to expand the centre, however, would provide additional opportunities for local upskilling, creating a larger, more resilient local talent pipeline for the site. The centre has the potential to become a regional anchor for green skills delivery, supporting both the regeneration of Harwich and the surrounding areas as well as the wider ambition of Freeport East to transform the UK's clean energy sector.

To attract and retain skilled workers, there is also a need for investment in high-quality housing and public realm improvements in Harwich and Dovercourt. Greater public sector intervention in land assembly and bringing forward stalled sites, in collaboration with Freeport East, will be a key mechanism for accelerating local regeneration. This will help rebrand the area as a dynamic and liveable coastal economy and an attractive destination for talent, families and innovators. It will also harness the locality's significant tourism potential as an area already steeped in rich history and boasting already-popular coastal attractions. These include the Mayflower Heritage Centre, the Napoleonic Redoubt Ford and a number of classic pleasure piers, such as the Victorian Ha'penny Pier.

Finally, a dedicated permanent innovation centre, focussed on clean energy and maritime technologies, is needed to anchor Freeport East's R&D potential. A purpose-built home for scaling up innovation activity would not only support business growth but also embed Bathside Bay as a national hub for clean, resilient growth. The existing hub has been made possible with significant investment from Freeport East and Tendring District Council, alongside support from the voluntary and community sector. Building on these strong foundations would anchor Bathside Bay as a national hub for clean energy that is able to deliver for national productivity, innovation and energy ambitions.

Strategic investment in Bathside Bay offers a unique opportunity to drive inclusive growth and job opportunities in one of England's most deprived coastal communities whilst simultaneously delivering against national ambitions around innovation, decarbonisation, global trade and productivity. Given its national strategic value, North Essex partners ask the Mayor to prioritise Bathside Bay in the Local Growth Plan. Mayoral borrowing powers could also help to provide catalytic capital to de-risk private investment and accelerate the delivery of this transformational infrastructure. Equally as important will be the Mayor's convening power and their ability to bring together local authorities, Government agencies and the private sector across Essex and Suffolk to align planning, infrastructure and investment decisions. This leadership will be essential to overcome fragmented governance and ensure Bathside Bay realises its potential of becoming a regional growth engine.

Growth priority 3: Maximising the benefits of Stansted Airport

Stansted Airport is a strategic national asset – the UK's fourth-busiest airport, a vital trade and freight hub and the largest single-site employer in the East of England. With the capacity to serve up to 43 million passengers per year and major investment already flowing, Stansted is one of the clearest and most immediate large scale growth opportunities in North Essex. Manchester Airport Group (MAG) has already invested £1.1 billion to extend the existing terminal by a third (16,500m²), deliver a 14.3 megawatt on-site solar farm and improve the wider airport estate, including an airfield taxiway upgrade.

Powering national prosperity and international connectivity

Stansted already plays a critical role in the UK's aviation and economic infrastructure. In 2024, the airport served 29.8 million passengers and handled over 307,600 tonnes of cargo. These figures secured Stansted its status as the fourth-busiest passenger airport and third-busiest cargo airport in the UK.

Offering direct access to around 200 destinations across Europe and beyond, the airport is a vital travel hub and has seen significant growth since being acquired by MAG in 2013. This includes an annual passenger volume increase of more than 60%, an £80 million terminal redevelopment completed in 2020, substantial sustainability investments to achieve Level 3+ carbon neutrality and improved connectivity with upgrades to the Stansted Express rail service.

As the largest single-site employer in the East of England, the airport is also a key employment anchor for the region, providing jobs for over 12,000 on-site employees. Adjacent to the airport, the 150-acre Stansted Airport Business Park is expected to create a further 2,000 long-term career opportunities, deepening the employment and skills base in the surrounding area.

Helping to provide the future talent pipeline for these emerging opportunities is Stansted Airport College, the UK's only on-site aviation college and a proven model of employer-led learning. Part of the Harlow College Group, the college offers tailored training and career pathways in aviation, engineering and airport operations. 85% of its students progress directly into jobs at the airport, while demand for places at the college consistently exceeds capacity, resulting in the temporary lease of additional space to boost capacity. This success and demand cements Stansted's position, not only as a global gateway, but also as a growth engine for local talent and a cornerstone of West Essex's strong skills offer, complementing impressive sustainable and logistics skills provision at the college's Harlow campus.

Growing Stansted's global potential

Expanding Stansted's passenger capacity is one of the most deliverable and high-value growth opportunities in the East of England. The airport saw a record 29.8 million passengers in 2024 and, within existing consents, has the ability to increase this further to 43 million.

As well as reducing pressure on other over-capacity airports in and around London, consented Stansted expansion will strengthen the UK's international connectivity and unlock £2.25 billion in GVA by 2034. The construction phase alone is expected to create 150 jobs

over a 10-month build period, while long-term operations will support 5,000 additional new roles across the airport.

Expansion within the current consented plans will also accelerate growth in the airport's cargo capacity, with Stansted strategically positioned to support the UK's growing logistics and export economy and facilitate faster, more affordable access to global markets for businesses in London and the East of England. Already a gateway for high-value air cargo, Stansted has a unique opportunity to secure its position as an essential link for internationally focussed businesses in innovation clusters across the East of England. This includes highly innovative businesses across the nearby Harlow Innovation Park, Chesterford Research Park and wider UKIC. This will allow Stansted to build on its strong export track record, already centring around nationally significant industries.

Top Stansted Airport exports (July 2025)	
Product	Value
Gas turbines	£208m
Aircraft parts for spacecraft, UAVs and ground equipment	£73m
Vaccines, blood, antisera, toxins and cultures	£49.3m
Orthopedic appliances	£28.9m
Telephones	£25.4m

Maximising impact through coordinated effort

Stansted already plays a critical role in supporting the national economy by connecting UK businesses to global markets, easing pressure on other, more constrained airports in and around London and creating tens of thousands of jobs across the East of England through associated industries such as tourism. The airport already aligns with national infrastructure priorities and the Industrial Strategy's goals to modernise transport, unlock regional productivity and decarbonise aviation hubs.

To realise the airport's full potential, targeted and coordinated public and private support are essential. Stansted is difficult to reach via public transport for much of Essex, which limits access to employment, training and travel opportunities. There is an urgent need for Network Rail to update its West Anglia Main Line (WAML) study to better understand the long-term challenges and opportunities for the line and how it can better support Stansted (and wider West Essex) growth. It is also critical that the Greater Essex MCCA reflects access to the airport in its Local Transport Plan, ensuring that local residents benefit from improved job opportunities and infrastructure. As well as train line enhancements, the Plan must feature improvements to M11 Junction 8, where bottlenecks are limiting airport productivity and resulting in unreliable journey times to the airport for employees, passengers, freight and Stansted Airport College students.

Meanwhile, Phase 2 expansion plans for Stansted Airport College would raise capacity from 600 learners to over 900. This expansion would help to bolster the airport's response to the growing gap in aircraft maintenance technician capacity in the UK's aviation sector, which results in many airlines outsourcing aircraft maintenance to companies based abroad. Further information about, and requirements for, Phase 2 expansion can be found in the 'Delivering Skills for Growth' chapter.

Support is also needed to grow the innovation ecosystem around the airport, including R&D in cleaner aviation, skills partnerships with nearby FE and HE institutions and links to the wider Freeport East growth cluster. These interventions will generate high-value

employment, attract unparalleled inward investment, reinforce Stansted's role in climate mitigation and embed the airport more firmly within the UK's emerging network of regional innovation clusters.

Stansted is already delivering for the UK, powering growth, productivity and international connectivity from the heart of the East of England. With the right enabling investment in infrastructure, skills and innovation, the airport can continue to grow within consented plans, delivering even more for the national economy and strengthening the UK's competitive edge.

To secure the airport's skills pipeline and maximise Stansted's economic potential, we ask the Mayor of Greater Essex to recognise the airport's needs in its Local Transport Plan, Spatial Development Strategy and Local Growth Plan. Allocating funding could significantly improve the delivery of access improvements (such as Junction 8 of the M11) and support wider airport infrastructure. As well as reflecting Stansted Airport College's expansion in their skills strategy, the Mayor should also seek additional capacity support and clarity from the DfE on loan funding frameworks for colleges in order to unlock the expansion plans for Phase 2. This will help the college to meet oversubscribed demand and continue to develop the skills offer in West Essex.

DRAFT

Growth priority 4: Delivering the new Princess Alexandra Hospital

The delivery of the new Princess Alexandra Hospital (PAH) in the West of the region represents a unique opportunity to strengthen the health, wellbeing and economic resilience of North Essex. As part of the Government's New Hospital Programme, construction of the new facility is scheduled to begin between 2032 and 2034. It will replace outdated infrastructure with a world-class health campus, delivering care at scale, in the right place and at the right time for a growing and diverse population. Alongside the recently confirmed UK Health Security Agency (UKHSA) relocation to Harlow, the new hospital also promises to stimulate growth in the life sciences and healthcare sectors whilst enhancing the resilience of key nodes (including Harlow and Epping Forest) with excellent links to London, Cambridge and the rest of the UK.

This opportunity, however, is not necessarily guaranteed. There remains risk of delay that could undermine improved health outcomes and economic growth. It is therefore critical that the Mayor champions this project and works with Government to remove barriers to ensure that PAH is not only delivered but delivered quickly to realise its benefits as soon as possible.

Replacing ageing infrastructure

PAH is currently one of the most constrained major hospitals in the country. It provides acute and specialist services to a catchment area of approximately 460,000 people across the West Essex and East Hertfordshire catchment and demand for its services continues to rise.

The estate is no longer fit for purpose: over half of the infrastructure has been rated as being in an unacceptable condition, with persistent issues relating to capacity, maintenance and layout. Clinical teams are operating in ageing buildings that no longer reflect modern models of care and patients face fragmented services delivered across a site that was not designed for the complexity of today's needs.

The current hospital's limitations are particularly acute given its strategic location. Sitting between London, Cambridge, Chelmsford and Stansted, PAH serves some of the fastest-growing communities in the UK, as well as a number of areas of high deprivation with significant health inequalities. Harlow, for example, sees an under-75 preventable mortality rate of 190 per 100,000, compared to an East of England average of 135. Around 95 people per 100,000 aged under 75 die from cardiovascular diseases that are considered preventable, compared to a national average of 77. In this context, a modern, integrated hospital is not only essential to meet rising clinical demand but also to underpin a healthier, more resilient North Essex.

A catalyst for health innovation and inclusive economic growth

The intended PAH design is not just a replacement hospital complex: it is a driver of transformation. It will combine the most modern clinical facilities with smart technology, flexible and adaptable spaces and a fully electric, carbon-neutral operation, making it one of the most sustainable hospitals in the UK.

The new facility will enable enhanced models of care, shorter patient stays, improved outcomes and a better working environment to support the attraction and retention of high-quality clinical staff, directly aligning with Government's 10 Year Health Plan for England.

New transport and ambulance hubs will improve emergency response times and connectivity for staff and patients alike. This critical new infrastructure will support significant housing and population growth across the wider M11 corridor, especially for the new HGGT.

Building on its healthcare function, the new hospital development will provide the foundation for a next-generation Health Campus, already allocated in Epping Forest District Council's Local Plan. The hospital will also be integrated into Harlow's future sustainable transport corridor network, ensuring efficient connectivity, while attracting investment, supporting innovation and creating high-value jobs. Overall, the scheme will represent over £750 million of investment into local healthcare facilities and health sciences innovation, underlining its scale and long-term significance to the region and its role in delivering the life sciences ambitions of the Modern National Industrial Strategy.

Anchored by the UKIC, West Essex is already emerging as a national hub for health innovation thanks to the Harlow Science Park, its proximity to research centres in Cambridge and London and the recent confirmation of the UKHSA relocation to a £1 billion campus in Harlow, which is set to create around 3,000 permanent jobs. These assets combined will support growth in nationally significant sectors where North Essex already has a strong comparative advantage, helping to increase productivity and broaden the employment base.

At the same time as planning for the new hospital, PAH is working with Harlow District Council as the local authority develops its Pride in Place agenda. Building on commitments in the 10 Year Health Plan for England, PAH will work with Harlow and Epping Forest District Councils and its Essex health and care partners to reshape services for patients. The focus on place, communities and neighbourhoods will support the new hospital transformation agenda, making sure the newly built facility focusses on the critical, specialist and acute care that needs to be delivered symbiotically. As Neighbourhood Health plans develop, coupled with the hospital's focus on proactive care, this will reduce the demand for acute services from the growing population across the West Essex and East Hertfordshire catchment.

Delivering better health outcomes requires a new approach

PAH has been confirmed as part of the Government's New Hospital Programme, but unlocking its full potential will require more than capital investment alone. It is essential to ensure timely delivery, full design flexibility and the ability to integrate wider innovation, training and community uses into the hospital campus, ensuring the hospital continues to have a robust talent pipeline for years to come.

There is also significant digital potential associated with the new hospital and wider health campus. Several initiatives are already underway that could be further targeted and enhanced to support the development. Digital skills programmes and improved connectivity infrastructure could enable remote diagnostics and telehealth while ensuring that nearby communities are not only digitally included but actively benefit from the opportunities created by the PAH and wider UKIC area.

Securing a clear delivery timeline and funding certainty is essential to ensure that design, planning and construction can progress at pace and avoid escalating costs. A joined-up approach across health, infrastructure and planning departments will also be critical to realise the opportunity for integrated transport, digital connectivity and workforce provision. Partnerships with the private sector — particularly in health innovation and sustainability —

will also be key to deliver a facility that combines best practice in design and clinical excellence.

North Essex partners also recognise that PAH is not the only health facility in the region that requires urgent support. There are also acute health infrastructure pressures in places like Maldon, where the existing St Peter's Hospital has a significant backlog of maintenance issues. As a result, the community stroke unit and specialist rehabilitation services in Maldon have closed and the birthing unit has been moved from Maldon to Braintree. Mid Essex Integrated Care Board are now planning to build a new facility on the St Peter's site in Maldon. This important project will require external funding to ensure the full benefits can be realised. As well as ensuring the delivery of the transformative PAH facility, North Essex partners urge the incoming Mayor of Greater Essex to consider wider community health challenges as illustrated by the St Peter's example in Maldon in their Public Health approach. Mayoral intervention could not only safeguard wellbeing but also underpin economic and inclusive growth by attracting health-related innovation and enabling a healthier workforce to support regional productivity.

