

Agenda

Cabinet

Date: **Thursday 25 January 2024**

Time: **2.30 pm**

Place: **Herefordshire Council Offices, Plough Lane, Hereford,
HR4 0LE**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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If you would like help to understand this document, or would like it in another format, please call Samantha Walmsley, Democratic Services Officer on (01432) 260176 or e-mail samantha.walmsley2@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of Cabinet

Membership

Chairperson Councillor Jonathan Lester, Leader of the Council
Vice-Chairperson Councillor Elissa Swinglehurst, Deputy Leader of the Council

Councillor Graham Biggs
Councillor Harry Bramer
Councillor Barry Durkin
Councillor Carole Gandy
Councillor Ivan Powell
Councillor Philip Price
Councillor Pete Stoddart

Agenda

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| 1. | <p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence.</p> | |
| 2. | <p>DECLARATIONS OF INTEREST</p> <p>To receive declarations of interests in respect of Table A, Table B or Other Interests from members of the committee in respect of items on the agenda.</p> | |
| 3. | <p>MINUTES</p> <p>To approve and sign the minutes of the meeting held on 14 and 21 December 2023.</p> <p>Minutes are to follow.</p> | |
| <p>HOW TO SUBMIT QUESTIONS</p> <p><i>The deadline for submission of questions for this meeting is:</i></p> <p><i>9:30am on Monday 22 January 2024.</i></p> <p><i>Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</i></p> <p><i>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at https://www.herefordshire.gov.uk/getinvolved</i></p> | | |
| 4. | <p>QUESTIONS FROM MEMBERS OF THE PUBLIC</p> <p>To receive questions from members of the public.</p> | |
| 5. | <p>QUESTIONS FROM COUNCILLORS</p> <p>To receive questions from councillors.</p> | |
| 6. | <p>REPORTS FROM SCRUTINY COMMITTEES</p> <p>To receive reports from the Council's scrutiny committees on any recommendations to the Cabinet arising from recent scrutiny committee meetings.</p> <p style="padding-left: 40px;">A) Report from Scrutiny Management Board: 2024-25 budget – recommendations from Scrutiny Management Board Report to follow</p> | |
| 7. | <p>2024/25 BUDGET, MEDIUM TERM FINANCIAL AND TREASURY MANAGEMENT STRATEGY - REVENUE</p> <p>To recommend to Council the proposed 2024/25 revenue budget, Medium Term Financial Strategy and the Treasury Management Strategy.</p> | 11 - 108 |
| 8. | <p>2024/25 CAPITAL INVESTMENT BUDGET AND CAPITAL STRATEGY</p> | 109 - 156 |

UPDATE

To recommend to Council for approval the revised capital investment budget and capital strategy for 2024/25 onwards.

9. 2024/25 COUNCIL TAX REDUCTION SCHEME

157 - 296

To recommend to Council the 2024/25 local Council Tax Reduction (CTR) scheme.

10. PROCUREMENT OF NEW WASTE COLLECTION SERVICE - UPDATE

To Follow

Further to the approved Cabinet report on the 5th October this report seeks approval to award the new waste collection contact.

Report to follow.

The Public's Rights to Information and Attendance at Meetings

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- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
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Public transport links

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The location of the office and details of city bus services can be viewed at:

<http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services->

Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and seven other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

| | |
|--|--------------------------------|
| Cllr Jonathan Lester (Leader) | Corporate Strategy and Budget |
| Cllr Elissa Swinglehurst (Deputy Leader) | Environment |
| Cllr Ivan Powell | Children and Young People |
| Cllr Harry Bramer | Community Services and Assets |
| Cllr Pete Stoddart | Finance and Corporate Services |
| Cllr Carole Gandy | Adults, Health and Wellbeing |
| Cllr Graham Biggs | Economy and Growth |
| Cllr Barry Durkin | Roads and Regulatory Services |
| Cllr Philip Price | Transport and Infrastructure |

The Cabinet's roles are:

- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

Who attends cabinet meetings?

- Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
- Officers of the council – attend to present reports and give technical advice to cabinet members
- Chairpersons of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
- Political group leaders attend to present the views of their political group on the item under discussion. Other councillors may also attend as observers but are not entitled to take part in the discussion.

**The Seven Principles of Public Life
(Nolan Principles)**

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.



Title of report: 2024/25 Budget, Medium Term Financial and Treasury Management Strategy - Revenue

Meeting: Cabinet

Meeting date: Thursday 25 January 2024

Cabinet Member: Peter Stoddart, Finance and corporate services

Report by: Director of Resources and assurance

Report author: Head of Strategic Finance (Deputy S151 Officer)

Classification

Open

Decision type

Budget and policy framework

Wards affected

All Wards

Purpose

To recommend to Council the proposed 2024/25 revenue budget, Medium Term Financial Strategy and the Treasury Management Strategy.

Recommendation(s)

That Cabinet recommend to Council for approval:

- a) the council tax base of 71,999.97 Band D equivalents in 2024/25;**
- b) an increase in core council tax for 2024/25 of 2.99%;**
- c) an additional precept in respect of adult social care costs of 2% applied to council tax in 2024/25 resulting in a total council tax increase of 4.99%, increasing the band D charge from £1,786.61 to £1,875.76 for Herefordshire Council in 2024/25;**

- d) the balanced 2024/25 revenue budget proposal totalling £207.7 million, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix C;
- e) delegates to the section 151 officer the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves;
- f) the allocation of additional funding of £2.5 million announced in the Local Government Settlement in December 2023 to support strategic housing (£0.8 million), to reverse planned parking charge increases (£0.4 million) and a transfer to the Financial Resilience earmarked reserve (£1.3 million);
- g) the Medium Term Financial Strategy (MTFS) 2024/25 to 2027/28 at appendix A be approved;
- h) the Treasury Management Strategy at appendix D be approved; and
- i) the responses to scrutiny committee recommendations to follow in a supplementary paper to be approved.

Alternative options

1. It is open to Cabinet to recommend alternative spending proposals or strategies; however, given the legal requirement to set a balanced budget, should additional expenditure be proposed compensatory savings proposals must also be identified. If it is proposed to spend less, the impact on service delivery of the proposed reduction should be considered.
2. Cabinet can agree a council tax increase above the referendum principle levels. This is not recommended as doing so would require the increase to be subject to a local referendum, incurring additional costs to the council.

Key considerations

3. A balanced draft revenue budget which totals £207.7 million is proposed for 2024/25. The proposal includes a 4.99% increase in council tax and reflects the provisional financial settlement announced in December 2023 and the current understanding of future years funding and responsibilities.
4. The draft 2024/25 revenue budget assumes a total council tax increase of 4.99%: 2.99% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,875.76, representing an increase of £7.43 per month. This is the maximum increase permitted; a higher increase would require the support of a referendum.
5. The 2% adult social care precept will generate approximately £2.5 million of additional income to fund social care pressures identified in the Community Wellbeing Directorate; reflecting increases in both demand and cost for services to support the county's residents.
6. An increase to the base budget for 2024/25 is proposed to fund identified budget pressures of £43.3 million. Savings and efficiencies of £19.5 million are proposed to mitigate these pressures to deliver a balanced budget.

Autumn Statement & Funding Updates

7. The Chancellor's Autumn Statement on 22 November 2023 included economic forecasts from the Office for Budget Responsibility (OBR) and set out medium term spending plans.

Inflation Forecasts and National Living Wage Increases

8. The OBR has forecast inflation to remain higher for longer and it is now expected that inflation will not return to the 2% target until the second quarter of 2025, more than a year later than forecast in the March 2023 Budget.
9. Consumer Price Index (CPI) inflation is forecast to fall to 4.8% in the final quarter of 2023 with an increase of 7.5% across 2023 compared with a rate of 6.1% in the March 2023 Budget. The increase for 2024 is 3.6% compared with 0.9% previously forecast. CPI inflation is expected to reduce below the 2% OBR target between 2025 and 2027 before returning to a rate of 2% for a longer term.
10. In advance of the Autumn Statement, Central Government announced an increase to the National Living Wage for individuals aged 21 and over of 9.8% from 1 April 2024 from £10.42 to £11.44 per hour.
11. The impact of the increase in the National Living Wage and movement in CPI inflation on the rates that the council pays for services under contract, and in particular care contracts, has been considered as part of this draft budget.

Planned Council Tax Increases

12. The Local Government Settlement in February 2023 confirmed that the council tax referendum limit would be increased to 3% in 2024/25. In addition, local authorities are able to meet adult social care pressures by raising council tax by a further 2% though additional precept in 2024/25.
13. Each 1% increase in council tax will generate approximately £1.3 million of recurrent funding to meet demand pressures and deliver the council's services. The proposed draft revenue budget for 2024/25 assumes the maximum increase of 4.99% in 2024/25.
14. The provisional settlement published in December 2023 is a one year settlement. This is the sixth consecutive one-year local government finance settlement. The settlement confirmed an additional £0.8 million in New Homes Bonus and other movements in grants and core funding.
15. The 2024/25 draft revenue budget, presented to Cabinet for consideration on 14 December 2023, has been updated to reflect revisions to estimated funding for the council in 2024/25 to include allocation of £0.8m to support strategic housing, £0.4m to reverse planned parking charge increases and £1.3m transfer of funds to the Financial Resilience earmarked reserve to support future financial risks.

Revenue Budget Proposals 2024/25

16. The base budget proposed for 2024/25 is summarised below and detailed in Appendix C with Directorate Savings Proposals detailed in Appendix B.

| Detail | 2023/24 Base Budget | Unfunded Pressures | Mitigation | Savings | New funded items | 2024/25 Proposed Budget |
|--------------------------------------|---------------------------|-----------------------|----------------|-----------------|------------------------|-------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Community and Wellbeing | 68,124 | 17,182 | (5,123) | (3,251) | - | 76,932 |
| Children and Young People | 50,812 | 17,623 | (800) | (2,503) | - | 65,132 |
| Economy and Environment | 27,735 | 5,811 | (2,000) | (3,080) | - | 28,466 |
| Corporate | 25,530 | 2,376 | - | (2,772) | - | 25,134 |
| All Ages Social Care | 4,000 | (4,000) | - | - | - | - |
| Sub Total | 176,201 | 38,992 | (7,923) | (11,606) | - | 195,664 |
| Central | 17,107 | 314 | - | (7,915) | - | 9,506 |
| Strategic Housing | | | | | 824 | 824 |
| Reversal of parking increases | | | | | 400 | 400 |
| Financial Resilience Reserve | | | | | 1,287 | 1,287 |
| TOTALS | 193,308 | 39,306 | (7,923) | (19,521) | 2,511 | 207,681 |
| Funded by: | | | | | | |
| Council tax | 126,980 | | | | | 135,054 |
| Business rates | 40,614 | | | | | 43,249 |
| Collection fund surplus | 1,400 | | | | | - |
| Revenue support grant | 983 | | | | | 1,048 |
| Rural sparsity delivery grant | 5,353 | | | | | 5,982 |
| Social care support grant | 13,466 | | | | | 15,647 |
| ASC Discharge Fund | 951 | | | | | 1,585 |
| Mkt Sustainability/Fair Cost of Care | 2,062 | | | | | 3,853 |
| Services Grant | 1,268 | | | | | 208 |
| New Homes Bonus | 231 | | | | | 1,055 |
| TOTALS | 193,308 | | | | | 207,681 |

Directorate Key Budget Pressures 2024/25

17. A summary of Unfunded Pressures of £43.3 million in 2024/25, by Directorate, is noted in the table below. It is proposed that the £3.8 million All Ages Social Care budget, approved in the 2023/24 revenue budget, is applied to the Community Wellbeing Directorate in 2024/25 to fund demand and cost pressures in adult social care.

Pay Award: This pressure represents an impact of the estimated pay award for 2024/25 on staffing expenditure across each Directorate.

Inflation: This pressure represents the impact of inflation across contractual and non-contractual commitments in 2024/25. Inflation is estimated based on a variety of relevant inflation and price indices as well as contract specific rates.

Demand: Demand pressures reflect additional demand for services based on most recent activity data and costs. This pressure includes adjustments to reflect trend analysis and planned activity in each service area.

Transformation: This pressure reflects expenditure required to deliver transformation of service activity and improvements in each Directorate.

| Pressure | Community Wellbeing | Children & Young People | Economy & Environment | Corporate Services | Central | TOTAL |
|----------------|---------------------|-------------------------|-----------------------|--------------------|------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Pay Award | 1,160 | 1,253 | 806 | 809 | - | 4,028 |
| Inflation | 7,115 | 2,121 | 2,100 | 1,158 | - | 12,494 |
| Demand | 8,873 | 12,886 | 2,776 | - | 314 | 24,849 |
| Transformation | 34 | 1,363 | 129 | 409 | - | 1,935 |
| TOTAL | 17,182 | 17,623 | 5,811 | 2,376 | 314 | 43,306 |

Community Wellbeing

18. The Directorate faces continued challenge in 2024/25 as a result of increasing demand and complexity of need for the county's ageing population, limited market availability, the impact of hospital high occupancy rates and an increase in the number of individuals unable to fund their own care linked to the impact of increases in the cost of living and inflation.
19. Planned activity in 2024/25 aims to respond to these challenges and deliver savings and efficiencies across the Directorate through increased collaboration with Health and community partners, reviewing high cost Adult Social Care packages and improved utilisation of existing care contracts.

Children & Young People

20. Unprecedented increases in the demand for children's social care have had a significant impact on Children's Services nationally. Insufficiency of local residential placements, growing demand in Special Educational Needs (SEN) and Home to School Transport services and national challenges in the recruitment and retention of social workers continue to contribute to pressures across the Directorate.
21. In 2024/25, savings proposals through the 3 Year Financial Plan place workforce stability and the reduction of high cost placements as key priorities for the Directorate to ensure it lives within its means after 3 years. There will be a continued focus on the conversion of high cost agency staff to permanent posts and a decrease in the number of social workers, aligned to expected reductions in the number of children in care due to improvements. The 3 Year Financial Plan is aligned to support the delivery of activity per the Children's Improvement Plan.
22. The Quarter 2 revenue outturn forecast for 2023/24 presented at the Cabinet meeting on 23 November 2023 reports an overspend of £13.8 million before management action, with the most significant forecast overspend in Children & Young People (£11.8 million).
23. The forecast overspend represents the key national and local pressures facing the provision of children's social care. The key challenges and source of overspend in 2023/24 include:
 - a. sufficiency of placements (local and national);
 - b. unprecedented demand (increasing in a number of areas post covid);
 - c. placement costs (including the impact of inflation and National Living Wage);

- d. transport services (increase in numbers and contract prices);
- e. recruitment and retention (local and national challenges); and
- f. responsibility to support Unaccompanied Asylum Seeking Children (UASC).

24. The Directorate base includes additional funding of £17.6 million to ensure the budget is sufficient to meet the cost of service delivery in 2024/25.
25. This comprises additional funding of £10.8 million, allocated to address demand and cost pressures influencing the 2023/24 outturn position plus amounts to reflect the estimated pay award (£1.2 million), inflation (£2.1 million) and a further £3.5 million which represents additional estimated demand pressures in 2024/25. These pressures are informed by activity data and trend analysis in 2023/24 plus estimated changes for 2024/25 including £1.6 million in respect of Special Educational Needs (SEN) Transport.
26. The table below outlines how savings planned over the three year period will enable a reduction in the base budget by 31 March 2027.

| | Year 1 2024/25 £'000 | Year 2 2025/26 £'000 | Year 3 2026/27 £'000 | Total 3 Year Saving £'000 |
|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| Base budget b/f | 50,812 | 65,132 | 59,761 | |
| Additional funding | 10,750 | - | - | |
| Pressures less Mitigations | 6,073 | - | - | |
| Planned savings | (2,503) | (5,371) | (2,292) | (10,166) |
| Base budget c/f | 65,132 | 59,761 | 57,469 | |

Economy & Environment

27. It is proposed that additional funding announced in the Local Government Settlement in December is allocated to defer the implementation of parking charge increases to recognise previously deferred savings targets. Investment in the Directorate will provide sufficient resource and capacity to support growth in the economy in 2024/25 and beyond with additional one-off funding allocated to ensure the Local Plan can be delivered in the next 12 months and to provide resources and expertise to support the Future Operating Model and contractual arrangements with BBLP.

Corporate Services

28. Savings will be delivered in 2024/25; reducing costs through a review of corporate services, business support functions across the council and a review of the council's management structure.

Proposed Directorate and Council-wide Savings

29. Total savings of £19.5 million are proposed in the 2024/25 draft budget comprising £11.6 million of Directorate savings and a further £7.9 million of council-wide savings. These savings include a range of proposals to:
- a. transform the delivery of services;
 - b. increase opportunities to recover the costs of service delivery;

- c. reduce expenditure to deliver recurrent efficiencies; and
- d. review of the size and shape of the organisation.

| Category of Saving | Directorate | Council-wide | TOTAL |
|---------------------------|--------------------|---------------------|---------------|
| | £'000 | £'000 | £'000 |
| Transform | 5,488 | 7,915 | 13,403 |
| Reduce | 5,103 | - | 5,103 |
| Increase | 1,015 | - | 1,015 |
| TOTAL | 11,606 | 7,915 | 19,521 |

- 30. Details of individual proposals and a description of planned activity for Directorate savings of £11.6 million are included at Appendix B.
- 31. In addition to the proposed Directorate savings, a further £7.9 million of savings will be achieved through planned transformation activity across the council in 2024/25. Efficiencies and savings will be achieved through the council's Thrive programme with improvements to systems, processes and technology; using digital solutions and technology to improve the customer offer and maximise opportunities to work with communities and partners alongside maximising income through service cost recovery.
- 32. Delivery of these initiatives will require the council to transform as an organisation to ensure the future sustainability of the council and the services it delivers. This will require a review of the size and shape of the workforce to create a lean and resilient council for the future.

Community impact

- 33. The draft budget demonstrates how the council plans to use its financial resources to deliver its statutory responsibilities and strategic priorities. The budget and savings proposals support the overall delivery plan and service delivery strategies in place.
- 34. In accordance with the adopted code of corporate governance, the council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these is an important strategic choice to make to ensure intended outcomes are achieved. The council needs robust decision making mechanisms to ensure our outcomes can be achieved in a way that provides the best use of resources while still enabling efficient and effective operations.

Environmental Impact

- 35. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
- 36. Whilst this overarching budget setting document will not detail specific environmental impacts, consideration is always made to minimising waste and resource use in line with the council's Environmental Policy. A specific environmental impact assessment for the service specific budget proposals will be considered as appropriate to seek to minimise any adverse

environmental impact and actively seek opportunities to improve and enhance environmental performance.

Equality duty

37. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
- A public authority must, in the exercise of its functions, have due regard to the need to –
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
38. Service specific equality impact assessments for the service specific budget proposals will be completed, as required, to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified. Where additional governance is required to support possible service delivery changes the impact of a decision on people with different protected characteristics will be fully detailed and disclosed in that governance decision report.

Resource implications

39. The financial implications are as set out in the report. The ongoing operational costs including, human resources, information technology and property resource requirements are included in the draft budget and will be detailed in separate governance decision reports as appropriate.
40. The council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from its resources. This includes taking properly informed decisions and managing key operational and financial risks in order to deliver objectives and safeguard public money.
41. Under the Local Audit and Accountability Act 2014, the council's external auditors are required to assess whether the council has made proper arrangements under three areas, as defined by the National Audit Office: Financial Sustainability, Governance and Improving economy, efficiency and effectiveness.
42. The draft Auditor's Annual Report for 2022/23 notes that arrangements are appropriate and that the council has undertaken appropriate analysis and consultation to arrive at reasonable and prudent assumptions in respect of income and expenditure, including inflation at appropriate rates and reflecting the impact of increases in demand for services.
43. Audit testing of the robustness of savings proposals included in the 2023/24 budget has confirmed that there was appropriate evidence to support proposals and they had been consulted upon. The report acknowledges that delivery of savings has been monitored throughout 2023/24 with risks to delivery and mitigating actions clearly identified and reported to Cabinet.
44. The audit report provides independent assurance that the council has robust financial planning arrangements in place to identify all significant financial pressures and risks to financial

resilience and to support the sustainable delivery of services in accordance with strategic and statutory priorities. These arrangements, assessed by external audit, underpin the 2024/25 budget setting process to support the preparation of a realistic balanced budget.

Legal implications

45. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
46. In acting prudently, the council has an obligation to determine whether any planned council increase is excessive (based on a set of principles defined by the Secretary of State, and approved by the House of Commons).
47. The level of council tax rise does not meet the definition of an excessive increase so can be approved without the need for a referendum.
48. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.
49. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.
50. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending more on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
51. Local government legislation requires the council's S151 officer to make a report to the full Council meeting when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals (the statement is contained within the risk management section of this report). This is done so that members will have authoritative advice available to them when they make their decisions. As part of the Local Government Act 2003 members have a duty to determine whether they agree with the S151 statutory report.
52. The council's budget and policy framework rules require that the chairpersons of a scrutiny committee shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making Cabinet proposals to Council.
53. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on the Council's budget if he or she has an outstanding council tax debt of over two months. If a councillor who is precluded from voting is present at any meeting at which relevant matters are discussed, he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

Risk management

54. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
55. The budget has been updated using the best available information; current spending, anticipated pressures and estimates in respect of the provisional 2024/25 funding settlement.
56. The known most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made where possible. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
57. The council maintains a general fund reserve balance above the minimum requirement, earmarked reserves and an annual contingency budget to manage these risks.
58. Key financial risks and mitigating actions are noted in the table below. The impact measure refers to the potential financial severity of each identified risk.

| Key Financial Risk | Likelihood | Impact (Potential Severity) | Mitigating Action |
|--|------------|-----------------------------|---|
| Unexpected events and emergencies By its nature, the financial risk is uncertain | Low | High | The Council maintains a strategic reserve at a level of between 3 and 5% of its revenue budget for emergency purposes. The level of this reserve at 31 March 2023 was 9.6m (6.0% of budget). Additionally, national resources have historically been provided to support national issues. |
| Not delivering required improvements The council must address the statutory direction and improvements across Children's Services | Low | Medium | The Children's Improvement Board continues to work with the Department for Education, the appointed Commissioner for Children's Services and its improvement partner Leeds City Council and resources have been allocated to address required transformation and improvement. Performance against the Improvement Plan is monitored and reported on a quarterly basis. A three year Strategic and Financial Plan has been developed to ensure the Children & Young People Directorate is able to deliver recurrent savings over a three year period. |
| Increasing demand for Adult and Children's Social Care Demand for Children's services continue and demand for adult services increases as the population ages. | High | Medium | Demand led pressures are reflected within our spending plans; additional funding to support increased demand has been applied to Community Wellbeing and Children & Young People Directorate base budgets for 2024/25. In year monitoring of performance enables Directorates to forecast trends and identify changes in demand. Talk Community and strength Based Assessment have evidenced managing demand and investing in Early Help |

| | | | |
|---|--------|--------|--|
| | | | and Prevention will support our response to increasing demand. Increasing demand for social care represents a key financial pressure for all councils. Robust and regular budget monitoring identifies emerging pressures and the financial impact on in-year budgets across the council. Financial monitoring is informed by activity data and trend analysis from the relevant service to ensure that forecasting is reliable and timely. |
| Potential overspend and non-delivery of savings required to balance the budget | Medium | Medium | High risk budget areas have been identified and financial support is targeted in these areas. Robust and regular financial monitoring which is reported to Directorate and Corporate Leadership Teams and Cabinet enables the timely identification of actions to mitigate the risk of overspends. |
| Volatility in Government funding streams The government settlement for 2023/24 is a one year settlement; the assumed funding for the MTFS period is not confirmed | High | Medium | The MTFS reflects prudent estimates and assumptions in the financial planning over the medium term period where it is acknowledged that uncertainty over future funding exists. |
| Interest and Inflation There is uncertainty over interest and inflation rates | Medium | Medium | The Treasury Management Strategy is informed by latest forecast, as provided by our Treasury Management Advisors. Increases in borrowing rates will be offset by increases in investment returns. |

Consultees

59. The council's constitution states that budget consultees should include parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council, the scrutiny committees and such other organisations and persons as the Leader shall determine.
60. A series of 13 local budget public consultation events were held between 22 November and 23 December 2023 plus additional targeted consultation undertaken with community groups, young people and the business community. The consultation presented high-level options to contribute towards balancing the council's budget for 2024/25 and their likely impact. These options included reducing and transforming services, increasing charging for services and increasing council tax.
61. There were 652 participants across these local events. There was clear support for continuing discount for council tax for those most in need, reviewing the council's assets to maximise returns and benefits and investing in potholes repair and the road network.

62. An online public consultation was available for residents to complete between 21 November and 31 December 2023. A total of 326 responses were received to the online questionnaire with a further 9 responses submitted by email.
63. Scrutiny Management Board were consulted with on 10 and 16 January 2024 and their recommendations for consideration by Cabinet will be circulated as a supplementary paper to this agenda item.

Appendices

Appendix A: Medium Term Financial Strategy 2024/25 to 2027/28

Appendix B: Proposed Savings Plans 2024/25

Appendix C: Proposed Directorate Base Budgets 2024/25

Appendix D: Treasury Management Strategy 2024/25

Appendix E: Earmarked Reserves and General Fund Balances to 31 March 2024

Appendix F: Online Budget Consultation Report 2024-25

Appendix G: Budget Consultation Report 2024-25

Background papers

None identified.



MEDIUM TERM FINANCIAL STRATEGY 2024/25 TO 2027/28

Introduction

- 1.1 The Medium Term Financial Strategy (MTFS) is the council's key financial planning document and sets out the council's budget for 2024/25 and the financial plan for the years to 2027/28. The strategy sets out how the council's priorities will be funded over the MTFS period and the financial risks and pressures that must be mitigated in order to successfully deliver corporate objectives.
- 1.2 This MTFS provides the strategic framework for managing the council's finances and ensures that:
 - resources are aligned to achieve corporate objectives detailed in the County Plan over the medium/longer term; and
 - the Revenue Budget, Capital Investment Budget, Treasury Management Strategy and required Prudential Indicators are appropriately aligned.
- 1.3 This plan includes the estimated impact of the actions identified to address inflationary and demand pressures to ensure a balanced budget and a sustainable and resilient financial position is maintained. These measures are expected to yield benefit in the short term as well as over future years. Whilst it is acknowledged that there is risk in the delivery of these mitigating actions, the council has effective risk management arrangements in place.
- 1.4 The council has a gross expenditure budget of around £400 million which is used to deliver services to nearly 200,000 residents across rural villages and market towns. These services include maintenance of over 2,000 miles of roads, collection of over 89,000 residential bins, safeguarding around 1,000 children (including 400 in our care) and providing care and support to approximately 2,500 vulnerable adults.
- 1.5 The council employs over 1,300 staff and supports many more local jobs through contacts with local business. The local economy combines long-standing agriculture and food production industries alongside innovative businesses in cyber and technology, construction and engineering.
- 1.6 The council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from its resources. This includes taking properly informed decisions and managing key operational and financial risks in order to deliver objectives and safeguard public money. Using resources wisely is a core principal of financial management and the council continues to identify efficiencies in service delivery and maximise purchasing power to ensure value for money is achieved for the residents and businesses of Herefordshire.
- 1.7 The County Plan outlines the council's strategic priorities and objectives over a four year period. The current County Plan 2020-2024 was adopted in February 2020 with actions to improve the sustainability, connectivity and wellbeing of the county by strengthening communities, create a thriving local economy and protect and enhance our environment.
- 1.8 The County Plan 2024-2028, to be approved in April 2024, will continue to support a thriving and flourishing county, building on the strength of our people and places. The themes and ambitions which underpin the County Plan inform the financial plans including the annual budget and MTFS.

- 1.9 The MTFS proposed a balanced revenue budget which totals £207.7 million for 2024/25; achieved by a 4.99% increase in council tax and planned savings and efficiencies of £19.5 million. The net revenue budget for 2024/25 is detailed at Annex A.

National and Local Financial Risk

Wider Economic Context

- 2.1 The UK economy remains challenging following a prolonged period of high interest rates and sticky inflation, caused by the global pandemic and the subsequent impact of increases in the cost of living.
- 2.2 This is a period of generationally significant movements in inflation: the UK inflation rate rose to a 41 year high of 11.1% in October 2022, reducing to 10.1% in March 2023. These economic factors, alongside increases in demand for adult and children's social care and home to school travel services, place unprecedented pressures on the council's MTFS during a period of uncertainty around future funding arrangements for local government.
- 2.3 The MTFS is informed by the estimated impact of these pressures on council budgets at the time of preparation. They remain estimates which are subject to change and will continue to be reviewed over the medium term planning period.

Core Government Funding

- 2.4 The Local Government Settlement for 2024/25 received in December 2023 represents a one year settlement with no guarantee of a continuation of funding levels in 2025/26 and a review of funding formulas expected from 2026/27 onwards.
- 2.5 Planned local government finance reforms are expected, however the review of relative needs and resources (also called the Fair Funding Review), the business rates reset and the parameters of the new homes bonus remain on hold. This places uncertainty over funding over the medium term planning period. The MTFS for 2024/25 to 2027/28 is informed by prudent assumptions of future core Government funding to reflect this uncertainty.
- 2.6 **Council Tax:** In the Autumn Statement of November 2023, the Chancellor confirmed the ability for councils to increase Council Tax up to 5% without a referendum; 3% for general services and 2% for local authorities with responsibility for social care.
- 2.7 Each 1% increase in council tax represents approximately £1.3 million of recurrent funding to meet demand pressures and deliver the council's services. The proposed draft revenue budget for 2024/25 assumes the maximum increase of 4.99% in 2024/25: 2.99% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,875.76, representing an increase of £7.43 per month.
- 2.8 At the proposed level of increase, the total Council Tax income for the council is expected to increase by £8.1 million to £135.1 million; representing £6.3 million of basic increase and £1.8 million in tax base buoyancy.
- 2.9 The maximum level of local Council Tax Reduction scheme discount, approved by Council in 2021/22, has been maintained in all subsequent years to ensure that eligible households receive support as the impact of the rising cost of living continues.
- 2.10 **Business Rates:** The Business Rates retention scheme was introduced on 1 April 2013. Under the scheme, the council retains some of the business rates raised locally: 50% of the business rate yield is retained locally and 50% retained by central Government. This Government share is maintained in a central pool, distributed to local government via other grants.

- 2.11 Authorities who have more business rates than their baseline funding level pay a tariff to Government. This is used to fund top-up payments to those authorities whose business rates are less than their baseline funding levels.
- 2.12 In order to maximise the value of business rates retained within Herefordshire, the council joined the Herefordshire and Worcestershire Business Rates Pool in the 2023/24 financial year 2023/24 and has opted to continue in 2024/25.
- 2.13 A Business Rates Pool is a voluntary arrangement between a group of local authorities in England whereby their combined business rates income and any growth is collected as one common fund or 'pool'. This pool generates a saving in the levy returned to central Government which can be distributed amongst members as determined by a Pooling Agreement; spreading the risk across a wider geographic and economic area to enable more business rate growth to be retained locally and shared by authorities within the pool.
- 2.14 As a member of this Pool, the council benefits from a reduction in levy rate and a share of the estimated increased gain to the pool, as determined by the Pooling Agreement. The Pool operates on the principal that no member authority would be worse off in the pool than if not a member. This means that amounts paid into the pool are limited to the levy amount that they would have otherwise paid to the Government and the risk to the council is mitigated.
- 2.15 **Fees & Charges:** The council generates income to fund service delivery by charging for the services it provides to residents and businesses. Aside from income generation from locally raised taxes, this is an increasingly important source of funding. Fees and charges are within the direct control of the council to set and uplift, subject to any legislative, economic and political considerations.
- 2.16 Alongside an annual review and uplift of fees and charges, work to ensure maximum service cost recovery and to identify new commercial opportunities across Directorates continues as part of wider transformation activity across the council.

Local Context

- 2.17 Despite significant financial challenges as a result of inflation and unprecedented increases in demand for social care, the council has continued to play a vital role in supporting residents and businesses to recover from the social and economic impact of the pandemic, whilst successfully delivering the council's services. The council has continued to make arrangements to secure value for money in its use of resources throughout the year; strengthening governance arrangements and managing key operational and financial risks to deliver corporate objectives and safeguard public money.
- 2.18 The council continues to invest in transformation activity to support improvement of its services; of which the improvement of children's services remains a key corporate priority, and this MTFs reflects the financial commitment to deliver this transformation.
- 2.19 Transformation efficiencies and savings will be achieved through the council's Thrive programme with improvements to systems, processes and technology; using digital solutions and technology to improve the customer offer and maximise opportunities to work with communities and partners alongside maximising income through service cost recovery.
- 2.20 Year-on-year timely completion and independent audit of the council's statutory accounts provide assurance over the arrangements in place to provide complete, accurate and timely financial statements and the appropriateness of the council's accounting policies and accounting estimates.

- 2.21 The council's financial position is stable with above average reserve levels compared with similar unitary authorities, low levels of borrowing and robust financial planning arrangements to identify and manage risks to financial resilience.

Projected Funding Gap over MTFS Period

- 3.1 The MTFS develops a series of financial projections to quantify the estimated funding gap and determine the medium term financial implications must be addressed in order to continue to deliver council services and strategic priorities.
- 3.2 To develop these projections, the current year base budget is inflated to reflect estimated price increases across services and goods with additional amounts to include unavoidable spending pressures and the financial impacts of council priorities and decisions. The adjusted base budget is measured against the estimated funding available to determine the future funding gap.
- 3.3 The projections below, and detailed at Annex B, reflect a funding gap for the medium term period 2024/25 to 2027/28 of £1.9 million. This is an estimate of the financial gap between what the council needs to spend to maintain services delivery and the funding available. This reflects inflationary costs included as base budget increases from 2025/26 which are not currently matched by increases in core Government funding.