The successful delivery of the new PAH is critical, both as a health asset and as a cornerstone of long-term growth and resilience. Continued Government support, in partnership with PAH, local communities and businesses is essential to ensure this major development delivers maximum benefits for North Essex and the wider economy. As the incoming Mayor assumes new responsibilities for tackling health inequalities, there is a clear opportunity to champion PAH whilst addressing wider community needs to ensure that health investment drives inclusive growth and productivity across the region. We urge the incoming Mayor to make the rapid progression of this scheme a top priority, using their influence to remove barriers, accelerate decision-making and secure the necessary backing to expedite the scheme.

Growth priority 5: A12 widening scheme from Chelmsford (Junction 19) to Marks Tey (Junction 25)

The A12 is the spine of North Essex. Its upgrade is not merely a connectivity intervention but also critical for boosting productivity, unlocking new homes, creating jobs, strengthening national freight resilience and facilitating sustainable growth across the East of England.

Despite the recent cancellation of the A12 widening scheme and the difficult fiscal climate, all NEC partners strongly believe that this scheme must be brought forward, not just for North Essex's growth, but for the sake of Greater Essex and UK economic prosperity as a whole.

A key route under pressure

The A12 is the most heavily used A road in Essex and one of the busiest in the country, carrying up to 90,000 vehicles per day between Chelmsford and Colchester. This is comparable to many stretches of UK motorway but the A12 faces higher level of congestion, more unreliable journey times and more serious safety concerns than many of the country's motorway networks.

This overburdened stretch of road is now a major constraint and is restricting the economic and housing growth potential of North Essex, which is one of the UK's major growth success stories. Given the cancellation decision, Local Planning Authorities across the county will need to update Local Plans, revisit technical assessments and delay timetables, jeopardising many years of preparatory work.

In the short term, the feasibility of a number of strategic development sites will be called into question, hampering the region's productivity and potential. This includes 4,500 homes in Colchester aligned to the A12 corridor and a further 4,500 homes in a garden community planned for Chelmsford. It will also have implications for Braintree (especially for planned growth along the Witham-Kelvedon-Hatfield Peverel corridor), Maldon (where significant growth is predicated upon the new Junction 21 proposed as part of the widening scheme) and Tendring (where strong connectivity between the A12 and A120 will play an important role in maximising the success of Freeport East).

In the longer term, tens of thousands of new homes will be stalled or come forward in a piecemeal way without the necessary infrastructure investment and/or affordable housing. This could risk the delivery of inclusive outcomes upon which North Essex's growth ambitions hinge.

Daily traffic on the A12 comprises over 10% heavy goods vehicles (HGVs) — double the national figure — reflecting the A12's importance for the logistics sector. Businesses that are reliant on the A12 incur higher costs due to significant congestion and the recent scheme cancellation will have adverse effects on productivity and limit the potential of Freeport East. Congestion continues to increase journey times on a stretch of road that already causes delays of 1.5 hours per working week. North Essex is already seeing the impact of this congestion, as reduced journey reliability pushes long-distance traffic onto minor roads and through residential communities. The result is a highly inefficient and increasingly unsafe road network, where daily delays act as a drag on economic productivity, a major investment deterrent and a source of frustration for tens of thousands of commuters.

The East of England, with over 1.7 million jobs and a long-standing contributor to UK GDP, is being held back by an A12 which does not meet the needs of our modern, dynamic economy. The region suffers from average vehicle delay rates that are nearly 20% higher than the national average, underlining the scale of historic underinvestment and reflective of the omission from national infrastructure investment. These factors have led Transport East to identify the A12 as the corridor where improving reliability and journey times would have the most significant impact on raising productivity levels across the region.

Intervention is critical to prevent these gaps from growing, particularly as pressure mounts from planned housing and employment growth across North Essex. Without improvements to the A12, we risk stalling future developments, economic growth and job creation, despite significant local efforts to drive growth and overcome the region's infrastructure challenges. To achieve the ambitions of Government and local partners, the issues on this major route must be addressed as a matter of critical urgency.

A route to prosperity

While the A12 widening between Chelmsford and Marks Tey is not currently progressing, the proposal is fully developed and had been scheduled and planned for. It was not just a road-building scheme; it was a vital enabler of national and regional policy aims, aligning fully with the Government's 10-Year Infrastructure Strategy's ambitions to drive economic growth through transport infrastructure, boost transport resilience and support regional housing growth. While the scale of investment required is significant, the transformative economic and social benefits demand that the case for upgrading this key corridor is urgently revisited.

Having already secured a Development Consent Order (DCO) — following extensive public consultation, route design and feasibility work — the scheme is oven-ready, free of legal challenge and has widespread cross-party support from across the region. It also has private sector backing, including from the GEBB. Having been a committed scheme since 2020, the A12 widening presents an immediate opportunity to accelerate housing growth, create jobs and deliver a rapid return on investment.

The A12 upgrade would significantly reduce congestion, improve journey time reliability and reduce collisions, making the network safer, more resilient and more productive. It would also allow the road to absorb increasing volumes of freight from Felixstowe (the UK's busiest container port), Harwich and the wider Freeport East area.

The scheme is absolutely integral to North Essex's housing growth agenda and the emerging Spatial Development Strategy for Greater Essex. Thousands of new homes — including those within the Chelmsford Garden Community — have been planned on the knowledge of the scheme proceeding. Their viability and sustainability are now at risk and, without clarity over the route's future, there will be significant delays for a number of large, strategic housing sites across the region.

The A12 widening scheme had further connectivity benefits, including providing the much-needed capacity to enable an upgrade of the A120 between Braintree and the A12 in the longer term. While this is a separate scheme, there is a clear interdependency between the two, with unparalleled opportunity for unlocking further growth along both strategic routes.

A call to reconsider

NEC recognises the difficult fiscal choices facing central Government and the imperative to prioritise projects that deliver maximum value for money. In this context, the A12 widening scheme stands out. It is already at an advanced stage of development, with a DCO in place. Allowing this DCO to lapse would waste millions of pounds already invested and set the project (and the economic and housing growth contingent on this scheme) back by years. The project already has strong local support and clear alignment with Government priorities, including housing delivery, freight and logistics resilience and infrastructure-led growth. Years of partnership work mean that public consultation, route design and feasibility work is already complete and this scheme is ready to progress to the next stages.

The reactivation of this existing commitment remains essential to delivering national objectives and North Essex is seeking certainty that nationally managed infrastructure such as the A12 will not become our primary constraint. The A12 forms the backbone of the regional economy and its modernisation is critical to making the East of England investment-ready and globally competitive.

NEC member authorities strongly urge Government to reconsider and revisit the project, keeping the existing DCO in place as the foundation for delivery. We invite Government to work with us, alongside National Highways, to explore collaborative approaches to bringing this vital infrastructure investment into fruition.

If the UK is to build the homes it needs, create better-paid jobs outside London, continue to grow tourism and improve freight mobility, it must invest in the infrastructure that makes this possible. The A12 is a mission-critical quick win and, although currently paused, remains highly deliverable and within reach.

NEC urges the Government to collaborate, co-invest and co-deliver to support unprecedented regional growth, maintain network resilience and strengthen productivity across North Essex and beyond. The incoming Greater Essex Mayor should treat the A12 widening as a key priority within their Local Transport Plan, Spatial Development Strategy and Local Growth Plan, while using their lobbying power to influence Government to revisit the scheme and retain the current DCO. The Mayor should also work with neighbouring authorities in Suffolk and Norfolk to present a single, united regional voice on the A12. This collective approach could add significant weight to the case for reinstatement, demonstrating that the benefits of the scheme extend far beyond the Essex borders.

Growth priority 6: A120 dualling (Braintree to the A12) and improvements

The A120 forms the only east-west freight and passenger corridor connecting the M11 with Harwich International Port and the A12. This route is central to regional productivity and the UK's international trade and housing delivery ambitions yet remains constrained by a short, outdated stretch of single carriageway between Braintree and the A12.

This length of single carriageway stretches just under nine miles but creates a disproportionately large bottleneck on one of the East of England's most important routes that underpins major development opportunities, including Freeport East and the emerging TCBGC. Furthermore, the A120 from Colchester to Harwich requires a number of upgrades and improvements to unlock growth in Colchester and the Tendring Peninsula. A relatively modest investment could unlock significant economic and connectivity benefits for the East of England, with the opportunity to consider this scheme as part of a wider regional growth package, alongside the A12 widening, to strengthen this essential economic spine. As North Essex continues to develop, delivering significant economic growth and large numbers of new homes, we anticipate that there will need to be further improvements between Colchester and Harwich, with the whole length of this road ultimately needing to be dualled.

Underserving a high-growth region

The section of the A120 stretching from the M11 at Stansted to the A12 at Marks Tey is one of the most strategically important stretches of roads in the East of England. It carries both high volumes of commuter traffic and substantial freight movement, serving the UK's largest container port cluster and one of its busiest airports. The section between Braintree and the A12, however, significantly constrains an otherwise vital route, pushing traffic onto the already over-capacity A12 or A14. With its short length, relatively small improvements have the potential to release a major bottleneck, relieve pressure and enhance resilience across the network.

This outdated infrastructure causes regular congestion, particularly at peak hours, when A120 traffic volumes reach up to 3,000 vehicles per hour. Up to 15% of daily traffic consists of HGVs, which is well above the national average. This places additional strain on a network not designed for such demand and has significant productivity impacts for businesses relying on the network. Furthermore, almost a quarter of the road is frequently congested, and average vehicle speeds during the evening peak are reduced by up to 22mph compared to free-flowing conditions.

The single carriageway section also sees more than 230 accidents and 350 casualties per year, not only resulting in a tragic loss of life and life-changing injuries but also costing the economy more than £2 million per year. This unreliability and lack of safety is a deterrent to investment, limiting commercial viability and impacting the daily lives of residents and businesses across the region.

The A120 also needs a number of important improvements between Colchester and Harwich to improve the flow of traffic as well as increasing journey reliability and road capacity. These improvements are a pre-requisite to ensure the success of the forthcoming Bathside Bay development which is key to future growth in the region and as such must be developed in advance of the Bathside Bay scheme. Furthermore, these vital improvements to the A120 will help ensuring we are able to realise a greater potential of Colchester and Tendring as well as serving the significant housing growth planned in this part of North Essex.

The implications are far-reaching, restricting access to Freeport East, Stansted and Cambridge, pushing traffic onto already-busy roads serving London, Chelmsford, Ipswich and others, weakening the UK's logistics resilience and damaging its competitiveness in international trade. It impedes the delivery of major housing sites, including along the high-potential Colchester-Braintree-Marks Tey growth corridor. It also undermines wider productivity, with congestion and delays acting as a consistent drag on the regional economy.

The road to growth for North Essex

Upgrading the A120 between Braintree and the A12 is a clear opportunity to unlock housing and improve safety and reliability. It would also form a continuous high-capacity corridor between the M11 and A12, providing much-needed relief for other east-west routes.

Modelling indicates that the scheme could generate an additional £2.2 billion in economic output, while significantly improving journey times and boosting productivity. Critically, in conjunction with the planned improvements to the A120 between Colchester and Harwich as part of the Bathside Bay scheme, dualling the A120 between Braintree and the A12 will strengthen the logistics offer of Freeport East and is a key enabler for unlocking the full benefits of the forthcoming Bathside Bay's development. As well as improving road access to Harwich and Felixstowe for the region's port industries, it would also facilitate more efficient movement of goods and people to Stansted Airport. In doing so, dualling the A120 supports the growth of tourism as well as the Modern Industrial Strategy's ambitions around trade corridors and clean logistics and is directly aligned with the 10-Year Infrastructure Strategy's aims to better support ports and surrounding growth corridors.

Dualling the A120 between Braintree and the A12 will also unlock thousands of new homes and jobs. Without it, there is a risk of under-delivery against national targets, with knock-on effects for affordability, investor confidence and long-term growth. A number of major planned developments — including TCBGC — are underpinned by improved connectivity and reliability on a dualled A120. Benefits extend beyond housing, with A120 improvements also helping to unlock regeneration in key areas such as Colchester and Harwich, enabling the former to capitalise on the benefits of Bathside Bay and supporting the City of Colchester to strengthen its role as a regional economic centre.

A120 dualling is also essential for unlocking growth in Braintree, a fast-growing economic node in North Essex. With major employment zones such as the flagship Horizon 120 site — which is already home to British Offsite, CareCo, Essex X-Ray and others — the town boasts strengths in advanced manufacturing, logistics, clean energy and digital sectors. Its potential is severely constrained, however, by limited east-west connectivity. Dualling the A120 between Braintree and the A12 has the potential to provide greater access to labour markets, supply chains and international gateways, reinforcing Braintree's economic status and supporting Government ambitions for productivity and better-connected places.

Improved east-west connectivity could also unlock access to education and training opportunities. This includes Colchester Institute's Braintree campus, which specialises in construction, business and STEM disciplines. The campus creates clear pathways for young people and adults into skilled, high-value employment, supporting inclusive growth and building a resilient talent pipeline for local businesses in high-growth sectors.

The A120 dualling could also strengthen growth in the UKIC by improving east-west connectivity between key Cambridge clusters, emerging hubs in North Essex and major global gateways. Meanwhile, coupled with the planned improvements to the A120 between Colchester and Harwich, dualling the A120 between Braintree and the A12 would enhance access to Bathside Bay, enabling the site to draw on world-class supply chains, talent and investment from the wider East of England geography.

This scheme has wider connectivity benefits from the region. Not only would it reduce rat-running through the large number of rural communities in the surrounding areas, but it also has a clear interdependency with the A12 widening scheme. Together, these projects would create a fully integrated connectivity corridor for the region, unlocking transformative opportunities for growth. The A120 dualling could also provide essential relief for the A12, helping to improve network resilience. Delivering these schemes as part of a coordinated transport package — rather than in isolation — would maximise return on investment and ensure the region has the capacity to support long-term housing, employment and trade growth.

An invitation for collaboration

Many NEC partner organisations have long championed the case for A120 dualling, as well as improvements between Colchester and Harwich. These asks are supported by robust analysis and strong local cross-party political support. In return, we are seeking renewed commitment from Government to move this long-overdue project forward.

The A120 dualling business case is well established and strategic alignment with national objectives is clear. It also has strong regional backing, with Transport East also advocating for the dualling. Only through progressing this scheme will North Essex be able to truly boost inclusive growth by improving access to jobs, education and services for communities along the corridor, connecting people in towns such as Braintree, Coggeshall and Marks Tey to thriving economic hubs at Stansted Airport and Freeport East. This enhanced connectivity promises to attract new business, support existing employer expansion and enable greater participation in economic opportunities in the Government's priority sectors.

The pledge we are seeking from Government is long-planned and evidence-based. Bringing the scheme dualling of the A120 back into the Roads Investment Strategy (RIS) pipeline is the first step. To help fund the dualling of the A120 between Braintree and the A12, NEC also supports exploring opportunities for blended funding, including developer contributions and stronger private sector collaboration.

This scheme connects nationally important infrastructure, supports international trade and directly enables the delivery of thousands of homes and jobs. With renewed Government backing, it promises to support a more resilient, better-connected, inclusive and productive economy, not just for North Essex, but for the entire East of England region. By including the A120 dualling in their Local Transport Plan and by convening Government, National Highways and other key partners, the incoming Mayor of Greater Essex has the potential to support the timely design and delivery of this essential infrastructure.

Growth priority 7: Improving junctions 7 and 8 of the M11

The M11 is a critical component of the UK's strategic road network, linking London to Cambridge, powering the UKIC and providing a key freight route between the Midlands/North and the Channel Ports. Junctions 7 and 8 are pivotal access points for key national assets, including Stansted Airport, the Harlow Enterprise Zone, the Government's newly announced National Health Security Agency (UKHSA) centre and HGGT. Junction 8 is also strategically important for East Hertfordshire, especially for connectivity around Bishop's Stortford, which lies immediately adjacent. Despite their importance, these junctions are currently acting as pinch points, causing severe congestion which undermines the region's productivity and growth potential.

Targeted investment to enhance these junctions promises to unlock tens of thousands of new homes and jobs. To realise this opportunity, however, it is vital that the Government works with partners in North Essex and Hertfordshire to deliver infrastructure that is fit for a high-growth, high-productivity future.

Necessary upgrades to a national growth corridor

Junction 8 of the M11 serves as the principal gateway to Stansted Airport, the UK's fourth-busiest passenger airport and East of England's largest single site employer. At peak times, however, congestion undermines this critical connectivity, creating delays for commuters, passengers and freight.

Junction 7, meanwhile, provides access to the town of Harlow — rapidly emerging as an important economic and productivity hub for the East of England — as well as substantial housing sites to the south and east of the town. Harlow's growing strengths in life sciences, advanced manufacturing and digital technology are anchored by the Harlow Enterprise Zone and the recently announced relocation of the UKHSA to the town.

Although the opening of Junction 7a in 2022 has helped alleviate some of the pressure on this essential junction, the network remains under strain. Junction 7 plays a central role in unlocking HGGT, an impressive development set to deliver over 21,000 homes. Without further intervention, however, the current road network risks constraining the delivery of this ambition, undermining wider economic growth efforts in Harlow and beyond.

Unlocking international competitiveness and connectivity

Upgrading Junctions 7 and 8 is central to unlocking long-term growth across North Essex and the wider East of England. These enhancements underpin the development of HGGT, supporting 21,000 homes at HGGT and a further 1,000 at North Weald, plus potential new developments in urban areas of Harlow and future development opportunities. This growth will play a key role in regenerating Harlow and driving inclusive growth in the town, improving local infrastructure and creating vibrant, sustainable communities. The upgrades will also open new opportunities for the residents of Harlow, which has a higher-than-average proportion of people who are economically inactive (22% compared to a county average of 19%) and claiming benefits (5.4% compared to 3.3% Essex-wide).

As well as providing access to 12,000 jobs at HGGT, Junction 7 is also critical for strengthening connectivity to the Harlow Enterprise Zone, supporting growth in sectors that are well-aligned with national industrial policy (for example, life sciences and advanced

manufacturing). With modern business space and a strategic location at the heart of the UKIC, it is already attracting innovative companies and creating skilled jobs that match with national productivity ambitions.

Improvements at Junction 8 will reduce congestion and ensure better access to Stansted Airport, which is expected to generate a further 5,000 new jobs in the near future. The airport already acts as a major hub for employment, innovation and sectoral growth; however, its future success depends on seamless transport connections, which will underpin its £2.25 billion economic contribution by 2034.

A shared commitment to regional impact

Local authorities across both Essex and Hertfordshire are already investing in strategic infrastructure, as demonstrated by the successful delivery of Junction 7a, which was funded by Essex County Council and National Highways. The full benefits of this investment, however, cannot be realised without additional Government backing.

The delivery of improvements to Junctions 7 and 8 requires coordinated national action. NEC asks that the schemes are prioritised in the Road Investment Strategy and that Government explores co-funding opportunities with local partners and infrastructure providers.

The return on this investment will be substantial. Enhanced M11 junctions will unlock nationally significant housing growth (over 21,000 at HGGT alone) and boost productivity through better access to innovation clusters in Cambridge, London, the Harlow Enterprise Zone and wider UKIC region. They will also help to secure the long-term resilience and competitiveness of one of the UK's key airports. In doing so, North Essex will continue to deliver against national priorities: boosting high-growth sectors, supporting international trade and enabling inclusive growth by better connecting economically inactive residents to exciting opportunities in innovative sectors.

Targeted investment in Junctions 7 and 8 of the M11 promises to deliver major national economic benefits, strengthen international connectivity and accelerate delivery against national growth, trade and productivity ambitions. Inclusion of these improvements as strategic investment priorities in the Mayor's Local Transport Plan will be essential. The incoming Mayor's financial support has the potential to accelerate the delivery of key junction upgrades that unlock housing, enterprise growth and innovation across the UKIC, delivering benefits for the wider East of England region.

Growth priority 8: Improving train services from Clacton

Enhancing rail services between Clacton and Colchester represents one of the most immediate, affordable and impactful opportunities to drive inclusive economic growth and social resilience in North Essex. Increasing train frequency along this corridor has the potential to open up access to jobs, training, education, tourism and leisure opportunities for residents of all ages in some of England's most deprived places. This includes access to Colchester Institute and the University of Essex. Simultaneously, the upgrade would support modal shift and decarbonisation, reduce congestion, enhance the resilience of otherwise-used road networks and boost productivity across the region.

More frequent trains alone, however, are not enough to drive out deprivation and stimulate substantial economic growth. NEC proposes that additional interventions are considered, including fewer stops on-route to London (making train travel faster and more appealing) and significantly cheaper ticket options.

A critical but underserved rail link

Clacton is home to around 55,000 people and serves as the economic and civic heart of Tendring, a district with some of the highest levels of deprivation in the country. In the 2019 Indices of Multiple Deprivation (IMD), Tendring ranked particularly low in the domains of education, skills and training, income and employment (see figure 1 where 317 is the highest ranking and 1 is the lowest). The district has a significant lack of opportunity in the job market with a job vacancy ratio of 0.32 (the lowest in North Essex Essex), which is reflected in work-based pay. This averages £622 per week, which is over £100 a week lower than the national average. Furthermore, 17% of Tendring households are classified as fuel poor (4% higher than the UK average) which, coupled with low incomes, is likely to remain an issue without significant intervention. Economic opportunity is further constrained by poorer health outcomes in the district, which sees an under 75 mortality rate of 388 per 100,000, representing the highest rate in North Essex.

	Income	Employment	Education, Skills & Training	Health & Disability	Crime	Living Environment	Barriers to Housing & Services	IDACI (deprivation affecting Children)	IDAOP1 (deprivation affecting older people)
2015 Rank	40	24	14	61	100	163	261	38	86
2019 Rank	36	22	12	34	96	153	211	30	75

Figure 1 - Tendring IMD rankings

The Clacton–Colchester corridor is served by a single hourly train, despite linking North Essex's largest coastal town to one of its fastest-growing urban centres. This also restricts access to Chelmsford, with its high-value roles in advanced manufacturing and engineering (Teledyne e2v, for example) and professional and financial services, with companies such as AON and M&G Investments. Journeys to opportunities in London are also hindered, preventing Tendring residents from accessing highly paid roles in professional, financial and technical services. Meanwhile, evidence from Transport East's Connectivity Study shows that this corridor sees a disproportionately high share of passengers travelling for business and retail. This is a clear marker of its economic potential, which is held back by current services.

The rail service does not match local need or unlock opportunity for the 70,000 people living within 1km of a station on this corridor. With services limited to one per hour and peak fares remaining unaffordable for many (an annual season ticket from Clacton-on-Sea to London Liverpool Street exceeds £7,000), the current offer deters rail use and constrains inclusive growth. These barriers push residents towards car dependency — worsening congestion and air quality while compromising road network resilience — or limit residents to bus travel which, although affordable, is usually very slow.

One-way journey durations and costs from Clacton-on-Sea to Colchester		
Vehicle type	Journey time	Journey cost
Train	From 28 minutes	£10.10 (anytime single)
Bus	From 58 minutes	£3
Private car	From 35 minutes	Approx. £4

A step change to deliver inclusive growth and regional resilience

Doubling the frequency of services between Clacton and Colchester would represent a step change in modal shift in North Essex, reducing reliance on private vehicles and supporting long-term decarbonisation. This upgrade would increase the number of trains from one to two per hour, significantly improving journey flexibility.

As new homes come forward in Colchester and the city continues to grow as a knowledge economy anchored by the University of Essex and Knowledge Gateway, improved rail connectivity will be vital to link residents with emerging economic opportunities. Enhanced train services will also enable both young people and adults to access further and higher education, apprenticeships and lifelong learning opportunities (at Colchester Institute, for example), which will be essential for tackling deprivation and supporting progression into high-value sectors.

Crucially, the proposal is deliverable in the short term. No new infrastructure is required and service enhancements could be made through more efficient use of the existing network. The scheme also promises to unlock modal shift from car to rail, reducing carbon emissions and improving local air quality. It would also increase rail revenue through new demand, while supporting local regeneration efforts in Clacton, enhancing its viability as a place to live, work and invest. Importantly, an improved service would give residents that need it most more efficient access to the high-growth clusters of Colchester and Chelmsford, alongside high-value employment opportunities in London.

A call to Government and the rail industry

This scheme is already supported by Transport East and, together with regional partners, we are ready to work with the Department for Transport, the rail industry and private sector partners to assess the cost and feasibility of delivering improved service levels on the Clacton-Colchester line. Doing so aligns fully with the Modern Industrial Strategy's aims to decarbonise transport, expand access and connect underserved communities.

We welcome innovative solutions, recognising that a flexible and collaborative approach will be key to this proposal. An all-day frequency uplift, offering two trains per hour between Clacton and Colchester, would provide a consistent, easy-to-understand service pattern. If, after exploration with the train operator, this is not immediately deliverable, introducing

additional services during morning and evening peaks could offer a valuable and cost-effective interim solution.

Increasing the pace of services from Clacton during peak times should also be considered, as slow journey times of up to 90 minutes to London Liverpool Street currently constrain commuter flows. A faster, peak-time connection — such as a direct service from Clacton to Colchester — would significantly improve access to major economic hubs, supporting both connectivity and inclusive growth in North Essex.

Whether a new all-day timetable is introduced, peak time frequency is increased or the pace of services is reviewed, changes must be met with affordability interventions. The cost of train travel between Clacton and London is unaffordable for many, especially given local levels of deprivation. Introducing targeted fare subsidies or discount schemes would help to address barriers, improve access to opportunity and increase train use by the local population.

We invite the incoming Mayor of Greater Essex to co-design affordability options with the train operator and local authorities. This should include exploring tried and tested models, such as the West Midlands' Swift Card or East Midlands' Capped Fare Pilot. The former introduced a smart card system, functioning like London's Oyster Card, offering pay-as-you-go travel, stored-value tickets, and daily and weekly fare limits, which made frequent travel cheaper than pay-as-you go fares. The East Midlands Pilot, meanwhile, introduced fare capping, simplified day pricing and smart card-based offers, such as £1 'mega low' train fares. Making rail travel more affordable for Tendring residents is essential, not only for commuters but also for those not currently in work. Affordability measures will ensure these individuals are able (and more likely) to access opportunities at institutions like the University of Essex, Colchester Institute and the future Sustainable Skills Innovation Centre at TCBGC.

This intervention is deliverable within a single Mayoral term, with no new infrastructure required and a clear case for demand. The Mayor's Investment Fund and/or devolved transport budgets have the potential to underwrite early operating support where needed. Meanwhile, the Mayor's convening powers will help to bring together rail operators, Government and Network Rail to fast-track timetable and service improvements alongside fare interventions. In doing so, this is a quick-win solution that delivers long-term benefits while supporting national ambitions around breaking barriers to opportunity, increasing productivity and decarbonising transport. Should the Clacton rail improvements prove to be successful, this model could be replicated in other areas where residents and businesses would benefit from improved connectivity and access to transport. For example, there is also significant potential for similar initiatives to be undertaken on other branch lines in North Essex such as the Braintree branch line and Crouch Valley branch line which runs through to Southminster in Maldon District.

Growth priority 9: Rapid Transit System (RTS) expansion

The expansion of the RTS represents a transformative opportunity to deliver faster and cleaner connectivity across one of the East of England's most dynamic regions. Expanding the RTS network to include fast, direct buses between one or two key towns in North Essex on a pilot basis is a logical first step to expanding beyond the Colchester City area and will help to deliver inclusive outcomes. However, our ultimate ambition is to extend a higher-frequency, low-cost public transport network across North Essex. Improving public transport as the region's economy grows and new housing is delivered will be critical to enabling equitable access to jobs and training in high-value, growing sectors.

The existing RTS scheme — already in development with £30 million Housing Infrastructure Fund (HIF) support — is designed to unlock major growth within Colchester and TCBGC. The network's reach, however, will initially be limited to the city's boundaries which has the required population density to support an RTS. NEC partners recognise that areas outside of the largest settlements in North Essex are unlikely to have the population density required to support a very frequent rapid transit network. Partners nonetheless consider there to be scope for a more regular and reliable service where demand exists that could be integrated within the broader RTS system. Such an approach would improve the RTS as a whole, help to reduce inequalities and boost economic growth by increasing connectivity in North Essex.

A strong foundation with potential to grow

Colchester is a strong regional economic hub and one of the newest and fastest-growing cities in the East of England. It is home to over 130,000 people, a thriving university and a growing base of high-value employment in health, construction and creative sectors, delivering against Government ambitions for innovation-led growth. The city is also brimming with culture and history, from Colchester Castle and the longest-surviving Roman city wall in Britain to the magnificent Tudor Layer Marney Tower and contemporary art at Firstsite.