Table 1 Projected Funding Gap to 2027/28

| | Proposed 2024/25 £'000 | Estimate 2025/26 £'000 | Estimate 2026/27 £'000 | Estimate 2027/28 £'000 |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Total Funding | 207,681 | 220,348 | 223,692 | 231,837 |
| Net Expenditure Budget | 207,681 | 218,469 | 225,608 | 233,747 |
| Surplus/(Gap) to be funded | - | 1,879 | (1,916) | (1,910) |
| Total (Gap) to 2027/28 | | | | (1,947) |

- 3.4 Closing the estimated funding gap in future years represents a significant challenge for the council. Existing activity to priorities resources and deliver efficiencies will continue to bridge this gap through transformation of service delivery, increasing opportunities to recover costs of service delivery, expenditure reviews and reviewing the size and shape of the workforce to ensure a lean and resilient council for the future.

Planning Assumptions

- 4.1 The key assumptions in developing the medium term financial projections are explained below.

Table 2 Key assumptions by budget area

| Budget area | Key assumptions |
|------------------------|---|
| Contract inflation | For 2024/25 inflation is assumed at 6.8% or the individual contract specific rate. For the remaining three years from 2025/26 to 2027/28, inflation is assumed at 5%, 2% and 2% respectively. |
| Employee related costs | A pay increase has been assumed for the four year MTFS period. The council is part of the Worcestershire Pension Fund, administered by Worcestershire County Council. The triennial valuation of the Pension Fund took place on 31 |

| | |
|---|---|
| | March 2022. Contributions included for the MTFS period ensure that the future costs to meet existing members' service benefits continue to be covered. |
| Council tax | An increase of 4.99% is assumed for 2024/25 with a 2% increase in council tax and 2% increase in Adult Social Care Precept in each of the years 2025/26 to 2027/28. |
| Council tax base | The council's tax base represents the estimated number of Band D equivalent chargeable dwellings for the year. The tax base is forecast to increase by 1% each year for the purpose of modelling income for the MTFS; this increase is informed by prior year increases. |
| Council tax premiums on second homes and empty properties | Subject to legislation, the MTFS assumes additional council tax premiums will be applied from 1 April 2025. A 100% premium will be charged for second homes and properties which have been empty and unfurnished for a period of between 1 and 2 years. A prudent estimate of expected income has been included in the MTFS; acknowledging potential reductions in revenue if homes are sold or reclassified once charges are introduced. The estimate is informed by the number of dwellings confirmed as second homes or vacant dwellings in the 2021 Office for National Statistics (ONS) census data, adjusted to reflect expectations noted above. |
| Other Government funding sources | Government funding sources included in the MTFS reflect the assumption that the Fair Funding Review will be implemented from 2026/27. Estimates do not include the deferred reforms of business rates funding. |
| Fees & charges | Any increases in fees & charges have been incorporated within the budget proposals. |
| Capital borrowing rates | Capital borrowing rates of 4.5%, 3.8%, 3.6% and 3.6% have been assumed in respect of financing the Capital Programme over the next 4 years respectively. This assumption will remain under constant review and will be informed by forecasts provided by our Treasury Management Advisors: Link Group. |

Robustness of Budget Estimates and Key Risks

- 5.1 The 2024/25 budget and MTFS include estimated values, based on key assumptions noted above and expectations of future events that are otherwise uncertain. Estimates are based on historical experience, current trends and other relevant factors. Financial forecasts are monitored as part of routine budget monitoring arrangements to ensure that risks are identified in a timely manner and mitigation action is taken.
- 5.2 As values cannot be determined with certainty, the table below notes the potential impact of both a positive and negative impact of 1% across the key areas within the MTFS.

Table 3 Impact assessment (1% movement)

| | Potential full-year impact of 1% movement (£m) |
|------------------------------|--|
| Council tax | +/- £1.3m |
| Employee related costs (pay) | +/- £0.8m |
| Inflation | +/- £2.0m |
| Demand | +/- £2.0m |
| Interest on borrowing | +/- £0.2m |

| | |
|--|---|
| Council tax premium second/empty homes | A 10% movement in the number of dwellings liable to the premium represents +/- £1.0m from 2025/26 onwards |
|--|---|

5.3 The council has strengthened arrangements to identify and monitor financial risks; implementing additional measures to provide increased support to budget managers to deliver planned savings and contain expenditure within the approved budget. These measures include:

- enhanced in-year financial monitoring and reporting to identify key risks and expected financial impacts;
- improved alignment of activity data and trend analysis to financial forecasts;
- introduction of expenditure controls to provide increased rigour and challenge of expenditure; and
- enhanced check and challenge of key assumptions in the outturn forecast.

5.4 The key financial risks that could affect the delivery of the MTFs as noted in the table below.

Table 4 Key financial risks

| Key Financial Risk | Likelihood | Impact (Potential Severity) | Mitigation |
|--|------------|-----------------------------|--|
| <p>Unexpected events and emergencies</p> <p>By its nature, the financial risk is uncertain</p> | Low | High | <p>The Council maintains a strategic reserve at a level of between 3 and 5% of its revenue budget for emergency purposes. The level of this reserve at 31 March 2023 was £9.6 million (5.0% of 2023/24 net expenditure). The forecast balance at 31 March 2024 is estimated as £9.6 million (4.7% of 2024/25 net expenditure). Additionally, national resources have historically been provided to support national issues.</p> |
| <p>Not delivering required improvements</p> <p>The council must address the statutory direction and improvements across Children's Services</p> | Low | Medium | <p>The Children's Improvement Board continues to work with the Department for Education, the appointed Commissioner for Children's Services and its improvement partner Leeds City Council and resources have been allocated to address required transformation and improvement. Performance against the Improvement Plan is monitored and reported on a quarterly basis.</p> <p>A three year Strategic and Financial Plan has been developed to ensure the Children & Young People Directorate is able to deliver recurrent savings over a three year period.</p> |

| | | | |
|--|--------|--------|--|
| <p>Increasing demand for Adult and Children’s Social Care</p> <p>Demand for Children’s services continue and demand for adult services increases as the population ages.</p> | High | Medium | <p>Demand led pressures are reflected within our spending plans; additional funding to support increased demand has been applied to Community Wellbeing and Children & Young People Directorate base budgets for 2024/25. In year monitoring of performance enables Directorates to forecast trends and identify changes in demand. Talk Community and strength Based Assessment have evidenced managing demand and investing in Early Help and Prevention will support our response to increasing demand.</p> <p>Increasing demand for social care represents a key financial pressure for all councils. Robust and regular budget monitoring identifies emerging pressures and the financial impact on in-year budgets across the council. Financial monitoring is informed by activity data and trend analysis from the relevant service to ensure that forecasting is reliable and timely.</p> |
| <p>Potential overspend and non-delivery of savings required to balance the budget</p> | Medium | Medium | <p>High risk budget areas have been identified and financial support is targeted in these areas. Robust and regular financial monitoring which is reported to Directorate and Corporate Leadership Teams and Cabinet enables the timely identification of actions to mitigate the risk of overspends.</p> |
| <p>Volatility in Government funding streams</p> <p>The government settlement for 2023/24 is a one year settlement; the assumed funding for the MTFS period is not confirmed</p> | High | Medium | <p>The MTFS reflects prudent estimates and assumptions in the financial planning over the medium term period where it is acknowledged that uncertainty over future funding exists.</p> |
| <p>Interest and Inflation</p> <p>There is uncertainty over interest and inflation rates</p> | Medium | Medium | <p>The Treasury Management Strategy is informed by latest forecast, as provided by our Treasury Management Advisors. Increases in borrowing rates will be offset by increases in investment returns.</p> |
| <p>Dedicated Schools Grant</p> <p>The future cumulative deficit requires direct</p> | | | <p>The high needs budgets are funded by the dedicated schools grant, but any overspend becomes a council liability. This is currently being maintained within budget however the</p> |

| | | | |
|--|--|--|--|
| <p>financial support from Council core budgets</p> | | | <p>national trend is for a growing pressure. This risk cannot currently be mitigated; expenditure will be monitored as part of routine budget monitoring arrangements.</p> <p>The high needs deficit (£1.1 million at 31 March 2023) sits as a negative unusable reserve on the balance sheet permitted via a statutory instrument. This enables all local authorities to ringfence DSG deficits from the council wider financial position in the statutory accounts. This instrument expires at the end of 2025/26, with an implied risk to the General Fund and overall financial position if the council is required to fund the deficit.</p> |
|--|--|--|--|

Adequacy of reserves

- 6.1 The council's useable revenue reserves are split between a general reserve (the general fund) and earmarked reserves that are held for certain purposes. The general fund is held as a strategic reserve to emergency events such as unforeseen financial liabilities or natural disasters.
- 6.2 In line with the council's policy, this reserve is maintained at a minimum level of between 3% and 5% of the net revenue budget. As at 31 March 2023 the general reserve balance totalled £9.6 million, being 5.0% of the council's 2023/24 approved net revenue budget.
- 6.3 Earmarked reserves are amounts set aside for future expenditure to support specific corporate priorities or for general contingencies and cash flow management. For each reserve established, the purpose, usage and basis of transactions needs to be clearly defined.
- 6.4 The overall level of reserves balances is reported to Cabinet at least annually; the last report to Cabinet was in December 2023 noting the total audited balance of £91.4 million comprising the general fund balance of £9.6 million and earmarked reserve balances of £81.8 million.
- 6.5 Earmarked reserve balances include £17.6 million of grant funding carried forward into 2023/24. This represents amounts of grant funding received, with no outstanding grant conditions to be met, which have not yet been applied to relevant expenditure. In accordance with the principles of the CIPFA Code of Practice on Local Authority Accounting and relevant accounting standards, these amounts are accounted for as earmarked reserves, carried forward for application in future accounting periods.
- 6.6 The council's financial strategy aims to minimise the use of reserves in the medium term and to replenish them to support future sustainability, enable the council to respond to unexpected changes and to invest in the continued transformation and improvement of its services.
- 6.7 The financial resilience reserve was established to manage risks present in the base budget, for example additional placement costs from unexpected demands. In 2022/23, the financial resilience reserve was utilised to support transformation activity to improve the journey of children and young people and to manage the in-year overspend arising due to increased demand and cost pressures in the provision of children's social care.

- 6.8 Any overspend in 2023/24 must be funded using the council's available reserves. It is expected that the overspend will require full utilisation of the financial risk reserve and a review of 'other reserve' balances will be required to fund any additional balance. This will reduce the reserves available to manage risk in future years.
- 6.9 The forecast level of reserves, including expected movements to 31 March 2024 and management of 2023/24 forecast overspend at Q2, is a total of £66.8 million comprising the general fund balance of £9.6 million and earmarked reserves of £57.2 million. A breakdown of forecast reserves balances is included at Appendix E to the 2024/25 Revenue Budget Report.
- 6.10 There are robust controls in place, as part of routine budget monitoring arrangements, to monitor in-year transfers to and from reserves and resulting reserve balances and these transactions are subject to review as part of the annual audit of the statutory accounts.
- 6.11 The CIPFA Financial Resilience Index is a comparative tool to support good financial management. The index shows a council's position on a range of measures associated with financial risk to highlight where additional scrutiny may be required. The data for the most recent index reflects figures obtained from the Revenue Expenditure and Financing England Outturn Report 2022/23 (RO Forms) as at 31 March 2023.
- 6.12 The reserve sustainability measure provides a measure of how long in years it will take for a council to run out of reserves if they continue to use them as they have and the associated level of risk. This data highlights the council's reserve sustainability measure to be 'lower risk' and notes the council has above average reserves relative to its nearest neighbour and other unitary authority comparator groups.
- 6.13 The Local Government Act 2003 (Section 25) requires that the chief financial officer considers the adequacy of the proposed financial reserves as part of the annual budget setting process.
- 6.14 The forecast general fund balance at 31 March 2024 of £9.6 million is within the range required by the council's policy; representing 4.7% of net revenue expenditure in 2024/25. This is sufficient to ensure that the council has adequate resources to fund unforeseen financial liabilities.

Conclusion

- 7.1 The council has a record of robust and effective financial management and is committed to delivering planned savings and managing expenditure within budget in order to preserve the future sustainability of the council.
- 7.2 The planning assumptions and estimates which inform the 2024/25 budget and MTFS to 2027/28 are realistic and prudent and there are appropriate arrangements in place to ensure the council is able to identify and manage risks to financial resilience.
- 7.3 The MTFS provides a balanced budget for 2024/25 and clearly identifies the projected funding gap and risks to delivery. Whilst there are significant challenges ahead, this financial strategy ensures that the council's finances are aligned to its strategic priorities with a clear focus on transformation to ensure the future sustainability of the council and the services it delivers.

ANNEX A Net revenue budget 2024/25

| Detail | 2023/24 Base Budget £'000 | Unfunded Pressures £'000 | Mitigations £'000 | Savings £'000 | New funded items £'000 | 2024/25 Proposed Budget £'000 |
|--------------------------------------|------------------------------------|--------------------------------|----------------------|------------------|---------------------------------|--|
| Community Wellbeing | 68,124 | 17,182 | (5,123) | (3,251) | - | 76,932 |
| Children and Young People | 50,812 | 17,623 | (800) | (2,503) | - | 65,132 |
| Economy and Environment | 27,735 | 5,811 | (2,000) | (3,080) | - | 28,466 |
| Corporate | 25,530 | 2,376 | - | (2,772) | - | 25,134 |
| All Ages Social Care | 4,000 | (4,000) | - | - | - | - |
| Sub Total | 176,201 | 38,992 | (7,923) | (11,606) | - | 195,664 |
| Central | 17,107 | 314 | - | (7,915) | - | 9,506 |
| Strategic Housing | | | | | 824 | 824 |
| Reversal of parking increases | | | | | 400 | 400 |
| Financial Resilience Reserve | | | | | 1,287 | 1,287 |
| TOTALS | 193,308 | 39,306 | (7,923) | (19,521) | 2,511 | 207,681 |
| Ffunded by: | | | | | | |
| Council tax | 126,980 | | | | | 135,054 |
| Business rates | 40,614 | | | | | 43,249 |
| Collection fund surplus | 1,400 | | | | | - |
| Revenue support grant | 983 | | | | | 1,048 |
| Rural sparsity delivery grant | 5,353 | | | | | 5,982 |
| Social care support grant | 13,466 | | | | | 15,647 |
| ASC Discharge Fund | 951 | | | | | 1,585 |
| Mkt Sustainability/Fair Cost of Care | 2,062 | | | | | 3,853 |
| Services Grant | 1,268 | | | | | 208 |
| New Homes Bonus | 231 | | | | | 1,055 |
| TOTALS | 193,308 | | | | | 207,681 |

ANNEX B Medium Term Financial Strategy 2024/25 to 2027/28

| Detail | Actual 2023/24 £'000 | Proposed 2024/25 £'000 | Estimate 2025/26 £'000 | Estimate 2026/27 £'000 | Estimate 2027/28 £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Funding: | | | | | |
| Council tax | 126,980 | 132,481 | 139,133 | 146,145 | 153,512 |
| Council tax (Adult social care precept) | - | 2,573 | 2,728 | 2,866 | 3,010 |
| Council tax (second homes premium) | - | - | 6,431 | 6,560 | 6,691 |
| Business rates | 40,614 | 43,249 | 42,255 | 43,100 | 43,962 |
| Collection fund surplus | 1,400 | - | - | - | - |
| Revenue support grant | 983 | 1,048 | 1,065 | 19,039 | 18,680 |
| Rural sparsity delivery grant | 5,353 | 5,982 | 5,982 | 5,982 | 5,982 |
| Social care support grant | 13,466 | 15,647 | 17,108 | - | - |
| Adult Social Care Discharge Fund | 951 | 1,585 | 1,585 | - | - |
| Market Sustainability & Fair Cost of Care | 2,062 | 3,853 | 3,853 | - | - |
| Services Grant | 1,268 | 208 | 208 | - | - |
| New Homes Bonus | 231 | 1,055 | - | - | - |
| Total Funding | 193,308 | 207,681 | 220,348 | 223,692 | 231,837 |
| Expenditure: | | | | | |
| Base Budget b/f | 175,908 | 193,308 | 205,170 | 218,469 | 225,608 |
| Pay Award | 5,417 | 4,028 | 3,195 | 3,312 | 3,460 |
| Growth – Demand & Pressures | 32,018 | 35,278 | 15,475 | 6,119 | 4,679 |
| Savings, efficiencies & mitigations | (20,035) | (24,941) | - | - | - |
| New funded items | | 2,511 | | | |
| Children's Three Year Plan | - | (2,503) | (5,371) | (2,292) | - |
| Net Expenditure Budget | 193,308 | 207,681 | 218,469 | 225,608 | 233,747 |
| | | | | | |
| Surplus/(Gap) to be funded | - | - | 1,879 | (1,916) | (1,910) |

Appendix B: Savings Proposals recommended for 2024/25

2024/25 Savings

| Directorates | Savings £m |
|----------------------------------|---------------|
| Community Wellbeing | 3.2 |
| Children & Young People | 2.5 |
| Environment & Economy | 3.1 |
| Corporate Services | 2.8 |
| Total Directorate Savings | 11.6 |
| Council-wide Savings | 7.9 |
| TOTAL SAVINGS | 19.5 |

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2024/25 Savings by Category

| Category | Directorate £m | Council-wide £m | TOTAL £m |
|----------------------|-------------------|--------------------|-------------|
| Transform | 5.5 | 7.9 | 13.4 |
| Reduce | 5.1 | - | 5.1 |
| Increase | 1.0 | - | 1.0 |
| TOTAL SAVINGS | 11.6 | 7.9 | 19.5 |

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2024/25 Community Wellbeing Savings £3.2m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-----------------|-----|--|---|-----------------|
| Reduce | S1 | Workforce service review | Full review of current service delivery models with a continued focus on operating with a stable engaged workforce. | 353 |
| Reduce | S2 | Reduce Library opening hours by 10% | Review of current library service delivery with a focus on areas where reductions in opening hours would have the minimum impact | 55 |
| Reduce | S3 | Delete vacant permanent posts not currently occupied | Review of all vacant posts not currently occupied by permanent or interim staff with a view to reducing employment costs across the service | 801 |
| Transform | S4 | Review of high cost packages in Adult Social Care | Review of all active high cost packages of care including those delivering 2:1 and 3:1 care | 1,000 |

2024/25 Community Wellbeing Savings £3.2m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|---|-----|---|---|-----------------|
| Transform | S5 | Better utilisation of existing care contracts | Focus on existing block contracts | 200 |
| Reduce | S6 | Reduction in non-care contract values | Specific focus on Talk Community website, advertising & promotion budgets and voluntary sector infrastructure support | 104 |
| ⊕ Increase £138k; Reduce £23k; Transform £50k | S7 | Public Health savings | Reprioritising Public health grant through the recommissioning / decommissioning of contracts across Public Health. | 211 |
| Increase | S8 | Maximise housing benefit claims | Maximise housing benefit claims to offset the costs of temporary accommodation | 22 |
| Increase | S9 | Ensure correct pathways for funding of complex care | Continuation of Fair & Consistent Care & Funding Pathway | 500 |

2024/25 Community Wellbeing Savings £3.2m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-----------------|-----|-------------------------------------|--|-----------------|
| Increase | S10 | Charge for welfare benefits support | Introduction of charging for welfare benefits support where not already in place | 5 |
| | | | Total Community Wellbeing Savings | 3,251 |

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2024/25 Children & Young People Savings £2.5m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-----------------|-----|--|---|-----------------|
| Reduce | S1 | Reduce Children's High-Cost placements | Current activity to step down higher cost placements and reunite some families | 959 |
| Reduce | S2 | Reduction in Social Worker establishment | Achieving a reduction of 14 social workers posts by 31 March 2025 based on the assumption of reduced demand | 338 |
| Transform | S3 | Reduce numbers of agency social workers | Convert 30 posts from agency to permanent by end of June 2024 (Q1) to realise 3/4yr effect | 1,006 |
| Transform | S4 | SEN Transport Efficiencies | Changes to contract arrangements. | 200 |
| | | | Total Children and Young People Savings | 2,503 |

2024/25 Environment & Economy Savings £3.1m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-------------------------|-----|--|---|-----------------|
| Reduce | S1 | Delete vacant permanent posts not currently occupied | Removal of vacant posts that are no longer required | 340 |
| Reduce | S2 | BBLP – Revision of Annual Plan works | Reduction in services provided as a part of the Annual Plan | 450 |
| ⁴² Transform | S3 | BBLP – Annual Efficiency Saving | Deliver the same services as a reduced cost | 250 |
| Reduce | S4 | Reduced Energy Costs | As energy costs have reduced so the budget required has reduced | 580 |
| Transform | S5 | Changes to School Enforcement team | Alignment of costs to income | 40 |

2024/25 Environment & Economy Savings £3.1m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-----------------|-----|---|---|-----------------|
| Increase | S6 | Inflationary Increases in Fees and Charges | Increase in service charges in line with current levels of inflation | 350 |
| Transform | S7 | Waste Collection Service | To deliver efficiencies for the operation of the waste collection service | 800 |
| 43 Transform | S8 | Transfer of functions from the Local Enterprise Partnership (LEP) | Following a government decision to transfer functions to Local Authorities, national guidance is expected in January 2024 | 250 |
| Reduce | S9 | Stop using Scoot Highways System | Removal of software for traffic signal operation | 20 |
| | | | Total Economy & Environment Savings | 3,080 |

2024/25 Corporate Services Savings £2.8m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-------------------------|-----|---|---|-----------------|
| Reduce | S1 | Governance & Legal Services: 50% reduction in locum budget | To reflect the recruitment of permanent staff | 200 |
| Reduce | S2 | Governance & Legal Services: 20% reduction in external legal budget | Reduce spend, subject to reduced demands in child care proceedings and no increase in other areas | 100 |
| ⁴⁴ Transform | S3 | Resources & Assurance: Implementation of Oxygen Finance solution | To achieve discount on invoice value through prompt payments to suppliers (supplier sign up to benefit from advanced cashflow in exchange for discount). To be implemented in Q4 of 2023/24 | 60 |
| Reduce | S4 | Resources & Assurance: Reduction in mobile phone provider contract | Delivered by appointment of new provider in 2023/24 at a cheaper rate | 170 |

2024/25 Corporate Services Savings £2.8m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|------------------------------------|-----|---|---|-----------------|
| Transform | S5 | Resources & Assurance: automation of Council Tax and Business Rate processes using GovTech solution | Implementation of a new system that allows customers to provide updates to the Council Tax and Business Rates system via the website | 100 |
| Reduce £610k; Transform £1,532k | S6 | Reduction in Hoople SLA contract value and workforce service reviews | Renegotiation of the service level agreements with Hoople - transforming a range of support services and specific workforce service reviews | 2,142 |
| | | | Total Corporate Services Savings | 2,772 |

2024/25 Council-wide Savings £7.9m

| Saving Category | Ref | Name of Proposal | Description | Saving £'000 |
|-----------------|-----|---|--|-----------------|
| Transform | S1 | Mutual Early Resignation Scheme 2024 (MERS24) | A voluntary resignation scheme for employees | 4,500 |
| Transform | S2 | Transformation: Thrive Programme Savings | Maximisation of income generation through Service Cost Recovery. Reduction of expenditure through review of third party spend and transformation of services through Customer Acceleration and Robotic Automation projects | 2,600 |
| Transform | S3 | Transformation: Target Operating Model | A review of the council Management Structure, Corporate Services and Business Support functions across the council. | 815 |
| | | | Total Council-wide Savings | 7,915 |

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Appendix C:

Proposed Directorate Base Budgets 2024/25

| Community Wellbeing Directorate TOTAL | 2024/25 Proposed Budget £m |
|--|-----------------------------------|
| Employees | 20.970 |
| Premises | 0.396 |
| Transport | 0.545 |
| Supplies and Services | 2.292 |
| Support Services | 0.058 |
| Third Party Payments | 98.414 |
| Transfer Payments | 1.105 |
| Gross Budget | 123.780 |
| Income | (46.710) |
| Cont From Reserves | (0.138) |
| Net Budget | 76.932 |

| Director | 2024/25 Proposed Budget £m |
|-----------------------|-----------------------------------|
| Employees | 5.201 |
| Premises | 0.362 |
| Transport | 0.034 |
| Supplies and Services | (1.970) |
| Support Services | 0.000 |
| Third Party Payments | 0.597 |
| Transfer Payments | (2.169) |
| Gross Budget | 2.055 |
| Income | (15.982) |
| Cont From Reserves | (0.138) |
| Net Budget | (14.065) |

| All Ages Commissioning | 2024/25 Proposed Budget £m |
|-------------------------------|-----------------------------------|
| Employees | 3.495 |
| Premises | 0.001 |
| Transport | 0.219 |
| Supplies and Services | 2.561 |
| Support Services | 0.000 |
| Third Party Payments | 13.390 |
| Transfer Payments | 0.033 |
| Gross Budget | 19.699 |
| Income | (2.237) |
| Cont From Reserves | 0.000 |
| Net Budget | 17.462 |

| Social Care Delivery | 2024/25 Proposed Budget £m |
|-----------------------------|-----------------------------------|
| Employees | 7.381 |
| Premises | 0.002 |
| Transport | 0.260 |
| Supplies and Services | (1.574) |
| Support Services | 0.000 |
| Third Party Payments | 81.766 |
| Transfer Payments | 0.000 |
| Gross Budget | 87.835 |
| Income | (18.272) |
| Cont From Reserves | 0.000 |
| Net Budget | 69.563 |

| Communities | 2024/25 Proposed Budget £m |
|-----------------------|-----------------------------------|
| Employees | 3.583 |
| Premises | 0.024 |
| Transport | 0.025 |
| Supplies and Services | 0.252 |
| Support Services | 0.000 |
| Third Party Payments | 0.124 |
| Transfer Payments | 0.010 |
| Gross Budget | 4.018 |
| Income | (0.159) |
| Cont From Reserves | |
| Net Budget | 3.859 |

| Public Health | 2024/25 Proposed Budget £m |
|-----------------------|-----------------------------------|
| Employees | 1.310 |
| Premises | 0.007 |
| Transport | 0.007 |
| Supplies and Services | 3.023 |
| Support Services | 0.058 |
| Third Party Payments | 2.537 |
| Transfer Payments | 3.231 |
| Gross Budget | 10.173 |
| Income | (10.060) |
| Cont From Reserves | |
| Net Budget | 0.113 |

| Children & Young People Directorate TOTAL | 2024/25 Proposed Budget £m |
|--|-----------------------------------|
| Employees | 29.454 |
| Premises | 3.548 |
| Transport | 5.990 |
| Supplies and Services | (0.857) |
| Support Services | (0.868) |
| Third Party Payments | 37.958 |
| Transfer Payments | 0.181 |
| Gross Budget | 75.405 |
| Income | (10.273) |
| Cont From Reserves | 0.000 |
| Net Budget | 65.132 |

| Director | 2024/25 Proposed Budget £m |
|-----------------------|-----------------------------------|
| Employees | 4.864 |
| Premises | 0.000 |
| Transport | 0.014 |
| Supplies and Services | (2.354) |
| Support Services | 0.016 |
| Third Party Payments | 0.759 |
| Transfer Payments | 0.084 |
| Gross Budget | 3.383 |
| Income | (0.207) |
| Cont From Reserves | |
| Net Budget | 3.176 |

| Education, Skills and Learning | 2024/25 Proposed Budget £m |
|---------------------------------------|-----------------------------------|
| Employees | 4.518 |
| Premises | 3.498 |
| Transport | 5.723 |
| Supplies and Services | 0.531 |
| Support Services | (1.011) |
| Third Party Payments | 1.880 |
| Transfer Payments | 0.001 |
| Gross Budget | 15.140 |
| Income | (3.564) |
| Cont From Reserves | |
| Net Budget | 11.576 |

| Safeguarding and Family Support | 2024/25 Proposed Budget £m |
|--|-----------------------------------|
| Employees | 14.968 |
| Premises | 0.035 |
| Transport | 0.193 |
| Supplies and Services | 0.467 |
| Support Services | 0.095 |
| Third Party Payments | 35.281 |
| Transfer Payments | 0.156 |
| Gross Budget | 51.195 |

| Performance, Quality Assurance & Safeguarding | 2024/25 Proposed Budget £m |
|--|-----------------------------------|
| Employees | 5.104 |
| Premises | 0.015 |
| Transport | 0.059 |
| Supplies and Services | 0.499 |
| Support Services | 0.032 |
| Third Party Payments | 0.038 |
| Transfer Payments | (0.060) |
| Gross Budget | 5.688 |

| | |
|--------------------|---------------|
| Income | (5.886) |
| Cont From Reserves | |
| Net Budget | 45.309 |

| | |
|--------------------|--------------|
| Income | (0.616) |
| Cont From Reserves | |
| Net Budget | 5.071 |

| Economy and Environment Directorate TOTAL | 2024/25 Proposed Budget £m |
|--|---|
| Employees | 13.239 |
| Premises | 2.825 |
| Transport | 5.403 |
| Supplies and Services | (0.297) |
| Support Services | 0.026 |
| Third Party Payments | 29.480 |
| Transfer Payments | 0.429 |
| Gross Budget | 51.105 |
| Income | (18.584) |
| Cont From Reserves | (4.055) |
| Net Budget | 28.466 |

| Director | 2024/25 Proposed Budget £m |
|-----------------------|---|
| Employees | 0.438 |
| Premises | 0.000 |
| Transport | 0.000 |
| Supplies and Services | (1.144) |
| Support Services | 0.000 |
| Third Party Payments | 0.000 |
| Transfer Payments | 0.000 |
| Gross Budget | (0.706) |
| Income | 0.000 |
| Cont From Reserves | 0.000 |
| Net Budget | (0.706) |

| Environment, Highways and Waste | 2024/25 Proposed Budget £m |
|--|---|
| Employees | 5.213 |
| Premises | 2.680 |
| Transport | 5.305 |
| Supplies and Services | (0.085) |
| Support Services | 0.026 |
| Third Party Payments | 28.942 |
| Transfer Payments | 0.429 |
| Gross Budget | 42.510 |
| Income | (12.108) |
| Cont From Reserves | (3.165) |
| Net Budget | 27.237 |

| Economy and Growth | 2024/25 Proposed Budget £m |
|---------------------------|---|
| Employees | 7.588 |
| Premises | 0.145 |
| Transport | 0.098 |
| Supplies and Services | 0.932 |
| Support Services | 0.000 |
| Third Party Payments | 0.288 |
| Transfer Payments | 0.000 |
| Gross Budget | 9.051 |

| Lengthsman Scheme | 2024/25 Proposed Budget £m |
|--------------------------|---|
| Employees | |
| Premises | |
| Transport | |
| Supplies and Services | |
| Support Services | |
| Third Party Payments | 0.250 |
| Transfer Payments | |
| Gross Budget | 0.250 |

| | |
|--------------------|--------------|
| Income | (6.476) |
| Cont From Reserves | (0.640) |
| Net Budget | 1.935 |

| | |
|--------------------|--------------|
| Income | |
| Cont From Reserves | (0.250) |
| Net Budget | 0.000 |

| Corporate Services Directorate TOTAL | 2024/25 Proposed Budget £m |
|---|-----------------------------------|
| Employees | 14.962 |
| Premises | 2.817 |
| Transport | 0.037 |
| Supplies and Services | 3.600 |
| Support Services | (0.282) |
| Third Party Payments | 11.371 |
| Transfer Payments | 0.772 |
| Gross Budget | 33.277 |
| Income | (7.943) |
| Cont From Reserves | (0.200) |
| Net Budget | 25.134 |

| Chief Executive Office | 2024/25 Proposed Budget £m |
|-------------------------------|-----------------------------------|
| Employees | 1.146 |
| Premises | 0.000 |
| Transport | 0.000 |
| Supplies and Services | (1.985) |
| Support Services | (0.011) |
| Third Party Payments | 0.000 |
| Transfer Payments | 0.000 |
| Gross Budget | (0.850) |
| Income | 0.000 |
| Cont From Reserves | 0.000 |
| Net Budget | (0.850) |

| Governance and Legal Services | 2024/25 Proposed Budget £m |
|--------------------------------------|-----------------------------------|
| Employees | 6.012 |
| Premises | 0.001 |
| Transport | 0.029 |
| Supplies and Services | 1.004 |
| Support Services | (0.025) |
| Third Party Payments | 0.000 |
| Transfer Payments | 0.000 |
| Gross Budget | 7.021 |

| Corporate Services Support | 2024/25 Proposed Budget £m |
|-----------------------------------|-----------------------------------|
| Employees | 0.000 |
| Premises | 0.000 |
| Transport | 0.000 |
| Supplies and Services | 2.397 |
| Support Services | 0.000 |
| Third Party Payments | 2.545 |
| Transfer Payments | 0.000 |
| Gross Budget | 4.942 |
| Income | (0.575) |
| Cont From Reserves | 0.000 |
| Net Budget | 4.367 |

| HR and Organisational Development | 2024/25 Proposed Budget £m |
|--|-----------------------------------|
| Employees | 0.895 |
| Premises | 0.000 |
| Transport | 0.002 |
| Supplies and Services | 0.163 |
| Support Services | 0.000 |
| Third Party Payments | 0.806 |
| Transfer Payments | 0.000 |
| Gross Budget | 1.866 |

| | |
|--------------------|--------------|
| Income | (1.108) |
| Cont From Reserves | (0.200) |
| Net Budget | 5.713 |

| | |
|--------------------|--------------|
| Income | 0.000 |
| Cont From Reserves | 0.000 |
| Net Budget | 1.866 |

| Strategic Assets | 2024/25 Proposed Budget £m |
|-------------------------|---|
| Employees | 1.495 |
| Premises | 2.816 |
| Transport | 0.003 |
| Supplies and Services | 0.190 |
| Support Services | (0.024) |
| Third Party Payments | 4.163 |
| Transfer Payments | 0.000 |
| Gross Budget | 8.643 |
| Income | (5.152) |
| Cont From Reserves | 0.000 |
| Net Budget | 3.491 |

| Strategic Finance | 2024/25 Proposed Budget £m |
|--------------------------|---|
| Employees | 2.088 |
| Premises | 0.000 |
| Transport | 0.000 |
| Supplies and Services | 1.757 |
| Support Services | (0.232) |
| Third Party Payments | 3.857 |
| Transfer Payments | 0.770 |
| Gross Budget | 8.240 |
| Income | (0.850) |
| Cont From Reserves | 0.000 |
| Net Budget | 7.390 |

| Transformation, PMO and Performance | 2024/25 Proposed Budget £m |
|--|---|
| Employees | 3.326 |
| Premises | 0.000 |
| Transport | 0.003 |
| Supplies and Services | 0.074 |
| Support Services | 0.010 |
| Third Party Payments | 0.000 |
| Transfer Payments | 0.002 |
| Gross Budget | 3.415 |
| Income | (0.258) |
| Cont From Reserves | 0.000 |
| Net Budget | 3.157 |



TREASURY MANAGEMENT STRATEGY 2024/25

Introduction

- 1.1 Treasury Management is the management of the council's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2 This strategy has been prepared in accordance with the following guidance:
 - Department for Levelling Up, Housing and Communities (DLUHC) Statutory guidance on local government investments (2018)
 - DLUHC Statutory guidance on Minimum Revenue Provision (2018)
 - Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for capital finance in local authorities (2021)
 - CIPFA Treasury management in the public services: Code of practice (2021)
- 1.3 To support this Treasury Management Strategy (TMS), the council maintains Treasury Management Practices (TMP) that outline how the council's strategic policy objectives for treasury management will be achieved. The operational practices are maintained by the corporate finance team and approved by the Chief Finance Officer.
- 1.4 The council employs treasury management advisors, Link Group, who provide advice and guidance on treasury management activities, including interest rate forecasts. This is utilised to inform borrowing and investment decisions.
- 1.5 This report incorporates prudential and treasury indicators (Annex C) as required by the Prudential Code, and a treasury management policy statement (Annex E) as required by the Treasury Management Code of Practice.