The first phase of the new RTS — set to be operational by Spring 2026 — will enhance east-west movement between the A133 near the University of Essex and the A120. It promises to cut journey times by up to 35% and will offer high-frequency, low-carbon services. The new rapid transit corridor will also improve walking and cycling facilities to support modal shift and healthy lifestyle choices while enhancing road network resilience. Further phases of the RTS will be guided by the North Essex Garden Community Master Plan, ensuring infrastructure keeps pace with housing growth. It will focus on extending the RTS into the new Garden Community, connecting it with key areas of Colchester, such as the hospital and university.

Our long-term vision is to see a network of fast, frequent and more direct bus routes between major urban settlements which will act as hubs with a broader bus network which extends out to rural and coastal areas. This approach will allow all residents to benefit from the RTS system. In the first instance we would like to see this approach piloted through the provision of one or two new routes with the view to expanding further in due course. Delivering further rapid transit routes that use the Colchester system as a foundation but meet the distinct needs of their localities will ensure that communities across the region benefit from future growth expected for North Essex.

Connecting growth and opportunity through RTS extension

Extending the RTS beyond Colchester has the potential generate significant regional growth. It would enhance access to employment and education by linking more isolated rural and coastal communities with major establishments such as the University of Essex, Colchester Institute, Colchester Hospital and the Knowledge Gateway. This would not just support young people and those entering the workforce but would also present opportunities for lifelong learning and upskilling for career progression.

The RTS extension would also help unlock the long-term regeneration of Harwich and Clacton by strengthening their role as places to live and invest, with stronger public transport connections to the heart of North Essex's growing economy. The scheme could also directly serve future growth at Bathside Bay, ensuring local residents benefit from new jobs and training opportunities, and that businesses can access wider labour markets and boost their productivity without adding pressure to road networks.

Crucially, an initial RTS pilot has the potential to act as a blueprint for delivering much-needed rapid transit interventions across parts of North Essex that are currently underserved by regular, fast public transport to neighbouring towns. This includes but is not limited to the districts of Braintree, Maldon, Tendring and Uttlesford.

This scalable approach would ensure that the benefits of reliable and inclusive connectivity are felt across the region. A hub and spoke model could provide a network which radiates out of high-density areas, attracting further investment to our high-growth towns and cities. We acknowledge that many areas served by an extended North Essex RTS would not have the population density to support a highly frequent service (i.e. every few minutes), however, provision of regular, reliable, fast, affordable and attractive bus transport will be essential for unlocking the potential of these growing towns.

Critical to the North Essex RTS is that it provides access to key training and employment hubs, especially those in the North-East and West of the region, which are underserved by public transport and difficult to reach from more isolated rural and coastal communities, especially for residents without access to a car. In the West of the region, this includes Stansted Airport College, which has plans to grow its capacity and curriculum in line with airport growth, and Harlow College, which is a key sustainable skills provider in the region. The North-East, meanwhile, boasts Colchester Institute and its Net Zero and Renewables Centre.

By delivering a clean, reliable alternative to car travel, the extension would also help to drive modal shift. Given that nearly 40% of carbon emissions in North Essex come from transport — the majority from road travel — investment in deliverable low-carbon transit options that enhance network and climate resilience must underpin our strategy for regional development.

Laying the tracks for delivery

To realise this opportunity, the Combined Authority should work with North Essex partners to forward fund one or two pilot routes to the RTS as a first step. This should be done with a view to exploring scalable models for a wider North Essex network which can increase frequency and route options as housing continues to be developed in the region. Building on the success of the HIF investment that enabled the first RTS phase, there is scope to test

new and blended funding approaches for future phases. This might include developer contributions, targeted transport funds and private sector co-investment, particularly from major employers set to benefit from the network.

Whether through phased implementation, demand-responsive services or public-private partnerships that share risk and reward, North Essex partners welcome innovation in delivery. A collaborative, evidence-led approach will ensure the expanded RTS delivers long-term value for North Essex and supports partners' inclusive growth ambitions. We also invite the Mayor to consider the wider North Essex RTS within their Local Transport Plan as a strategic mechanism for improving regional connectivity while decarbonising travel for the county.

Expanding North Essex's Internet of Things (IoT) network and integrating these technologies into an extended RTS represents a significant opportunity to enhance patronage and improve overall user experience. Smart interventions such as real-time passenger information systems, integrated ticketing platforms and IoT-enabled traffic management tools can improve reliability, accessibility and customer responsiveness. Not only do these innovations support modal shift, but they also generate valuable data to inform future transport planning and investment. Leveraging public sector-owned assets for network deployment — including buildings and highways — will be essential for optimising asset utilisation and creating a blueprint for a digitally connected transport ecosystem that can be replicated across Greater Essex.

Investment into an extended RTS promises to support national ambitions on multiple fronts. Not only will it lift barriers to opportunity for disadvantaged communities, but it will also facilitate high-density, low-carbon housing delivery in line with sustainable and efficient transport. The scheme will also drive innovation-led productivity, by linking residents to opportunities in high-growth sectors.

A well-planned RTS extension — starting with pilot routes with the view to expanding to the wider North Essex region — would not only relieve pressure on local roads, but would also support national decarbonisation, regeneration and inclusive growth objectives. We invite the new Combined Authority to explore this as a priority and to champion the wider North Essex network as a long-term ambition in their Local Transport Plan. With strong mayoral leadership and collaboration with Government, transport operators and local authorities, North Essex has the potential to deliver a genuinely joined-up network that supports people, places and the economy.

Growth priority 10: Delivering skills for growth

North Essex already benefits from a strong Higher Education (HE) and Further Education (FE) base, with colleges and universities delivering skills to power the regional and national economy. However, as the scale and ambition of growth across North Essex accelerates, our ability to deliver on this potential will depend on whether we have the skilled workforce to match it.

To sustain growth and create opportunity, investment in a skills system that is agile, inclusive and responsive to current and future business needs is critical. This means ensuring parity of access across the region and equipping all residents with the lifelong learning, upskilling and reskilling opportunities regardless of their age and where they live that enable them to respond to the evolving needs of the economy and thrive both today and in the future. This presents both an immediate and long-term mission that can deliver tangible wins within the first term of the newly elected Mayor of Greater Essex, while laying the foundations for a resilient, future-ready workforce that underpins North Essex's wider ambitions. By investing in skills at scale, we can simultaneously improve outcomes for residents, including those in our most deprived areas, while unlocking growth across multiple high-value sectors. This includes engineering, life sciences and green technologies, cementing North Essex as a national centre of excellence in line with the Modern Industrial Strategy.

Established anchors for growth

North Essex boasts a growing skills ecosystem with two universities and a number of specialist FE centres. These establishments are already delivering the technical and professional skills that are in demand across many of our priority sectors, including construction and life sciences. They are also adapting to future economic needs, with many FE institutions opening green skills facilities in recent years, focussing on specialisms such as electric vehicle (EV) maintenance, air source heatpump installation and servicing as well as other retrofit qualifications.

At the heart of our skills ecosystems are North Essex's two universities. With two campuses in Chelmsford, Anglia Ruskin University (ARU) offers a portfolio of courses in growing sectors, with particular strengths in health, life sciences and engineering. The University of Essex, meanwhile, is recognised for its strengths in data sciences and finance. Its Innovation Centre Knowledge Gateway provides direct support to high-growth businesses and start-ups, linking academic expertise with industry innovation.

The region is also home to a number of progressive FE institutions. Harlow College, for example, is a national leader in technical training. Its specialist facilities reflect the industries of the future, attracting learners from across North Essex and beyond. Its EV Training Centre is one of a kind in the region, responding to the accelerating shift towards greener transport and the growing demand for skilled EV technicians. The college's Sustainable Energy Centre, supported by Mitsubishi Electric, is delivering pioneering training in resilient energy systems, preparing students for emerging roles in new energy technologies. Harlow College is also the only provider in the East of England offering Heavy Goods Vehicle (HGV) maintenance training, with the nearest comparable facility over 100 miles away in Bournemouth. The college has also achieved 'Apple Distinguished School' status, recognising its leadership in digital learning and innovation.

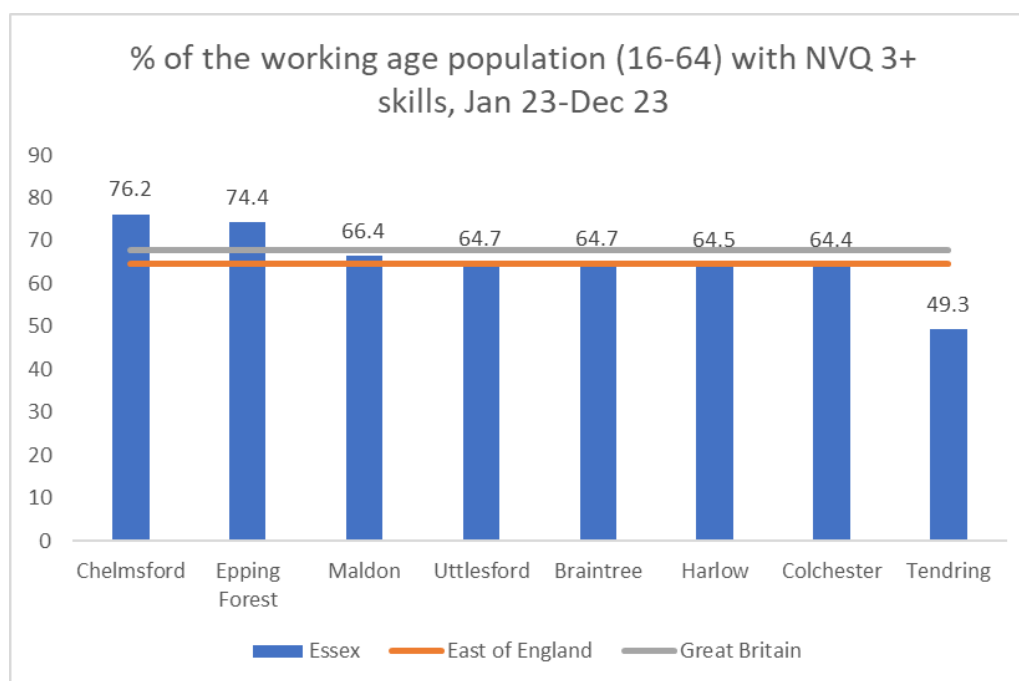
Also part of the Harlow College Group, Stansted Airport College in Uttlesford is the UK's only on-site aviation college, situated within the grounds of Stansted Airport. The college is a national exemplar of employer-led education, providing training across aircraft maintenance, airside operations, engineering and logistics. Its model of aligning training to business need is clearly delivering results, as 85% of its graduates progress directly into employment at the airport, with a further 12% progressing onto further education. This success demonstrates the impact of business demand-led skills provision, a model which, if replicated at scale across North Essex, would drive stronger outcomes and widespread benefits for individuals, businesses and the regional economy. The college is already operating above capacity and has consequently leased additional space to temporarily boost the number of students it is able to accommodate. Its track record of graduate progression into work and the demand from students underline the potential for expansion to continue to meet the needs of the growing airport and wider UK and European aviation industry.

Colchester Institute adds further strength to the region's FE offer. As one of the largest construction skills providers in the East of England, it plays a critical role in supporting the region's housebuilding, infrastructure and retrofit ambitions. Its Net Zero and Renewables Centre showcases the college's leadership in green skills, training local learners to work in sustainable construction and low-carbon energy industries. The Institute's Centre for Health and Social Care adds to its offer by providing state-of-the-art clinical simulation spaces and interactive technologies to equip learners with the practical skills and confidence to enter a sector facing acute workforce shortages.

In the centre of the region, Chelmsford College plays a key role in supporting technical progression and higher-level skills. Home to the South East Institute of Technology, the college delivers advanced qualifications in construction and engineering disciplines, ensuring learners can gain innovative, industry-recognised skills without leaving the region. Its Centre for Built Environment and Sustainable Technologies (BEST) provides purpose-built facilities to meet the rising demand for low-carbon construction and retrofit expertise, directly addressing skills gaps that have historically constrained housing and infrastructure delivery.

Taken together, these establishments form a robust skills system. They are already working collaboratively through the Greater Essex Local Skills Improvement Plan (LSIP) to align provision with employer demand, tackle persistent skills gaps and strengthen pathways from education to employment.

Despite these strengths, however, disparities remain. While Chelmsford and Epping Forest exceed the national average for residents qualified to NVQ Level 3+, the remaining districts all lag behind. The challenge lies in achieving parity of access to skills infrastructure, ensuring that high-quality provision that meets the needs of businesses and has strong pathways into employment is easily reached by all residents of all ages from all parts of North Essex. This provision needs to be supported by adequate transport and digital connectivity to make learning accessible, affordable and appealing to all North Essex residents, regardless of where they live. Building on our strong foundations, there is a clear opportunity to work with business to identify and address gaps in education, training and skills provision, whether through growing existing institutions, supporting the development of new facilities or collaborating across borders with neighbouring areas to maximise the regional opportunity. In doing so, North Essex can be at the heart of a truly integrated skills ecosystem that delivers for regional productivity, operates in unison with business, removes barriers to participation and helps residents realise their potential.



Challenges in coverage and capacity

Despite North Essex's impressive skills ecosystem, persistent challenges remain in ensuring fair access and adequate capacity across the geography. The region's success in creating centres of excellence has not yet translated into equal opportunity for all communities, with rural and coastal communities at a particular disadvantage.

In Maldon, for example, there is no FE provision in the District beyond a single Adult Community Learning (ACL) centre, leaving residents with limited access to technical or vocational pathways. In Uttlesford, post-16 options are restricted to the dedicated aviation college at Stansted Airport, meaning those whose interests lie outside of the sector must travel considerable distances (often leaving Essex's boundaries) to study.

In many parts of North Essex — including, but not limited to, Tendring, Maldon and Uttlesford — longer and more expensive public transport journeys make it difficult to access the high-quality training on offer in areas such as Harlow, Chelmsford, Braintree and Colchester. Without improved connectivity, opportunities remain out of reach for many, limiting social mobility, constraining talent pipelines for businesses and reducing the return on investment in new skills provision. Alignment between skills investment, the needs of business and North Essex's transport priorities are therefore critical to ensure new facilities and programmes can truly deliver improved outcomes for employers and residents alike.

Capacity pressures are also becoming acute. Some of the region's most successful FE establishments are already operating beyond the intended capacity of their current facilities. Stansted Airport College, for example, has had to lease additional space to accommodate 600 learners, despite being designed for 500, yet remains unable to keep pace with the demand, such is the level of interest in studying at the college. Similar strains are emerging elsewhere as the demand for technical and green skills grow in line with economic changes and business need.

Without additional capacity, these institutions risk turning away prospective learners, which is a missed opportunity for residents and the wider economy. By addressing these challenges locally, North Essex has the potential to set a national benchmark, strengthen the UK's skills base and position ourselves as a regional centre of excellence for high-growth sectors. Doing so would not only help to meet business needs but also contribute to national productivity and competitiveness.

At the same time, the pace of economic change means that the skills system as a whole must become more agile. While North Essex's 9,500+ construction businesses are reasonably well catered for, its base of more than 2,100 digital businesses do not benefit from such a robust talent pipeline. Whilst North Essex's institutions are adapting to the evolving needs of the green economy, the demand for green skills is set to rise by more than 90% by 2030. In order to remain competitive and build a workforce capable of meeting North Essex's growing housing and infrastructure needs, the region must expand its skills provision and infrastructure. This means increasing capacity and coverage, while improving access to ensure future demand can be met.

A key theme emerging from the LSIP is the need for employer-led change rather than learner-led provision. Employers consistently highlight that the current system is too slow to adapt to industry needs. Businesses also emphasise that technical competence must be matched with strong soft skills, including leadership and communication. Addressing these priorities will require the coordination, investment and momentum that Mayoral leadership can bring. The incoming Mayor has an opportunity and the capability to tackle the need for greater parity of provision and access as well as responsiveness to business need in the North Essex skills system. This must include targeted investment in areas of little or no provision, strengthening transport links to key opportunities and ensuring North Essex's skills system is as dynamic and resilient as the community that it serves.

Investing for the future

To deliver a comprehensive skills package for North Essex — one that ensures parity in access and opportunity while aligning with future growth sectors — North Essex Councils invites the incoming Mayor of Greater Essex to champion a set of strategic interventions. These will strengthen the region's skills infrastructure, support employer-led delivery and ensure residents everywhere benefit from economic opportunity. Key to the productivity of our biggest growth sector is the delivery of equitable construction and green skills hubs across North Essex. Where demand exists, the development of new facilities in addition to the expansion of existing campuses should be considered to meet existing and future business needs. As well as broadening opportunity, new centres could also provide specialist learning environments in line with some of the region's growing opportunities.

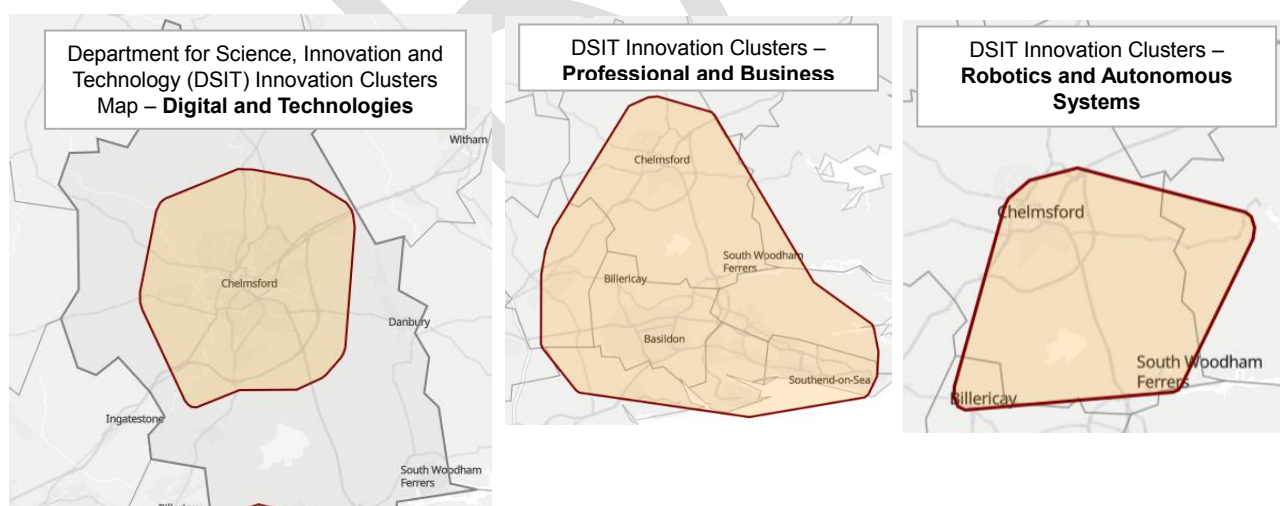
In the West of the region, for example, there is significant opportunity to expand skills provision around the servicing of EV vehicles alongside other sustainable growth areas such as air source and ground source heat pumps. The West of the region is also strategically positioned within the UKIC which provides further opportunities to expand life sciences training and related technical skills. Anchored by Cambridge in the North and London in the South, the UKIC means that people in the West of the region with relevant vocational qualifications and skills are well-positioned to help meet the needs of expanding businesses in growing sectors that align with the Modern Industrial Strategy. This presents an opportunity to build a talent pipeline that not only serves local and regional businesses but

also supports the UK's ambition to become a global leader life sciences, HealthTech and related industries.

Stansted Airport College is currently over-capacity. As an immediate opportunity, we urge the Mayor to support Phase 2 expansion, which is set to raise student capacity to 900. New facilities will include a new hangar for engineering apprentices, specialist facilities for aviation operations and logistics and expanded offerings in other areas. Phase 2 is already backed by over £9 million in public and private investment. Further capital support alongside clarity from the Department for Education on loan funding frameworks are now essential. Allocating devolved Adult Skills Funding in the Greater Essex Skills Strategy will ensure the college can fulfil its role in delivering a workforce pipeline, not only for Stansted but for the UK's entire aviation sector.

In mid-Essex, expanding Chelmsford College's already-extensive provision offers a significant opportunity to meet the rising demand for construction skills, especially given the city's garden community ambitions. The South East Institute of Technology, based at the college, already delivers advanced qualifications in construction and engineering, while the purpose-built BEST Centre provides cutting-edge workshops for trade and technical construction. The college is also part of the employer-led 'Building a Lasting Legacy' programme, inspiring students to pursue careers in construction. Ensuring this offer keeps pace with industry need, and that regional connectivity enables access for learners from areas with limited training provision, will be critical to achieving a balanced and future-ready skills ecosystem across North Essex that is ready to respond to its growth trajectory.

Chelmsford also sits at the heart of Government-recognised clusters in digital technologies, robotics and professional and business services. This creates a compelling case for dedicated skills facilities that can accelerate growth in these nationally aligned sectors, supporting innovation, attracting investment and ensuring the local workforce is equipped to meet the evolving needs of these high-value industries.



In the East, the Sustainable Skills Innovation Centre is proposed under Phase 1 of the TCBGC. It will equip local learners with skills in sustainable design, green construction and supporting trades to help deliver future phases of the garden community and other housing developments in the region. An equivalent facility in the West of the region is essential to

ensure parity. Building on Harlow College's existing strengths and expansion plans, this could be realised through the growth of current facilities or through new services to ensure the same high-quality offer is available across the region.

In Harwich, Bathside Bay is set to support over 6,000 new jobs, many of them in clean energy. Ensuring local residents can fill these roles requires targeted investment in green skills, which can be achieved through the expansion of the Harwich Energy Skills Centre. Capital investment to scale up training at this facility will be key to providing a talent pipeline for the wider Freeport East area and the East of England's clean energy economy. Alongside improvements to the centre, Mayoral support for holistic skills interventions in deprived areas around Bathside Bay could be transformational in addressing social inequalities, tackling long-term economic inactivity and driving meaningful change for coastal communities.

Improved skills infrastructure must be coupled with a business support landscape that enables employers to access talent pipelines, upskill their staff and grow within North Essex. The Mayor's responsibility for the Growth Hub Service offers a quick win: to create an all-encompassing business support service that works with the skills system to help businesses to navigate apprenticeship funding, professional development opportunities and collaboration with HE and FE institutions. This would complement work already undertaken by the Ambitious Essex Growth Agency to create a single front door for business support and create an employer-led skills system for the county.

The above interventions cannot succeed in isolation. Transport will be a key enabler to ensure that those in rural and coastal communities are able to access learning and training. The Mayor will need to ensure that the Skills Strategy aligns with the Local Transport Plan and Spatial Development Strategy to reflect these relationships and that future devolved funding is allocated in ways that prioritise connection to opportunity as set out in previous chapters.

By investing now in a more balanced, connected and future-ready skills system, North Essex has a once-in-a-generation opportunity to deliver a skills system that not only meets local demand but powers national competitiveness. Its workforce has the potential to drive innovation, accelerate clean growth and position the region at the forefront of the UK's new industrial era.

We ask that the incoming Mayor embeds these priorities firmly within their Skills Strategy and considers the use of their Investment Fund and future devolved Adult Skills Funding to support deliverable projects, such as Stansted Airport College Phase 2. We also invite the Mayor to consider quick wins by aligning business support with skills delivery to ensure the region's employers have access to the talent pipeline they need to grow. This, in turn, helps to reduce inequalities, especially in our more deprived communities. The Mayor's convening powers will also be critical in bringing together business, education and skills providers as well as local authorities to ensure FE and HE provision aligns with national growth industries, particularly where demand for skilled workers is highest.

In addition, we ask the Mayor to take a bold, outward-looking approach to skills planning. This includes using demand from neighbouring areas to strengthen the case for expanding provision in North Essex, ensuring that investment decisions reflect the wider regional opportunity and that we make the most of our proximity to both Cambridge and London with their world leading education institutions. The Mayor should also work proactively with surrounding areas to avoid unnecessary duplication of facilities while maintaining and

developing access to opportunity for North Essex residents of all ages, regardless of where they live. Finally, we see a major opportunity to collaborate on developing regional specialisms that will benefit our residents and businesses, while positioning North Essex as a key player in the UK's priority sectors. These might be hosted in North Essex and made accessible for regional neighbours or in nearby areas with complementary cluster strengths, such as Cambridge or London.

By taking these steps, the Mayor can help to deliver a skills system that is integrated, future-ready and capable of driving growth across multiple high-value sectors, ensuring North Essex plays a leading role in the UK's new industrial era.

DRAFT

Realising the North Essex opportunity

North Essex councils have already demonstrated that they can deliver at scale. From major housing growth and infrastructure provision to pioneering regeneration schemes, we have a strong track record of translating ambition into delivery. This determination and strong local and national partnerships will continue to drive the next chapter of our growth story as we build on what has been achieved and scale up delivery across our geography.

Across our growth corridors and coastal communities, our member organisations are aligned behind a shared mission: creating a more productive, better-connected and more resilient North Essex where everyone can thrive. These Growth Priorities are a pitch for support to take this commitment to the next level, enabling us to deliver at pace and at scale, in collaboration with public and private sector partners.

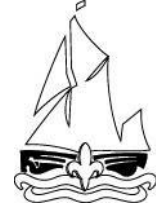
This document sets out a pipeline of investable, deliverable projects that will shape the future of our region. From unlocking the nationally significant potential of Bathside Bay and Stansted Airport, to delivering three new Garden Communities and investing in rapid transit, road and rail, our priorities are both ambitious and achievable, provided we have the right backing.

These are not abstract ideas or long-term aspirations. In some cases, planning and enabling work is already underway. In others, new funding and delivery powers will be the key to unlocking pace and scale. Across the board, these priorities represent a clear return on investment: new jobs, new homes, greater resilience and improved connectivity to national and international markets.

As Greater Essex moves towards Devolution and the creation of a new MCCA, North Essex Councils stand ready to work in full partnership with the incoming Mayor. Our priorities align directly with the new MCCA's core responsibilities around driving economic growth, improving infrastructure, supporting skills and tackling the wider determinants of health. We welcome regional collaboration on the forthcoming Local Growth Plan, Spatial Development Strategy, Skills Strategy and Local Transport Plan, ensuring that the opportunities and investment identified in this document are fully embedded in Greater Essex's strategic programmes. With strong local leadership and the right policy and delivery tools, North Essex can continue to deliver regional growth in a way that delivers long-term benefits.

North Essex has the vision, scale, experience and commitment. Now we are inviting the incoming Mayor, Government and investors to partner with us and deliver regional growth with national impact.

This page is intentionally left blank



**REPORT of
DIRECTOR OF PLACE, PLANNING AND GROWTH**

**to
COUNCIL
12 FEBRUARY 2026**

MALDON FIVE-YEAR HOUSING LAND SUPPLY 2025 CALCULATION

1. PURPOSE OF THE REPORT

- 1.1 For the Council to consider the Five-Year Housing Land Supply (5YHLS) calculation for Maldon district.

2. RECOMMENDATIONS

- (i) That the Maldon Five-Year Housing Land Supply 2025 calculation position at 1 April 2025 (**APPENDIX A**) is approved and published on the Council's website;
- (ii) That authority is delegated to the Director of Place, Planning and Growth to make minor amendments and corrections, if required, to the Maldon Five Year Housing Land Supply 2025 document (**APPENDIX A**) prior to publication; and
- (iii) That authority is delegated to the Director of Place, Planning and Growth in consultation with the Planning Policy Working Group, to review and update the methodology for calculating the Five-Year Housing Land Supply based upon the latest guidance, case law and legal advice.

3. SUMMARY OF KEY ISSUES

3.1 Background

- 3.1.1 Local authorities are required identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement and against their local housing need. The 5YHLS calculation is reported to the Council.
- 3.1.2 This calculation reflects the position at 1 April 2025. This is the start of the monitoring year, when all similar planning monitoring data is collected and analysed. A further report will be published in the Summer of 2026 once the data has been collected and analysed following 1 April 2026.
- 3.1.3 The data in this report has been presented to the Planning Policy Working Group (PPWG) in December 2025 and Strategic Housing Working Group in January 2026.
- 3.1.4 In December 2024 the Government published a National Planning Policy Framework (NPPF), updated sections of the Planning Practice Guidance (PPG) and other updates. This introduced a new way to calculate local housing needs.

- 3.1.5 The latest housing need figure for the Maldon district is a requirement of 584 homes per annum. In addition, an additional 5% buffer is added to ensure choice and competition in the market for land. This supply is brought forward from later in the plan period.

3.2 5YHLS calculation methodology

- 3.2.1 The Council has previously received reports and approved the methodology for calculating the 5YHLS. The Government already publishes detailed guidance relating to the methodology: [Housing supply and delivery - GOV.UK](#) which is supported with sections in the NPPF. Case Law changes over time, and legal advice has also been sought in the past.
- 3.2.2 The Government is currently consulting on proposed changes to the NPPF, and there may be updates in the NPPF and/or the PPG relating to the methodology.
- 3.2.3 In May 2025 the Government consulted on a Planning Reform Working Paper: Speeding Up Build Out. The paper sought views on options the Government could pursue to ensure the right incentives exist in the housing market, and local authorities have the tools they need, to encourage homes to be built out more quickly. [Planning Reform Working Paper: Speeding Up Build Out - GOV.UK](#). The Government has not yet responded following the consultation, however it is clear effective tools to ensure developers build more quickly will have significant impact on the 5YHLS calculation.
- 3.2.4 Therefore, this report seeks delegated authority to the Director of Place, Planning and Growth in consultation with the PPWG, to review and update the Council's 5YHLS methodology based upon the latest guidance, case law and legal advice.