Economic Context

- 2.1 The UK economy remains challenging following a prolonged period of high interest rates and sticky inflation, caused by the global pandemic and the subsequent cost of living crisis. UK growth is stagnant, with Gross Domestic Product (GDP) at 0% for quarter 3 2023, currently narrowly avoiding a recession.
- 2.2 Domestic inflation rates are in decline, with Consumer Price Index (CPI) falling to 4.6% in October 2023, following a high of 11.1% in October 2022. The decline has been led mainly by falling food and energy prices.
- 2.3 Interest rates have been increasing since December 2021. In December 2023, the Bank of England's Monetary Policy Committee held the bank rate at 5.25% for the third time in succession. The market consensus is that the bank rate has likely peaked, given the declining trend in inflation, but a further rise is possible given the continued wage growth in the UK. Link Group have provided an interest rate forecast in Annex D, showing an expectation that interest rates will remain at 5.25% in the short term, and start falling gradually in quarter 2 2024/25.
- 2.4 There are some significant risks that could impact these forecasts. There are geo-political risks of ongoing conflicts, with a potential impact on oil prices and therefore an upside risk

to inflationary pressure. There are risks of inflationary pressure fuelled by wage growth, due to the continued low levels of UK unemployment (currently 4.2%).

Borrowing Strategy

- 3.1 The council primarily borrows to fund capital expenditure; with borrowing driven by the requirements of the approved capital investment budget. The objective of the borrowing strategy is to manage the risk of current and potential future debt.
- 3.2 This strategy serves to balance the affordability of loan interest payments from the revenue budget with the long term stability of the debt portfolio. The strategy aims to achieve a low and certain cost of finance whilst retaining flexibility should financing requirements change in the future. The council will minimise cash balances by utilising internal borrowing where possible.
- 3.3 The Public Works Loan Board (PWLB) is the preferred route for borrowing across the local government sector. If borrowing is required, then the council will favour short term loans because the interest rates on long term loans are relatively high (PWLB 25 year rate is 5.5%, see Annex D). Longer term borrowing will only be considered when interest rates are lowered.
- 3.4 The approved sources of borrowing for the council are:-
 - Internal borrowing (reserves/balances)
 - Public Works Loan Board (PWLB)
 - UK Local Authorities
 - Any institution approved for investments (see Annual Investment Strategy section)
 - Any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds
 - Capital market bond investors
 - Local capital finance company and any other special purpose companies created to enable local authority bond issues
- 3.5 In addition, capital finance may be raised by the following methods that are not borrowing:-
 - Operating leases
 - Finance leases
 - Hire purchase arrangements
 - Private Finance Initiatives
 - Sale and leaseback arrangements
- 3.6 As at 31 October 2023, the council manages current loan debt of £121.3 million, which is detailed in Annex A (treasury portfolio) and Annex B (borrowing maturity profile). This comprises £109.3 million of Public Works Loan Board (PWLB) loans, which are all fixed interest long term loans, and £12 million Lender Option Borrower Option (LOBO) loans.
- 3.7 PWLB permits the repayment of loans before maturity by either paying a premium or receiving a discount according to a set formula based on current interest rates. This option will be kept under review and will be considered where this is expected to lead to an overall saving or reduction in risk.
- 3.8 The interest on the LOBO loans becomes due every 6 months. At this point, the lender has the option of increasing the interest rate, and the borrower can accept the interest rate increase, or pay back the loans.

- 3.9 The council borrowing is forecast to be £119.4 million at 31 March 2024. This is expected to increase to £162.4 million by 31 March 2025. The estimated movement of £43.0 million in 2024/25 is represented by additional prudential borrowing to fund capital spend of £52.3 million less £9.3 million Minimum Revenue Provision (MRP) charge.
- 3.10 The council has no short term loans in its existing debt portfolio. Short term loans can increase the risk exposure to high interest rates. This risk is mitigated by applying a cap on short terms loans to 50% of the debt total.

Investment Strategy

- 4.1 The objective of the investment strategy is to ensure prudence is applied and risks are managed when the council holds surplus funds (income received in advance of expenditure).
- 4.2 The council will primarily consider security (protecting the capital sum invested from loss) and liquidity (ensuring the funds are available for expenditure when needed) before yield. For 2024/25 the council will continue to focus on Money Market Funds (MMF) which are liquid, diverse and spread the credit risk. There are currently relatively high rates of interest to be gained on MMFs, whilst keeping the risk levels at an appropriate level.
- 4.3 The council applies the credit worthiness service provided by Link Group. This service employs a modelling approach utilising credit ratings from three main credit rating agencies (Fitch, Moody's and Standard and Poor's). This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system to which Link Group allocate a series of colour coded bands with suggested maximum durations for investments.
- 4.4 Typically the minimum credit ratings criteria the council use will be short-term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one agency are marginally lower than these ratings but still may be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 4.5 The council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- (Fitch or equivalents). If investments are to be made overseas then approval ahead of the investment being made is required from the Chief Finance Officer. Santander UK plc (a subsidiary of Spain's Banco Santander) and Clydesdale Bank plc (a subsidiary of National Australia Bank) will be classed as UK banks due to their substantial franchises and the arms-length nature of the parent-subsiary relationship.
- 4.6 Investment limits for approved counterparties are detailed in the table below for specified investments. Specified investments are those denominated in pound sterling, due to be repaid within 12 months, not defined as capital expenditure and invested in UK government/Local Authority/a high credit quality investment scheme (A- UK domiciled or AA- non UK domiciled).

Table 1 Investment limits for approved counterparties

| Counterparty | Investment type | Rating | £ limit | Time limit |
|--|---|---|--|--|
| Banks and Building societies | Term deposits, certificate of deposit or corporate bond | Yellow Purple Orange Blue Red Green No colour | £5m £5m £5m £5m £5m £5m £nil | 5 years 2 years 1 year 1 year 6 months 100 days None |
| Council's banker | | | £5m | Liquid |
| Debt Management Account Deposit Facility (DMADF) | DMADF account | AAA | Unlimited | 6 months |
| UK Government | UK gilts or Treasury bills | UK sovereign | Unlimited | 1 year |
| Multilateral development banks | Bonds | AAA | £5m | 6 months |
| Local Authorities | Term deposits | | £10m | 1 year |
| Money Market Funds (MMF) | MMF | AAA | £10m | Liquid |
| Pooled funds | Pooled funds | | £5m per fund | |

- 4.7 Investment limits are detailed in the table below for non-specified investments. Non-specified investments are those that do not meet the definition of specified investments, for the council, this means those longer than 12 months.

Table 2 Investment limits for non-specified investments

| Investment type | £ limit |
|--|---------|
| Total long term investments | £5m |
| Total investments with unrecognised credit ratings | £5m |
| Total non-specified investments | £10m |

- 4.8 The council will take an active approach to invest in environmental, social and governance (ESG) entities, but this will be a secondary consideration to security, liquidity and yield.
- 4.9 As at 31 October 2023, the council has £78.9 million of investments, spread across banks, other local authorities and MMFs. This current investment portfolio is detailed in Annex A.

Annual Minimum Revenue Provision Statement

- 5.1 Where the council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the notional repayment of debt is known as Minimum Revenue Provision (MRP). The Local Government Act 2003 requires the council to have regard to the DLUHC Guidance on MRP most recently issued in 2018. The broad aim of the guidance is to ensure that a prudent provision is made to enable debt to be repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 5.2 The council's MRP policy was formally reviewed by the council's external Treasury Management advisors in 2022/23 with recommended revisions to the policy supported by the Scrutiny Management Board in January 2023. The revised methods which inform the basis of calculations for each source of borrowing remain consistent with those recommended by government guidance to determine a prudent level of MRP.
- 5.3 In line with the guidance, the policy for the 2024/25 calculation of MRP is as follows:

Table 3 MRP methodology and charge

| | MRP methodology | Indicative MRP charge 2024/25 £000 |
|--|--|---------------------------------------|
| Supported borrowing | Annuity basis at rate of 4% | 892 |
| Prudential borrowing | Annuity basis at rate of 4% | 8,447 |
| Subtotal | | 9,339 |
| Finance leases and private finance initiatives | Equal to value of payments that reduce the liability each year | 2,457 |
| Total | | 11,796 |

ANNEX A Treasury Portfolio

The table below shows the treasury investment and borrowing positions as at 31 March 2023 and 31 October 2023.

Table 4 Treasury portfolio

| Treasury investments | 31 March 23 £000 | 31 March 23 % | 31 Oct 23 £000 | 31 Oct 23 % |
|-----------------------------------|---------------------|------------------|-------------------|----------------|
| Banks | 15,650 | 28% | 10,000 | 13% |
| Banks – ESG “green” deposits | 10,000 | 18% | 10,000 | 13% |
| Local authorities | 7,500 | 14% | 5,000 | 6% |
| DMADF (HM Treasury) | 5,000 | 9% | - | - |
| Money market funds | 17,450 | 31% | 53,870 | 68% |
| Total treasury investments | 55,600 | 100% | 78,870 | 100% |

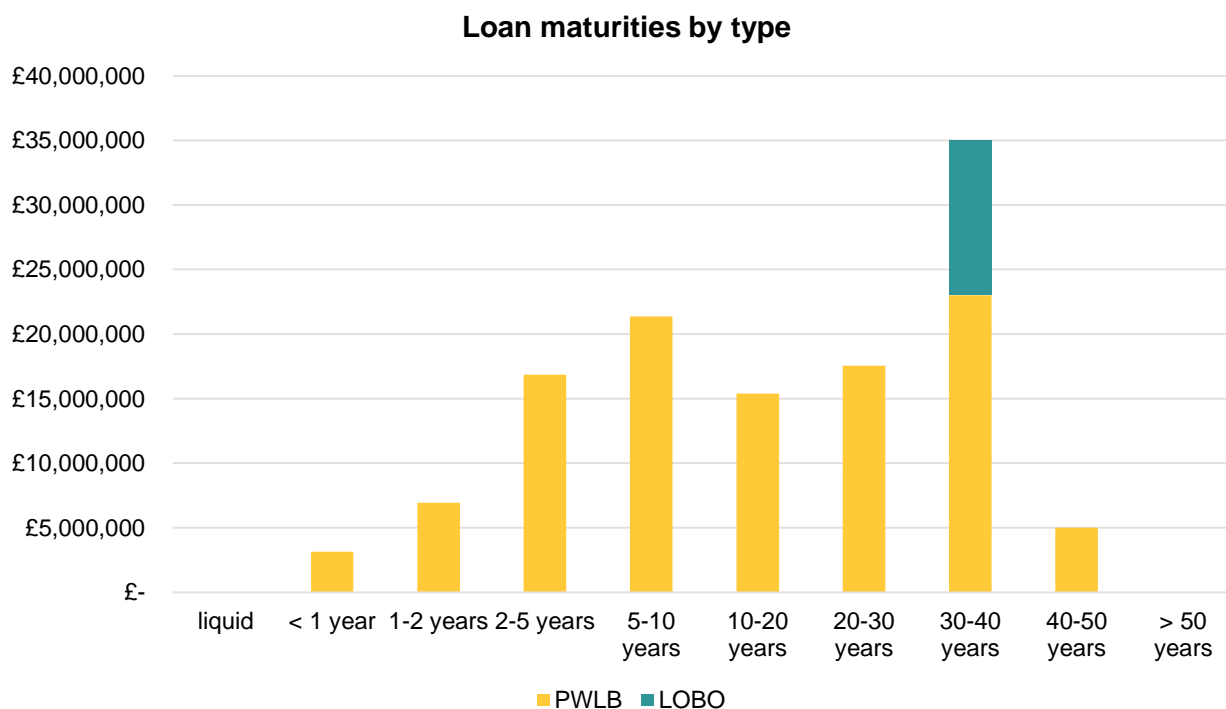
| Treasury borrowing | 31 March 23 £000 | 31 March 23 % | 31 Oct 23 £000 | 31 Oct 23 % |
|--------------------------------------|---------------------|------------------|-------------------|----------------|
| Public Works Loan Board (PWLB) | (110,567) | 90% | (109,250) | 90% |
| Lender Option Borrower Option (LOBO) | (12,000) | 10% | (12,000) | 10% |
| Total treasury borrowing | (122,567) | 100% | (121,250) | 100% |

| | | | | |
|---|-----------------|----------|-----------------|----------|
| Net treasury investments/(borrowing) | (66,967) | - | (42,380) | - |
|---|-----------------|----------|-----------------|----------|

ANNEX B Borrowing Maturity Profile

The chart below shows when each loan matures over the next 50 years. The green block represents the LOBO loans, and the orange blocks represent PWLB loans.

Chart 1 Loan maturity profile



ANNEX C Prudential and Treasury Indicators

Background

- 1.1 The Local Government Act 2003 requires local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.
- 1.2 To demonstrate that the council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored. The indicators set out parameters within which the council should operate to ensure the objectives of the Prudential Code are met.

Prudential Indicator 1: Estimates of capital expenditure

- 2.1 The Prudential Code requires local authorities to make reasonable estimates of the total capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years, as well as actual capital expenditure for the previous financial year.
- 2.2 The actual amount of capital expenditure that was incurred during 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years, based on the current approved capital programme, are noted in Table 5 below.

Table 5 Estimates of capital expenditure and funding

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Capital expenditure | 46,411 | 68,873 | 160,033 | 50,791 | 19,187 |
| Grants, contributions and capital receipts | 36,431 | 51,013 | 107,713 | 23,551 | 7,306 |
| Prudential borrowing | 9,980 | 17,860 | 52,320 | 27,240 | 11,881 |
| Total funding | 46,411 | 68,873 | 160,033 | 50,791 | 19,187 |

Prudential Indicator 2: Capital financing requirement

- 3.1 The Prudential Code requires local authorities to make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years, as well as the actual capital financing requirement for the previous financial year.
- 3.2 The capital financing requirement (CFR) measures the council's underlying need to borrow for a capital purpose. It represents the capital expenditure not financed by capital receipts, capital grants, contributions or a direct revenue charge. The actual CFR for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years are noted in Table 6 below.

Table 6 Capital financing requirement

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|-------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| CFR excluding PFI | 261,398 | 269,018 | 310,584 | 326,478 | 326,056 |
| PFI and finance leases* | 43,046 | 41,705 | 39,390 | 37,048 | 34,670 |
| Total CFR | 304,444 | 310,723 | 349,974 | 363,526 | 360,726 |

* this value is expected to increase following the adoption of IFRS 16 from 1 April 2024.

Prudential Indicator 3: Gross debt and the capital financing requirement

- 4.1 The Prudential Code requires local authorities to ensure that the total gross debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
- 4.2 This indicator monitors the requirement for debt not to exceed the CFR. The actual ratio for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years. The ratio of gross debt to CFR is below 100% for each of the disclosed years, confirming that gross debt does not exceed CFR, and that the council is operating within the parameters as set out in the Prudential Code.

Table 7 Ratio of gross debt to CFR

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|-----------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Gross debt | 123,833 | 137,326 | 182,709 | 203,800 | 209,257 |
| CFR | 304,444 | 310,723 | 349,974 | 363,526 | 360,726 |
| Ratio of gross debt to CFR | 41% | 44% | 52% | 56% | 58% |

Prudential Indicator 4: Authorised limit for external debt

- 5.1 The Prudential Code requires local authorities to set an authorised limit for its gross external debt for the forthcoming financial year and the following two years.
- 5.2 The authorised limit represents an upper limit of borrowing that the council can legally owe. The actual limit for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years. By comparing the gross debt figures in table 7 to the authorised limits in table 8, it is confirmed that the council is operating within the parameters as set out in the Prudential Code.

Table 8 Authorised limit

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|-------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| External borrowing | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Other long term liabilities | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Total authorised limit | 420,000 | 420,000 | 420,000 | 420,000 | 420,000 |

Prudential Indicator 5: Operational boundary for external debt

- 6.1 The Prudential Code requires local authorities to set an operational boundary for its gross external debt for the forthcoming financial year and the following two years.
- 6.2 The operational boundary is the limit beyond which external debt is not normally expected to exceed, and provides a parameter to monitor day to day treasury management activity. The actual limit for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years. By comparing the gross debt figures in table 7 to the operational boundaries in table 9, it is confirmed that the council is operating within the parameters as set out in the Prudential Code.

Table 9 Operational boundary

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|-----------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| External borrowing | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 |
| Other long term liabilities | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Total operational boundary | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |

Prudential Indicator 6: Ratio of financing costs to net revenue stream

- 7.1 The Prudential Code requires local authorities to estimate the proportion of financing costs to net revenue stream for the forthcoming financial year and the following two years, as well as actual figures for the previous financial year.
- 7.2 This ratio highlights the proportion of the revenue budget required to meet financing costs and is an indicator of the affordability of borrowing. The actual limit for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years. The calculated ratios of between 7% and 9% confirm that the council's borrowing is currently considered to be affordable.

Table 10 Ratio of financing costs to net revenue stream

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| MRP (excluding PFI) | 9,228 | 8,649 | 9,339 | 10,692 | 11,477 |
| Interest payable | 4,990 | 4,542 | 5,812 | 7,211 | 7,931 |
| Total financing costs | 14,218 | 13,191 | 15,151 | 17,903 | 19,408 |
| Net revenue stream | 185,943 | 193,308 | 205,170 | 220,348 | 220,874 |
| Ratio of financing costs to net revenue stream | 8% | 7% | 7% | 8% | 9% |

Prudential Indicator 7: Maturity structure of borrowing

- 8.1 The council sets upper and lower limits for the maturity structure of its borrowing to mitigate against the risk of exposure to interest rate fluctuations on debt refinancing. The table below shows the upper limit, the lower limit, the actual level for 2022/23 and the forecast level for 2023/24. This confirms that the council is operating within the lower and upper limit.

Table 11 Maturity structure of borrowing

| | 2022/23 actual % | 2023/24 forecast % | Lower limit % | Upper limit % |
|---------------------------------|------------------------|--------------------------|------------------|------------------|
| Under 12 months | 4% | 2% | 0% | 10% |
| Between 12 months and 24 months | 6% | 6% | 0% | 10% |
| Between 24 months and 5 years | 14% | 14% | 0% | 25% |
| Between 5 years and 10 years | 17% | 18% | 0% | 35% |
| 10 years and above | 59% | 60% | 0% | 80% |
| | 100% | 100% | | |

Prudential Indicator 8: Upper limit of investments over 364 days

- 9.1 The council sets an upper limit for total principal sums invested over 364 days to mitigate against the risk of exposure to loss due to early repayment requirements. The actual limit for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years. This is monitored through-out the year in day to day treasury management activity.

Table 12 Upper limit of investments over 364 days

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|-------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Upper limit | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |

Prudential Indicator 9: Ratio of net commercial and service investments income to net revenue stream

- 10.1 The Prudential Code requires local authorities to estimate the proportion of net income from commercial and service investments to net revenue stream for the forthcoming financial year and the following two years, as well as actual figures for the previous financial year.
- 10.2 This ratio highlights the proportion of the revenue income budget reliant on commercial income. The actual limit for 2022/23, the forecast amount for 2023/24 and the estimated amounts for 2024/25 plus two further years. The calculated ratios of 1% confirm that the council is not over reliant on this income.

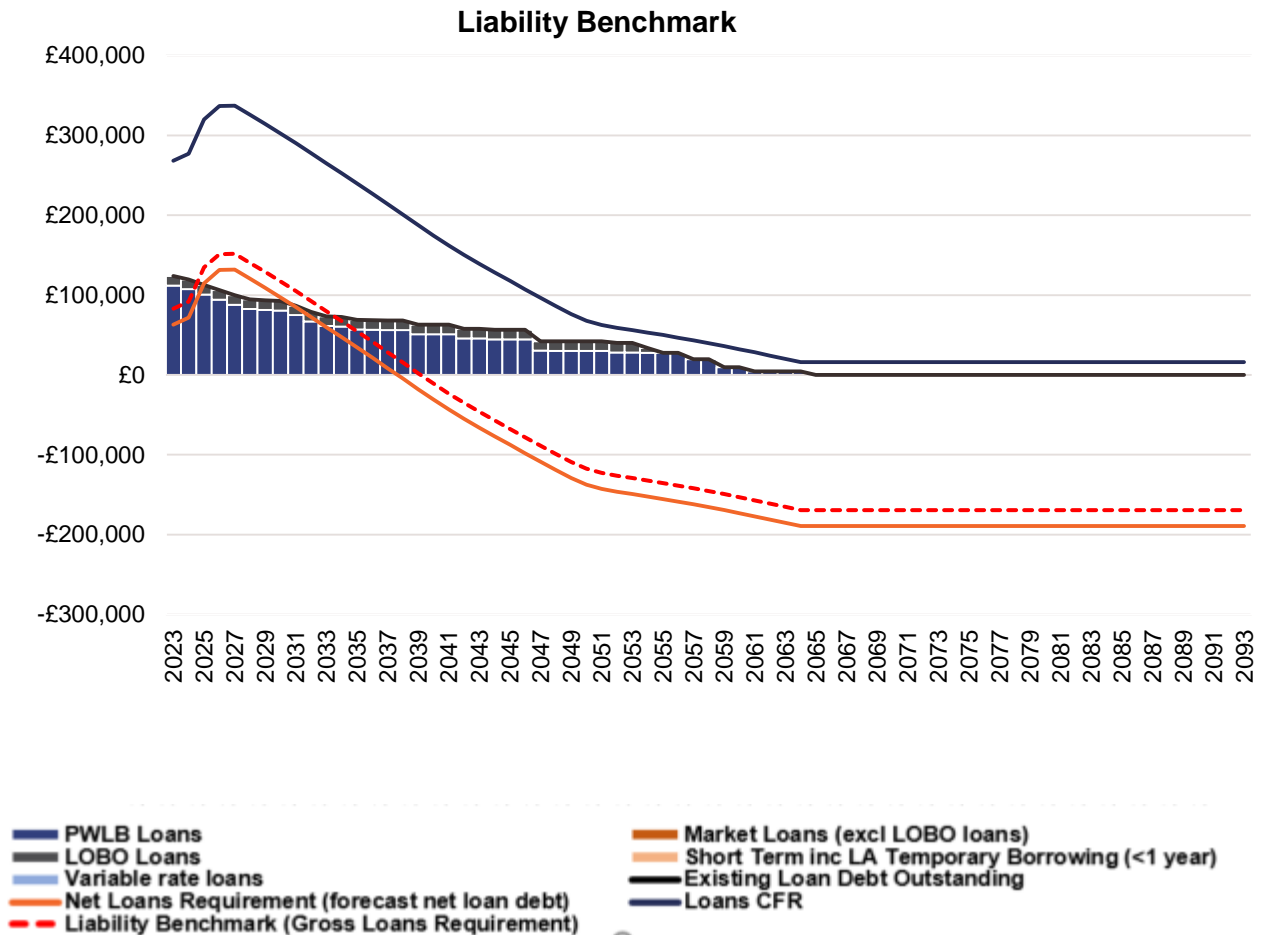
Table 13 Ratio of net commercial and service investments income to net revenue stream

| | 2022/23 actual £000 | 2023/24 forecast £000 | 2024/25 estimate £000 | 2025/26 estimate £000 | 2026/27 estimate £000 |
|--|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Total net income from commercial and service investments | 2,135 | 2,365 | 2,369 | 2,373 | 2,378 |
| Net revenue stream | 185,943 | 193,308 | 205,170 | 220,348 | 220,826 |
| Ratio of commercial income to net revenue stream | 1% | 1% | 1% | 1% | 1% |

Prudential Indicator 10: Liability benchmark

- 11.1 The liability benchmark provides a measure of how well the existing loans portfolio matches planned borrowing needs for capital. It is calculated by deducting investable resources on the balance sheet from the outstanding debt liability, adjusting for a minimum investment allowance. A borrowing requirement is anticipated where the liability benchmark (red dotted line) is greater than the existing debt.
- 11.2 The existing loans portfolio is shown on the chart below as blue and grey bar charts. The liability benchmark is the red dotted line. By comparing these, it can be seen that the council is under-borrowed, meaning that it is utilising its strong balance sheet position instead of increasing loan debt. There is no short term additional borrowing need for the current approved capital commitments.

Chart 2 Liability benchmark in £'000s



ANNEX D Interest Rate Forecast

Link Group provide the council with interest rate forecasts as part of their advisory role. The following forecasts for the bank base rate and Public Works Loan Board (PWLB) rates were provided on 7 November 2023.

Table 14 Link Group interest rate forecasts

| | Dec 23 | Mar 24 | Jun 24 | Sep 24 | Dec 24 | Mar 25 | Jun 25 | Sep 25 | Dec 25 | Mar 26 | Jun 26 | Sep 26 | Dec 26 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank base rate % | 5.25 | 5.25 | 5.25 | 5.00 | 4.50 | 4.00 | 3.50 | 3.25 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| PWLB 5 year rate % | 5.00 | 4.90 | 4.80 | 4.70 | 4.40 | 4.20 | 4.00 | 3.80 | 3.70 | 3.60 | 3.50 | 3.50 | 3.50 |
| PWLB 10 year rate % | 5.10 | 5.00 | 4.80 | 4.70 | 4.40 | 4.20 | 4.00 | 3.80 | 3.70 | 3.70 | 3.60 | 3.60 | 3.50 |
| PWLB 25 year rate % | 5.50 | 5.30 | 5.10 | 4.90 | 4.70 | 4.50 | 4.30 | 4.20 | 4.10 | 4.10 | 4.00 | 4.00 | 4.00 |
| PWLB 50 year rate % | 5.30 | 5.10 | 4.90 | 4.70 | 4.50 | 4.30 | 4.10 | 4.00 | 3.90 | 3.90 | 3.80 | 3.80 | 3.80 |

ANNEX E Treasury Management Policy Statement

Statement of Purpose

- 1.1 Herefordshire Council adopts the recommendations made in CIPFA's Treasury Management in the Public Services: Code of Practice guidance, which was revised in 2021. The council adopts the following key principles and clauses.

Key Principles

- 2.1 Herefordshire Council adopts the following three key principles (identified in Section 4 of the Code):
- The council will put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.
 - The council will ensure that its policies and practices make clear that the effective management and control of risk are prime objectives of its treasury management activities and that responsibility for these lies clearly with the council. In addition, the council's appetite for risk will form part of its annual strategy and will ensure that priority is given to security and portfolio liquidity when investing treasury funds.
 - The council acknowledges that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of business and service objectives, and that within the context of effective risk management, the councils treasury management policies and practices should reflect this.

Adopted Clauses

- 3.1 Herefordshire Council formally adopts the following clauses (identified in Section 5 of the code):
- The council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

- Full council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs.
- The responsibility for the implementation and regular monitoring of treasury management policies and practices is delegated to Cabinet and for the execution and administration of treasury management decisions to the Director of Resources and Assurance, who will act in accordance with the organisation's policy statement

and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

- The council nominates Scrutiny Management Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Definition of Treasury Management

4.1 Herefordshire Council defines its treasury management activities as: -

'The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

Policy Objectives

- 5.1 Herefordshire Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the council, and any financial instruments entered into to manage these risks.
- 5.2 Herefordshire Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Non-treasury investments

- 6.1 Herefordshire Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries and investment property portfolios.
- 6.2 Herefordshire Council will ensure that all investments in the capital programme will set out, where relevant, the risk appetite and policy and arrangement for non-treasury investments. The risk appetite for these activities may differ from that of treasury management.
- 6.3 Herefordshire Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisations risk exposure within its annual statement of accounts.



EARMARKED RESERVES AND GENERAL FUND BALANCE 01 APRIL 2022 TO 31 MARCH 2024

| Reserve | 1 April 2022 £m actual* | Transfers out £m actual | Transfers in £m actual | 31 March 2023 £m actual* | Transfers out £m forecast | Transfers in £m forecast | 31 March 2024 £m forecast |
|--|-------------------------------|-------------------------------|------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Business rates risk | (11.0) | - | (2.1) | (13.1) | - | - | (13.1) |
| Waste disposal | (7.9) | 0.8 | (2.3) | (9.4) | 1.7 | (1.7) | (9.4) |
| Schools' balances | (9.3) | 1.2 | (1.2) | (9.3) | 1.6 | (0.8) | (8.5) |
| Fastershire clawback | - | - | (5.1) | (5.1) | 2.1 | - | (3.0) |
| Additional pension costs | (4.8) | 0.7 | - | (4.1) | - | - | (4.1) |
| Settlement monies | (3.3) | - | - | (3.3) | 0.4 | - | (2.9) |
| Care market costs | (3.0) | - | - | (3.0) | 1.1 | - | (1.9) |
| Adult social care integration | (2.3) | 0.5 | - | (1.8) | 1.1 | - | (0.7) |
| Whitecross school PFI | (1.7) | - | (0.1) | (1.8) | - | - | (1.8) |
| Technology enabled communities | (0.4) | - | (1.4) | (1.8) | 0.2 | - | (1.6) |
| Financial resilience | (17.4) | 17.4 | (1.2) | (1.2) | - | (0.3) | (1.5) |
| Severe weather fund | (1.1) | 0.1 | - | (1.0) | - | - | (1.0) |
| Unused grants carried forward | (23.1) | 14.5 | (9.0) | (17.6) | 2.5 | - | (15.1) |
| Other reserves individually under £1 million | (11.2) | 5.1 | (3.2) | (9.3) | 2.9 | - | (6.4) |
| Total earmarked reserves | (96.5) | 40.3 | (25.6) | (81.8) | 13.6 | (2.8) | (71.0) |
| 2023/24 Q2 forecast outturn before management actions | - | - | - | - | 13.8 | - | 13.8 |
| Total earmarked reserves after outturn adjustment | (96.5) | 40.3 | (25.6) | (81.8) | 27.4 | (2.8) | (57.2) |
| General fund balance | (9.6) | - | - | (9.6) | - | - | (9.6) |
| Total earmarked reserves and general fund | (106.1) | 40.3 | (25.6) | (91.4) | 27.4 | (2.8) | (66.8) |

*audited balances per the council's statutory accounts

Summary results of the 2024/25 budget consultation events

Introduction to the consultation

As part of the budget setting exercise for 2024/25 a series of 13 consultation events were held between 22nd November – 23rd December. These took the form of pop-up consultation stands. Locality specific consultation was undertaken in each of the market towns and twice in Hereford city centre as part of the Christmas market. Additional targeted consultation was undertaken with specific sections of the community; young people at Hereford Sixth Form College and a Young Farmers event, businesses at a Hereford Means Business conference, older people attending the 50+ Christmas lunch at The Kindle Centre and families attending the HAF Christmas event (HAF Holidays Activities and Food, targeted event for families in receipt of Free School Meals).

Approximately 652 people engaged with the consultation. A breakdown of the numbers engaged at each consultation events is attached as Appendix A.

Background to the 2023/24 budget consultation

This year has seen another year of significant increases in costs for both residents and businesses across Herefordshire. These increases have also had a significant impact on the council's finances with large increases in costs for fuel, energy, adult social care, children's services (including children's social care, looked after children and child protection) and environmental services. With no assistance coming from central government, this means that additional cost pressures from inflation and growth in demand for services are unfunded and savings measures must be identified to address the resulting shortfall.

To ensure that the council remains in a financial position to progress their priorities of protecting and enhancing our environment, supporting the local economy and strengthening communities, they need to build financial resilience and make sure that they manage the council's finances very carefully.

They continue to deliver services efficiently but rising costs and increased local demand for services mean they are currently facing a budget shortfall of at least £21 million in 2024/25. This is such a serious shortfall that they can only address it by undertaking a complete review of the services the council can and cannot continue to provide.

This consultation presented some high-level options that could contribute towards balancing the budget for 2024/25 and their likely impacts which include reducing and changing services, increasing charging for services and increasing Council Tax.

Overview of consultation approach

The consultation aimed to engage people in two main activities.

Activity 1 asked people to indicate ‘in principle’ if they supported or did not support five key approaches suggested by Herefordshire Council.