3.3 Five Year Housing Land Supply calculation

- 3.3.1 Set out in **APPENDIX 1** is the full Maldon 5YHLS 2025 document. This section of the report provides the key tables from that document.
- 3.3.2 Table 1 below identifies that the Five Year Housing Land Requirement, including the 5% buffer, is 3,066 homes.

Table 1

Requirement	
Annual Housing Target over 5 years (584 homes x 5 years)	2,920
Plus 5% buffer	146
Total Housing Requirement	3,066
Annual housing requirement figure (3,066 / 5)	613

- 3.3.3 Table 2 below sets out the sources of supply over the five-year period.

Table 2

	25/26	26/27	27/28	28/29	29/30	Total
Small sites with planning permission (sites of 1 to 9 homes)	-	-	-	-	-	194
Unidentified small windfall sites 1 to 9 – 56 homes per annum	0	0	28	55	55	138

	25/26	26/27	27/28	28/29	29/30	Total
Sites allocated in the Local Development Plan	342	319	248	245	160	1,314
Large 'windfall' sites not allocated in the Local Development Plan	95	153	170	219	249	886
Total						2,532

- 3.3.4 Table 3 below sets out the 5YHLS calculation, which concludes that Maldon district has 4.1 years supply.

Table 3

Housing supply	Total
Annual Housing Target (584 homes x 5 years)	2,920
Plus 5% buffer	146
Total requirement	3,066
Annual housing requirement figure (3,066 / 5) Rounded up	613
Total supply over the next five years (see Table 2)	2,532
Five Year Housing Land Supply (total supply 2,532 / annual requirement 613)	4.1 years

- 3.3.5 The shortfall over the five-year period in absolute numbers at 1 April 2025 was 534 homes.

3.4 Implications of the 5YHLS calculation

- 3.4.1 The current 5YHLS calculation means that the Council is not able to demonstrate a 5YHLS of deliverable sites. The NPPF states that where a local authority cannot demonstrate a five-year supply of deliverable housing sites (with the appropriate buffer) the relevant development plan policies are deemed 'out-of-date'. This means that the approved Local Development Plan policies most relevant for determining a planning application - specifically regarding housing supply - are considered to have reduced weight (or importance) when considering whether to grant planning permission.
- 3.4.2 In these circumstances, the 'presumption in favour of sustainable development' set out in paragraph 11(d) of the NPPF will apply to planning applications for new homes. This is often referred to as the 'tilted balance'. The NPPF states that where there are no relevant policies, or if the most relevant Local Plan policies for determining a planning application are 'out of date,' planning permission should be granted; but with two exceptions.
- 3.4.3 NPPF paragraph 11(d) i. sets an exception where in a protected area or assets of particular importance provide a strong reason for refusal. These areas relate to habitat sites, Sites of Special Scientific Interest (SSSIs), Green Belt, Local Green Space, National Landscape, National Park, Heritage Coast, irreplaceable habitats, designated heritage assets, and areas at risk of flooding or coastal change) or where the harms caused by the proposed development significantly and demonstrably outweigh its benefits.

- 3.4.4 NPPF paragraph 11(d) ii sets out a further exemption where the any adverse effects of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the NPPF taken as a whole, having particular regard to key policies for:
- directing development to sustainable locations,
 - making effective use of land,
 - securing well designed places, and
 - providing affordable homes.
- 3.4.5 The 'tilted balance' term is used to describe this policy approach because, when it is applied, it alters the 'balancing exercise' that decision-makers (such as planning officers, planning committees, inspectors, or the secretary of state) use when deciding whether to grant planning permission. This balance considers whether the harms of a proposal 'significantly and demonstrably' outweigh its benefits. The tilted balance shifts the scale in favour of granting planning permission.
- 3.4.6 When the tilted balance is applied, it is essential to conduct a planning balance to evaluate applications and appeals. This process requires decision-makers to assign varying degrees of weight to the harms and benefits of a proposed development. It is nuanced and subjective, rather than a straightforward comparison where one benefit outweighs one harm.
- 3.4.7 The tilted balance does not ensure automatic permission or replace the decision-makers duty to check first whether planning permission should be granted according to the Development Plan as a whole unless other significant factors suggest otherwise.
- 3.4.8 Even if the tilted balance applies, the decision-maker can refuse planning permission. However, any refusal must be based on proper, sound, and demonstrable reasons showing that the proposed development's harms outweigh its benefits. It cannot be simply because the site has not been allocated for development in the Local Plan.
- 3.4.9 When assessing the balance of a new housing scheme, an essential factor to consider is the number of homes expected to be built within the 5YHLS window.
- 3.4.10 As soon as the Council is able to demonstrate 5YHLS then the LDP policies relating to housing supply cease to be considered out-of-date and the tiled balance no longer applies. Given the shortfall at 1 April 2025 is only 527 homes, the granting of planning permissions for new homes could reverse the current situation.

3.5 Local Plan review

- 3.5.1 Work began on a review of the Maldon District LDP in 2021. Significant progress has been made since then, including public consultation, updated evidence base and call for sites.
- 3.5.2 The Levelling Up and Regeneration Act (October 2023) introduced a new approach to plan making, which is based upon a shorter timeframe, more proportionate evidence base, and clearer project management steps. This new system required secondary legislation.
- 3.5.3 As discussed earlier, with the Government's new methodology for calculating housing need was published in December 2024, the housing requirement for Maldon

district nearly doubled. This required a fundamental review of the sites which could be allocated in a new local plan for Maldon district.

- 3.5.4 The Government has set a limited transition period for local plans being prepared under the old / legacy system, with a deadline for submitting the plan for examination by December 2026. The emerging Local Plan for Maldon will not meet that deadline. The secondary legislation for the new system is expected to be published in Spring 2026.
- 3.5.5 Work is underway to secure consultants to prepare a new Project & Resourcing Plan and Project Initiation Document (PID) for a Local Plan for Maldon district under the new system, detailing how the existing work can be transferred into the new plan, with a project management process, resource plan and clear milestone.
- 3.5.6 Once this work is completed a full report will be presented to the PPWG and then onto the Council.

3.6 Implications of Local Government Reorganisation (LGR) / Devolution

- 3.6.1 Under LGR on 1 April 2028 when the new Unitaries are formed, the housing requirement will be the combined housing requirement of all of the former constituent authorities, spread across the new geographic boundary. The next 5YHLS calculation will be published after the LGR 'minded to' decision, expected in March 2026, and will need to consider this scenario.
- 3.6.2 Under Devolution, the upper tier authorities (Essex County Council, Southend City Council and Thurrock Council) have commenced work on a Spatial Development Strategy (SDS) for Greater Essex. This work will be taken over by the Combined County Authority. The SDS will consider the reappportionment of each of the district's local housing need requirements across the Greater Essex area and will form part of a holistic approach to ensure growth takes place in the most sustainable locations supported by appropriate infrastructure.

4. CONCLUSION

- 4.1 The current 5YHLS for Maldon district is 4.1 years. Until the Council is able to demonstrate five years' worth of housing land supply the relevant policies in the Maldon LDP are considered out-of-date.
- 4.2 The next calculation of the 5YHLS for Maldon district will be undertaken in the Summer of 2026. That review will be undertaken in light of the revised NPPF which is currently being consulted upon, plus any updated guidance.
- 4.3 A new Project & Resourcing Plan and PID for a Local Plan under the new system is being prepared and will be reported to the Council in Spring 2026.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Supporting our communities

- 5.1.1 The Corporate plan highlights that district needs more homes to meet the demand of our growing population and government targets, including affordable homes and temporary housing. Monitoring housing supply ensures that the Council supports housing development to meet the need of residents across the district.

5.2 Investing in our District

- 5.2.1 The Corporate Plan identifies that we are seeking to provide a better place for residents, businesses and visitors, ensures the right development are in the right places, and delivery well designed housing and healthy places.

5.3 Growing our economy

- 5.3.1 The Government links the delivery of new homes to the need to support the economy. The housing sector provides jobs within the district and assists in supporting the local and national economy.

5.4 Protecting our environment

- 5.4.1 As set out in the report, if the Council is unable to demonstrate a 5YHLS the 'presumption of sustainable development' otherwise known as the 'tilted balance' applies, and this reduces the ability of the Council to plan appropriately for growth, which may lead to development in the countryside, on unsustainable locations, which is not supported by appropriate infrastructure.

5.5 Delivering good quality services

- 5.5.1 The 5YHLS calculation should assist the Council in the determination of planning applications.

6. IMPLICATIONS

- (i) **Impact on Customers** – Having a clear methodology for the 5YHLS helps the public understand the Council's rationale for decision making affecting housing in the planning process.
- (ii) **Impact on Equalities** – There are no direct impact upon equalities arising from the recommendations in this report.
- (iii) **Impact on Risk (including Fraud implications)** – There are no direct risks arising from the recommendations in this report.
- (iv) **Impact on Resources (financial)** – There are no direct impact upon financial resources arising from the recommendations in this report.
- (v) **Impact on Resources (human)** – There are no direct impact upon human resources arising from the recommendations in this report.
- (vi) **Impact on Devolution / Local Government Reorganisation** - There are no direct impact upon Devolution / LGR arising from the recommendations in this report. The implications of the impact of Devolution and LGR upon the 5YHLS is covered in this report.

Appendices:

APPENDIX A Five-year housing land updated supply calculation at 1 April 2025

Background Papers: None.

Enquiries to: Mark Jaggard, Director of Place, Planning and Place.



Maldon Five Year Housing Land Supply 2025

Position at 1 April 2025

Introduction

1. Under paragraph 78 of the National Planning Policy Framework 2024 (NPPF) local authorities are required identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement and against their local housing need:
[National Planning Policy Framework - Guidance - GOV.UK](#)
2. The purpose of the Five-Year Housing Land Supply (5YHLS) is to provide an indication of whether there are sufficient sites available to meet the housing requirement set out in adopted strategic policies for the next five years. Where strategic policies are more than five years old or have been reviewed and found in need of updating, local housing need calculated using the standard method should be used in place of the housing requirement.
3. A five-year land supply is a supply of specific deliverable sites sufficient to provide five years' worth of housing (and appropriate buffer) against a housing requirement set out in adopted strategic policies, or against a local housing need figure, using the standard method, as appropriate in accordance with paragraph 78 of the NPPF.
4. This calculation reflects the position at 1 April 2025. This is the start of the monitoring year, when all similar planning monitoring data is collected and analysed. A further report will be published in the Summer of 2026 once the data has been collected and analysed following 1 April 2026.
5. In December 2024 the Government published a new version of the NPPF, updated sections of the Planning Practice Guidance (PPG) and other updates. This introduced a new way to calculate Local Housing Needs (LHN).
6. In December 2025 the Government published an open consultation on proposed reforms to the NPPF and other reforms to the planning system:
[National Planning Policy Framework: proposed reforms and other changes to the planning system - GOV.UK](#) These reforms may change the approach and calculation to the 5YHLS.

Five-Year Housing Land Requirement

7. The five-year housing requirement is the number of homes needed over the five-years i.e. from 1 April 2025 to 31 March 2030
8. NPPF paragraph 78 and footnote 39 state that local planning authorities should calculate their five-year housing requirement using either:
 - their housing requirement set out in adopted strategic policies, or
 - their LHN where the strategic policies are more than five years old – unless those strategic policies have been reviewed and found not to require updating.
9. The Maldon District Local Development Plan 2014 - 2029 (MDLDP) was approved in July 2017.
10. The PPG sets out that LHN is calculated using the standard method: [Housing and economic needs assessment - GOV.UK](#)
11. The standard method relies on inputs from two key datasets which are updated annually: dwelling stock figures and affordability ratios. The most recently published datasets should be used when calculating LHN. Therefore, when the data inputs are updated the LHN figure changes too. LHN only becomes fixed for a two-year period once a local plan has been submitted for examination.
12. For the purpose of this calculation the most recently published datasets are:
 - dwelling stock estimates in England figures at 31 March 2024 (published 22 May 2025) which record 30,332 dwellings in Maldon district: [Live tables on dwelling stock \(including vacants\) - GOV.UK](#)
 - median workplace-based affordability ratios (published 24 March 2025). The affordability ratios calculated by dividing house prices by gross annual workplace-based earnings - based on the median and lower quartiles of both house prices and earnings: [House price to workplace-based earnings ratio - Office for National Statistics](#)
13. For Maldon, the five-year average five year affordability ratios are:
 - Median quartile affordability ratio at 12.38 (the 2024 affordability ratio is 11.34)
 - Lower quartile affordability ratio at 11.83 (the 2024 affordability ratio is 11.21)
14. The LHN for Maldon district uses the following steps:
 - Step 1 – setting the baseline – 0.8% of the existing housing stock in the area. 0.8% of 30,332 homes = 243 homes

- Step 2 – an adjustment to take account of affordability. For every 1% the ratio is above 5, the baseline goes up by 0.95%; i.e.:

$$\text{Adjustment factor} = \left(\frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

- Step 3 – apply the adjustment factor to the baseline: the baseline is multiplied by the adjustment factor to give the final LHN figure.

Table 1

Standard Method Calculation	
Step 1	
Stock at 31 March 2024	30,332
Stock x 0.8 %	243
Step 2	
2024 Median workplace-based affordability ratio	12.38
Five year affordability ratio minus 5	7.38
7.38 divided by 5	1.476
1.476 x 0.95	1.402
1.402 + 1	2.402
Step 3	
243 x 2.402	583.68
Rounded	584

- The LHN figure for Maldon district is a requirement of 584 homes per annum.
- NPPF paragraph 78 states that the housing requirement must include a buffer of either:
 - 5% to ensure choice and competition on the market for land, or
 - 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply
- Footnote 40 clarifies that “significant under delivery” should be assessed using the Housing Delivery Test (HDT) and scores below 85% trigger the requirement for a 20% buffer.
- The Housing Delivery Test is an annual measurement of housing delivery in the area of relevant plan-making authorities. The latest nationally published Housing Delivery Test 2023 measurement show that Maldon district had delivered 142% of the housing required: [Housing Delivery Test: 2023 measurement - GOV.UK](#)

19. Therefore, only a 5% buffer is required to ensure choice and competition in the market for land. This supply is brought forward from later in the plan period.
20. Table 2 below identifies that the Five-Year Housing Land Requirement, including the 5% buffer, is 3,066 homes.