Activity 2 consisted of asking whether there were any specific services or activities they would like to see protected.

Consultation engagement

The number of people approaching the stands was recorded using a tick sheet where people identified their gender and if any particular characteristics applied to them. Approximately 652 people were engaged through the events. A list of consultation events with the corresponding number of people spoken to is included in Appendix A. A summary of the characteristics of those engaged is shown below:

| | Total |
|---|-------|
| Male | 270 |
| Female | 349 |
| Other | 4 |
| Prefer not to say | 0 |
| | |
| Live in a rural area | 125 |
| Below 30 years old | 110 |
| Above retirement age | 106 |
| Own your own business | 551 |
| From an ethnic minority background | 14 |
| Have a disability/long term health condition | 35 |
| Care for someone with a disability/long term health condition (including old age) | 25 |
| Are/or live with a member of the armed forces or a veteran | 14 |

Engagement consisted of the following:

- A conversation with the researchers or the Council representative present
- People leaving a comment in the comment box (comments were either specific and required a response or more general). A full list of the comments can be seen at Appendix B.
- Completing Activity 1 only (most people indicated a preference for each statement but some chose only to put tokens in one or two of the boxes)
- Completing Activity 2 only – mostly people completed the whole exercise
- Completing Activity 1 and 2

It is important to note that due to the different types of engagement there are different total figures for the amount of people engaging, the amount of people participating in Activity 1 and the amount of people participating in Activity 2.

Overall, there was lots of positive engagement, with members of the public sympathising with the difficult decisions that needed to be made and an appreciation of being asked their opinion.

Content of consultation session

Activity 1

Participants were asked to vote in each of the five token boxes. Each box included one of the following headings:

Budget Themes

- 1. Continuing the 100% discount on Council Tax for people most in need** (this measure seeks to support residents in the community struggling to pay their council tax charge)
- 2. Reviewing the council's assets to maximise returns and benefits** (a review to ensure the council's land and building assets are used efficiently to get best use and value for money)
- 3. Investing in Potholes repair and the road network** (To improve the road network and prioritise those roads identified as requiring the most urgent work)
- 4. Raising money through increases in parking charges across the county**
- 5. Introducing a paid-for subscription based garden waste collection service** (The introduction of a paid for subscription based collection service would replace the current arrangement and green sacks for garden waste will no longer be available for purchase)

People were asked to indicate whether they supported each approach by inserting a blue token in the box or a red token if they didn't support it.

Activity 2

Activity 2 consisted of asking whether there were any specific services or activities they would like to see protected within the budget setting exercise. Participants wrote their priorities on an A1 grid. The grid also had space for more general comments that people wanted to make.

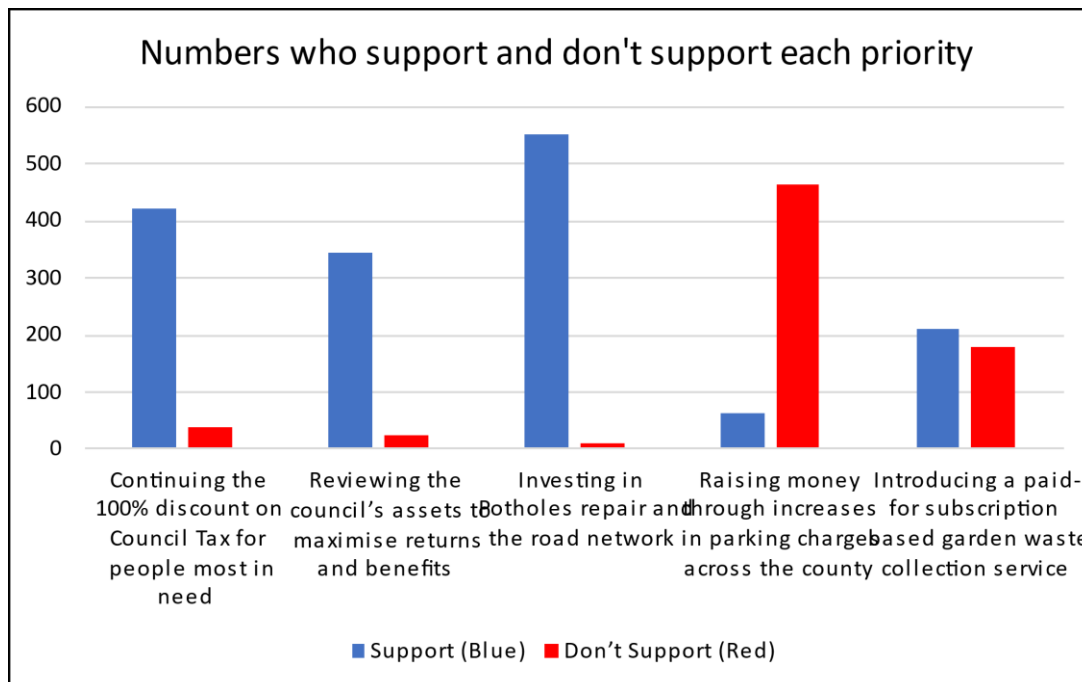
Consultation event results

Throughout this report we refer to comments made by, for example, 'a few' or 'many' participants. This reflects comments that were made during participant engagement. As with other qualitative research it is not possible to specifically quantify the participants making these comments but points referred to in the report reflect areas where there were outlying opinions or strong consensus or divergence of opinion.

Activity 1: Suggested approaches to save money or generate income

The table and graph below illustrate the result of the token voting.

| | Priority | Support (Blue) | Don't Support (Red) |
|---|---|----------------|---------------------|
| 1 | Continuing the 100% discount on Council Tax for people most in need | 422 | 39 |
| 2 | Reviewing the council's assets to maximise returns and benefits | 345 | 25 |
| 3 | Investing in Potholes repair and the road network | 551 | 10 |
| 4 | Raising money through increases in parking charges across the county | 62 | 464 |
| 5 | Introducing a paid-for subscription-based garden waste collection service | 212 | 181 |



There was **clear support** for:

- Investing in Potholes repair and the road network
- Continuing the 100% discount on Council Tax for people most in need
- Reviewing the council's assets to maximise returns and benefits

There was a **majority opposition** for:

- Raising money through increases in parking charges across the county

There were **mixed views** about:

- Introducing a paid-for subscription based garden waste collection service

Additional comments

Investing in Potholes repair and the road network

A significant number of comments were made about the quality and approach to road repairs undertaken by Balfour Beatty these included:

- Pothole repairs are not undertaken in a strategic way e.g. filling some holes on the same stretch of road but not others that are just as deep.
- The poor quality of previous pothole repairs and a perception that they are being 'patched up' rather than being filled properly.
- That companies that use heavy load vehicles should be charged more for the damage they cause to the roads.

Continuing the 100% discount on Council Tax for people most in need

There was strong support for continuing the 100% discount for people most in need in recognition of the challenges faced by many people due to the cost-of-living crisis. Where people did not support this they commonly expressed the following views:

- That there should be a discount for people in need but this should return to the pre-Covid levels.
- People wanted assurance that the discount was being given to those that most needed it.

One idea was that the discount should be phased back to pre-Covid levels over a period of years to give people more time to adjust from paying nothing to paying 25%.

E.g. Year 1 - 100% discount Year 2 90% discount Year 3 80% discount Year 4 75% discount

Reviewing the council's assets to maximise returns and benefits

The majority of people that supported this review felt it was something the Council should be doing regularly and that it made commercial sense to be reviewing rents etc.... Some people raised concerns that this would be a pre-cursor to the Council selling off many of its assets which was something they were not in support of. This was the primary reason that many people voted against the review.

Raising money through increases in parking charges across the county

There was strong opposition to raising car parking charges. This was predominantly due to a fear that it would drive people out of the towns for shopping and that this would have a negative impact on the retail sector locally. This sentiment was expressed in all the market towns and Hereford. Some people stated they would be more inclined to support an increase in parking charges if they knew that money was being reinvested in road maintenance. Those who supported increases in parking charges were most likely to cite support for anything that encouraged people not to use their cars as the reason for their response. Many of these were cyclists and raised concerns about the environmental or health impacts of excessive car use.

Introducing a paid-for subscription-based garden waste collection service

Whilst more people were in support of the introduction of a Council run paid-for subscription-based garden waste collection service than against it this was the approach that divided opinion. Those in support of the scheme felt that it would make sense for the Council to deliver this service as part of their existing recycling offer and felt it would be a good opportunity to raise additional revenue. Many people gave the caveat that they would only support the introduction of this scheme if the waste collected was going to be composted.¹ Those that opposed the approach were most likely to state that they felt the garden waste should be part of the existing recycling offer and that they wouldn't want to pay extra for it. In addition, many people that did not support the introduction of this service stated they would not use it because they took their garden waste to the tip, composted it or used the green sacks.

Users of the existing service run by Biffa had divided opinions some took a 'if it's not broken why fix it' attitude, whilst others said as long as the service was the same quality and cost they didn't mind who provided the service.

Activity 2: Priority service areas or activities to be protected

There were 260+ comments in total with some clear themes coming out around:

| Priority areas to protect | No. of comments recorded |
|--|---------------------------------|
| Public transport / Bus services – most commonly rural bus services | 24 |
| Children's services | 20 |
| Road maintenance | 19 |
| Adult services – specifically service for the elderly | 17 |
| Youth services – most commonly activities for young people | 15 |
| Library services | 12 |
| Support for businesses | 9 |
| Support for the environment | 9 |

¹ Many people raised this in reference to the existing 'green sack' garden waste collection service that is not separated out for recycling.

| | |
|---|---|
| Leisure facilities | 5 |
| Housing | 5 |
| | 5 |
| Mental health services | 4 |
| Development of infrastructure | 3 |
| Support for SEN / people with learning disabilities | 3 |
| Bypass in Hereford | 3 |

Additional comments

In addition to the comments about protecting services people were also given the opportunity to write general comments relating to the budget setting exercise. The most common comments received were:

- Perceptions that the Council wastes money E.g. the investment in the planters in the town centre, money on projects that never get off the ground.
- The wages of the senior staff at the Council.
- That Balfour Beatty are inefficient and do a poor quality job.

Appendix A - Engagement at each of the events

| Date | Event | Total no. engaged |
|--------|-------------------------------------|-------------------|
| 22-Nov | Hereford Means Business Conference | 55 |
| 25-Nov | Ledbury | 80 |
| 28-Nov | Livestock Market | 23 |
| 30-Nov | Ross on Wye | 46 |
| 01-Dec | Leominster Market | 73 |
| 02-Dec | Open arms Kington (Oxford Arms pub) | 92 |
| 03-Dec | Bromyard Market Square | 28 |
| 03-Dec | Hereford Young Farmers | 36 |
| 07-Dec | Hereford High Town | 29 |
| 08-Dec | Hereford Sixth Form College | 74 |
| 14-Dec | Hereford High Town | 56 |
| 15-Dec | South Wye Pensioners lunch | 31 |
| 23-Dec | HAF event | 29 |
| | Total | 652 |

Appendix B – All comments received

Support for people with learning difficulties, esp children
Respite (free) for people with learning difficulties
Bring road repairs back inhouse and get rid of balfour beatty
Traffic in Ledbury, possibly pedestrianise main road through Town, with the exception of taxis, buses, bikes.
Bypass through the hill to Malvern, would link up bypass
Bypass around Hereford
ANPR cameras to charge drivers going through Ledbury to reduce traffic congestion
Grassroots sports for Kids
Grassroots sports for Kids
Maintain library services
More activities for young people
More activities for young people
Community spaces for people to use especially older people
Less house building on green space to protect wildlife
Cycle lanes important
More infrastructure to support new developments and stop any further house building
Residents parking
More activities for children and young people
More financial support for pensioners
Adult and children's services
Road conditions
planning and building control are poorly managed currently
Departments that manage the environment including pollution and protection
pavement quality in Ledbury - poor quality, difficult for those with visual difficulties and old age
The natural environment - wildlife and climate change is an incredibly important issue. Create open space and habitats around Ledbury especially in light of all the housing development. Housing should only be allowed if energy efficient
We need tourists and cheap parking - all roads into Ledbury have a line of parked cars all day, especially since charges at the station. The narrowest roads are dangerous
No more housing development in Ledbury, especially creeping towards other towns
Childrens Services
Children & YP Services
Childrens Services
Youth services & hubs
Planning and Development management
Care sector
Childrens Services
Return of mental health community Services that has recently stopped
More community mental health support talking groups in wider areas
More funding for children's services
Training of staff within children's services
Mental health
Homelessness
Childrens Services
Elderly care
Infrastructure and bus services

Highway maintenance
 Support for local business owners
 Bus routes and late buses at weekends to rural areas and especially subsidy for YP
 Total overhaul of a non-working system CS
 Teacher support
 Bus services
 encouraging and supporting local businesses
 Elderly support within home care
 Housing delivery
 Road care
 Reduced business rates for hospitality
 More money to care and carers
 Mental health
 HCC to stop wasting money - projects started invested in then stopped. Assess priorities and stick with them. Invest in decent staff to ensure retention.
 Change of government
 Support for 20mph limit on roads as in Wales - good experience
 Don't waste money e.g. cycle lanes in Hereford City
 Wages of the higher ups at the council and partners including Police crime commissioner are too high
 No business rates for the High St
 Look at their own salaries compared to local employers
 Recycling from businesses
 Funding for businesses and voluntary sectors
 Build more homes, schools, leisure, Health facilities Drs/dentists
 Make the green sacks more available x 3
 Council to buy houses to rent to local people
 Reduce pay for those at the top of the Council
 More council houses
 Review council assets but need to look at community benefits. Less use of external consultants who do not view the bigger picture. Cost benefit analysis with triple bottom line.
 More support in caring for older people - the cared for and the carer. Help with information. Difficult to get carers out to rural areas.
 Bypass in Hereford
 Councillors and those at the top of Herefordshire Council on a more realistic wage
 Top end Herefordshire Council employees on a more realistic wage
 Bus routes in rural areas
 Community spaces for older people to meet up.
 Higher pay for carers paid by the Local Authority as agency workers get paid a lot more.
 Planning timescales - max turnaround of 1 month, especially for small local projects worth less than £100k.
 Look at the impact of phosphates on planning permissions - look at whole farm e.g. if the whole farm is within the boundaries then permission should be granted based on the site.

Don't charge high rates for charities occupying Council buildings
 Roads and potholes B roads
 Verge clearing / litter picking
 Protecting ecological projects
 Planting different trees

Youth activities / youth clubs in Bromyard
Services for elderly
Services for children & young people
Build more Council housing that cannot be sold through right to buy
Help SME's with affordable rates
Waste collection / recycling and the tip
Make better use of empty properties both retail and residential
Support use of cash and small businesses - no carp parks with only phone / card payments
Would only support garden waste scheme if waste was recycled back into compost
Community hospital parking is too expensive so people park dangerously on the road
All parking in MTs should be free to encourage people to shop locally
Spend money on tidying up the streets, repairing manhole covers and signs on side of the roads.
Money from parking should be used to repair the roads - people would be happier to pay for it then.
Review salaries for top jobs
Garden waste scheme if introduced NOT to be done by Balfour Beatty
Don't oppose to parking charges in some areas but not in MT's to encourage shop local
Better public transport from Bromyard to Hereford for working people
Review speed limit on Stourport Rd - reduce to 30
Schools / education
Libraries
Libraries
Libraries
Youth services
Youth services
Youth services
Electric bin collection lorries to reduce pollution
Refuse collection
Cleaning rubbish in Hereford City
Leisure facilities
Leisure facilities
Leisure facilities
Leisure facilities
No cycling in Hereford City centre
Childrens Services protecting the most vulnerable
Bus services
Childrens services
Childrens services
Childrens services
Childrens services
Support for leisure activities for young people
Keep rural bus services
Keep rural bus services
Keep rural bus services
Keep rural bus services
Swimming pool
Post pregnancy early support
Residential care support for elderly
Supporting the market towns

Supporting the market towns
Would prefer a modern building for the library not an old building
Leominster public toilet
Libraries
Potholes
Rural bus services
Support for young people
Bypass bridges across Hereford
More investment in tourism particularly in MTs support from the central areas. Robust tourism strategy.
Disappointed that Leominster didn't have a light switch on due to road closures
Lack of provision for young people need more free activities
Consider reducing the CT discount rather than removing it
Stop wasting money on projects
Don't raise rents for people delivering services for people e.g. Halo
Scrap payment for garden waste collection
Ebnal Close - we are paying additional £ for Groundwork by Connexus but they don't do it.
Support discount but not at 100%
Support discount but not at 100%
Support discount but not at 100%
Support discount but not at 100%
Support discount but not at 100%
Support discount but not at 100%
Support discount but not at 100%
Don't waste money on projects that overspend
There should be an option for people to pay more for services via CT
Stop parking in Corn Square
Lack of confidence in the democratic process
Concern with quality of pothole repairs from Balfour
Concern with quality of pothole repairs from Balfour
Concern with quality of pothole repairs from Balfour
Anti-zoned car parking - we are a small town
Take a more strategic approach to pot hole repair
Better policing of who receives CT discount
Tackle speeding on Etnam St
Support young people especially the most vulnerable
River Wye pollution
SEN provision
Public transport
Public transport
Buses from Leominster from Kington
Care for the elderly
Youth provision
Help for addiction
Better bus services
Don't build on the meadow behind Headbrook
Speed bumps in Headbrook and Bridge St
Make heavy load road users pay more

The environment
 Adult social care
 A44 pot holes
 Bus service to Leominster to larger shops
 Public transport
 Traffic wardens
 Quarry lorries speed limits
 Review Balfour Beatty as a contractor and keep in-house. Too much is involved in repairing pot holes.
 It is not in Balfour Beattys interest to do repairs properly
 Support CT discount but not at 100%
 Support CT discount but not at 100%
 Support CT discount but not at 100%
 HC needs to maintain public buildings e.g. market hall
 Address pollution of River Wye
 Support business start-up - retail reduced rates for 1st 12 months
 Reduce bus prices especially for people going to education
 Stop timed stops at recycling centre - waste of time and resources
 Invest in training and recruitment of local social workers i.e. centre of excellence
 Care home and Care for the elderly
 Clean the drains all around Ross Town and estates
 Care homes
 Adults with disabilities
 Rubbish collection - keeping towns tidy, cutting grass
 mental health services
 Cut the senior management to a sensible level. Use with the right skill set in the right post.
 More resource for planning and building control to allow them to better planning of house building
 Road maintenance
 Parking cheaper and more affordable in towns
 Services for CYP with special needs and/or disabled
 Public transport in rural areas
 Current method of fixing potholes not effective
 Public transport
 Wasting too much money paying those at the top of Herefordshire Council
 Spend more money in Ross on Wye and less in Hereford City
 Pay less/reasonable amount of money to Chief Exectutive at Herefordshire Council
 Put forward a plan of cuts Herefordshire Council will make (show you are trying to reduce cuts)
 Consideration to me made to owners of rental properties on whether they should pay the full 100% council tax when the property is empty.
 100% discount on CT make sure it is well policed and only those who genuinely in need get it.
 Public transport provision
 More support for the Police
 More help for single parents
 mental health support
 more help for the elderly
 Access to GP (HMG)
 Infrastructure to support new house building
 Protect mental health services
 Support for pothole repair but not through Balfour Beatty. (For example 6 men working at Victoria Bridge on Monday 12th December for 1 badly filled pothole)
 Library services

Library services in a central location
Protect children's services
Library - should be in Maylords its central (I can't get to Shirehall as I have mobility problems)
100% discount if well managed and only those that really need it
Public Toilets
Roads - wouldn't support 20mph
Another river crossing
Bypass on the East
Park and ride
Bus service
Waste too much money
Inequality of Council Tax bands - Don't feel equal - may need to be looked at. X2
Parking charges are killing the Hight St.
Green sacks are expensive already
Garden Waste goes into the same recycling as general waste so what is the point?
New library asap - should have been in Maylords
Do the best for everybody - talk to people about how to do that
Stop people parking on pavement (wheelchair user)
Sorting the council local offices and staff out first in terms of costs
Too high pay for those at the top of Herefordshire Council
Pay more for those at the bottom
Stop commissioning lots of services - do it in house
Higher road charges for bigger vehicles on the road, e.g. haulage lorries, large farm vehicles
Waste of money on projects e.g. planters of poor quality, Christmas trees in town
Don't waste money on projects - planters, learn from past failures
Disappointed in waste of money over the mess of the bypass
Climate change and sustainability
Disappointed the Zipper bus doesn't travel further up Belmont road
Phased approach to return Council Tax from 100% discount over to 75% discount
Don't put green waste in with the general waste
Better equality of land management charges for communal areas with private, council and rented properties e.g. grass mowing charges
Do the by-pass
Preventative measures to reduce the number of looked after children
Don't waste money on projects

YOUR SAY ON HEREFORDSHIRE COUNCIL'S BUDGET AND TAX FOR 2024/25: RESULTS

Version 1.0

Herefordshire Council Intelligence Unit

January 2024

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If you need help to understand this document, or would like it in another format or language, please contact us on 01432 261944 or e-mail researchteam@herefordshire.gov.uk

Introduction

Herefordshire Council's Budget and Tax consultation was carried out from 22 November to 31 December 2023. The following results are from 326 responses received to the online consultation questionnaire. In addition to the standard responses there were nine email responses received with additional comments which are included in free text comment analysis (Q1b).

The 326 respondents to the survey were self-selecting, therefore these results should not be considered a representative view of the population of Herefordshire.

The online survey was only one part of the council's budget and tax consultation. Impact Consultancy has carried out a series of public engagements around the county during the same period. These results should be read in conjunction with Impact's summary report of the findings from the qualitative engagement exercise.

Please note that the percentages in this report are based on respondents to each question/statement.

Results

Q1. To what extent do you support or not support the following approaches to saving or generating money?

From the five approaches listed in the question, four were supported by a majority of respondents. The exception being 'Raising money through increases in parking charges across the county', which 69% of the 326 respondents opposed (compared to 30% support).

The highest level of support that respondents expressed were for:

- 'Investing in potholes repair and the road network' (93% support vs 7% oppose)
- 'Reviewing the council's assets to maximise returns and benefits' (88% support vs 8% oppose)

The following approaches were also supported by the majority of respondents, but with higher levels of opposition than those above.

- Continuing the 100% discount on Council Tax for people most in need (69% support vs 27% oppose)
- Introducing a paid-for subscription based garden waste (61% support vs 27% oppose)

Figure 1: Extent of support for the approaches to saving or generating money (ordered by support)

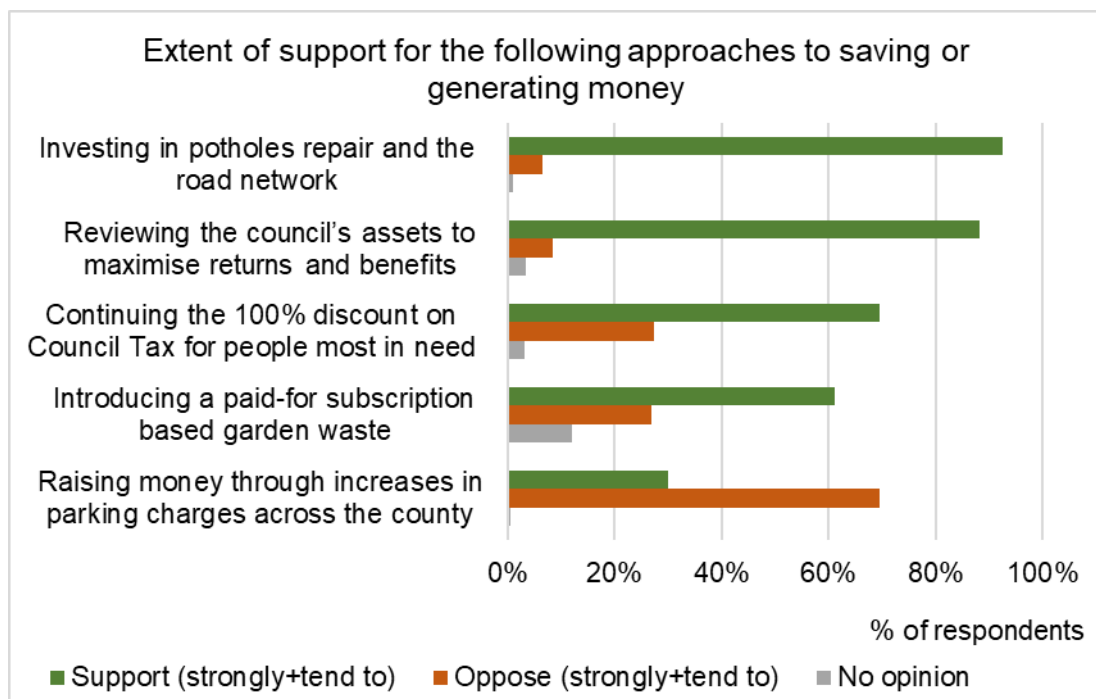


Table 1: responses to Q1 by percentage of respondents giving each answer

| | Strongly support | Tend to support | Tend to oppose | Strongly oppose | No opinion |
|--|------------------|-----------------|----------------|-----------------|------------|
| 1. Continuing the 100% discount on Council Tax for people most in need (this measure seeks to support residents in the community struggling to pay their council tax charge) | 34% | 35% | 18% | 9% | 3% |
| 2. Reviewing the council's assets to maximise returns and benefits (a review to ensure the council's land and building assets are used efficiently to get best use and value for money) | 59% | 30% | 4% | 4% | 3% |
| 3. Investing in potholes repair and the road network (to improve the road network and prioritise those roads identified as requiring the most urgent work) | 63% | 29% | 4% | 3% | 1% |
| 4. Raising money through increases in parking charges across the county | 12% | 17% | 24% | 45% | 1% |
| 5. Introducing a paid-for subscription based garden waste (the introduction of a paid for subscription based collection service would replace the current arrangement and green sacks for garden waste will no longer be available for purchase) | 31% | 30% | 12% | 15% | 12% |

Q1b. This question asked respondents to specify their answers (support/oppose) to the approaches to saving or generating money in Q1a.

A total of 115 comments were received in response to question 1b of the online survey. In addition, 9 comments were submitted by email. The key themes to emerge (in order of frequency*) were as follows: See appendix 1 for full list of comments.

| Theme | Number of comments |
|--|--------------------|
| Criticism of the way the council runs things (it, or its contractors, does not offer value for money, is out of touch, has the wrong priorities, wastes money, and/or suggestions for how it can economise or raise revenue) | 35 |
| Comments relating to the efficacy of the proposed garden waste scheme | 34 |
| Opposition to increases in car parking charges | 32 |
| Complaints about roads and pavements and/or road transport issues | 30 |
| Opposition to cutting services and/or selling off council assets. Council should be investing in services | 23 |
| The Council's focus should be economising and/or keeping Council Tax increases to a minimum | 19 |
| Opposition to the 100% Council Tax discount for poorer households | 12 |
| The Council should invest more in greener transport and/or active travel | 7 |
| Low income, elderly and/or vulnerable households should be protected from further Council Tax increases | 6 |

* Comments could cover multiple themes, so the sum of themed comments is greater than the number of respondents who commented.

Q2. Herefordshire Council will need to make difficult decisions about the services it delivers and supports to balance next year's budget, so we want to know what is important to you and your family. From the following list of services that the council either provides or supports, which do you think are the most important to protect?

The respondents were asked to choose up to three answers and rank order of importance (1 being the highest). The results presented in Figure 2 are based on a weighted score of the responses marked for each rank.

There were only minor differences in the order of priority if looking at the total proportion of respondents who selected a service as one of their 'top three' or by calculating a weighted score based on the relative rankings. The table shows the proportions, whilst the chart shows the weighted score (where rank 1 is given a score of 3, rank 2 a score of 2 and rank 3 a score of 1).

Key points are:

- There are three services which are clear priorities: highways and roads, care for older people and children's social services (note here that children's social services got the most top rank but the others were selected more often overall).
- Schools and care for physically disabled and those with learning difficulties were ranked next most important.
- Not much to distinguish between all other services.

Figure 2: The most important areas to protect ordered by weighted score

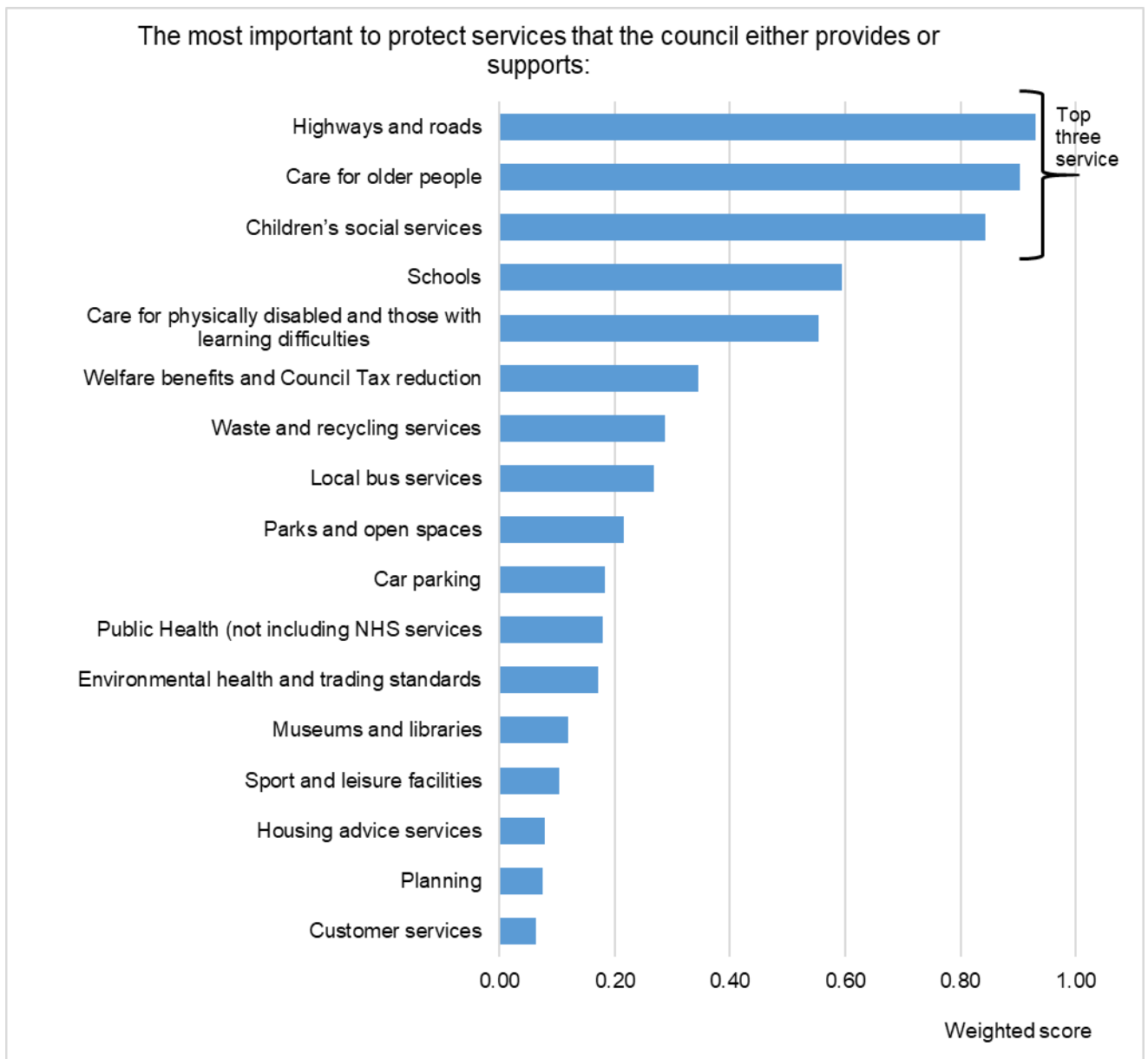


Table 2: proportion of responses to Q2 based on total respondents who ranked their top three options (from 1 to 3).

| | Rank 1 | Rank 2 | Rank 3 | % Total respondents |
|---|--------|--------|--------|---------------------|
| Highways and roads | 16% | 17% | 11% | 44% |
| Care for older people | 15% | 16% | 13% | 44% |
| Children's social services | 17% | 12% | 10% | 39% |
| Care for physically disabled and those with learning difficulties | 8% | 12% | 9% | 28% |
| Schools | 11% | 10% | 6% | 27% |
| Waste and recycling services | 3% | 5% | 9% | 17% |
| Local bus services | 4% | 4% | 7% | 15% |
| Welfare benefits and Council Tax reduction | 8% | 3% | 3% | 15% |
| Parks and open spaces | 2% | 5% | 6% | 13% |
| Public Health (not including NHS services) | 4% | 1% | 4% | 9% |
| Car parking | 4% | 2% | 3% | 9% |
| Environmental health and trading standards | 3% | 2% | 3% | 9% |
| Museums and libraries | 2% | 1% | 4% | 7% |
| Sport and leisure facilities | 1% | 2% | 4% | 7% |
| Housing advice services | 1% | 1% | 3% | 5% |
| Planning | 1% | 1% | 1% | 4% |
| Customer services | 1% | 1% | 1% | 3% |

Council Tax options for 2024/25

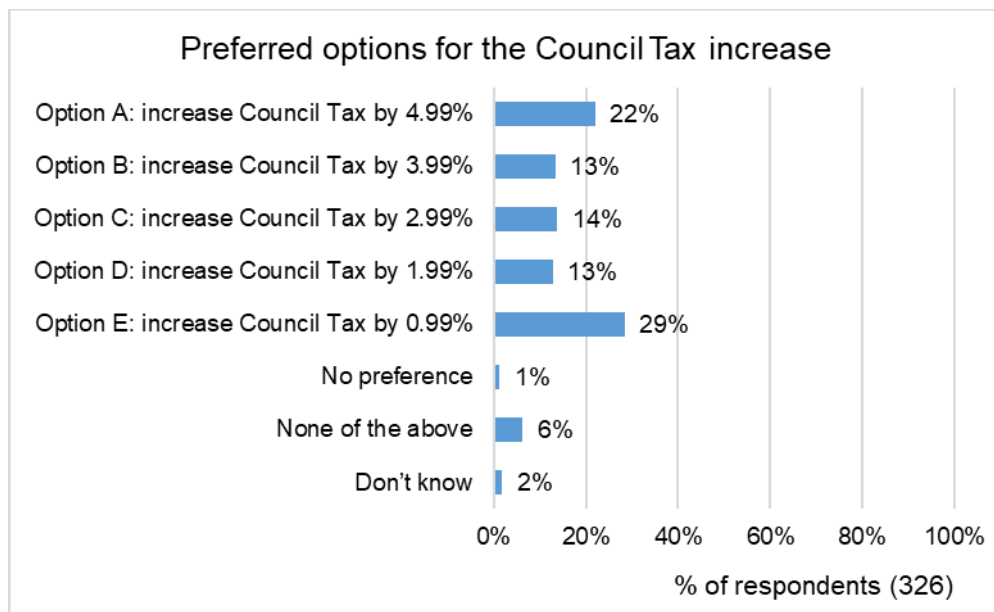
Q3. Which of the following options would you prefer?