Table 2

Requirement	
Annual Housing Target over 5 years (584 homes x 5 years)	2,920
Plus 5% buffer	146
Total Housing Requirement	3,066
Annual housing requirement figure (3,066 / 5)	613

General approach to calculating housing land supply

21. The Government publishes detailed guidance relating to the methodology: [Housing supply and delivery - GOV.UK](#) which is supported with sections in the National Planning Policy Framework.
22. Maldon district's five-year housing supply comprises the number of homes expected to be built within five years on specific 'deliverable' sites, and a windfall allowance.
23. Deliverable sites and windfall sites are defined in the NPPF 2024 glossary: [National Planning Policy Framework - Annex 2: Glossary - Guidance - GOV.UK](#)
 "To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:
 - a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).
 - b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be

considered deliverable where there is clear evidence that housing completions will begin on site within five years.”

24. In order to demonstrate five years’ worth of deliverable housing sites, robust, up to date evidence needs to be available to support the preparation of strategic policies and planning decisions.
25. As well as sites which are considered to be deliverable in principle, this definition also sets out the sites which would require further evidence to be considered deliverable, namely those which:
 - have outline planning permission for major development;
 - are allocated in a development plan;
 - have a grant of permission in principle; or
 - are identified on a brownfield register.
26. Such evidence, to demonstrate deliverability, may include:
 - current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions,
 - firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers’ delivery intentions and anticipated start and build-out rates,
 - firm progress with site assessment work, or
 - clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.
27. There are also some important case law. For example, the Court of appeal decision: *St Modwen Developments Ltd vs SOS and R (East Bergholt Parish Council) v Babergh District Council*.
28. In this context a deliverable site is not one that is certain, or even likely, to be developed within five years. All that is required is a “realistic prospect” that housing will be delivered on the site within five years. The policy does not say how firm a prospect this must be. Instead, it is for the decision-maker to decide whether a realistic prospect of delivery exists in any particular case.

29. The Lichfield 'Start to Finish' Third Edition, March 2024 ([start-to-finish-3 how-quickly-do-large-scale-housing-sites-deliver.pdf](#)) has shown that when assessed across the country major sites with outline permission take on average between 3 and 4.6 years to deliver their first site.
30. The Council has undertaken its own analysis and concluded that large sites (over 10 homes) generally deliver 52 dwellings per year, or 1 new home per week when the site is 'up and running'. On average 35 homes would be delivered in year three following the grant of planning permission, and the 52 homes per year following that. These figures will be kept under review each year.

Planning Reform Working Paper: Speeding Up Build Out

31. In May 2025 the Government consulted on a Planning Reform Working Paper: Speeding Up Build Out. The paper sought views on options the Government could pursue to ensure the right incentives exist in the housing market, and local authorities have the tools they need, to encourage homes to be built out more quickly. [Planning Reform Working Paper: Speeding Up Build Out - GOV.UK](#) The Government has not yet responded following the consultation, however it is clear effective tools to ensure developers build more quickly would have significant impact on the 5YHLS calculation.

Counting other forms of accommodation

32. The PPG supports the counting of housing provided for older people, including residential institutions in Use Class C2, as part of their housing land supply. This contribution is based on the amount of accommodation released in the housing market. Further guidance is set out in Housing for Older and Disabled People: [Housing for older and disabled people - GOV.UK](#)

Sources of Supply

Small sites with planning permission of 1 to 9 homes

33. At 1 April 2025 there were 194 homes (net) on deliverable sites of 1 to 9 homes.
34. All of these sites benefit from planning permission or have a prior approval with Recreational Disturbance Avoidance and Mitigation Strategy (RAMS) mitigation secured where needed: [Section 106 Agreements for RAMS | Section 106 Agreements for RAMS | Maldon District Council](#)
35. All homes on these sites are expected to be completed within the next five years. Those that have started are expected to be built out in 2025/26. Those

not commenced will be required to commence within three years of the date of their planning permission, and given the small size of site, completed quickly.

Unidentified small windfall sites of 1 to 9 homes

36. The NPPF defines in the glossary a windfall as:” Sites which have not been specifically identified in the development plan”. At paragraph 75 of the NPPF it states:
 “Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends.”
37. In the main, the sites which have come forward in the Housing and Economic Land Availability Assessment (HELAA) are for ten units or more and are larger than 1.0 hectare in size, therefore if they came forward would be major development sites. In this regard to these sites, very few have, at the present time, come forward as windfall sites since the HELAA was initially completed in 2022.
38. The approach to a windfall allowance is based on the average annual rate of windfall completions from general (i.e. planning permissions) and prior approvals since 2016. Analysis of the data from 2016 shows that, as expected, there has been a steady supply since 2016, but it has risen over the last few years. Table 3 below shows the following housing units have been approved since 2016. These sites do not include replacement dwellings or sites which have expired.

Table 3

Year	Number of dwellings granted planning permission
2016	23
2017	32
2018	66
2019	47
2020	51
2021	65
2022	44
2023	85
2024	83
Total	495
Average	55

39. Table 3 includes the number of permissions granted for small windfall sites of 1-9 housing units from 2016 to 2024. This indicates an average annual grant of permissions for 55 units. The period chosen runs from before the LDP was approved in July 2017, through the first five years of the plan, and through the Covid-19 pandemic. This covers a period of nine years including an economically mixed period from which to derive an allowance for anticipated small windfall sites.
40. Historic planning permissions are included in the small sites with planning permission category – as they are known and not windfalls.
41. To avoid double counting sites with planning permissions, no windfall rate has been included in the first two and a half years of the five-year supply. Small windfall sites will not start to come forward straightaway, however all sites are required to commence within three years of the date of their planning permission. It is assumed that any homes completed in those years will already have planning permission. This is a cautious approach as in practice some windfalls not currently with permission may be built during this period.
42. Analysis of delivery rates across small windfall development shows that it takes on average 2.5 years for the first unit completion on site. Therefore 28 units of small windfall housing should be put into the year three and 55 units of windfall housing should be put in for years four and five. This will be a total of 137 units. The delivery of windfall will be monitored yearly, and adjustments made in future years as necessary.

Sites allocated in the Maldon District LDP 2014 - 2029

43. Appendix 1 includes Table 6 which lists the sites allocated in the Maldon District LDP, and shows the delivery expected over the next five-year period.
44. The second half of Appendix 1 provides a high level summary of each site.

Large 'windfall' sites with planning permission not allocated in the Maldon District Local Development Plan 2014 - 2029

45. Appendix 2 includes Table 7 which lists the large 'windfall' sites with planning permission not allocated in the Maldon District LDP, and shows the delivery expected over the next five year period.
46. The second half of Appendix 2 provides a high level summary of each site.

Maldon's Five Year supply summary

47. Table 4 sets out the 5YHLS from the various sources.

Table 4

	25/26	26/27	27/28	28/29	29/30	Total
Small sites with planning permission (sites of 1 to 9 homes)	-	-	-	-	-	194
Unidentified small windfall sites 1 to 9 – 56 homes per annum	0	0	28	55	55	138
Sites allocated in the Local Development Plan (see Appendix 1)	342	319	248	245	160	1,314
Large ‘windfall’ sites not allocated in the Local Development Plan (see Appendix 2)	95	153	170	219	249	886
Total						2,532

Note – number of new homes with planning permission on small sites (1 to 9 homes) = 194

Maldon’s 5YHLS calculation

48. Table 5 sets out the 5YHLS calculation.

Table 5

Housing supply	Total
Annual Housing Target (584 homes x 5 years)	2,920
Plus 5% buffer	146
Total requirement	3,066
Annual housing requirement figure (3,066 / 5)	613
Total supply over the next five years (see Table 2)	2,532
Five Year Housing Land Supply (total supply 2,532 / annual requirement 613)	4.1 years

49. The shortfall over the five year period in absolute numbers at 1 April 2025 was 534 homes.

Appendix 1

Allocated Sites in the Maldon District Local Development Plan 2014 – 2029

Table 6

Application Number	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	
22/00454/FUL	S2(a) South of Maldon (south of Limebrook Way) - Eastern Parcel (42 dw) - additional units to the 606 units approved at line 3	Under construction	42	0	42	0	0	0	42	This site will be completed within 5 years
14/01103/OUT 18/00494/FUL 18/00531/RES 19/00411/RES 20/00074/FUL 21/00089/RES	S2(a) South of Maldon (south of Limebrook Way) - Eastern Parcel (606 dw) [Taylor Wimpey]	Under construction	84	78	6	0	0	0	84	This site will be completed within 5 years
14/01103/OUT 18/00494/FUL 18/00531/RES 19/00411/RES 20/00074/FUL 21/00089/RES	S2(a) South of Maldon (south of Limebrook Way) - western parcel (394 dw) [Crest Nicolson]	Under construction	123	52	71	0	0	0	123	This site will be completed within 5 years
15/01327/OUT	S2(b) Land north and west of Knowles Farm, Wycke Hill	Not started	320	0	0	0	35	52	87	The site is up for sale, as per historic build out outline to first completion 4.2 years

APPENDIX A

Application Number	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	
	S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Bellway]	Under construction	224	44	60	60	60	0	224	This site will be completed within 5 years
	S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Crest Nicolson]	Under construction	246	50	50	50	50	46	246	This site will be completed within 5 years
	S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [LNT Care Home Parcel 8A]	Not started	28 [66]	0	0	28	0	0	28	This is a care home so the amount to go in the 5 year supply is calculated as the average number of residents per household $2.37 = 1$ unit of housing. $66/2.37 = 28$ units to go in the five year supply. Vistry have confirmed that completion will be in 2027. 27/10/25 - LNT have submitted an application to discharge the conditions for this part of the site 25/05134/DET

APPENDIX A

Application Number	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	
	S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Parcel 8B]	Not started	22	0	0	0	0	22	22	Vistry have confirmed that this should be 22 housing units but there is no developer on board at the moment they have not sold the land. As this is part of the larger strategic site where the other parcels have sold and are being built out then there is no reason to presume that this one will not be - it is only for a small number of dwellings
	S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Vistry Parcels 1, 2, 4, 5]	Under construction	311	81	90	90	50	0	311	This site will be completed within 5 years
	S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Abbey Housing Parcel 9]	Not started	110	0	0	20	50	40	110	Vistry were going to develop this out themselves but have now sold it to Abbey Housing. There is a reserved matter on the site and Vistry have informed us that the site should have a start late 2026 with first completions in 2027. The trajectory has come from Vistry. 25/9/25 - Abbey Housing have submitted a reserved matters application 25/00865/RESM

APPENDIX A

Application Number	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	
No application	S2(h) Land adjacent Heybridge Swifts Football Club, Scraley Road	No application	0	0	0	0	0	0	0	No development expected within 5 years agreed
23/00500/FUL	(S2(i) Land between Chandlers and Creeksea Lane, Maldon Road, Burnham-On-Crouch	Under construction	37	37	0	0	0	0	37	This site will be completed within 5 years
19/01257/FUL	(S2(i) Land Between Chandlers and Creeksea Lane, Maldon Road, Burnham-On-Crouch Essex	Under construction	5	5	0	0	0	0	5	3 added via 24/01005 This site will be completed within 5 years
Totals			1,552	342	319	248	245	160	1,314	

Notes on sites:

- S2(a) South of Maldon (south of Limebrook Way) - Eastern Parcel (42 dw) - additional units to the 606 units approved at line 3
 - 42 homes
 - Site under construction, expected to be completed within the five-year period.
- S2(a) South of Maldon (south of Limebrook Way) - Eastern Parcel (606 dw)
 - 84 homes
 - Developer: Taylor Wimpy
 - Site under construction, expected to be completed within the 5 year period.

3. S2(a) South of Maldon (south of Limebrook Way) - western parcel (394 dw)
 - 123 homes
 - Developer: Crest Nicolson
 - Site under construction, expected to be completed within the 5 year period.
4. S2(b) Land north and west of Knowles Farm, Wycke Hill
 - 320 homes
 - Site not commenced
 - Site owned by Essex County Council, and the site up for sale.
 - In line with historic build out rates, outline to fist completion is expected in 4.2 years.
5. S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Bellway]
 - 224 homes
 - Developer: Bellway
 - Site under construction, expected to be completed within the 5 year period.
6. S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Crest Nicolson]
 - 246 homes
 - Developer: Crest Nicolson
 - Site under construction, expected to be completed within the 5 year period.
7. S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [LNT Care Home Parcel 8A]
 - 66 care home units – equivalent to 28 homes
 - This is a care home so the amount to go in the 5 year supply is calculated as the average number of residents per household $2.37 = 1$ unit of housing. $66/2.37 = 28$ units to go in the five year supply.
 - Vistry have confirmed that completion will be in 2027.
 - 27/10/25 - LNT have submitted an application to discharge the conditions for this part of the site 25/05134/DET

- Not started, expected to be completed within the 5 year period.
8. S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Parcel 8B]
 - 22 homes
 - Vistry have confirmed that this should be 22 housing units but there is no developer on board at the moment they have not sold the land.
 - As this is part of the larger strategic site where the other parcels have sold and are being built out then there is no reason to presume that this one will not be - it is only for a small number of dwellings
 - Not started, expected to be completed within the 5 year period.
 9. S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Vistry Parcels 1, 2, 4, 5]
 - 311 homes
 - Developer: Vistry
 - Site under construction, expected to be completed within the 5 year period.
 10. S2(d) Land at Broad Street Green Road, Maypole Road and Langford Road, Great Totham / Heybridge [Abbey Housing Parcel 9]
 - 110 homes
 - Developer: Abbey
 - Vistry were going to develop this out themselves but have now sold it to Abbey Housing. There is a RM on the site and Vistry have informed us that the site should have a start late 2026 with first completions in 2027.
 - The trajectory has come from Vistry 25/9/25 - Abbey Housing have submitted a reserved matters application 25/00865/RESM
 - Not started, expected to be completed within the 5 year period.
 11. S2(h) Land adjacent Heybridge Swifts Football Club, Scraley Road
 - No planning application

- No development expected within 5 years agreed
12. (S2(i) Land between Chandlers and Creeksea Lane, Maldon Road, Burnham-On-Crouch
- 37 homes
 - Not started, expected to be completed within the 5 year period.
13. (S2(i) Land Between Chandlers and Creeksea Lane, Maldon Road, Burnham-On-Crouch Essex
- 5 homes
 - Site under construction, expected to be completed within the 5 year period.