Respondents were asked about their preference on the level of Council Tax increase that the council should consider for 2024/25. Although there was no clear overall preference, the most common response, selected by 29% of the 326 respondents, was to increase by 0.99%. The next most common response (22%), was to increase by 4.99%. The options in between received equal levels of support.

Figure 3 shows the respondents preferred options.

- 29% of respondents supported an increase of 0.99%
- 22% of respondents supported an increase of 4.99%
- 13% -14% supported an increase of either 1.99%, 2.99% or 3.99%
- 7% indicated that no preference or none of the given options

Figure 3: preference on increasing Council Tax



About you

Although the online survey approach is self-selecting and cannot be considered a representative sample of the views of the population, it is still useful to compare the characteristics of respondents to the population of the county as a whole.

For this reason, respondents were asked a few questions about themselves. The entire section, as well as the individual questions, was entirely optional to complete. 41 respondents (13%) indicated that they did not wish to complete this section

The profile of responses was broadly similar to the gender and disability profile of the county, but was skewed towards higher council tax bands and 45-64 years age group. And respondents were less likely to be from an ethnic group other than 'white British' (5% compared to 8% of population aged 16+).

Which Council Tax band are you in?

Table 3: percentage of respondents and percentage of dwellings in Herefordshire by Council Tax band

| Council Tax Band | Percentage of respondents | Percentage of dwellings (2021) |
|-------------------|---------------------------|--------------------------------|
| A | 8% | 15% |
| B | 13% | 23% |
| C | 16% | 19% |
| D | 27% | 15% |
| E | 11% | 14% |
| F, G or H | 16% | 12% |
| Don't know | 9% | - |
| Total respondents | 290 | |

Your gender?

Table 4: percentage of respondents and percentage of Herefordshire 16+ population by gender

| Gender | Percentage of respondents | Percentage of MYE 2022 aged 16+ years |
|-------------------|---------------------------|---------------------------------------|
| Male | 47% | 49% |
| Female | 53% | 51% |
| Other | 1% | - |
| Total respondents | 287 | |

What is your age band?

Table 5: percentage of respondents and percentage of Herefordshire population by age band

| Age band | Percentage of respondents | Percentage of MYE 2022 aged 16+ years |
|-------------------|---------------------------|---------------------------------------|
| 16-24 years | 4% | 8% |
| 25-44 years | 25% | 26% |
| 45-64 years | 45% | 28% |
| 65+ years | 27% | 26% |
| Total respondents | 285 | |

Do you have a disability, long-term illness or health problem (12 months or more) which limits daily activities or the work you can do?

Table 6: percentage of respondents and percentage of Herefordshire 16+ population by disability status

| Disability or Limiting Long Term Illness (LLTI) | Percentage of respondents | Percentage of population aged 16+ (Census 2021) |
|---|---------------------------|---|
| Yes | 20% | 17% |
| No | 80% | 83% |
| Total respondents | 285 | |

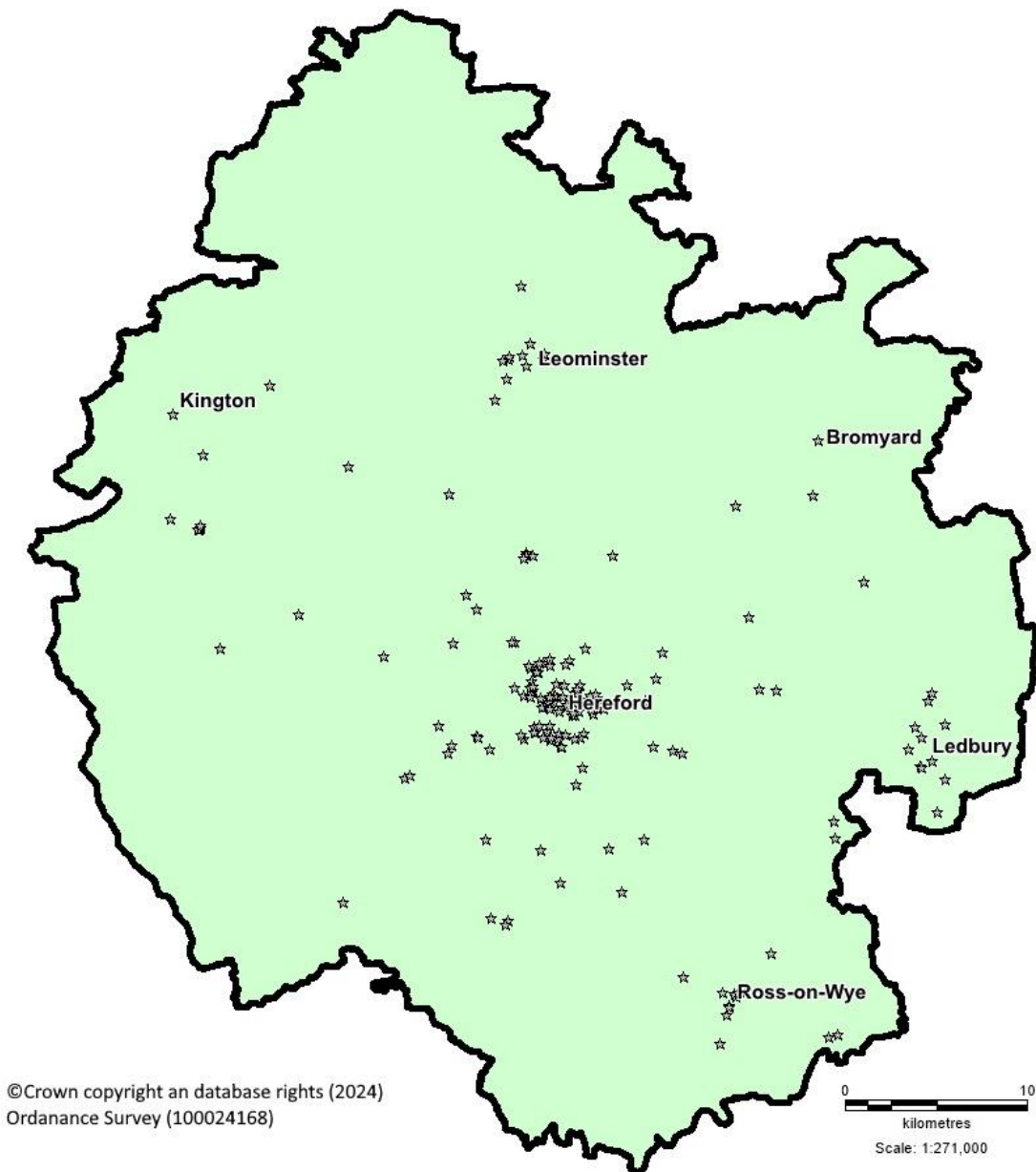
Table 7: percentage of respondents and percentage of Herefordshire 16+ population by ethnic group

| Age band | Percentage of respondents | Percentage of population aged 16+ (Census 2021) |
|---|---------------------------|---|
| White British/English/Welsh/Scottish/Northern Irish | 94% | 92% |
| Other White | 4% | 5% |
| Any other ethnic group | 1% | 3% |
| Total respondents | 284 | |

Postcode

Respondents were asked to provide their postcode with the aim of understanding the distribution of the responses across the county. 194 of the 326 respondents chose to provide their postcode, 192 of these are within Herefordshire. The following map shows where the postcodes spread across the county. Please note that the points on the map represent the centre of a postcode, not the actual address – see Figure 4

Figure 4: Respondents' postcodes



Appendix 1: List of free text comments to Q1b

| Comments |
|--|
| Parking charges are high and it isn't fair on car owners to have to bail out everyone. |
| The garden service is already available from Biffa |
| The council should have two aims: (1) To eliminate all non-essential spending and (2) To minimise the Council Tax to benefit "everyone". |
| It would be good to see the council spend as much money and effort on the rural areas of the county as they do on the city. We all pay Council Tax, I feel that those of us not in the city do not get any value for our money. For example, free buses in the city but no buses outside if it. And being penalised for driving into the city, how else are we supposed to get there? |
| Re. 100% discount. I support a generous discount as there is no point chasing people who genuinely cannot pay, but feel that it may be abused. Something should be charged - even if a token 5 - 10% |
| Isn't number 5 re-inventing the wheel, when the brown bin scheme has been running successfully for a number of years? |
| 1-No further comment 2-I support the reviewing of assets as long as the findings don't affect or impact the services offered by the council as a way to achieve a cost saving. 3-No further comment 4-Strongly oppose, Herefordshire already has extremely expensive parking charges, so much so I often avoid going into central Hereford and for larger in person shops prefer to travel to neighbouring counties. 5-The suggested costs in your garden waste survey currently ongoing are a lot more expensive than the cost of the bags. |
| Whilst it is important to maximise building use- it doesn't take into account the current use and costs to other departments if rents are increased. We rent buildings where social care activities take place and the council is looking to increase rents - we will therefore have to charge more to that department for services. |
| Important that those who are on low incomes/ most in need see no increase in their Council Tax. For those who are more fortunate (including myself), we should be willing to accept that it is our responsibility to pay more to maintain/ improve council services for all. |
| Council Tax discounts must be effectively means tested in line with current Government moves regarding welfare benefits eligibility. Garden waste collection subscriptions should be voluntary to accommodate residents who already compost all garden and kitchen waste at home. |
| A paid-for subscription based garden waste would be a great idea but concerns as to cost. If there are 18 collections, at £ 2 a collection (£36pa) would probably buy it but any more, would not bother. Am sure the council understands the economies of scale derived from making it very attractively priced so maximum number of people subscribe, with minimum cost per collection to them. |
| Do not increase Council Tax!!!! I work full time and can hardly afford to live as it is just so you can all line your pockets!!!! Invest in infrastructure and the actual city with empty shop and traffic issues. |
| Support more cultural services and the museum. |
| Stop wasting money on vanity projects. |
| No1 - The money spent on these services is given out too freely - we all know of people that don't deserve our money. No 5 - As long as I don't have to subscribe - those wishing to partake should pay. |
| We need a bypass and roads free of pot holes |
| There are people receiving 100% discount Council Tax, but smoking & drinking which they class as normality. Bills are priority then treats/habits only if you have the finances. We need to stop supporting those who expect everyone else to finance their habits, which also cost NHS their resources & out tax money. Society today has no idea of self respect resulting in those that are wise supporting those that don't care! |

| Comments |
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| Just put all the money, literally every penny, toward easing congestion... Ideally a bypass! |
| I support paying for garden waste collection. However, £55 for just 8 months of the year seems excessive compared to other parts of the country. Also, stop slipping the start date. I moved in last December (2022) & the website said 2023. Then, earlier this year, it slipped to 2024. Now it says 2025. Are you really going to introduce it - ever? |
| I personally use the green waste collection provided by Biffa, so unless the council scheme is cheaper then I wouldn't use it. |
| If you raise parking charges, this will further disincentivise people to visit/shop/work in Herefordshire. I will usually go to Worcestershire at it's a lot cheaper. Biffa already offer a subscription based garden waste service, you need to ensure that your offer is competitive with theirs. |
| I agree for the payment of collection of garden waste however this will I think promote fly tipping. |
| The roads need sorting out desperately. Even to cycle the roads are bad and you expect people to travel by car less. Bypass please to make it safer on the roads for a cyclist. Too many lorries going through the city centre. People don't go to town anyway so raising parking will just make it worse. I avoid town due to parking costs and lack of shops. Rather go to a retail park. |
| Introducing a garden waste scheme seems unfair to the organisation who currently offer this service - you will be taking business away from them |
| I feel raising the cost of car parking when you can easily get to smaller market towns and even larger cities often with cheaper parking and better road networks will put further strain on city centre businesses. I already only come to Hereford when I have appointments and shop elsewhere this would deter me further |
| Due to the excessive number of empty shops in Hereford increasing parking charges will deter more people coming into Hereford from outside of the city. Unless we had a value for money park and ride scheme. |
| Parking costs need to come down, I believe that more people will visit the county if the parking is cheaper. Need to also have a park and ride for Hereford City so that this would also help with parking |
| Parking charges have been steadily increasing for years now. As a resident of Hereford, I go into town much less than I used to, simply because the parking charges make it an expensive exercise. I know of many people who feel the same. It is stopping the city from prospering from it's own inhabitants. |
| You are proposing to give a 100% discount to residents struggling to pay Council Tax yet increasing it for the people who work hard to pay. This is unfair on every level. More support should be given to find out the reasons for people being unable to pay and to help them to get to a position where they can pay. Increasing parking charges will encourage inappropriate parking and will deter people from visiting the towns. Local bus services help elderly people and teenagers who don't drive to get into town and have independence. Taking a bus full of residents instead of multiple cars is much more efficient. |
| Biffa already has a paid for garden waste collection service - would this continue or will this replace it? |
| Having parked at many car parks in other areas of the UK, and locally we firmly believe raising car park charges would only deter shoppers and visiting people! |
| Need to build more homes for those who have lived in Hereford their entire life and need a council home rather than more houses to buy. Ridiculous. |

| Comments |
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| I would be very disappointed if the parking charges were to further increase. I presently go into Ledbury every day for my paper and other brief errands. Not finding free short term parking means I already incur enough charges to park my car. I also have to pay charges to park my car to use the gym and even a 6pm class still means I have to pay as I need to arrive 5 minutes earlier and have spotted a traffic warden patrolling the car park at 5.56pm. I also have to manage my home budget and already considering buying my paper and other bits and pieces from the supermarket where parking is free rather than support local businesses. |
| Regarding item 3, surely the number of pothole repairs is indicative of the need to resurface many roads. |
| Of course I can only comment on your selected options. How about - "save money by reducing levels of management"? |
| I think road resurfacing should be the biggest priority. |
| 100% Council Tax reduction for people most in need - should contribute on a 95% reduction, as the council recoups this by raising for everyone that does contribute and this small amount for the vulnerable would show willing to support all. Hereford has one of the highest parking charges nationally apart from big cities. By raising this you again are putting people off coming into town which then has a knock on effect on our already struggling high street. Hereford is one of the largest rural locations with poor public transport, with the cost of fuel, running a car and then paying high parking charges you are excluding people from accessing the main town both for leisure, essential needs, hospital, dentist and general needs that central Hereford offers. |
| Stop wasting money on green projects. |
| Yet again penalising & fleecing car drivers by increasing the already too high parking charges is not the answer! You want people to come into the city not stop them coming! |
| The road network is an incredibly costly piece of infrastructure to maintain. Don't allow it to be subsidised by those who use it least. |
| 5 - Under current arrangement can I assume that the waste sites in county towns would continue? |
| Do not raise Council Tax any further. |
| We already have a paid for garden waste system in brown bins. |
| Charging more to park in the city centre will just further lower footfall. Green waste charges would just be another tax on country people who mostly compost their waste and who already get few services from the council. Road surfaces need repairing not potholes that just come back. |
| There is already an efficient garden waste scheme in operation, competing with this may effect the cost and viability of both schemes. Running two vehicles over each route I will create unnecessary additional pollution. |
| In all honesty, who is going to pay for green waste to be taken away? It will just lead to fly tipping, or more garden fires, which is not good for the environment as it is releasing carbon which could be directed back into the ground by composting. You need an incentive to avoid more un-ecological ways of dealing with garden waste, e.g. a community hub based shredding facility or composting facility. I'd rather pay more for my GreenGro that expect the public to pay to dispose of green waste, because they won't do it. Absolutely hare-brained and pointless - where's the decision paper for this? I want to see the rationale! |
| 5 would penalise ratepayers who are unable to get to a waste disposal facility .3 - proper regard should be given to cyclists safety. 4 - the previous scheme for the elderly should be reinstated. |
| Just sort the roads!!! No one cares about anything else. |

| Comments |
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| <p>Don't be silly and sell Council assets. Stop outsourcing, employ your own people and keep the money circulating in the Council. Selling assets is short-sighted. The money will just go in one hand and out the other. E.g. selling a building or piece of equipment, then needing to rent or outsource is false economy. Don't raise parking charges. Freeze and encourage people to continue to visit town and support local businesses. Raise funds through a better EV network. That can be a good business. Or create a solar power farm and generate money that way. Think green. Be at the forefront.</p> |
| <p>Large infrastructure projects e.g. western bypass put [the] council at financial risk. Look at the likes of Woking as an example of [a] council brought down.</p> |
| <p>With such a rural community and patchy bus service, increasing car parking fees would penalise those of us in the more rural parts of the county who have to use cars and car parks for basic necessities such as food shopping and medical appointments.</p> |
| <p>re: 1a 2 I do not agree with the selling of council assets. Why not employ local tradespeople to make good repairs to council buildings? This may also help residents in the community struggling to pay their Council Tax charge 1.a - 1. As there would be more work opportunities. 1.a 3 Repair the roads and potholes (using local tradespeople) will help victims of pothole damage to their vehicles have more available money to spend locally thus supporting local businesses. Good roads will potentially encourage out of area people to the County too. 1. a 4 I cannot understand why elected Councillors or even anyone would think increasing car parking fees will encourage people to shop in Herefordshire. This is utter short-sightedness.</p> |
| <p>The parking charges in Herefordshire are very high compare to its neighbouring counties. With such high parking rates we keep people away from visiting our county, which means we are losing money from [the] tourism aspect. With more affordable parking charges, we can attract more people to come and visit our beautiful counties and improve our economy.</p> |
| <p>Re question 5 - this is already an option available to purchase at £6.67 per month with a brown wheelie bin and collected fortnightly - works really well.</p> |
| <p>Car parking needs a review to rationalise the numbers to provide bigger more suitable car parks with introduction of pay on exit where possible and dispose of the smaller car parks for redevelopment with monies reinvested.</p> |
| <p>Not sure all those getting 100% discount are worthy. Other concessions are very tight, so perhaps a small amount should be required from all residents</p> |
| <p>I appreciate the poor state of many of Herefordshire's roads, but the county's bus services are in much more urgent need of improvement. There are very few places with an adequate service. As for my opposition to reviewing council assets, I should clarify that I am not opposed to making better use of existing land (e.g. renting it out, developing etc.) however I would vehemently oppose any land sales. This would be very damaging in the long term, and reduce the council's future agency.</p> |
| <p>I am neutral about the paid-for garden waste as such a service would be of no practical use to me notwithstanding that I do have a garden which produces waste. This is because the waste produced varies between nothing over the winter to large quantities of prunings and lawn cuttings which would overwhelm any weekly or fortnightly collections.</p> |
| <p>Drivers must recognise they must pay for climate change which fossil fuel use has caused.</p> |
| <p>The review of council's assets should not be done by expensive outside consultants. What is missing is investing in capital grants for rural community hubs.</p> |
| <p>Do not get rid of green bags as the elderly or occasional users will still need these.</p> |
| <p>Where are all these extra police officers supposedly recruited to justify another tax rise? All lies and now your going to put it up yet again for cut services. It's a disgrace the amount of money the council waste year in year out.</p> |
| <p>Far greater resources are needed for public rights of way work and active travel schemes. This should be prioritised within the highways budget.</p> |

| Comments |
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| Please do not spend any money on 20 mph consultation. |
| Everybody should pay some level of Council Tax and no one should have 100% discount. They should be on a scale down to 25% if they can't pay. |
| The council should also be looking for efficiency savings and opportunities to collaborate with other local authorities and other organisations. It should routinely benchmark its activities as to both cost and effectiveness, so as to identify areas for improvement, and publish the results. |
| We need to protect those that need help. Increasing parking charges will hit local businesses, town and city centre footfall I already subscribe to a garden waste bin collection - a service offered by Biffa, so why have this as an option? |
| Why tax the motorists? We pay enough in duty and VAT? Green waste for people in the countryside will not work as I have a large garden with hedging all around and create a lot of green waste which I take to the tip as a bin would not be big enough. Also I would have to walk 100 metres with the green bin to the road and as a pensioner with a double bypass would not be a good idea. |
| Parking charges - Kington residents' needs for parking must come first and not at cost over and above the Council Tax we already pay garden waste - a) the green sacks have worked well for many - adding an extra charge is not ok; and getting garden waste to the recycling centre is a prime reason for residents' parking to be available as near their homes as possible. |
| Make the Maylords Centre into a hub similar to Worcester Library! This is a fantastic idea and needs to be followed through. Selling council assets is short-termism in the extreme. Assets have been built up in order to save money in the long run. |
| Use money effectively and efficiently. Why change agreements e.g. library in Shire Hall instead of Maylords? Is this cost effective or Tories doing what they want, not what is cost effective. |
| Clearly there is a need to raise income/revenue, so although regretful it is a necessary thing to increase charges across the board for the services the authority offers. |
| Best value for money re PROW bridge installation costs. BBLP charge nine times the cost when other quotes are compared. Please put PROW bridge installations out for public tender for the 25 bridges needing repair, public tender would save £450,000 |
| Review your agency / interim spend in posts that are not hard to fill. You have expensive interims in jobs that would be £50k salary but are probably costing you £600 / day and you've had them for 2 plus years now. Ridiculous! They are not hard to fill. |
| Whilst I support an increase in tax to save valued services I do not wish to see more money wasted on revisiting the Southern Bypass proposals. Also I condemn the money wasted by changing the planned location of Hereford Library. |
| Our roads are in need of urgent repair. Repairs on vehicles due to poor roads has increased according to my mechanic. I have had to replace 3 coil springs this year & need new shocks due to humps & state of our roads. The money government gave Hereford a few years ago towards roads has not materialised! Our roads are dangerous we all avoid holes now driving zigzag constantly. We should not support people on benefits who drink smoke & waste their funds. Irresponsible causing those working to support their habits. Worked all my life, paid my bills, been honest & what for? Doesn't pay to be hard working we just support lazy people in this society. About time those that can work & don't are given tasks for their benefits. Clean our streets, unblock drains, wash street signs, cut over grown hedges etc., all the things the council can't do now. |
| High cost of parking in Herefordshire already discourages me from visiting Hereford to shop. |
| Stop asking for more then wasting it on green initiatives. Sell the planters and give us back our street parking |
| Make Etnam Street car park free for up to 2 hours and free to all Etnam Street residents when permits start |

| Comments |
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| There could be a review of street lighting to remove many of the unnecessary street lights in rural areas. This would save money on maintenance, electricity costs and would have the benefit of reducing light pollution. |
| I have a brown bin emptied every 2 weeks for garden waste at a cost of about £75 a year. |
| With regards to garden based waste I would hope that this would then mean it will be recycled as opposed to know when it needlessly goes to landfill. I assume your new scheme which we all had to vote on won't now be happening? |
| The issues below are all equally important and I find it offensive that you should put care of the vulnerable, schools, health & car parking in the same list. |
| Please look more closely at where you are already spending our money and justify those expenditures before taking more money from us. |
| I really hope there is an update on what this means for council workers, especially in terms of job security |
| If you want people to have their say let them and not have a tick box survey. |
| Item 5. I would support a paid for subscription based garden waste collection if I thought the garden waste would be recycled. However if it were to go to landfill as it does currently then definitely not. |
| I notice you provide no area to comment on Council Tax - I find this very disrespectful to those in the constituency. You should look to yourselves as to why no one wants Council Tax to rise - if it looked as though an additional six million a year was being invested in the county, no one would question you - when it looks purely wasted to line council pockets at the expense of those who need it more, a rise is simply despicable. I am sure that there are many hidden costs that no one sees that are completely justified - but we all know you will look to take the most you can from everyone regardless, just very disappointing that this additional revenue is never enough year on year. |
| 1. We need to be mindful that this does include local government workers too. |
| Particular attention should be applied to "green" investments, most of which are very poor value for money. Virtue signalling must be avoided when there are real monetary constraints. Only items with a 3 year or less payback should be considered. |
| I pay separately for the garden waste to be collected by the Green Waste Club (Biffa) @ £6.67 per month. It works well for me. If the council had a subscription-based service, people would need to know how it would affect their subscription to GWC Biffa. |
| The council are losing staff in droves due to poor pay and conditions, you need to address this. |
| All car parking should be free to residents. This would ensure that car parks not residential roads are used for parking by those of us visiting. Freeing the roads for road-users, leaving road side parking only for residents who have no off road parking at their home. I believe that the Council Tax as it stands should be abolished. This is also my answer to your question number 3. Instead, a contract should be made between the council and residents for necessary spending i.e.. provision for Schools, people with special needs, the elderly, refuse collection and road mending, stating the services provided, by whom and their cost. Anything else i.e. 'city trees', could be 'crowd funded'. For example, if each household paid £1.00p towards a scheme they cared about, a considerable amount of money would be raised. Most important, listen to the residents of Herefordshire not the Government. We live here, they do not. |
| The garden waste service needs to be self financing if not small profit making. |
| The council wastes copious amounts of money between moss planters and excessively expensive Widemarsh Street repairs and poorly constructed bicycle lanes. More expensive should be spent on improving services (contacting the council about Council Tax is appalling ineffective) and properly maintaining the road network and public transport to reduce the demand of cars. |

| Comments |
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| Whatever happens, the Southern Link Road and bypass must be prioritised. |
| There should be a larger discount for sole occupiers especially sole pensioner occupiers. |
| Scrap Beaufort Beatty who are poor value. |
| I live in Hereford for 2 years now and I have been living in Herefordshire for 5 [years] and I think one of the issues that no one is addressing is speeding across town. Mobile or stationary cameras must be considered and speed bumps too. |
| With regard to 100% discounts on Council Tax, this should be assessed and properly means tested so only those who are genuinely in need will benefit and not those who just don't want to work. |
| Question 5 - there is already a good private provider of this service. |
| Revenue increases needed to increase council funding. |
| The council need to stop wasting money on nonsense. Ask the people what they want, Hereford is long over due a bypass, we don't need plant pots, office refurbishments or any of the other things you waste money on. Don't keep raising Council Tax if you fail to ask the people why they want. The council are so out of touch it honestly makes me think no one on the council actually lives in Hereford or the surrounding area. |
| The roads are in need of repair difficult to cycle due to amount of potholes. |
| I live in a rural area with very poor - roads, bus service, and no garden waste collection, I get very little from the Council Tax I pay. I don't agree people should get a 100 % reduction if they are on benefits. |
| I think increased parking charges is playing with fire, unless there is an alternative. I think the Zipper buses are a great additional asset, but there definitely needs to be more frequent bus services or a park and ride. |
| I wish to prioritise more than 3 services. I know this source is not meant for this comment but there seems no further opportunity to comment. Prioritising only 3 will distort the importance people put on different services and could introduce bias into the survey. |
| Please stop wasting our money on consultants and manage your contracts properly to deliver VFM - hold suppliers responsible for their delays and mistakes, stop taking all the contractual risks. |
| Not just roads, pavements are in a right state. Drains need clearing as well. I have lots of elderly neighbours who are losing independence due to the state of the pavements. It's not fair! |
| Priority needs to be spending what money there is wisely and efficiently. |
| Increasing parking charges will run the risk of increasing short-term revenue only to make Herefordshire towns less and less attractive to visit. It is very short-sighted. |
| The roads are terrible in this county. This has to be your focus if you keep putting Council Tax rates up. Stop wasting money. It's shocking how much was spent on lowering a curb and on refurbing a council building that already overspent a few years ago. Maybe sack some consultants or senior staff at the council and stop giving out bonuses. |
| I think increasing parking costs reduces use of high street shops. It certainly puts me off shopping in a town if the parking is expensive, I prefer to be able to park for up to 2 hours for free and whizz around my chores. If I can't park for free, I shop on line instead. Road repairs definitely need to be prioritised. I think it would be better to give those worse off, higher benefits, but make them pay at least some Council Tax so they appreciate the need to budget for their household costs and then they might be invested in what the Council Tax they pay is used for. Garden waste should be composted, so those who cannot do it at home, should be pleased to be able to pay to get it composted, much better than the current green sacks that just go into landfill. So if anyone is paying for green sacks, they should be quite happy to pay for a garden waste scheme. |

| Comments |
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| A tiered system, based on what someone can afford, instead of a blanket 100% reduction would be a fairer system and spread the cost. This would bring further funds into the council pot and mean remaining constituents are not further stung by unfair and unsustainable tax increases. |
| I think that there should be greater priorities than repairing potholes (e.g. investing in Early Help for families which would save money by reducing large costs of children in care, child protection and care proceedings). The contract with Balfour Beatty is terrible value: should be better managed and re-negotiated. Increasing parking charges may reduce people visiting Hereford etc. to shop etc. |
| |
| EMAIL COMMENTS |
| Hello, I would suggest using option 'C'. |
| I am writing with regard to the Council Tax options for next financial year. I think the Council Tax for Ledbury is exceedingly high. There is so much house building in Ledbury that will obviously give you more funds that surely this will fund additional expenditure for any social care costs. As an alternative, can you look out increasing Council Tax for outlying parishes so it is at least equivalent to Ledbury rates i.e. a 4 bedroom property with 1/5 acre garden in Pixley and district currently pays less than 4 bedroom property with a garden so much smaller in Ledbury. |
| For too long roads have been neglected in our county and need urgent repairs, the budget for 24/25 should be capped at 2.99% as we have had a 40% increase in Council Tax over the last 8 years. If you live in the countryside you get very little from the council , odd salt bin, refuse collection and not much else, where are the police etc. The proposed garden waste would be good for towns and villages but where I live it would be a waste of time as I would need a skip to remove my garden waste in spring and autumn. The plans for food waste is a waste of time as I compost and do not have cooked food waste as I cannot afford to live like that. |
| Invest in potholes repair and the road network (To improve the road network and prioritise those roads identified as requiring the most urgent work)- agreed Raise money through increases in parking charges across the county- disagree Introduce a paid-for subscription based garden waste collection service (The introduction of a paid-for subscription based collection service would replace the current arrangement and green sacks for garden waste will no longer be available for purchase)- disagree. The Green waste club already exists in Hereford and I will not be switching to a paid for service by the council, I do not think that would be value for money. If I worked for the council I would want to see a business case for it. Any investment by the council should be subject to a clear business case outlining the rationale for investment, the costs/ risks/ timescales and resources needed, as well as a clear options appraisal (including a do nothing option). Projects such as the planting of trees along the road by the railway station were not value for money and were not a good investment. I am certain that there was no business case for this work. The final item that should be considered is the need for a bypass. We travelled from Marden to Tesco on Belmont Road last week and it took 47 minutes. This is entirely unreasonable. This is a regular occurrence and is not a one off. The main question I would be asking if I were a member of staff about any investment projects the council does is: Would I spend my own money in this way? I think the answer to most of the projects Hereford Council does is no. There should be much more rigorous scrutiny of expenditure at the council. |
| I'd vote for option A. |

Comments

We would like to offer feedback on the budget 2024/25 consultation. As a small business based in Hereford city centre that has been operating for [REDACTED] years, we have seen many changes introduced by various councils over the years. One of the budget themes this coming year is to raise money through increases in parking charges across the county. Along with many other businesses in the city, we strongly disagree with this, as there have already been significant increases to parking charges in city centre car parks over the past several years. This has a detrimental effect, particularly to smaller businesses, as we rely on customers coming into our shops (rather than sitting at home and ordering online). A push towards green public transport is inevitable. However, if a customer has a lot of shopping to carry home then logistically travelling by car is the easiest method, particularly if they live in a rural area. Whilst we understand the need for the Council to generate revenue in order to cover the cost of services, any reduction in car park income could be recovered by encouraging more people to visit the city centre and as a result, more businesses would stay open resulting in an increase in businesses paying rates. We also feel that a discounted option (e.g.. £1 to park for four hours) in all city centre car parks on a Saturday would be beneficial to local businesses. This would give customers a good amount of time to visit shops at a fair price. To prevent shop workers in town filling the car parks with their own vehicles, the offer could run from 10am-2pm or 11am-3pm.

In view of the cost of living crisis I would I suggest a freeze on any new projects, transport hub, etc. and as for your 20mph speed limit how much is that going to cost, the council need to wake up to the problems people are facing. As for the road repairs whoever is responsible for checking the repairs needs to get out of there office and take a look at them as some of them are a complete waste of time and money. I think you all need to get off your back sides and take a good look at yourselves.



Title of report: 2024/25 Capital Investment Budget and Capital Strategy Update

| | |
|------------------------|---|
| Meeting: | Cabinet |
| Meeting date: | Thursday 25 January 2024 |
| Cabinet Member: | Peter Stoddart, Finance and Corporate Services |
| Report by: | Director of Resources and Assurance |
| Report Author: | Strategic Capital Finance Manager |

Classification

Open

Decision type

Budget and policy framework

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To recommend to Council for approval the revised capital investment budget and capital strategy for 2024/25 onwards.