Appendix 2

Large 'windfall' sites with planning permission not allocated in the Local Plan

Table 7

Application reference	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	Up to date info
07/00842/FUL 14/00695/LDE	Drinkwater Farm, Maldon Road, Bradwell-on-Sea	Under construction	12	0	0	0	0	0	0	No development expected within 5 years
16/00299/FUL	Land north of Latchingdon Bowls Club, Latchingdon	Under construction	38	38	0	0	0	0	38	This site will be completed within 5 years
18/00443/OUT 20/00846/RES	Land north west of 2 Maldon Road Burnham-On-Crouch	Under construction	195	30	30	30	30	30	150	
22/00887/OUT	Land north west of 2 Maldon Road Burnham-On-Crouch	Not started	203	0	0	0	35	52	87	Would requires amendment to S106
21/00075/OUTM	Land north west of 2 Maldon Road Burnham-On-Crouch	Not started	232	0	0	0	0	0	0	
18/01476/OUT 24/00209/RESM	Tillingham Hall Farm, North Street, Tillingham	Not started	24	0	0	24	0	0	24	This site will be completed within 5 years
20/00428/FUL	Land opposite 34 Hall Road Great, Totham	Under commenced	30	0	0	0	10	20	30	This site will be completed within 5 years

Application reference	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	Up to date info
08/00149/OUT 11/00517/RES 11/01097/FUL 12/00955/RES 16/00285/RES 16/00477/NMA	Sadds Wharf, Station Road, Maldon	Under construction	93	0	0	0	0	0	0	No development expected within 5 years
21/00702/FUL	Land north of 48 Woodrolfe Road, Tollesbury	Under construction	25	12	13	0	0	0	25	This site will be completed within 5 years
20/01344/FUL	Knightswood Centre, Steeple Road, Southminster	Not started	16	0	0	11	5	0	16	This site will be completed within 5 years
22/00482/OUT 24/0844/RESM	Golf Driving Range, Burnham Road, Woodham Mortimer	Not started	18	0	0	18	0	0	18	This site will be completed within 5 years
22/00639/FUL	62 New Road, Tollesbury	Under construction	17	7	10	0	0	0	17	This site will be completed within 5 years
22/01174/OUTM	Land north of The Groves, Burnham Road, Latchingdon	Not started	160	0	35	52	52	21	160	Officers to take screenshot of developer's website This site will be completed within 5 years
24/00244/FULM	Land south of Brent Way and off Endeavour Way Burnham-On-Crouch	Under construction	63	8	55	0	0	0	63	This site will be completed within 5 years
23/00123/OUTM	Land to the rear of 9 Church Road, Wickham Bishops	Not started	49	0	0	0	12	37	49	Site is for sale

Application reference	Address	Stage	Net outstanding	25/26	26/27	27/28	28/29	29/30	5 years supply total	Up to date info
23/00648/FULM	Land east of Broad Street Green Road, Heybridge	Under construction	281	0	0	35	52	52	139	Officers will contact Persimmon
23/01212/FUL	Land to the south of 97 South Street, Tillingham	Not started	11	0	0	0	11	0	11	
23/01038/OUTM	Land at Coppingers, Maldon Road, Latchingdon	Not started	10	0	10	0	0	0	10	
22/01257/OUTM	Land at Manor Farm, Walden House Road, Great Totham	Not started	49	0	0	0	12	37	49	
Totals			1,526	95	153	170	219	249	886	

Notes on sites:

1. Drinkwater Farm, Maldon Road, Bradwell-on-Sea
 - 12 homes
 - Site commenced, no completions expected in the next 5 years
2. Land north of Latchingdon Bowls Club, Latchingdon
 - 38 homes
 - Site under construction, expected to be completed within the 5 year period
3. Land north west of 2 Maldon Road Burnham-On-Crouch (Burnham Waters Phase 1)
 - 195 homes

- Developer: Think Green
- 103 bungalows, 55 apartments, 8 key worker dwellings. Care homes due to be replaced by 40 flats
- Developer: Think Green
- Site under construction, 150 homes expected to be completed within the 5 year period.

4. Land north west of 2 Maldon Road Burnham-On-Crouch (Burnham Waters Phase 2)
 - 203 homes
 - Developer: Think Green
 - Could come forward ahead of completion of Phase 1 subject to an amendment to the S106 Legal Agreement and ensuing the infrastructure is linked up.
 - Site not started, 87 completions expected in the next 5 years
5. Land north west of 2 Maldon Road Burnham-On-Crouch (Burnham Waters Phase 3)
 - 232 homes
 - Developer: Think Green
 - Site not started, no completions expected in the next 5 years
6. Tillingham Hall Farm, North Street, Tillingham
 - 24 homes
 - Site not started, expected to be completed within the 5 year period.
7. Land opposite 34 Hall Road Great, Totham
 - 30 homes
 - Site commenced, expected to be completed within the 5 year period
8. Sadds Wharf, Station Road, Maldon
 - 93 homes
 - Brownfield site

- No completions expected in the next 5 years

9. Land north of 48 Woodrolfe Road, Tollesbury

- 25 homes
- Site under construction, expected to be completed within the 5 year period.

10. Knightswood Centre, Steeple Road, Southminster

- 16 homes
- Not started, expected to be completed within the 5 year period.

11. Golf Driving Range, Burnham Road, Woodham Mortimer

- 18 homes
- Not started, expected to be completed within the 5 year period.

12. 62 New Road, Tollesbury

- 17 homes
- Site under construction, expected to be completed within the 5 year period.

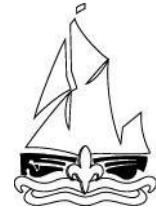
13. Land north of The Groves, Burnham Road, Latchingdon

- 160 homes
- Developer: Dandara
- Site not commenced, expected that 160 out of 160 homes will be completed within the 5 year period.

14. Land south of Brent Way and off Endeavour Way Burnham-On-Crouch

- 63 homes
- Developer: Dandara
- Site under construction, expected to be completed within the 5 year period.

15. Land to the rear of 9 Church Road, Wickham Bishops
 - 49 homes
 - Site is on the market at the moment
 - Site not commenced, expected to be completed within the 5 year period .
16. Land east of Broad Street Green Road, Heybridge
 - 281 homes
 - Site not commenced, expected that 139 out of 281 homes will be completed within the 5 year period.
17. Land to the south of 97 South Street, Tillingham
 - 11 homes
 - Site not commenced, expected to be completed within the 5 year period.
18. Land at Coppingers, Maldon Road, Latchingdon
 - 10 homes
 - Site not commenced, expected to be completed within the 5 year period.
19. Land at Manor Farm, Walden House Road, Great Totham
 - 49 homes
 - Site not commenced, expected to be completed within the 5 year period.



**REPORT of
DIRECTOR OF NEIGHBOURHOOD SERVICES AND COMMUNITIES**

**to
COUNCIL
12 FEBRUARY 2026**

**EXTENSION OF SOUTH ESSEX PARKING PARTNERSHIP JOINT COMMITTEE
AGREEMENT**

1. PURPOSE OF THE REPORT

- 1.1 This report seeks Councils approval to extend the current operational period of the South Essex Parking Partnership (SEPP) Joint Committee Agreement by a further year to 31 March 2028 to align with the current Local Government Reform (LGR) timetable.
- 1.2 This partnership has since 2011 delivered on-street parking enforcement across the Maldon District on behalf of Essex County Council (ECC).
- 1.3 There is no financial implication for Maldon District Council.

2. RECOMMENDATION

That Council agrees the extension of the existing South Essex Parking Partnership Joint Committee agreement until 31 March 2028.

3. SUMMARY OF KEY ISSUES

- 3.1 The SEPP has been operational since 1 April 2011 when SEPP and the North Essex Parking Partnership (NEPP) were established to operate on-street parking enforcement across the county on behalf of ECC.
- 3.2 The operations delivered by SEPP are governed by a Joint Committee Agreement signed up to by each of the partners – Basildon Borough Council, Brentwood Borough Council, Castle Point Borough Council, Chelmsford City Council, Essex County Council, Maldon District Council and Rochford District Council. Chelmsford is the Lead Authority for SEPP, employs all the Partnership's officers and provides legal, HR and financial support to the operation of SEPP.
- 3.3 A new Joint Committee Agreement was signed by all partners in 2022 for a further five-year period from 1 April 2022 to 31 March 2027. This agreement has the option to extend for an additional 12 months on three consecutive occasions to a maximum term of eight years (31 March 2030). The new agreement also provided the scope for SEPP to continue with the additional responsibility for the maintenance of parking related signs and lines and the implementation of new parking related Traffic Regulation Orders.

4. CONCLUSION

- 4.1 An extension of the current SEPP Joint Committee Agreement will ensure service continuity and legal enforcement of the parking restrictions throughout the Partnership areas for financial year 2027/28, when thereafter the function will transfer and operate from 1 April 2028 under the new unitary authorities due to Local Government Reform in Essex.
- 4.2 Essex County Council have confirmed its intention to extend the current Joint Committee Agreement by one year until 31 March 2028, subject to agreement via their relevant Governance procedures.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 26

5.1 Supporting our communities.

- 5.1.1 The current agreement supports our community through the enforcement of parking restrictions across the District, in addition to considering requests for new / changes to parking restriction measures. It also manages resident zone parking and parking enforcement in busy and residential areas.

5.2 Investing in our District.

- 5.2.1 The partnership helps to maintaining existing signs and lines and managing applications for new restrictions.

5.3 Growing our economy.

- 5.3.1 Keeping roads in and around our towns and business areas free from obstruction and congestion, which will encourage businesses and customers to invest and visit our district.

5.4 Protecting our environment.

- 5.4.1 Manage on street parking within the Maldon District

5.5 Delivering good quality services.

- 5.5.1 Extending the successful partnership will enable service continuity for the Districts residents, businesses and visitors.

6. IMPLICATIONS

- (i) **Impact on Customers** – None, this will enable the current provision to continue.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – Failure to be part of this partnership will create risks around the provision of parking enforcement across the District as the Council will no longer have a voice or representation on the Joint Committee.
- (iv) **Impact on Resources (financial)** – None.

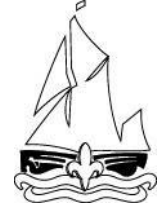
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on Devolution / Local Government Reorganisation** – This will ensure that the current partnership arrangements meet the current LGR timeframes.

Background Papers:

SEPP Joint Committee Agreement
Essex County Council Letter

Enquiries to: Nicola Syder, Community Engagement Team Leader.

This page is intentionally left blank



REPORT of CHIEF EXECUTIVE

**to
COUNCIL
12 FEBRUARY 2026**

DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION

1. PURPOSE OF THE REPORT

- 1.1 To provide an update on Devolution and Local Government Reorganisation (LGR) in Greater Essex.

2. RECOMMENDATION

That Council notes the current update on Devolution and LGR, and any resource implications as the activity to progress LGR now develops.

3. SUMMARY OF KEY ISSUES

3.1 Devolution

- 3.1.1 Since the last devolution update the Greater Essex Combined County Authority (GECCA) has appointed Tom Walker as the Interim Chief Executive Officer for the GECCA.
- 3.1.2 On 4 December 2025, Government announced its decision to delay the inaugural Mayoral elections to May 2028. The governments statement on this can be found here: [Written statements - Written questions, answers and statements - UK Parliament](#).
- 3.1.3 Despite the delay to mayoral elections work by officers and Leaders continues. Terms of reference have been drafted and all Leaders across the district authorities are setting up a Nominating Body to agree which representation for District Authorities on the GECCA (the Combined Authority), or any other committee, sub-working group or scrutiny committee established by the Combined Authority. All Leaders of District Authorities will be members of the Nominating Body. The Leader of the Council will be a representative on this group in line with the decision of Council on 25 February 2025.
- 3.1.4 Ministers have announced they will provide each devolution priority programme area with a proportion of their investment funds to ensure they can start delivering on key local priorities and deliver the benefits of devolution ahead of the mayors taking office in 2028. Greater Essex will receive a third of its annual investment fund of £41.5 million in both 2026 / 27 and 2027 / 28.

3.2 LGR

- 3.2.1 On 18 December 2025, the Minister of State for Local Government and Homelessness, Alison McGovern MP, wrote to council leaders in LGR areas with elections in May 2026. The letter invited councils to set their views on the potential postponement of their local election in May 2026 and whether doing this would allow them to better deliver LGR.
- 3.2.2 [Essex County Council wrote to the minister on the 14 January 2026](#) stating that it will not be delaying elections.
- 3.2.3 The Government Consultation to seek views on LGR proposals for Greater Essex closed on 11 January 2026. Local authorities in Essex await government's decision on which option they are minded to take forward, this announcement is expected in March.
- 3.2.4 Government has asked local authorities to consider a series of questions to inform the Secretary of States prior to their minded too decision to assist in the drafting of the Structural Changes Order ("SCO"). These questions focus on the make up of the current structure of the district, how elections to the new authorities will be managed, the format of joint committees and the membership of any implementation team. The Council were provided with two weeks to respond.
- 3.2.5 Officers continue to work with colleagues across Essex on programme structures for delivery of LGR, and particularly focussing on gathering information as set out by the Ministry of Housing, Communities and Local Government (MHCLG) as best practice during the 'pre-minded to' decision time.
- 3.2.6 An internal officer group and a Member working continue to meet. Essex-wide workstream activity input has been established, progress and updates from all workstreams will continue to be shared with the Devolution and LGR Working Group.

4. CONCLUSION

- 4.1 The update is provided to keep Members informed and aware of the Council's input to Devolution and LGR.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 The Council will continue to deliver the priorities in the Corporate Plan throughout this stage of LGR. There will not be any impact until the transition phase.

6. IMPLICATIONS

- (i) **Impact on Customers** – Not applicable (N/A).
- (ii) **Impact on Equalities** – N/A.
- (iii) **Impact on Risk (including Fraud implications)** – N/A.
- (iv) **Impact on Resources (financial)** – The Council has allocated reserves to resource LGR.

- (v) **Impact on Resources (human)** – LGR activity currently draws from existing staff resource and may have delivery implications.
- (vi) **Impact on Devolution / Local Government Reorganisation** - The report shows how we are engaging with devolution and LGR.

Background Papers: As detailed in this report.

Enquiries to: Georgina Button, Director of Strategy and Improvement.

This page is intentionally left blank