Recommendation(s)

That: Cabinet recommends the following to Council

- I. To approve the revised capital programme for 2024/25 attached at appendix C; and**
- II. Approve the capital strategy at appendix D.**

Alternative options

1. It is open to Cabinet to recommend alternative capital investment options to Council. No alternative options have been brought forward to date and suggestions would require review and assessment, in line with those completed on the options presented in this report. In addition, as an amendment to proposals put forward by Cabinet, any amendment would either require the consent of the Leader of the Council or further consideration by Cabinet, and scrutiny, before a decision could be taken in accordance with budget and policy framework rules.
2. A capital strategy is required in accordance with the statutory guidance issued by Chartered Institute of Public Finance and Accountancy (CIPFA), there is discretion on content of the strategy but we have applied the guidelines within the draft.

Key considerations

3. The capital programme reflects capital investment generating benefit to the county for a period in excess of one year.
4. There was a Full Council meeting on 8 December 2023 and the current capital programme included in this report is the base capital programme. There has been one addition since the meeting, with the confirmation letter just received from the Department for Transport of an additional £3.66m grant which will be spent in 24/25 is now included.
5. The approved capital programme is provided at appendix B as at the end of December. The reprofiling of the capital spend was carried out in quarter 2 in line with external audit recommendations and reported separately to cabinet. Forecasting against budget is reported to Cabinet in the quarterly performance report, which includes an up to date forecast of the timing of capital spend, this forecast will be reported at the February meeting.
6. As part of the 2024/25 budget setting process, priority capital investment needs for future years have been identified.
7. All proposals are included in appendix A along with outline strategic business cases at Appendix E. Appendix A provides details of the proposed additions to the existing capital programme that have been identified and the impact of approving these additions. Seven capital investment budget proposals totalling £7.63m have been identified, to be funded by prudential borrowing.
8. Within the previously approved capital programme there are two separate budgets that relate to the Broad St Site that will house the new museum to replace the lift and create the mezzanine floor, as these works will now be completed within the contract for the museum building the £0.4m has been moved to increase the £18m Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment to £18.4m. The budgets presently sit £0.2m in Hereford Library project (when located at Broad St) and £0.2m in Estates Capital Programme 2019/22.
9. An informal review of all prospective capital funding requests has been completed to ensure all funding requests were manageable within the current borrowing limits in the medium term financial strategy.
10. Inclusion in the capital programme is not approval to proceed. Each project will be subject to its own governance, a full business case will be presented for approval where required and compliance with the council's contract procedure rules as applicable.

11. The capital strategy has been developed in accordance with CIPFA guidelines. The purpose of the capital strategy is to tell a story that gives a clear and concise view of how the council determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. It should not duplicate other more detailed policies, procedures and plans but instead sit above these and reference these to allow those seeking more detail to know where to find it. That said it should provide sufficient detail so that it provides an accessible single source for the reader. The strategy is included at appendix D and in line with the guidelines requires Council approval.

Community impact

12. In accordance with the adopted code of corporate governance, Herefordshire Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these is an important strategic choice to make to ensure intended outcomes are achieved. The council needs robust decision making mechanisms to ensure our outcomes can be achieved in a way that provides the best use of resources while still enabling efficient and effective operations.
13. The capital investment proposals support the overall delivery plan and service delivery strategies in place. The overall aim of capital expenditure is to benefit the community through improved facilities and by promoting economic growth. A specific community impact assessment, including any health and safety implications or corporate parenting responsibilities, will be included in the decision report required for any new capital scheme commencing and incurring spend.

Environmental Impact

14. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
15. Whilst this overarching budget setting document will not detail specific environmental impacts, consideration is always made to minimising waste and resources use in line with the council's Environmental Policy. A specific environmental impact assessment for the service specific budget proposals will be considered as appropriate to seek to minimise any adverse environmental impact and actively seek opportunities to improve and enhance environmental performance. An environmental assessment will be developed and scoped for each project when they seek approval to spend through a separate governance decision.

Equality duty

16. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

17. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. An equality impact assessment (EIA) will be carried out prior to any new scheme commencing and will form part of the approval process, required ahead of incurring capital spend.

Resource implications

18. The proposed additions at appendix A total £7.63m over the next four years. This is all to be financed from prudential borrowing funded by the corporate revenue budget. Where projects are in the capital programme but they depend on grant, if the grant request is not successful, the full project including any match funding will be removed unless a revised project is approved within the revised allocations.

| No | Scheme | Capital Grant funding £000 | Redirected funding £000 | Capital receipt funding £000 | Funded by ROI £000 | Corporate Funded PB £000 | Total Request £000 |
|--|---|----------------------------|-------------------------|------------------------------|--------------------|--------------------------|--------------------|
| Community:- Build communities to ensure everyone lives well and safely together | | | | | | | |
| 1 | Schools Accessibility | 0.0 | 0.0 | 0.0 | 0.0 | 1,500.0 | 1,500.0 |
| 2 | Children's residential homes for 11 to 18 year olds | 0.0 | 0.0 | 0.0 | 0.0 | 424.0 | 424.0 |
| | Total Community | 0.0 | 0.0 | 0.0 | 0.0 | 1,924.0 | 1,924.0 |
| Economy:- Support an economy which builds on the county's strengths and resources | | | | | | | |
| 3 | Planning & Regulatory Services software | 0.0 | 0.0 | 0.0 | 0.0 | 1,396.0 | 1,396.0 |
| 4 | Estates Building Improvement Programme 2024-27 | 0.0 | 0.0 | 0.0 | 0.0 | 2,765.6 | 2,765.6 |
| 5 | Building works from 2022 Condition Surveys | 0.0 | 0.0 | 0.0 | 0.0 | 745.0 | 745.0 |
| 6 | VMWare Host Replacement | 0.0 | 0.0 | 0.0 | 0.0 | 247.5 | 247.5 |
| 7 | Property Improvements in Care Homes | 0.0 | 0.0 | 0.0 | 0.0 | 550.0 | 550.0 |
| | Total Economy | 0.0 | 0.0 | 0.0 | 0.0 | 5,704.1 | 5,704.1 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 7,628.1 | 7,628.1 |

19. The corporate revenue implications of securing this new borrowing is supported in the current Medium Term Financial Strategy and Treasury Management Strategy which included an estimation of £6.7m new prudential borrowing per annum over the strategy period.

| Funding Position | 24/25 | 25/26 | 26/27 | 27/28 | Total |
|---|----------------|----------------|--------------|----------|----------------|
| Total Corporate Borrowing Required | 5,428.4 | 1,579.7 | 620.0 | - | 7,628.1 |
| Annual Funding Limit | 6,700.0 | 6,700.0 | 6,700.0 | 6,700.0 | 26,800.0 |

| | | | | | |
|---------------------------------------|-----------------|-----------------|---------------|----------------|----------------|
| Unspent 22/23 borrowing to reallocate | 150.7 | - | - | - | 150.7 |
| Unspent 23/24 borrowing estimated | 777.3 | - | - | - | 777.3 |
| Allocated Previously | - 6,700.0 | - 6,700.0 | - 6,700.0 | - | - 20,100.0 |
| Total Funding Available | 928.0 | 0.0 | 0.0 | 6,700.0 | 7,628.0 |
| Funding Variance | -4,500.3 | -1,579.7 | -620.0 | 6,700.0 | -0.0 |

20. The additional borrowing requirement is reflected in an update to the Treasury Management Strategy as shown in the report appearing elsewhere on the Cabinet's agenda today [25 January 2024] with actual borrowing being secured, as cash funding is required at the optimal interest rate available at that time. Although the above table reflects advance borrowing above the 2024/25 allowance it is believed the additional cash balances held in reserves and slippage of the capital programme each year will ensure the costs of borrowing for these new projects will be offset within the existing budget. The revised capital programme approved at council 8 December 2023 reprofiled £5.3m corporate funded borrowing from earlier years to 2026/27, which more than covers the amount now added for 2024/25.
21. Individual capital scheme resourcing implications will be detailed in the approval to precede decision. Appendix E contains the outline strategic business cases for each of the new projects.

Legal implications

22. The council is under a legal duty to sensibly manage capital finance. The council is able to borrow subject to limits set by the council, any nationally imposed limits, and it must do so in accordance with the prudential code on borrowing.
23. The Local Government Act 2003 allows the council to borrow for any purpose relevant to its functions under any enactment and for the purposes of the prudent management of its financial affairs.
24. Full Council is responsible for adopting the capital investment budget (referred to above as the capital programme) for the next financial year. Local Authorities deliver a range of services some of which are required to be undertaken under statutory duties and others which are a discretionary use of statutory powers. Local Authorities' powers and duties are defined by legislation. The Localism Act 2011 provides a General Power of Competence under Section 1, which provides local authorities with the power to do anything that an individual may do, subject to limitations. Capital expenditure is defined under the Local Government Act 2003. It is therefore not only schemes that are necessary for the council to meet its statutory duties, which can be approved. Any scheme must be procured in accordance with the council's own contract procedure rules and appropriate contractual documentation put in place to protect the council's interests.
25. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on the Council's budget if he or she has an outstanding council tax debt of over two months. If a councillor who is precluded from voting is present at any meeting at which relevant matters are discussed, he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.
26. In accordance with the budget and policy framework, rules in the constitution the general scrutiny committee shall inform and support the process for making cabinet proposals to Council. The Scrutiny Management Board should include review of the capital investment budget at appendix A prior to submission to full Council. It is anticipated this will be at its meetings on 10 and 16 January 2024, to ensure the proposals included in appendix C and D have been developed in accordance with the constitution.

27. Cabinet shall have regard to scrutiny recommendations and the responses to the consultation as have been made to it in drawing up or amending draft proposals for submission to Council, and its report to Council shall reflect those recommendations, comments, and the cabinet's response to them.

Risk management

28. For all capital projects monthly budget control meetings give assurance on the robustness of budget control and monitoring, to highlight key risks and to identify any mitigation to reduce the impact of pressures on the council's overall position for example through phasing of spend, identifying and securing scheme changes or alternative funding sources.
29. Capital projects inherently give rise to risks in their delivery, both in time and budget. Individual scheme reporting and associated project boards exist to mitigate these risks. Furthermore slower delivery than forecast can mean the strategic ambitions are not being met as planned. All projects are expected to be managed through the programme management office once resources are in place, so further mitigating the risk of overspend or delays.
30. The proposed additions have been reviewed in relation to risks, both in deliverability, costs, impact and associated scheme interdependencies. The individual scheme detail of the risks will be provided as individual schemes progress to approval to deliver.

Consultees

31. The council's constitution states that budget consultees should include parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council, the scrutiny committees and such other organisations and persons as the leader shall determine.
32. The draft paper was considered at cabinet on 14 December 2023, with the additions supported by other group leaders. The only change since that meeting is an increase to the property budget of £0.3m which is funded by further underspend in 23/24 of projects delivering under budget and the corporate borrowing to be reallocated.
33. An online public consultation is currently open and the results of this will be published for the Council meeting in February 2024. The main focus of the consultation was on council tax setting and the savings that needed to be identified to enable a balanced revenue budget to be presented due to the current pressures but is also seeking views on the disposal of assets. There was however strong support for investing in pothole repair and the road network which supports the overall capital programme in Appendix C.
34. The proposed capital investment budget additions were presented to scrutiny management board (SMB) at the meetings on 10 & 16 January 2024. There were no capital recommendations in regards to the proposed capital programme additions and therefore there are no changes to the recommendations being proposed by cabinet to council.

Appendices

Appendix A - Proposed capital investment additions from 2024/25

Appendix B - Current status of approved capital programme

Appendix C - Total proposed capital programme

Appendix D - Proposed Capital Strategy

Appendix E – Outline Strategic Business cases for capital investment proposals.

Background papers

None

Glossary of Terms

Capital Grant Funding – External income from another organisation

Redirected Funding – Use of revenue reserves to fund capital

Capital Receipt Funding – Use of the capital receipts reserve generated from sale of land, buildings and other assets of the council

Funded by Return on Investment – this is where there is a return on investment to repay the borrowing costs, such as increased income or savings on the current budget by reducing on going costs

Corporate funding by Prudential Borrowing – this is where prudential borrowing is repaid from the corporate revenue budget

Report Reviewers Used for appraising this report:

| Please note this section must be completed before the report can be published | | |
|---|---------------------|-----------------|
| Governance | John Coleman | Date 12/01/2024 |
| Finance | Judith Tranmer | Date 03/01/2024 |
| Legal | Sean O'Connor | Date 28/12/2023 |
| Communications | Luenne Featherstone | Date 27/12/2023 |
| Equality Duty | Harriet Yelling | Date 07/01/2024 |
| Procurement | Lee Robertson | Date 28/12/2023 |
| Risk | Kevin Lloyd | Date 03/01/2024 |

| | | |
|-------------|------------------|-----------------|
| Approved by | Andrew Lovegrove | Date 16/01/2024 |
|-------------|------------------|-----------------|

Appendix A

| No | Scheme | Current Capital Programme £000 | Total 24/25 £000 | Total 25/26 £000 | Total 26/27 £000 | Total 27/28 £000 | Capital Grant funding £000 | Redirected funding £000 | Capital receipt funding £000 | Funded by ROI £000 | Corporate Funded PB £000 | Total Request £000 |
|--|---|--------------------------------|------------------|------------------|------------------|------------------|----------------------------|-------------------------|------------------------------|--------------------|--------------------------|--------------------|
| Community:- Build communities to ensure everyone lives well and safely together | | | | | | | | | | | | |
| 1 | Schools Accessibility | 1,003.0 | 1,500.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,500.0 | 1,500.0 |
| 2 | Children's residential homes for 11 to 18 year olds | | 424.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 424.0 | 424.0 |
| | Total Community | 1,003.0 | 1,924.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,924.0 | 1,924.0 |
| Economy:- Support an economy which builds on the county's strengths and resources | | | | | | | | | | | | |
| 3 | Planning & Regulatory Services software | | 698.0 | 698.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,396.0 | 1,396.0 |
| 4 | Estates Building Improvement Programme 2024-27 | | 1,818.3 | 607.3 | 340.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2,765.6 | 2,765.6 |
| 5 | Building works from 2022 Condition Surveys | | 190.6 | 274.4 | 280.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 745.0 | 745.0 |
| 6 | VMWare Host Replacement | | 247.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 247.5 | 247.5 |
| 7 | Property Improvements in Care Homes | | 550.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 550.0 | 550.0 |
| | Total Economy | 0.0 | 3,504.4 | 1,579.7 | 620.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5,704.1 | 5,704.1 |
| | Total | 1,003.0 | 5,428.4 | 1,579.7 | 620.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7,628.1 | 7,628.1 |
| | Unspent 22/23 borrowing to reallocate | | | | | | | | | | 150.7 | |
| | Unspent 23/24 borrowing estimated | | | | | | | | | | 777.3 | |
| | Allocated Previously | | | | | | | | | | - 20,100.0 | |
| | Total Funding Available | | | | | | | | | | 7,628.0 | |
| | | | | | | | | | | | - | |
| | Funding Variance | | | | | | | | | | -0.0 | |

Capital Programme position December 2023/24

Appendix B

| Scheme Name | Spend in | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Total | Grant & funding cont | Prudential borrowing | Total | Prior Years | Total Funding |
|--|---------------|---------------|---------------|---------------|--------------|---------------|----------------------|----------------------|---------------|---------------|---------------|
| | Prior Years | Total Budget | Total Budget | Total Budget | Total Budget | Scheme Budget | | | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Hereford City Centre Transport Package | 37,224 | 1,500 | 5,755 | 2,500 | 0 | 46,979 | 6,081 | 3,674 | 9,755 | 37,224 | 46,979 |
| Hereford City Centre Improvements (HCCI) | 3,500 | 2,200 | 300 | 0 | 0 | 6,000 | | 2,500 | 2,500 | 3,500 | 6,000 |
| Hereford ATMs and Super Cycle Highway | | 350 | 650 | 0 | 0 | 1,000 | | 1,000 | 1,000 | 0 | 1,000 |
| Emergency Active Travel Fund | | 119 | 0 | 0 | 0 | 119 | 119 | | 119 | 0 | 119 |
| Active Travel Fund 4 | | 156 | 150 | 0 | 0 | 306 | 306 | | 306 | 0 | 306 |
| Southern Link Road | | 800 | 2,200 | 2,000 | 5,300 | 10,300 | 5,000 | 5,300 | 10,300 | 0 | 10,300 |
| LUF - Active Travel Measures (north of river) | 251 | 500 | 3,715 | 0 | 0 | 4,466 | 4,215 | | 4,215 | 251 | 4,466 |
| LUF - Active Travel Measures (south of river) | 2 | 750 | 8,445 | 0 | 0 | 9,197 | 9,194 | | 9,194 | 2 | 9,197 |
| Sustainable Transport & Place Making Delivery Board | 40,976 | 6,375 | 21,215 | 4,500 | 5,300 | 78,366 | 5,000 | 19,915 | 12,475 | 37,390 | 40,976 |
| Local Transport Plan (LTP) | | 15,466 | 15,466 | 0 | 0 | 30,932 | | 30,932 | 30,932 | 0 | 30,932 |
| Priority Flood Repair Works | 2,868 | 1,159 | 0 | 0 | 0 | 4,027 | | 1,159 | 1,159 | 2,868 | 4,027 |
| Extra Ordinary Highways Maintenance & Biodiversity Net Gain | 1,891 | 256 | 151 | 0 | 0 | 2,299 | | 408 | 408 | 1,891 | 2,299 |
| Public Realm Maintenance - Mitigating Risk on the Network | 1,101 | 3,656 | 193 | 0 | 0 | 4,950 | | 3,849 | 3,849 | 1,101 | 4,950 |
| Highways Maintenance and pot hole repairing 2023/24 | | 2,558 | 0 | 0 | 0 | 2,558 | 2,558 | | 2,558 | 0 | 2,558 |
| Winter Resilience | | 227 | 740 | 435 | 0 | 1,402 | | 1,402 | 1,402 | 0 | 1,402 |
| Highways Equipment | 41 | 507 | 0 | 0 | 0 | 548 | | 507 | 507 | 41 | 548 |
| Resurfacing Herefordshire Highways | | 0 | 5,000 | 5,000 | 0 | 10,000 | 816 | 9,185 | 10,000 | 0 | 10,000 |
| Natural Flood Management | 97 | 220 | 337 | 336 | 284 | 1,274 | 1,176 | | 1,176 | 97 | 1,274 |
| Highways Infrastructure Investment | | 1,335 | 6,835 | 3,985 | 3,885 | 16,040 | 1,580 | 14,460 | 16,040 | 0 | 16,040 |
| Public Realm Improvements for Ash Die Back | | 315 | 367 | 367 | 367 | 1,416 | | 1,416 | 1,416 | 0 | 1,416 |
| Moving Traffic Enforcement Phase 2 | | 25 | 119 | 0 | 0 | 144 | | 144 | 144 | 0 | 144 |
| Highways Maintenance Delivery Board | 5,998 | 25,724 | 29,209 | 10,123 | 4,536 | 75,590 | 816 | 36,246 | 32,530 | 69,592 | 5,998 |
| E & E's S106 | | 1,979 | 4,045 | 1,548 | 0 | 7,572 | | 7,572 | 7,572 | 0 | 7,572 |
| C & F's S106 | | 860 | 1,047 | 2,084 | 0 | 3,992 | | 3,992 | 3,992 | 0 | 3,992 |
| Planning Delivery Board | 0 | 2,839 | 5,092 | 3,632 | 0 | 11,563 | - | 11,563 | 0 | 11,563 | 0 |
| Integrated Wetlands | 2,252 | 410 | 339 | 0 | 0 | 3,000 | 748 | | 748 | 2,252 | 3,000 |
| Solar Photovoltaic Panels | 862 | 265 | 1,007 | 0 | 0 | 2,134 | | 1,272 | 1,272 | 862 | 2,134 |
| Wye Valley AONB | 55 | 155 | 116 | 0 | 0 | 326 | 272 | | 272 | 55 | 326 |
| SEPubU Grant | 88 | 344 | 0 | 0 | 0 | 432 | 344 | 0 | 344 | 88 | 432 |
| Waste | | 0 | 18,090 | 0 | 0 | 18,090 | 5,800 | 12,290 | 18,090 | 0 | 18,090 |
| E-Cargo Bike Share | | 85 | 0 | 0 | 0 | 85 | 85 | 0 | 85 | 0 | 85 |
| Local Electric Vehicle Infrastructure Capital Fund (LEVI) | | 124 | 300 | 300 | 400 | 1,124 | 1,124 | | 1,124 | 0 | 1,124 |
| Green Homes Grant - Local Authority Delivery | 526 | 293 | 0 | 0 | 0 | 819 | 293 | | 293 | 526 | 819 |
| Home Upgrade Grant | 522 | 4,301 | 4,646 | 0 | 0 | 9,469 | 8,947 | | 8,947 | 522 | 9,469 |
| Environment & Sustainability Delivery Board | 4,304 | 5,977 | 24,498 | 300 | 400 | 35,479 | 0 | 17,613 | 13,562 | 31,175 | 4,304 |
| Hereford Enterprise Zone | 14,526 | 421 | 0 | 0 | 0 | 14,947 | 421 | | 421 | 14,526 | 14,947 |
| Marches Business Investment Programme | 2,884 | 544 | 0 | 0 | 0 | 3,428 | 544 | 0 | 544 | 2,884 | 3,428 |
| Employment Land & Incubation Space in Market Towns | 341 | 100 | 10,000 | 10,260 | 0 | 20,701 | 12,000 | 2,053 | 6,307 | 20,360 | 341 |
| Leominster Heritage Action Zone | 1,095 | 1,356 | 653 | 0 | 0 | 3,104 | 1,623 | 386 | 2,009 | 1,095 | 3,104 |
| Safer Streets / CCTV | 340 | 43 | 0 | 0 | 0 | 383 | 43 | | 43 | 340 | 383 |
| Faster broadband | 26,990 | 4,240 | 2,508 | 0 | 0 | 33,738 | 3,853 | 2,895 | 6,748 | 26,990 | 33,738 |
| Economic Development Delivery Board | 46,176 | 6,705 | 13,161 | 10,260 | 0 | 76,301 | 14,044 | 6,879 | 9,202 | 30,125 | 46,176 |
| Redevelopment | 1,535 | 700 | 7,000 | 8,765 | 0 | 18,000 | 7,946 | 8,519 | 16,465 | 1,535 | 18,000 |
| Stronger Towns Fund - Greening the City | 81 | 23 | 300 | 0 | 0 | 404 | | 323 | 323 | 81 | 404 |
| UK Shared Prosperity Fund | | 290 | 845 | 0 | 0 | 1,135 | | 1,135 | 1,135 | 0 | 1,135 |
| Rural Prosperity Fund | | 850 | 856 | 0 | 0 | 1,706 | | 1,706 | 1,706 | 0 | 1,706 |
| Stronger Towns Library & Learning Centre relocation to Shirehall | | 395 | 2,611 | 0 | 0 | 3,005 | 395 | 2,611 | 3,005 | 0 | 3,005 |
| Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre | 434 | 455 | 2,611 | 0 | 0 | 3,500 | 395 | 2,671 | 3,066 | 434 | 3,500 |
| Major External Funded Delivery Board | 2,050 | 2,713 | 14,222 | 8,765 | 0 | 27,750 | 8,735 | 16,964 | 0 | 25,700 | 2,050 |
| Electronic Document Management Storage | 303 | 12 | 0 | 0 | 0 | 315 | | 12 | 12 | 303 | 315 |
| Capital Development Fund | | 1,000 | 0 | 0 | 0 | 1,000 | 1,000 | | 1,000 | 0 | 1,000 |
| Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi) | 143 | 412 | 0 | 0 | 0 | 555 | | 412 | 412 | 143 | 555 |
| HARC SAN Lifecycle Replacement | | 2 | 370 | 0 | 0 | 372 | | 372 | 372 | 0 | 372 |
| Data Centre Equipment Lifecycle Replacement | | 329 | 0 | 0 | 0 | 329 | | 329 | 329 | 0 | 329 |
| Windows Server Upgrades | | 330 | 0 | 0 | 0 | 330 | | 330 | 330 | 0 | 330 |
| Backup Storage | | 82 | 0 | 0 | 0 | 82 | | 82 | 82 | 0 | 82 |
| Device and Ancillary kit replacement programme | | 265 | 365 | 415 | 548 | 1,593 | | 1,593 | 1,593 | 0 | 1,593 |
| M365 E5 Implementation | | 300 | 150 | 0 | 0 | 450 | | 450 | 450 | 0 | 450 |
| Primary Data Storage Area Network (Plough Lane) | 272 | 63 | 0 | 0 | 0 | 335 | | 63 | 63 | 272 | 335 |
| IT Services Partnership Board | 718 | 2,795 | 885 | 415 | 548 | 5,361 | 0 | 1,000 | 3,643 | 4,643 | 718 |
| Flexible Futures | 268 | 582 | 0 | 0 | 0 | 850 | | 582 | 582 | 268 | 850 |
| Wye Valley Trust - Education Centre Investment | | 0 | 6,000 | 0 | 0 | 6,000 | | 6,000 | 6,000 | 0 | 6,000 |
| HWGTA - Development of Vocational Work Based Skills Investment | | 0 | 2,000 | 0 | 0 | 2,000 | | 2,000 | 2,000 | 0 | 2,000 |
| My Account | 7 | 0 | 0 | 0 | 0 | 7 | | 7 | 7 | 0 | 7 |
| Corporate Transformation Delivery Board | 268 | 588 | 8,000 | 0 | 0 | 8,857 | 0 | 0 | 8,588 | 8,588 | 268 |
| Schools Capital Maintenance Grant | | 2,986 | 3,902 | 0 | 0 | 6,888 | | 4,181 | 2,707 | 6,888 | 0 |
| Peterchurch Area School Investment | 232 | 30 | 3,175 | 5,716 | 1,700 | 10,853 | 5,433 | | 5,188 | 10,621 | 232 |
| Brookfield School Improvements | 375 | 750 | 3,875 | 0 | 0 | 5,000 | 919 | 3,706 | 4,625 | 375 | 5,000 |
| High Needs Grant | 77 | 150 | 3,328 | 500 | 0 | 4,055 | | 3,978 | 3,978 | 77 | 4,055 |
| Basic Needs Funding | | 200 | 5,000 | 5,000 | 6,084 | 16,284 | 16,033 | | 251 | 16,284 | 0 |
| Preliminary works to inform key investment need throughout the county | 213 | 280 | 23 | 0 | 0 | 516 | | 303 | 303 | 213 | 516 |
| School Accessibility Works | | 331 | 672 | 0 | 0 | 1,003 | | 1,003 | 1,003 | 0 | 1,003 |
| Work to Shirehall Annex (Care Leavers Base) | | 100 | 0 | 0 | 0 | 100 | 100 | | 100 | 0 | 100 |
| Shirehall Improvement Works | | 0 | 3,000 | 0 | 0 | 3,000 | 2,000 | | 1,000 | 3,000 | 0 |
| Estates Capital Programme 2019/22 | 3,760 | 666 | 1,656 | 0 | 0 | 6,082 | | 2,322 | 2,322 | 3,760 | 6,082 |
| Residual property works identified in the 2019 condition reports | 40 | 701 | 650 | 0 | 0 | 1,392 | | 1,351 | 1,351 | 40 | 1,392 |
| Estates Building Improvement Programme 22-25 | 174 | 1,698 | 1,135 | 0 | 0 | 3,007 | | 2,833 | 2,833 | 174 | 3,007 |
| Estates Building Improvement Programme 2023-25 | | 780 | 2,747 | 0 | 0 | 3,527 | 1,105 | 2,422 | 3,527 | 0 | 3,527 |
| Fly-Tipping Intervention Scheme | | 30 | 0 | 0 | 0 | 30 | 30 | | 30 | 0 | 30 |
| Upgrade of Hereford CCTV Cameras | 38 | 4 | 0 | 0 | 0 | 42 | 4 | | 4 | 38 | 42 |
| Changing Places | | 287 | 0 | 0 | 0 | 287 | 287 | | 287 | 0 | 287 |
| Hereford Library | 145 | 0 | 200 | 0 | 0 | 345 | | 200 | 200 | 145 | 345 |
| Asset Management Delivery Board | 5,055 | 8,993 | 29,362 | 11,216 | 7,784 | 62,410 | 8,452 | 29,324 | 19,579 | 57,355 | 5,055 |
| Disabled facilities grant | | 4,229 | 2,000 | 0 | 0 | 6,229 | | 6,229 | 6,229 | 0 | 6,229 |
| Community Capital Grants Scheme | | 200 | 1,800 | 0 | 0 | 2,000 | 2,000 | | 2,000 | 0 | 2,000 |

| Community Wellbeing Delivery Board | 0 | 4,429 | 3,800 | 0 | 0 | 8,229 |
|--|----------------|---------------|----------------|---------------|---------------|----------------|
| Hillside | 879 | 121 | 0 | 0 | 0 | 1,000 |
| Empty Property Investment & Development | | 919 | 0 | 0 | 0 | 919 |
| Gypsy & Traveller Pitch development | 781 | 50 | 1,046 | 0 | 0 | 1,877 |
| Single Homelessness Accommodation Programme (SHAP) | | 455 | 455 | 0 | 0 | 910 |
| Strategic Housing Development | | 80 | 0 | 0 | 0 | 80 |
| Private sector housing improvements (Demo Centre) | 88 | 111 | 0 | 0 | 0 | 199 |
| Housing & Accommodation Delivery Board | 1,747 | 1,736 | 1,501 | 0 | 0 | 4,984 |
| Total Capital Programme | 107,293 | 68,873 | 150,944 | 49,212 | 18,567 | 394,889 |

| 2,000 | 6,229 | 0 | 8,229 | 0 | 8,229 |
|---------------|----------------|----------------|----------------|----------------|----------------|
| 121 | | | 121 | 879 | 1,000 |
| | | 919 | 919 | 0 | 919 |
| | | 1,096 | 1,096 | 781 | 1,877 |
| | 910 | | 910 | 0 | 910 |
| | | 80 | 80 | 0 | 80 |
| 111 | | | 111 | 88 | 199 |
| 232 | 910 | 2,094 | 3,236 | 1,747 | 4,984 |
| 39,280 | 146,644 | 101,672 | 287,596 | 107,293 | 394,889 |

Key:

RCCO

Project Complete

Reserve to be topped back up by future receipts

| | | | | | | |
|-----------------------------------|---------|----------|---------|--------|--------|---------|
| Approved at December 2023 Council | 107,293 | 147,821 | 105,417 | 23,788 | 10,570 | 394,889 |
| Reprofile Budget | | (78,948) | 45,527 | 25,424 | 7,997 | 0 |
| Grant/Funding Movement | | | | | | 0 |

Change in Capital Programme

| | | | | | |
|----------|----------|------------|----------|------------|------------|
| 0 | 0 | (0) | 0 | (0) | (0) |
|----------|----------|------------|----------|------------|------------|

Note 1

Overall Change Financed By

| | £000 | £000 | £000 | £000 |
|--|----------|----------|----------|----------|
| Prudential Borrowing | | | | 0 |
| Grant and funding contributions (Inc Reserves) | | | | 0 |
| Capital receipts | | | | 0 |
| | 0 | 0 | 0 | 0 |

Note 1

Grant Amendments since December Council

£000

0

| Scheme Name | Spend in | | | | | Total | Grant & Prudential | | | | | | |
|--|---------------|---------------|---------------|---------------|--------------|---------------|--------------------|---------------|----------------------|---------------|---------------|---------------|--------|
| | Prior Years | Total Budget | Total Budget | Total Budget | Total Budget | | Capital receipts | funding cont | Prudential borrowing | Total | Prior Years | Total Funding | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Hereford City Centre Transport Package | 37,224 | 1,500 | 5,755 | 2,500 | 0 | 46,979 | | 6,081 | 3,674 | 9,755 | 37,224 | 46,979 | |
| Hereford City Centre Improvements (HCCI) | 3,500 | 2,200 | 300 | 0 | 0 | 6,000 | | | 2,500 | 2,500 | 3,500 | 6,000 | |
| Southern Link Road | | 800 | 2,200 | 2,000 | 5,300 | 10,300 | 5,000 | | 5,300 | 10,300 | 0 | 10,300 | |
| Hereford ATMs and Super Cycle Highway | | 350 | 650 | 0 | 0 | 1,000 | | | 1,000 | 1,000 | 0 | 1,000 | |
| Emergency Active travel Fund | | 119 | 0 | 0 | 0 | 119 | | 119 | | 119 | 0 | 119 | |
| Active Travel Fund 4 | | 156 | 150 | 0 | 0 | 306 | | 306 | | 306 | 0 | 306 | |
| LUF - Active Travel Measures (north of river) | 251 | 500 | 3,715 | 0 | 0 | 4,466 | | 4,215 | | 4,215 | 251 | 4,466 | |
| LUF - Active Travel Measures (south of river) | 2 | 750 | 8,445 | 0 | 0 | 9,197 | | 9,194 | | 9,194 | 2 | 9,197 | |
| Sustainable Transport & Place Making Delivery Board | 40,976 | 6,375 | 21,215 | 4,500 | 5,300 | 78,366 | 5,000 | 19,915 | 12,475 | 37,390 | 40,976 | 78,366 | |
| Local Transport Plan (LTP) | | 15,466 | 15,466 | 0 | 0 | 30,932 | | 30,932 | | 30,932 | 0 | 30,932 | |
| Priority Flood Repair Works | 2,868 | 1,159 | 0 | 0 | 0 | 4,027 | | 1,159 | | 1,159 | 2,868 | 4,027 | |
| Extra Ordinary Highways Maintenance & Biodiversity Net Gain | 1,891 | 256 | 151 | 0 | 0 | 2,299 | | 408 | | 408 | 1,891 | 2,299 | |
| Public Realm Maintenance - Mitigating Risk on the Network | 1,101 | 3,656 | 193 | 0 | 0 | 4,950 | | 3,849 | | 3,849 | 1,101 | 4,950 | |
| Highways Maintenance and pot hole repairing 2023/24 | | 2,558 | 0 | 0 | 0 | 2,558 | | 2,558 | | 2,558 | 0 | 2,558 | |
| Additional Pothole Allocation 23/24 & 24/25 | | | 3,660 | 0 | 0 | 3,660 | 816 | 3,660 | | 3,660 | 0 | 3,660 | |
| Resurfacing Herefordshire Highways | | 0 | 5,000 | 5,000 | 0 | 10,000 | | 9,185 | | 10,000 | 0 | 10,000 | |
| Winter Resilience | | 227 | 740 | 435 | 0 | 1,402 | | 1,402 | | 1,402 | 0 | 1,402 | |
| Highways Equipment | 41 | 507 | 0 | 0 | 0 | 548 | | 507 | | 507 | 41 | 548 | |
| Natural Flood Management | 97 | 220 | 337 | 336 | 284 | 1,274 | | 1,176 | | 1,176 | 97 | 1,274 | |
| Highways Infrastructure Investment | | 1,335 | 6,835 | 3,985 | 3,885 | 16,040 | | 14,460 | | 16,040 | 0 | 16,040 | |
| Public Realm Improvements for Ash Die Back | | 315 | 367 | 367 | 367 | 1,416 | | 1,416 | | 1,416 | 0 | 1,416 | |
| Moving Traffic Enforcement Phase 2 | | 25 | 119 | 0 | 0 | 144 | | 144 | | 144 | 0 | 144 | |
| Highways Maintenance Delivery Board | 5,998 | 25,724 | 32,869 | 10,123 | 4,536 | 79,250 | 816 | 39,906 | 32,530 | 73,252 | 5,998 | 79,250 | |
| E & E's S106 | | 1,979 | 4,045 | 1,548 | 0 | 7,572 | | 7,572 | | 7,572 | 0 | 7,572 | |
| C & F's S106 | | 860 | 1,047 | 2,084 | 0 | 3,992 | | 3,992 | | 3,992 | 0 | 3,992 | |
| Planning Delivery Board | 0 | 2,839 | 5,092 | 3,632 | 0 | 11,563 | - | 11,563 | 0 | 11,563 | 0 | 11,563 | |
| Integrated Wetlands | 2,252 | 410 | 339 | 0 | 0 | 3,000 | | 748 | | 748 | 2,252 | 3,000 | |
| Solar Photovoltaic Panels | 862 | 265 | 1,007 | 0 | 0 | 2,134 | | 1,272 | | 1,272 | 862 | 2,134 | |
| Wye Valley AONB | 55 | 155 | 116 | 0 | 0 | 326 | | 272 | | 272 | 55 | 326 | |
| SEPUBU Grant | 88 | 344 | 0 | 0 | 0 | 432 | | 344 | | 344 | 88 | 432 | |
| Waste | | 0 | 18,090 | 0 | 0 | 18,090 | | 12,290 | | 18,090 | 0 | 18,090 | |
| E-Cargo Bike Share | | 85 | 0 | 0 | 0 | 85 | | 85 | | 85 | 0 | 85 | |
| Local Electric Vehicle Infrastructure Capital Fund (LEVI) | | 124 | 300 | 300 | 400 | 1,124 | | 1,124 | | 1,124 | 0 | 1,124 | |
| Green Homes Grant - Local Authority Delivery | 526 | 293 | 0 | 0 | 0 | 819 | | 293 | | 293 | 526 | 819 | |
| Home Upgrade Grant | 522 | 4,301 | 4,646 | 0 | 0 | 9,469 | | 8,947 | | 8,947 | 522 | 9,469 | |
| Environment & Sustainability Delivery Board | 4,304 | 5,977 | 24,498 | 300 | 400 | 35,479 | 0 | 17,613 | 13,562 | 31,175 | 4,304 | 35,479 | |
| Hereford Enterprise Zone | 14,526 | 421 | 0 | 0 | 0 | 14,947 | | 421 | | 421 | 14,526 | 14,947 | |
| Marches Business Investment Programme | 2,884 | 544 | 0 | 0 | 0 | 3,428 | | 544 | | 544 | 2,884 | 3,428 | |
| Investment in Employment Land in Herefordshire | 341 | 100 | 10,000 | 10,260 | 0 | 20,701 | | 2,053 | | 6,307 | 20,360 | 20,701 | |
| Leominster Heritage Action Zone | 1,095 | 1,356 | 653 | 0 | 0 | 3,104 | | 386 | | 2,009 | 1,095 | 3,104 | |
| Safer Streets / CCTV | 340 | 43 | 0 | 0 | 0 | 383 | | 43 | | 43 | 340 | 383 | |
| Fastershire Broadband | 26,990 | 4,240 | 2,508 | 0 | 0 | 33,738 | | 3,853 | | 2,895 | 6,748 | 26,990 | |
| Economic Development Delivery Board | 46,176 | 6,705 | 13,161 | 10,260 | 0 | 76,301 | 14,044 | 6,879 | 9,202 | 30,125 | 46,176 | 76,301 | |
| Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment | 1,535 | 700 | 7,400 | 8,765 | 0 | 18,400 | | 7,946 | | 8,519 | 400 | 16,865 | |
| Stronger Towns Fund - Greening the City | 81 | 23 | 300 | 0 | 0 | 404 | | 323 | | 323 | 81 | 404 | |
| UK Shared Prosperity Fund | | 290 | 845 | 0 | 0 | 1,135 | | 1,135 | | 1,135 | 0 | 1,135 | |
| Rural Prosperity Fund | | 850 | 856 | 0 | 0 | 1,706 | | 1,706 | | 1,706 | 0 | 1,706 | |
| Stronger Towns Library & Learning Centre relocation to Shirehall | | 395 | 2,611 | 0 | 0 | 3,005 | | 395 | | 2,611 | 0 | 3,005 | |
| Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre | 434 | 455 | 2,611 | 0 | 0 | 3,500 | | 395 | | 2,671 | 3,066 | 434 | |
| Major External Funded Delivery Board | 2,050 | 2,713 | 14,622 | 8,765 | 0 | 28,150 | 8,735 | 16,964 | 400 | 26,100 | 2,050 | 28,150 | |
| Electronic Document Management Storage | 303 | 12 | 0 | 0 | 0 | 315 | | | | 12 | 12 | 303 | |
| Capital Development Fund | | 1,000 | 0 | 0 | 0 | 1,000 | | 1,000 | | 1,000 | 0 | 1,000 | |
| Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi) | 143 | 412 | 0 | 0 | 0 | 555 | | 412 | | 412 | 143 | 555 | |
| HARC SAN Lifecycle Replacement | | 2 | 370 | 0 | 0 | 372 | | 372 | | 372 | 0 | 372 | |
| Data Centre Equipment Lifecycle Replacement | | 329 | 0 | 0 | 0 | 329 | | 329 | | 329 | 0 | 329 | |
| Windows Server Upgrades | | 330 | 0 | 0 | 0 | 330 | | 330 | | 330 | 0 | 330 | |
| Backup Storage | | 82 | 0 | 0 | 0 | 82 | | 82 | | 82 | 0 | 82 | |
| Device and Ancillary kit replacement programme | | 265 | 365 | 415 | 548 | 1,593 | | 1,593 | | 1,593 | 0 | 1,593 | |
| M365 E5 Implementation | | 300 | 150 | 0 | 0 | 450 | | 450 | | 450 | 0 | 450 | |
| Planning & Regulatory Services software | | 0 | 698 | 698 | 0 | 1,396 | | 1,396 | | 1,396 | 0 | 1,396 | |
| VMWare Host Replacement | | | 248 | 0 | 0 | 248 | | 248 | | 248 | 0 | 248 | |
| Primary Data Storage Area Network (Plough Lane) | 272 | 63 | 0 | 0 | 0 | 335 | | 63 | | 63 | 272 | 335 | |
| IT Services Partnership Board | 718 | 2,795 | 1,831 | 1,113 | 548 | 7,005 | 0 | 1,000 | 5,286 | 6,286 | 718 | 7,005 | |
| Flexible Futures | 268 | 582 | 0 | 0 | 0 | 850 | | 582 | | 582 | 268 | 850 | |
| Wye Valley Trust - Education Centre Investment | 0 | 0 | 6,000 | 0 | 0 | 6,000 | | 6,000 | | 6,000 | 0 | 6,000 | |
| HWGTA - Development of Vocational Work Based Skills Inv | 0 | 0 | 2,000 | 0 | 0 | 2,000 | | 2,000 | | 2,000 | 0 | 2,000 | |
| My Account | | 7 | 0 | 0 | 0 | 7 | | 7 | | 7 | 0 | 7 | |
| Corporate Transformation Delivery Board | 268 | 588 | 8,000 | 0 | 0 | 8,857 | 0 | 0 | 8,588 | 8,588 | 268 | 8,857 | |
| Schools Capital Maintenance Grant | | 2,986 | 3,902 | 0 | 0 | 6,888 | | 4,181 | | 2,707 | 6,888 | 0 | 6,888 |
| Peterchurch Area School Investment | 232 | 30 | 3,175 | 5,716 | 1,700 | 10,853 | | 5,433 | | 5,188 | 10,621 | 232 | 10,853 |
| Brookfield School Improvements | 375 | 750 | 3,875 | 0 | 0 | 5,000 | | 919 | | 3,706 | 4,625 | 375 | 5,000 |
| High Needs Grant | 77 | 150 | 3,328 | 500 | 0 | 4,055 | | | | 3,978 | 3,978 | 77 | 4,055 |
| Basic Needs Funding | | 200 | 5,000 | 5,000 | 6,084 | 16,284 | | 16,033 | | 251 | 16,284 | 0 | 16,284 |
| Preliminary works to inform key investment need throughout the county | 213 | 280 | 23 | 0 | 0 | 516 | | | | 303 | 303 | 213 | 516 |
| School Accessibility Works | | 331 | 2,172 | 0 | 0 | 2,503 | | | | 2,503 | 2,503 | 0 | 2,503 |
| Estates Capital Programme 2019/22 | 3,760 | 666 | 1,456 | 0 | 0 | 5,882 | | | | 2,122 | 2,122 | 3,760 | 5,882 |
| Work to Shirehall Annex (Care Leavers Base) | 100 | 0 | 0 | 0 | 0 | 100 | | 100 | | 100 | 0 | 100 | |
| Shirehall Building Improvements | | 0 | 3,000 | 0 | 0 | 3,000 | | 2,000 | | 1,000 | 3,000 | 0 | 3,000 |
| Children's residential homes for 11 to 18 year olds | | | 424 | 0 | 0 | 424 | | | | 424 | 424 | 0 | 424 |
| Residual property works identified in the 2019 condition reports | 40 | 701 | 650 | 0 | 0 | 1,392 | | | | 1,351 | 1,351 | 40 | 1,392 |
| Estates Building Improvement Programme 22-25 | 174 | 1,698 | 1,135 | 0 | 0 | 3,007 | | | | 2,833 | 2,833 | 174 | 3,007 |
| Estates Building Improvement Programme 2023-25 | | 780 | 2,747 | 0 | 0 | 3,527 | | 1,105 | | 2,422 | 3,527 | 0 | 3,527 |
| Estates Building Improvement Programme 2024-27 | | 0 | 1,818 | 607 | 340 | 2,766 | | | | 2,766 | 2,766 | 0 | 2,766 |

| | | | | | | | | | | | | |
|--|----------------|---------------|----------------|---------------|---------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Building works from 2022 Condition Surveys | 0 | 191 | 274 | 280 | 745 | 745 | 745 | 0 | 745 | | | |
| Property Improvements in Care Homes | 0 | 550 | 0 | 0 | 550 | 550 | 550 | 0 | 550 | | | |
| Fly-Tipping Intervention Scheme | 30 | 0 | 0 | 0 | 30 | 30 | 30 | 0 | 30 | | | |
| Upgrade of Hereford CCTV Cameras | 38 | 4 | 0 | 0 | 42 | 4 | 4 | 38 | 42 | | | |
| Changing Places | 287 | 0 | 0 | 0 | 287 | 287 | 287 | 0 | 287 | | | |
| Hereford Library | 145 | 0 | (0) | 0 | 145 | (0) | (0) | 145 | 145 | | | |
| Asset Management Delivery Board | 5,055 | 8,993 | 33,445 | 12,098 | 8,404 | 67,994 | 8,452 | 29,324 | 25,163 | 62,939 | 5,055 | 67,994 |
| Disabled facilities grant | 4,229 | 2,000 | 0 | 0 | 6,229 | 6,229 | 6,229 | 0 | 6,229 | | | |
| Community Capital Grants Scheme | 200 | 1,800 | 0 | 0 | 2,000 | 2,000 | 2,000 | 0 | 2,000 | | | |
| Community Wellbeing Delivery Board | 0 | 4,429 | 3,800 | 0 | 8,229 | 2,000 | 6,229 | 0 | 8,229 | | | |
| Hillside | 879 | 121 | 0 | 0 | 1,000 | 121 | 121 | 879 | 1,000 | | | |
| Empty Property Investment & Development | 919 | 0 | 0 | 0 | 919 | 919 | 919 | 0 | 919 | | | |
| Gypsy & Traveller Pitch development | 781 | 50 | 1,046 | 0 | 1,877 | 1,096 | 1,096 | 781 | 1,877 | | | |
| Single Homelessness Accommodation Programme (SHAP) | 455 | 455 | 0 | 0 | 910 | 910 | 910 | 0 | 910 | | | |
| Strategic Housing Development | 80 | 0 | 0 | 0 | 80 | 80 | 80 | 0 | 80 | | | |
| Private sector housing improvements (Demo Centre) | 88 | 111 | 0 | 0 | 199 | 111 | 111 | 88 | 199 | | | |
| Housing & Accommodation Delivery Board | 1,747 | 1,736 | 1,501 | 0 | 4,984 | 232 | 910 | 2,094 | 3,236 | 1,747 | 4,984 | |
| Total Capital Programme | 107,293 | 68,873 | 160,033 | 50,791 | 19,187 | 406,177 | 39,280 | 150,304 | 109,300 | 298,884 | 107,293 | 406,177 |

Key:

| | | | | | | |
|---|---------|----------|---------|--------|--------|---------|
| Revenue Funded Borrowing | | | | | | |
| Reserve to be topped back up by future receipts | | | | | | |
| New or Amended Projects as listed in appendix A | | | | | | |
| Current 2023/24 Programme Budget December 2023 | 107,293 | 147,821 | 105,417 | 23,788 | 10,570 | 394,889 |
| Budget Reprofile | | (78,948) | 45,527 | 25,424 | 7,997 | 0 |

| | | | | | | |
|------------------------------------|----------|----------|--------------|--------------|------------|---------------|
| Change in Capital Programme | 0 | 0 | 9,088 | 1,580 | 620 | 11,288 |
|------------------------------------|----------|----------|--------------|--------------|------------|---------------|

Overall Change Financed By

| | £000 | £000 | £000 | £000 | £000 | £000 |
|--|----------|----------|--------------|--------------|------------|---------------|
| Prudential Borrowing | | | 5,428 | 1,580 | 620 | 7,628 |
| Grant and funding contributions (Inc Reserves) | | | 3,660 | | | 3,660 |
| Capital receipts | | | | | | 0 |
| | 0 | 0 | 9,088 | 1,580 | 620 | 11,288 |

Note 1

Grant Amendments since December Council

| | |
|--------------------------------|--------------|
| | £000 |
| DFT - Additional Pothole Grant | 3,660 |
| | 3,660 |

DRAFT

Capital Strategy

2024 – 2030

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

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HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

1. EXECUTIVE SUMMARY

- 1.1 An effective Capital Strategy is vital to ensure that the capital and revenue expenditure on the asset portfolio is directed efficiently and effectively to support service delivery in line with Herefordshire's priorities. This strategy considers the capital investment needs across Herefordshire including acquisition, replacement and rental of land, buildings, and vehicles etc.
- 1.2 Herefordshire Council has seen a number of schemes like the City Link Road and development of Employment Land which enable long term plans for future development. This Capital Strategy will be aligned to the County Plan 2024-28 once developed, to capital planning and utilisation of resources.
- 1.3 The Capital Strategy will be reviewed annually, identifying and matching resources to deliver service priorities over a four year period. Where possible a longer term view will be incorporated to ensure we have the vision on all future development opportunities. Also to enable long term planning on capital financing through the Treasury Management Strategy to ensure the best utilisation of resources and returns on investment.
- 1.4 A key partner moving forward is NMiTE (New Model in Technology and Engineering), the new Herefordshire University and the council is keen to support their development in the coming years.
- 1.5 The challenges given to retaining property assets will be based on value for money and delivery of the council's strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of in accordance with the strategic asset management plan and proceeds will be reinvested or retained within the capital receipts reserve until a decision on how to utilise the reserve is made.
- 1.6 The strategic asset management plan sets out a framework for determining the capital property assets needed to enable future service delivery priorities to be realised. Whereas a series of key projects have already been delivered, the capital investment budget will further inform priorities and options for investment/re-investment in assets over the medium term.
- 1.7 The Capital Strategy encourages all areas of the council to put forward requests for capital funding to ensure assets are adequately invested in and development opportunities are considered. However, there are limited resources and these schemes may need to be profiled over a number of years where they are to be funded corporately. Invest to save schemes are encouraged to help the future pressures we are facing on revenue.
- 1.8 A Programme Management Office was created in 2020 to embed new processes for managing and developing projects. They manage the delivery of all capital projects through the development stage such as Waste and Market Town Investment Plan projects. This is so that when new projects are added to the capital programme they are robust and will be able to commence delivery.
- 1.9 The priority will be to ensure that any new capital scheme will seek external funding sources such as grants in the first instance. Although borrowing will be allowed within the current agreed limits of £6.7m per annum plus any previously approved Public Works Loan Board (PWLB) provision that has not been used. The £6.7m per annum limit is corporately funded borrowing, borrowing funded from revenue savings will be made available over and above this limit. This is the current limit included within the MTFS if further corporately funded borrowing is required, there could be a change to the MTFS and Treasury Management Strategy to allow this but the revenue budget would need to be adjusted to repay the borrowing costs. The council will always seek external capital funding grants or donations where possible to lower the cost of borrowing but it is essential that resources are used effectively.
- 1.10 The process of allocating finite resources runs alongside delivery of the Medium Term Financial Strategy, through which capital funding, borrowing costs and innovative ways of utilising capital will be captured. The recommendation of capital projects lies with the Executive using a range of

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

criteria to evaluate schemes, with referral to Council for approval. However, the Council may add new schemes to the capital programme and new schemes can be added once approved at any full council meeting.

- 1.11 The Capital Strategy aims to encourage innovation and remind officers of their ability to draw down funding to fund creative projects that demonstrate delivery of “spend to save / mitigate”. The governance arrangements in place must ensure robust monitoring to ensure projects deliver in terms of quality, cost and benefits. Following central government austerity measures the council is keen to promote capital investment to secure future local funding streams, council tax and business rates.

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

2. INTRODUCTION AND BACKGROUND

- 2.1 This Capital Strategy sets out Herefordshire's approach to capital investment and disposal over both the short and long term, to deliver the core service priorities. The availability of resources to facilitate these priorities is also considered, reconciling the provision of statutory functions, service aspiration and policy context with limited resource availability.
- 2.2 The strategy incorporates the vision of the council, the overarching policy framework and explains the processes inherent in setting budgets and monitoring the programme. In the ever changing public sector climate, this document will be reviewed annually, but in essence is written to capture the longer term vision of service priorities.
- 2.3 Through this strategy, the Council makes a clear distinction between capital investments, where the strategic aims will be considered alongside affordability; and treasury management investments which are made for the purpose of cash flow management.
- 2.4 Capital investments, as opposed to pure cash flow management decisions, will be made in line with the Capital Strategy priorities set out in this document. These decisions are clearly within the economic powers of the Council and there are strong governance arrangements in place that underpin the decision making.
- 2.5 The Capital Strategy links into the main council strategic documents: Strategic Asset Management Plan, Local Transport Plan, Digital Strategy and Local Development Framework, details are provided in appendix B. It demonstrates how the council prioritises, sets targets and measures the performance of its limited capital resources to ensure that it maximises the value of investment to support the achievement of its key cross-cutting activities and initiatives.

- **What it intends to do**

- Assist in ensuring spending decisions meet key priorities
- Influence and encourage working with partners
- Encourage improvement and innovation
- Ensure revenue consequences and whole life costs are fully considered including return on investment
- Explains the fluctuating nature of capital funding
- Confirms surplus assets will be recycled or disposed of
- Implementation of three year planning and horizon scanning for longer term priorities.

- **What it sets out**

- Capital priorities and plans
- Links to key strategic documents
- How schemes are identified that meet priorities
- How schemes competing for limited resources are selected
- A summary of the capital programme
- Monitoring processes in place

2.6 The strategic objectives for our corporate assets are to:

- Since 2021/22, Herefordshire Council has largely be funded from local taxation – Council Tax and Business Rates. Through capital investment, the Council will seek to stimulate the

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

Herefordshire economy in order to advance business, commerce, jobs and economic prosperity across the county – and provide for a sustainable financial future.

- Optimise the contribution property makes to the council's strategic and service objectives. To this end, assets should only be held that meet the objectives of the council, with clear evidence to demonstrate that they contribute to the key objectives.
- Prioritise investment in our operational assets to meet service delivery needs and to enhance the customer experience. Assets that no longer deliver service priorities will be reviewed and either recycled to facilitate wider community agendas, or disposed of.
- Seek innovative, value for money solutions, through use of procurement and return on investment to deliver capital projects that satisfy service need.
- Ensure maximum return from our investment property and land holdings
- Use our assets to fund new developments, re-development and urban regeneration
- Ensure that existing and new property assets are managed in an efficient, sustainable and cost effective way in terms of their use of environmental impact and other resources, their property management and other running costs

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

3. CURRENT CAPITAL PROGRAMME & LONG TERM PLAN

3.1 The following table details the capital investment by programme board over the four years, full programme details can be seen in appendix a. The consequences of investment are reflected in both the Medium Term Financial Strategy and Treasury Management Strategy.

Proposed Capital Programme

| | 2023/24 £000s | 2024/25 £000s | 2025/26 £000s | 2026/27 £000s | Total Capital Programme Budgets £000s |
|---|------------------|------------------|------------------|------------------|--|
| Sustainable Transport & Place Making Delivery Board | 6,375 | 21,215 | 4,500 | 5,300 | 37,390 |
| Highways Maintenance Delivery Board | 25,724 | 32,869 | 10,123 | 4,536 | 73,252 |
| Planning Delivery Board | 2,839 | 5,092 | 3,632 | 0 | 11,563 |
| Environment & Sustainability Delivery Board | 5,977 | 24,498 | 300 | 400 | 31,175 |
| Economic Development Delivery Board | 6,705 | 13,161 | 10,260 | 0 | 30,125 |
| Major External Funded Delivery Board | 2,713 | 14,622 | 8,765 | 0 | 26,100 |
| IT Services Partnership Board | 2,795 | 1,831 | 1,113 | 548 | 6,286 |
| Corporate Transformation Delivery Board | 588 | 8,000 | 0 | 0 | 8,588 |
| Asset Management Delivery Board | 8,993 | 33,445 | 12,098 | 8,404 | 62,939 |
| Community Wellbeing Delivery Board | 4,429 | 3,800 | 0 | 0 | 8,229 |
| Housing & Accommodation Delivery Board | 1,736 | 1,501 | 0 | 0 | 3,237 |
| Total Capital Programme | 68,873 | 160,033 | 50,791 | 19,187 | 298,884 |

Financed by

| | |
|--------------------------------|----------------|
| Capital Receipts | 39,280 |
| Grants & Funding Contributions | 150,304 |
| Prudential Borrowing | 109,300 |
| Total Funding | 298,884 |

3.2 Long Term Capital Programme

One Herefordshire

One Herefordshire consists of a number of health organisations and the council represented at a group meeting, they regularly meet to discuss opportunities of where the organisations can work together for the benefit of the County when delivering services.

Herefordshire Council are committed to working with partner organisations such as Health and Higher Education establishments, including Hereford College of Arts and NMiTE. Where possible the council will support economic development opportunities to enable the services to grow and deliver the best service.

The council will be considering the use of external funding models including income strip models to enable delivery of student accommodation along with other developments where external organisations are used to deliver the projects.

Employment Land

A capital allocation of £16m was approved by Council to fund the development of the enterprise zone; to date £14.5m has been spent with the remainder of this work being completed in 23/24. A further £5.432m was awarded by the LEP and has been spent on further development at the HEZ, which resulted in a reduction in Council funding requirement of £1.053m. Another £675k was awarded in 21/22 and was fully spent in year. This will enable growth of businesses in the zone and increase the number of jobs for Herefordshire. In 2022 both the Shell Store and Cyber Centre opened which should result in a number of new businesses locating to the enterprise zone.

The employment land at Ross will be developed in the current capital programme and other sites in other market towns will hopefully also come forward for development.

Hereford City Centre Transport Package

A Levelling Up grant of £6.33m was awarded for the delivery of the transport hub, this project will hopefully complete by 2026 and enable better transport links from the railway station.

Infrastructure- future plans.

Herefordshire Council are potentially investing in a number of road schemes over the next few years, these schemes are currently being developed and will be included into the capital programme once approved. An initial budget of £10.3m has already been added to the capital programme for the Southern Link Road. The delivery of the road infrastructure will support the growth of the economy and the package of active travel improvements will help residents to live safe, healthy and independent lives. External grants to deliver these schemes will be applied for.

Highways Maintenance

Like many councils the highways network has deteriorated over time with central government grants not able to cover all the capital investment required to prevent further deterioration of the highway network. Revenue budgets are fully utilised each year to keep up with repair work to ensure that the network is in a safe condition before longer term capital investment is available. The road network has a backlog of maintenance, the values are estimated from national guidance, as a high-level analysis the figures reflect and are representative of the view of deterioration across the highways asset. This would be to bring all assets back to a new condition.

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

| Asset Type | Current Estimated Backlog |
|-------------------------|---------------------------|
| Carriageways | cf91m |
| Footways and Cycle ways | cf100m |
| Structures | cf85m |
| Street Lighting | cf5m |
| Traffic Management | cf16m |
| Street Furniture | cf13m |

Whereas the service are managing the asset within the available funding by functional requirement. The council continues to lobby central government for additional support for highways maintenance and it is not sustainable to pass all this onto local residents. A further £2.558m was awarded on top of the £15.466m LTP grant in 2023/24 and £1.83m has also be awarded in 2023/24 and 2024/25 but spend is likely to incur during 2024/25 due to the late notification and time to procure the works. We are awaiting the final confirmations of the full grant award for 2024/25 onwards, with uplift funds announced over the next 10 years.

Other areas for Development

There are a number of projects that will be developed in the next financial year for waste management changes, delivery of the Hereford Town Investment Plans projects such as a new Museum and development of the Library & Learning Centre, which were part of a £25m funding bid. The third council project was for greening the city and business cases for all were approved by the Towns Board. The council is the accountable body for the £22.4m funding but the other approved projects will be run by other organisations.

There will be a replacement school at Peterchurch and significant works for a new unit and work within the existing site at Brookfield to increase capacity.

Other projects being delivered include the improvement works at the Shire hall and other property works across the estate including schools. Options for expanding the Westfield school site were developed for the current site or other land owned by the Council. External grants are being sought to help deliver this project.

The Council will be looking to work with current housing companies to increase the availability of affordable housing for local residents.

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4. CAPITAL FUNDING STREAMS

4.1 This section explains the source of resources available to fund the capital programme. Currently the majority of funding is allocated from central government, in part to fund specific schemes that deliver their national priorities.

4.2 The following funding sources are available;

Borrowing

- Prudential borrowing (PB) has been allowed since 2004 when government relaxed the rules to allow councils to finance their own capital, providing they could demonstrate affordability to repay the debt and interest. In a time of reduced resources PB may also be used to fund initiatives to deliver future revenue savings that can then fund the annual debt and interest cost. The Council has a number of invest to save schemes currently and there is no limit to the amount of additions to the capital programme in any year where all borrowing costs can be funded from revenue savings, as long as they can show they provide value for money, score highly enough in the review and are approved by Council.

Grants

- Government currently provide many direct grants to fund initiatives that the Council should deliver as part as their statutory duty. The major capital grants are:
 - **Transport Grants** – used to support the Hereford Integrated Transport Strategy capital programme, covering rural transport schemes, and road safety initiatives and highways maintenance. The Department for Transport has a process to allow local authorities to bid for revenue and capital funds to fund sustainable transport schemes.
 - **Basic Needs Funding** - the Government each year provide a grant based on future needs for the Council to provide enough school places.
 - **Schools Capital Maintenance Grant** – is an amount allocated each year to help maintain schools in a good state of repair.
 - **Devolved Formula Capital** – is an amount allocated each year to primary and secondary schools to be spent on priorities in respect of buildings, ICT and other capital needs. It may be combined with capital funding from other sources or saved to fund a larger project.
 - **Disabled Facilities Grant** - contributes towards the cost of providing adaptations and facilities to enable disabled people to continue living in their own homes. The central government grant funding towards this has been protected from cuts by the coalition government in the Corporate Spending Review (CSR), in fact this grant has increased annually.
 - **Broadband** – the Council continues to roll out 'FasterShire' to its most rural areas, utilising available grant funding.
- External funding bodies distribute funding for projects that satisfy their key criteria and objectives and the Council secure these via a bidding process.

Developer Contributions S106

- Developer contributions continue to support the capital investment need associated with developments throughout the Country.
- In future once a S106 has been completed, planning permission has been granted and the development the subject of the agreement has commenced, with the right governance in place the Council will be able to internally borrow to fund the project to commence prior to the developer contributions being received. The project to be funded must be within the

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

terms of the S106 agreement. The borrowing will be funded short term within the cash balances and repaid once the developer contributions have been received. Do note however there may be a risks to the Council namely; if the development does not reach the trigger point for payment, the Council would then have to find alternative funding. The trigger points for the contributions to be paid are tailored to each development on a case by case basis and are not standard. The developer can advance at any stage of the development that a scheme is not viable. This would be independently reviewed by the District Valuer (at a cost to the developer) but it may conclude that the financial contributions are not viable. The scheme may proceed as a wholly 100% affordable scheme whereby financial contributions towards infrastructure are not required.

Capital Receipts

- The Council maintains a register of surplus property assets. A major review of property assets is now underway that will produce a Delivery and Rationalisation programme; implemented over the coming years.
- The public sector landscape of service delivery is now subject to major change. Annual reviews of the Council operational property portfolio will identify potential opportunities for remodelling and co-location, through alternative methods of service delivery.
- The Council must prioritise disposal for capital receipts against competing demands for affordable housing land to build social housing and Community Asset Transfers.
- The disposal of surplus assets is critical to deliver the Councils Capital Strategy. Specifically the delivery of the property maintenance and office accommodation review requires receipts to fund PB costs. Capital receipts are deemed a central receipt and so held corporately to use to deliver wider strategic priorities. Until receipts retained in the capital receipt reserve are allocated they reduce the overall borrowing costs of the Council.
- At the end of 2022/23 financial year there was a balance of £40.1m in the capital receipts reserve. There are a number of schemes within the capital programme to be funded by capital receipts, the balance will be retained to deliver enhanced investment on the use of these reserves, once business cases have been submitted for approval at Council.

Revenue

- Both revenue budget and reserves can be used to fund the capital programme, either via a one off contribution to fund a project in its entirety or an annual sum to repay PB debt costs. Ongoing use of revenue should be assessed in relation to the impact on council tax via the use of assessing its prudential indicators. Funding is available throughout the year to fund both revenue and capital innovative projects that will deliver future year on year savings.
- 4.3 The table in 3.1 shows the expected resources available to fund the capital programme over the four years.
- 4.4 The programme is heavily reliant on grants and contributions to fund capital expenditure and these are usually issued with tight timeframes and restrictions attached. The grants may also demand regular monitoring returns to demonstrate the funding has been used in accordance with the plan.

5. Risk Management

- 5.1 Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully and/or limit its ability to exploit opportunities.
- 5.2 Risk management is the process of identifying risks, evaluating their potential consequence and determining the most effective methods of mitigating them. It is both a means of minimising the cost and disruption to the organisation and of ensuring staff understand and appreciate the element of risk in all their activities.
- 5.3 Through effective risk management the Council aims to minimise its exposure to unwanted risk – those risks that are not actively sought and which carry no commensurate reward to the Council. This may involve transferring risk to a third party.
- 5.4 It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Additionally, in order to realise investment and commercial gains, a measure of risk must be taken – and therefore risk should be considered both in terms of threat to the Council as well as positive opportunities.
- 5.5 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored – and especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and optimising returns consistent with the level of risk applies.
- 5.6 An assessment of risk should be built into every capital project and major risks recorded in the Risk Register. This may include political, economic, legal and regulatory, technological, environmental, reputation as well as financial risk. By managing risk effectively, the Council is better able to make careful, well thought through decisions in full knowledge of the adverse risks that apply and mitigating measures.

6. Knowledge and Skills

- 6.1 All capital investment approvals are subject to robust consideration and challenge by members and officers from across the Council with extensive experience from varying professional backgrounds.
- 6.2 All officers attend courses on an ongoing basis to keep abreast of new developments and skills to ensure their Continuous Professional Development. Members are also offered training annually to ensure they have up to date skills and are able to make capital and treasury decisions. It is important that we continue to strengthen training of officers and members on the understanding of environmental issues and the impact of these when undertaking capital works as we continue the approach to net zero carbon when producing business cases and taking decisions.
- 6.3 The Council's property portfolio is managed by its Property Services Team. The team has extensive knowledge of the Herefordshire property market and experience dealing with a mix of property types and professional work including professional services, landlord and tenant, statutory valuations, acquisitions and disposals, commercial and residential property management.
- 6.4 The Council's asset valuations for its financial statements are assessed on an agreed five year programme covering the whole property portfolio. The Council also has internal resources to advise on construction, repair and maintenance, and statutory compliance matters across its property portfolio.

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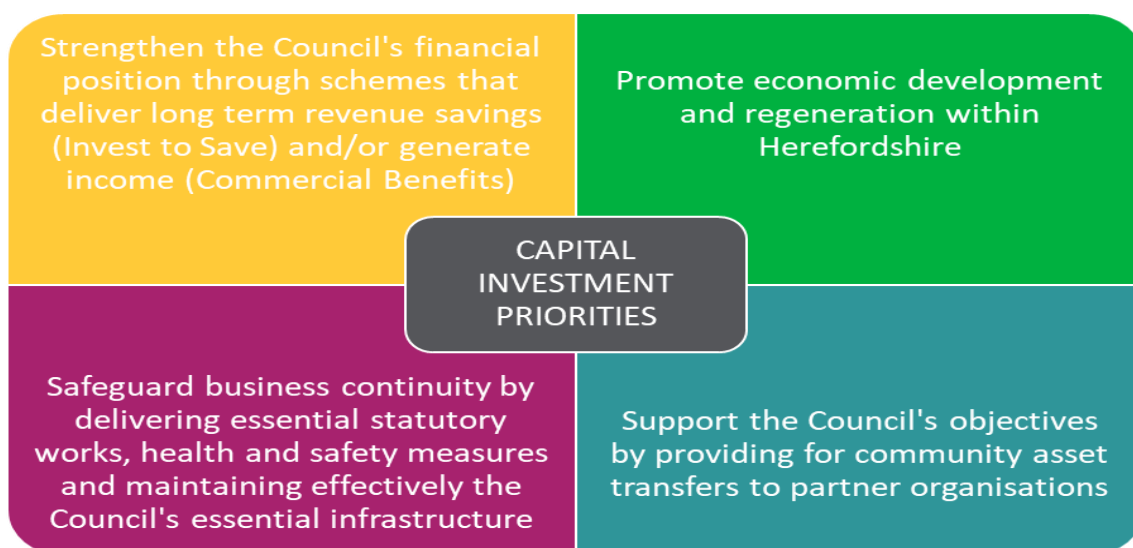
6.5 Where required, and with due diligence, the Council may also appoint external agents to advise on particular specialist matters or to access specialist expertise that may not be available 'in house.'

7. CAPITAL SCHEME SELECTION

- 7.1 The capital programme is delivering a number of projects to enable the council to deliver the objectives within the county plan 2024-28. Therefore projects that are added to the capital programme are for this purpose and not added as an investment purely to generate income. There are currently no expectations in the MTFs for capital investment to generate a revenue surplus to balance the budget. Although in the long term there are advantages in easing the removal of Revenue Support Grant (RSG) in generating a net revenue position it is not the priority when reviewing projects to add to the capital programme.
- 7.2 All capital schemes go through a stage process that is detailed in the project management process document.
- 7.3 Schemes are continually reviewed against evolving priorities and may be subject to change, redesign or cancellation, to ensure they continue to deliver the requirements of the council and provide value for money.
- 7.4 Capital funding will be initially allocated to council priorities, and approved by council. The capital guidance policy details the process for the capital funding requests to ensure provision in the capital programme at any time as long as they are approved at a Council meeting or otherwise as delegated by full Council. This is necessary so that services are able to request capital funding at the appropriate time, when sufficient information is available to make an informed decision and opportunities are not lost due to waiting.

Rationale for Investment

7.5 Capital investment is integral to revenue budget forecasting. Capital investment must be directed to obtain maximum benefit from available resources looking at efficiencies, effectiveness, and economically. Revenue implications must be considered for all capital schemes, this could represent the cost of borrowing, future running costs and projected benefits. Schemes included for capital investment must demonstrate at least one of the following prioritisation criteria;



- 7.6 Funding above the corporate limit of £6.7m is available to support capital investment that gives a clear pay back through revenue budget savings.
- 7.7 Effectiveness and Best Value is demonstrated within the decision reports for each project and reviewed at the conclusion of a project. Value for Money on the build of a project is secured and

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demonstrated through utilisation of the Procurement Policies and Framework for managing capital projects. Cabinet are keen to ensure where possible we should use Council funding to procure services from local suppliers to help improve the local economy, therefore social values should also be considered when making a best value decision.

- 7.8 The council has discretion to make loans for a number of reasons, including economic development. These loans will be treated as capital expenditure. In making loans the council is exposing itself to the risk that the borrower defaults in repayments. The council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications, with regard to both the individual loan and that the cumulative exposure of the council is proportionate and prudent. The council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans will be subject to close, regular monitoring.

- 7.9 Property services regularly review use of property assets as part of operational duties to ensure they are still required to deliver council priorities, alternatively assets may be recycled or deemed surplus to requirement. Sale of assets will deliver revenue savings and generate corporate capital receipts for investment in future capital schemes. Future building requirements will need to assess the concept of sale and leaseback and multi-use, shared approach for occupation.

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8. CAPITAL MONITORING

- 8.1 Capital investment requirements are significant, however, capital finances are limited at £6.7m, due to the repayment of interest in the revenue budget for corporately funded projects and central government current funding levels are expected to reduce. Herefordshire Council must have a prudent approach to capital allocation and monitoring to ensure scarce resources are used to maximum effect.
- 8.2 Due to the significant changes that occur during capital programme implementation and forecasting it is considered prudent to maintain:
- a reserve list of deferred capital schemes that can be accelerated or delayed as required
 - a contingency sum that should be included in all projects, due to the impact an increase in inflationary capital costs can have over the length of the project.
- 8.3 As part of a project's business case, an option appraisal is carried out and a whole-life costing review is undertaken before a capital scheme is included in the capital programme, this is then developed to detailed costings so an informed decision to spend can be made. Each project must also state how the proposal seeks to deliver the council's environmental policy commitments to net zero carbon and aligns to the success measure in the County Plan. If there could be a detrimental impact on the environment explain how you have sought to minimise and offset this.
- 8.4 Once a capital scheme is included in the capital programme it is monitored following appropriate project management methodology, managed by experience project managers within the project management office team and using experienced officers in each service area, through a number of project boards. Through the proposed project management office changes, the Executive Programme Board will review quarterly, progress of the projects being reported through the Programme Delivery Boards. The PMO will prepare a dashboard for each Board who will satisfy themselves that the projects are being managed in line with the agreed process and that projects remain relevant and aligned to the Delivery Plan.
- 8.5 In addition to significant individual projects, the capital programme also includes the council's annual Highways and Transportation capital programme of investment. This is guided by the Local Transport Plan to invest in the improvement and maintenance of the local transport infrastructure. Targets relating to highway maintenance standards, road safety and sustainable transport ensure that expenditure is in line with corporate plan objectives and outcomes expected by central government. This programme is currently managed through the Highways Maintenance Delivery Board and through the commissioning arrangements with Balfour Beatty.
- 8.6 However the governance process embedded follows the following processes. The PMO Capital Programme Manager will allocate the project to a Programme Delivery Board. The project manager is expected to maintain all documentation and report regularly using highlight reports to the SRO, Project Board and Programme Delivery Board as required. Details regarding the Board governance structure, reporting and escalation process will be outlined on the Project Management intranet site. In summary, individual Project Boards report into Programme Delivery Boards who are in turn monitored by Executive Programme Board. The Executive Programme Board represents the highest level of officer involvement and accountability; allocating feasibility funding and having oversight of all projects.

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Appendix A

| Scheme Name | Spend in | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Total |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | Prior Years £000 | Total Budget £000 | Total Budget £000 | Total Budget £000 | Total Budget £000 | Scheme Budget £000 |
| Hereford City Centre Transport Package | 37,224 | 1,500 | 5,755 | 2,500 | 0 | 46,979 |
| Hereford City Centre Improvements (HCCI) | 3,500 | 2,200 | 300 | 0 | 0 | 6,000 |
| Southern Link Road | | 150 | 2,850 | 2,000 | 5,300 | 10,300 |
| Hereford ATMs and Super Cycle Highway | | 1,000 | 0 | 0 | 0 | 1,000 |
| Emergency Active travel Fund | | 119 | 0 | 0 | 0 | 119 |
| Active Travel Fund 4 | | 156 | 150 | 0 | 0 | 306 |
| LUF - Active Travel Measures (north of river) | 251 | 500 | 3,715 | 0 | 0 | 4,466 |
| LUF - Active Travel Measures (south of river) | 2 | 750 | 8,445 | 0 | 0 | 9,197 |
| Sustainable Transport & Place Making Delivery Board | 40,976 | 6,375 | 21,215 | 4,500 | 5,300 | 78,366 |
| Local Transport Plan (LTP) | | 15,466 | 15,466 | 0 | 0 | 30,932 |
| Priority Flood Repair Works | 2,868 | 1,159 | 0 | 0 | 0 | 4,027 |
| Extra Ordinary Highways Maintenance & Biodiversity Net Gain | 1,891 | 256 | 151 | 0 | 0 | 2,299 |
| Public Realm Maintenance - Mitigating Risk on the Network | 1,101 | 3,656 | 193 | 0 | 0 | 4,950 |
| Highways Maintenance and pot hole repairing 2023/24 | | 2,558 | 0 | 0 | 0 | 2,558 |
| Additional Pothole Allocation 23/24 & 24/25 | | 0 | 3,660 | 0 | 0 | 3,660 |
| Resurfacing Herefordshire Highways | | 0 | 5,000 | 5,000 | 0 | 10,000 |
| Winter Resilience | | 227 | 740 | 435 | 0 | 1,402 |
| Highways Equipment | 41 | 507 | 0 | 0 | 0 | 548 |
| Natural Flood Management | 97 | 220 | 337 | 336 | 284 | 1,274 |
| Highways Infrastructure Investment | | 1,335 | 6,835 | 3,985 | 3,885 | 16,040 |
| Public Realm Improvements for Ash Die Back | | 315 | 367 | 367 | 367 | 1,416 |
| Moving Traffic Enforcement Phase 2 | | 25 | 119 | 0 | 0 | 144 |
| Highways Maintenance Delivery Board | 5,998 | 25,724 | 32,869 | 10,123 | 4,536 | 79,250 |

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

| | | | | | | |
|--|---------------|--------------|---------------|---------------|------------|---------------|
| E & E's S106 | | 1,979 | 4,045 | 1,548 | 0 | 7,572 |
| C & F's S106 | | 860 | 1,047 | 2,084 | 0 | 3,992 |
| Planning Delivery Board | 0 | 2,839 | 5,092 | 3,632 | 0 | 11,563 |
| Integrated Wetlands | 2,252 | 410 | 339 | 0 | 0 | 3,000 |
| Solar Photovoltaic Panels | 862 | 265 | 1,007 | 0 | 0 | 2,134 |
| Wye Valley AONB | 55 | 155 | 116 | 0 | 0 | 326 |
| SEPUBU Grant | 88 | 344 | 0 | 0 | 0 | 432 |
| Waste | | 0 | 18,090 | 0 | 0 | 18,090 |
| E-Cargo Bike Share | | 85 | 0 | 0 | 0 | 85 |
| Local Electric Vehicle Infrastructure Capital Fund (LEVI) | | 124 | 300 | 300 | 400 | 1,124 |
| Green Homes Grant - Local Authority Delivery | 526 | 293 | 0 | 0 | 0 | 819 |
| Home Upgrade Grant | 522 | 4,301 | 4,646 | 0 | 0 | 9,469 |
| Environment & Sustainability Delivery Board | 4,304 | 5,977 | 24,498 | 300 | 400 | 35,479 |
| Hereford Enterprise Zone | 14,526 | 421 | 0 | 0 | 0 | 14,947 |
| Marches Business Investment Programme | 2,884 | 544 | 0 | 0 | 0 | 3,428 |
| Investment in Employment Land in Herefordshire | 341 | 100 | 10,000 | 10,260 | 0 | 20,701 |
| Leominster Heritage Action Zone | 1,095 | 1,356 | 653 | 0 | 0 | 3,104 |
| Safer Streets / CCTV | 340 | 43 | 0 | 0 | 0 | 383 |
| Fastershire Broadband | 26,990 | 4,240 | 2,508 | 0 | 0 | 33,738 |
| Economic Development Delivery Board | 46,176 | 6,705 | 13,161 | 10,260 | 0 | 76,301 |
| Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment | 1,535 | 700 | 7,400 | 8,765 | 0 | 18,400 |
| Stronger Towns Fund - Greening the City | 81 | 23 | 300 | 0 | 0 | 404 |
| UK Shared Prosperity Fund | | 290 | 845 | 0 | 0 | 1,135 |
| Rural Prosperity Fund | | 850 | 856 | 0 | 0 | 1,706 |
| Stronger Towns Library & Learning Centre relocation to Shire hall | | 395 | 2,611 | 0 | 0 | 3,005 |
| Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre | 434 | 455 | 2,611 | 0 | 0 | 3,500 |
| Major External Funded Delivery Board | 2,050 | 2,713 | 14,622 | 8,765 | 0 | 28,150 |
| Electronic Document Management Storage | 303 | 12 | 0 | 0 | 0 | 315 |
| Capital Development Fund | | 1,000 | 0 | 0 | 0 | 1,000 |

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

| | | | | | | |
|--|------------|--------------|--------------|--------------|------------|--------------|
| Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi) | 143 | 412 | 0 | 0 | 0 | 555 |
| HARC SAN Lifecycle Replacement | | 2 | 370 | 0 | 0 | 372 |
| Data Centre Equipment Lifecycle Replacement | | 329 | 0 | 0 | 0 | 329 |
| Windows Server Upgrades | | 330 | 0 | 0 | 0 | 330 |
| Backup Storage | | 82 | 0 | 0 | 0 | 82 |
| Device and Ancillary kit replacement programme | | 265 | 365 | 415 | 548 | 1,593 |
| M365 E5 Implementation | | 300 | 150 | 0 | 0 | 450 |
| Planning & Regulatory Services software | | 0 | 698 | 698 | 0 | 1,396 |
| VMWare Host Replacement | | | 248 | 0 | 0 | 248 |
| Primary Data Storage Area Network (Plough Lane) | 272 | 63 | 0 | 0 | 0 | 335 |
| IT Services Partnership Board | 718 | 2,795 | 1,831 | 1,113 | 548 | 7,005 |
| Flexible Futures | 268 | 582 | 0 | 0 | 0 | 850 |
| Wye Valley Trust - Education Centre Investment | 0 | 0 | 6,000 | 0 | 0 | 6,000 |
| HWGTA - Development of Vocational Work Based Skills Investment | 0 | 0 | 2,000 | 0 | 0 | 2,000 |
| My Account | | 7 | 0 | 0 | 0 | 7 |
| Corporate Transformation Delivery Board | 268 | 588 | 8,000 | 0 | 0 | 8,857 |
| Schools Capital Maintenance Grant | | 2,986 | 3,902 | 0 | 0 | 6,888 |
| Peterchurch Area School Investment | 232 | 30 | 3,175 | 5,716 | 1,700 | 10,853 |
| Brookfield School Improvements | 375 | 750 | 3,875 | 0 | 0 | 5,000 |
| High Needs Grant | 77 | 150 | 3,328 | 500 | 0 | 4,055 |
| Basic Needs Funding | | 200 | 5,000 | 5,000 | 6,084 | 16,284 |
| Preliminary works to inform key investment need throughout the county | 213 | 280 | 23 | 0 | 0 | 516 |
| School Accessibility Works | | 331 | 2,172 | 0 | 0 | 2,503 |
| Estates Capital Programme 2019/22 | 3,760 | 666 | 1,456 | 0 | 0 | 5,882 |
| Work to Shire hall Annex (Care Leavers Base) | | 100 | 0 | 0 | 0 | 100 |
| Shire hall Building Improvements | | 0 | 3,000 | 0 | 0 | 3,000 |
| Children's residential homes for 11 to 18 year olds | | | 424 | 0 | 0 | 424 |
| Residual property works identified in the 2019 condition reports | 40 | 701 | 650 | 0 | 0 | 1,392 |
| Estates Building Improvement Programme 22-25 | 174 | 1,698 | 1,135 | 0 | 0 | 3,007 |

HEREFORDSHIRE CAPITAL STRATEGY 2024-2030

| | | | | | |
|--|----------------|---------------|----------------|---------------|---------------|
| Estates Building Improvement Programme 2023-25 | 780 | 2,747 | 0 | 0 | 3,527 |
| Estates Building Improvement Programme 2024-27 | 0 | 1,818 | 607 | 340 | 2,766 |
| Building works from 2022 Condition Surveys | 0 | 191 | 274 | 280 | 745 |
| Property Improvements in Care Homes | 0 | 550 | 0 | 0 | 550 |
| Fly-Tipping Intervention Scheme | 30 | 0 | 0 | 0 | 30 |
| Upgrade of Hereford CCTV Cameras | 38 | 4 | 0 | 0 | 42 |
| Changing Places | 287 | 0 | 0 | 0 | 287 |
| Hereford Library | 145 | 0 | 0 | 0 | 145 |
| Asset Management Delivery Board | 5,055 | 8,993 | 33,445 | 12,098 | 8,404 |
| Disabled facilities grant | 4,229 | 2,000 | 0 | 0 | 6,229 |
| Community Capital Grants Scheme | 200 | 1,800 | 0 | 0 | 2,000 |
| Community Wellbeing Delivery Board | 0 | 4,429 | 3,800 | 0 | 8,229 |
| Hillside | 879 | 121 | 0 | 0 | 1,000 |
| Empty Property Investment & Development | | 919 | 0 | 0 | 919 |
| Gypsy & Traveller Pitch development | 781 | 50 | 1,046 | 0 | 1,877 |
| Single Homelessness Accommodation Programme (SHAP) | | 455 | 455 | 0 | 910 |
| Strategic Housing Development | | 80 | 0 | 0 | 80 |
| Private sector housing improvements (Demo Centre) | 88 | 111 | 0 | 0 | 199 |
| Housing & Accommodation Delivery Board | 1,747 | 1,736 | 1,501 | 0 | 4,984 |
| Total Capital Programme | 107,293 | 68,873 | 160,033 | 50,791 | 19,187 |

Strategies that Support the Capital Strategy

- **The Strategic Asset Management Plan**

Contains the Corporate Property Programme for the council.

It mainly focuses on proposals to:

- Rationalise the current corporate administrative estate
- Introduce better ways of working to drive efficiency, for example home working
- Support the organisation to meet its carbon reduction targets.

The overarching strategy contains a suite of supplementary procedures in the Corporate Asset Procedure that covers all aspects of purchase, disposal, owning and managing property assets as well as other supplementary procedures on items such as Community Asset Transfers, storage and listed sites.

- **Local Transport Plan**

This plan covers the policies and delivery plans relating to transport and explains how these contribute to the wider local agenda. It considers the transport needs both of people and of freight and includes the strategic countywide programme of transport infrastructure improvements and maintenance. The aim is to ensure the maintenance, operation, management and best use of the county's transport assets.

Annual funding available for local transport has over recent years been in the region of £12 million to support capital maintenance of the highway asset and support road safety and transport network improvements. In future the level of funding for transport capital investment will be constrained, but remain a significant component of the overall capital programme, reflecting the importance of maintaining this important asset and its crucial contribution to the economic vitality of the county.

- **Schools Capital Investment Strategy**

This strategy has been developed in consultation with Schools, Children and Families Service. Its principles support the vision, objectives and targets of the Herefordshire Council. In so doing, it supports and contributes to the council's Capital Strategy. It specifically seeks to ensure that assets that do not support the objectives of the Herefordshire Council are disposed of through sale to realise a capital receipt or through community asset transfer, that investment is clearly linked to specific objectives and targets; and that assets such as schools, children's centres, youth centres and children's multi-agency offices are corporate resources, available to accommodate delivery of wider services to the community from across Herefordshire. The strategy seeks to join up future capital funding streams wherever possible to ensure that best value is achieved from the funding available and to maximise the benefits realised from the investment.

- **Digital Strategy**

The Digital Strategy aims to ensure that Herefordshire Council has a stable, fit-for-purpose and sustainable information, communications and technology platform and service organisation capable of supporting the drive to deliver efficient and effective services to the citizens, directorates, businesses, organisations, members and public sector partners within Herefordshire. It will assist Herefordshire Council to make more flexible use of technology to achieve efficiencies, access services and share workspace and resources with partner agencies.

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• **Medium Term Financial Strategy**

This document is approved annually, based on the budget setting requirements of the council and reflects on the strategic and operational intentions over a three-year time frame. It covers the capital programme and funding streams including the affordability of prudential borrowing and use of capital to facilitate revenue budget savings in future years.

• **Treasury Management Strategy**

This strategy sets out the council's overall approach to treasury management operations including the capital programme and links to the borrowing limits, minimum revenue provision in relation to debt repayment and prudential indicators.

Capital vs Treasury Management Investments

- Treasury Management investment activity covers those investments arising from the Council's cash flows and debt management activity. The power to invest is set out in the Local Government Act, Section 12.
- For treasury management investments, the security and liquidity of funds are placed ahead of investment return/yield. Treasury related activity, including the management of associated risk, are managed separately in accordance with the Council's Annual Treasury Management Strategy and are not covered by this Capital Strategy.
- The CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside normal treasury management activity. These may include service and commercial investments and are subject to the guiding principles outlined in this capital strategy:
 - service investments; investments held clearly and explicitly in the course of the provision, and for the purposes of operational services including regeneration
 - commercial investments; investments taken mainly for financial reasons e.g. purchase of investment property
- Latest guidance issued by the Secretary of State makes clear that borrowing to finance the acquisition of non-financial investments (e.g. commercial property investment) made *purely* for profit shall be considered 'borrowing in advance of need'.
- The Council's policy on borrowing in advance of need forms part of the Annual Treasury Management Strategy. However, and to be clear, the Council will not borrow for capital investment made solely for yield generating opportunities. Under the Prudential Code if, exceptionally, the Council chooses not to have regard that provision, then an explanation should be brought forward explaining the rationale for its decision.

OUTLINE STRATEGIC BUSINESS CASE

| | |
|----------------------|--|
| Directorate | Children and Young People |
| Scheme Name | Schools Accessibility Works |
| Budget Holder | Head of Educational Development Children and Young People |

Project aims and objectives:

Scheme description and demonstration of links to corporate priorities and savings plans.

There are nine known children that may require adaptations who are transitioning into schools. The schools that the children will ultimately be attending has not been determined. This will be ascertained as part of the admissions process which takes place at the start of each calendar year. The final places therefore will not be known until April/May 2024, however, these children will need an accessible school for September 2024

Councils receive no dedicated funding for adaptation, improvement or alteration at any schools. It remains the case, therefore, that central funding for accessibility improvements related to pupils joining or transferring to an individual school will need to be considered by the council. There is a requirement on schools to notify the council of access needs, and parents need to identify on school admission forms that their child has physical access requirements.

This project will seek to the following corporate priorities:

CO1: Ensure all children are healthy, safe and inspired to achieve

CO4: Protect and improve the lives of vulnerable people

EC3: Invest in education and the skills needed by employers

EC6: Spend public money in the local economy wherever possible

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|---------------------------------------|--------------|---------|---------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital cost of project | | | | | |
| Schools Accessibility Works | 1,275 | | | | 1,275 |
| profession, internal fees and surveys | 225 | | | | 225 |
| TOTAL | 1,500 | | | | 1,500 |
| Funding sources | | | | | |
| Council borrowing | 1,500 | | | | 1,500 |
| TOTAL | 1,500 | | | | 1,500 |
| Revenue budget implications | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

Benefits and risks:

The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.

Benefits:

- Compliance with government guidelines
- Fit for purpose accommodation and associated infrastructure
- A fully accessible school that could meet the needs of all future children as well as staff and visitors.

Risks

- Adaptations will not be delivered in time for when the learner requires them
- Learners do not have the same choices/opportunities as their abled peers

Do nothing option

- Council does not fulfil their statutory duty to place children with SEN and/or disabilities in schools
- Impact on service delivery
- Reputational risk of the Council failing in its duty
- Learners could be placed in out of catchment schools leading to additional schools transport costs

OUTLINE STRATEGIC BUSINESS CASE

| | |
|----------------------|---|
| Directorate | Children & Young People |
| Scheme Name | Children’s residential homes for 11 to 18 year olds – Provider sourced staff and council purchased accommodation |
| Budget Holder | Darryl Freeman – Corporate Director Children & Young People |

Project aims and objectives:

Following the cabinet decision of 23rd November 2023 approving the commissioning of two, two bedroomed children’s residential homes within Herefordshire, it was also approved for officers to undertake work to consider the option to develop an in house provision as a phase 2 approach. This project aims to develop an in house provision to further increase local sufficiency for children’s placements in Herefordshire and achieve best value.

Herefordshire County Plan 2020-24 states:

“We intend to invest in new models of care, housing and accommodation to maximise the levels of personal independence these vulnerable people are able to attain while remaining in their communities. This might include new care homes, care villages, technology or specialist accommodation for vulnerable children and young people.”

Our Sufficiency Strategy 2019-2024 states that:

“For those young people requiring residential care we intend to develop more local quality provision within 2024-25 and improve percentage of children placed in area annually.

Herefordshire Improvement Plan for Children and Families 2023 highlights that our role as Corporate Parent is a priority area of focus and promotes the following outcomes:

“Children and young people are central to decision making and planning within the council. They trust that the council has their best interest at heart and will prioritise resources to meet their needs.”
 “Increased choice of placement to meet the needs of children in our care.”
 “Matching of placement will be available to ensure needs are met and reduction in short term placements.”

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|---|------------|------------|------------|--------------|--------------|
| | £’000 | £’000 | £’000 | £’000 | £’000 |
| Capital cost of project | | | | | |
| Purchase cost and mobilisation cost [2 x 2 bedroom houses] | 424 | | | | 424 |
| TOTAL | 424 | | | | 424 |
| Funding sources | | | | | |
| Corporate Funded Borrowing | 424 | | | | 424 |
| TOTAL | 424 | | | | 424 |
| Revenue budget implications | | | | | |
| Cost of purchasing property and adapting but a provider running the service (assuming 2 x 2 at 80% occupancy) | 249 | 498 | 498 | 498 | 1,743 |
| TOTAL | 249 | 498 | 498 | 498 | 1,743 |

Benefits and risks:

Benefits: -

The provision within county is expected to deliver improved outcomes, promote placement stability through effective matching, control costs and allow for effective collaborative working across partner agencies.

- The council would have full control of how the service was developed and delivered via specification
- The council would manage referrals into the service and support conversations around matching, managing risk and avoid placement of non-Herefordshire children. However, the provider would have the potential to veto subject to certain conditions i.e. safeguarding risk.
- Risks associated with sourcing property, maintenance and management would be shared
- Increased local options improving choice and matching
- Retention of local connection with family/community and access to services within adult social care and housing
- Improved outcomes for children and recognition of the need to maintain trusted relationships
- Increased access to local education and health services avoiding delay in assessment/ support
- Improved engagement with providers mitigating breakdown, complaints and reputational risk
- Improved referral uptake leading to effective care planning with timely step up/down
- Reduced number of placement moves experienced by children and young people
- Reduced costs associated with transport, contact, travel, notice and uplifts
- Reduced additionality of costs linked to spot/emergency arrangements
- Reduced risk of unregistered placements
- Reduced average length of placement prior to transition to family based care

Risks: -

Currently children are being placed into accommodation that does not fully meet their needs and is often out of area. Placement stability is fragile and matching cannot be managed fully. Costs are rising and quality cannot always be guaranteed. Placing children out of county creates challenges for maintaining family contact, local networks and disrupts education.

Herefordshire's use of both in area and out of area residential have increased by circa 67% between 2020 and 2021 with in-area placements representing approximately 20% of all placements made [Note based on previously reported data]. Out of area placements are costly and work within the service is underway to use alternative placement methods, e.g. reunification, kinship placements, etc. However due to the complex needs of some young people, it may be in their best interest to be in an external placement which is in area rather than out of area. Young people placed out of area do not maintain the family and friendship groups easily which is not in their best interest.

OUTLINE STRATEGIC BUSINESS CASE

| | |
|----------------------|--|
| Directorate | Economy & Environment / Community Wellbeing |
| Scheme Name | Planning and Regulatory Services software replacement |
| Budget Holder | Roger Allonby- Service Director Economy & Growth |

Project aims and objectives:

Scheme description and demonstration of links to corporate priorities and savings plans.

The Economy & Environment Directorate currently use Civica APP as their dominant line of business system. It is used by numerous service areas, delivering many Statutory functions, including Planning & Building Control, Waste, Conservation, Environmental Health, Public Health, and Licensing. It is also used by the Home Improvement Agency and Strategic Housing (Community Wellbeing).

The current system has been in place since **2009** and is renewed annually at a cost of c£57k+ RPI (around £900k spent over lifetime, to 2023). The current contract period comes to an end on 31 March 2024 and is being extended to enable replacement. The implementation would take up to two years to cover all service areas currently in scope

The replacement of Civica APP is the highest Economy and Environment Transformation Plan priorities. It will also deliver multi-Directorate benefits, whilst replacing a business-critical system that is about to reach the end-of-life stage (as-such, there is no opportunity to upgrade the current software).

Starting the procurement and implementation as soon as is possible will reduce the risk of needing to extend the current Civica contract for more than a two-year period. It will also deliver significant operational benefits in terms of improved services to customers, improved data, enhanced communication tools, improve user output significantly, and reduce dependence on outdated and labour-intensive manual processes.

A modern back-office IT system for regulatory services should be able to further reduce duplication and manual inputting of work, offering an integrated digital by default and remote mobile working solution for all service areas. This should allow all service areas using the system to sustain current service level during current difficulties of recruitment and retention.

Whilst a new software system is yet to be identified, it can be assumed that with the improved efficiencies a new software system will bring will result in the potential reduction in FTEs. New processes will also be the enabler for major changes in ways of working and accruing benefits from the Economy and Place Directorate Transformation Plan.

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|---|--------------|--------------|----------|--------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital cost of project | | | | | |
| Planning, Housing & Regulatory Services software replacement | 698.0 | 698.0 | 0 | 0 | 1,1396.0 |
| | | | | | |
| TOTAL | 698.0 | 698.0 | 0 | 0 | 1,1396.0 |
| Funding sources | | | | | |
| <i>Corporate Funded Borrowing</i> | 698.0 | 698.0 | 0 | 0 | 1,396.0 |
| | | | | | |
| TOTAL | 698.0 | 698.0 | 0 | 0 | 1,396.0 |

| Revenue budget implications | | | | | |
|-------------------------------------|--|-----------|-----------|-----------|-----|
| New licenses and hosting (R) | | | | | 108 |
| Current (and two year) licences (R) | | 78 | 78 | -78 | |
| | | | | | |
| TOTAL | | 78 | 78 | 30 | |

Benefits and risks:

The replacement of the now dated Civica APP with a modern software system is the highest Economy & Environment transformation priority. It is business-critical for the service users that have a duty to provide statutory services.

| Option | Short-list Y/N | Reasons |
|---|----------------|--|
| Do Nothing | N | The current software will inevitably be de-supported in the future. This would lead to a rush to procure and implement; In the meantime the services would need to work with an inefficient / broken system This would mean statutory duties could not be undertaken by HC |
| Do minimum (ie replace certain functionality in phases) | N | By not having a full suite of software options teams and customers would be impacted. Further IT solutions would have to be procured, likely to increase overall costs of support and integration |
| Full replacement of software suite | Y | Cost effective and quickest solution to ensure statutory service standards are maintained and potentially improved |

The current software (Civica APP) is end of life and has not been developed by the vendor for some time. There are some major issues, such as:

- Remote / field working is very limited
- Search functionality is slow and limited
- Data extracts and reports take a significant amount of time to produce
- The system slows when 'many' users are logged in
- There are frequent periods of system downtime
- There is lack of integration to the Planning Portal
- The Private Water Supplies functionality is missing
- Lack of citizen self-serve functionality

BENEFITS: The benefits are that a new system will address these issues (above) enabling much more efficient working practices and improvement in service. This will inevitably include fte savings however these are difficult to quantify in advance.

| Risk | Mitigation |
|---|--|
| Lack of HC resources, leading to lengthened implementation and need to extend current contract | Ensure appropriate and necessary resources and allocated to the implementation |
| No system solution agreed and in place before end of Civica APP life, teams would be unable to provide statutory services | Agree funding and begin procurement and implementation of a replacement solution asap |
| Civica issuing end-of-life notice for current software before new implementation project has started | Agree funding and begin procurement and implementation of a replacement solution asap |
| Inconsistent / no- use of HC EDRMS by services, causing double work on document 'loading' and testing | Progress other initiatives or projects to ensure all services in scope are using EDRMS by time of implementation |
| Poor data quality in current system | Conduct data cleansing before project implementation |

OUTLINE STRATEGIC BUSINESS CASE

| | |
|----------------------|--|
| Directorate | Corporate Services |
| Scheme Name | Estates Building Improvement Programme 2024-27 & Building Works from 2022 Condition Surveys |
| Budget Holder | Andrew Lovegrove- Director Resources & Assurance |

Project aims and objectives:

A three year programme of building improvement works 2024/27 which have been prioritised through the assessment of criteria primarily focussed on (1) identified risk, (2) health, safety or welfare of the building users (3) delivery of the aims within the council's county plan, (4) service continuity, through the delivery of property specific projects.

Key objectives include:

- Ensure that the Council's estate is maintained, safe and fit for purpose
- Address identified risks
- Reduce revenue expenditure by investing in buildings and reducing reactive maintenance
- Extend the lifecycle of Council assets and protect/enhance value
- Secure better services, quality of life and value for money
- Support the growth of our local economy
- Protect and promote our heritage
- Support reduction of carbon footprint
- To support the delivery of the County Plan

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services.

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|------------------------------------|----------------|----------------|----------------|---------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital cost of project | | | | | |
| Building Improvement Works | 1,818.3 | 607.3 | 340.0 | 0 | 2,765.6 |
| Condition Survey Works | 190.6 | 274.4 | 280.0 | 0 | 745.0 |
| TOTAL | 2,008.9 | 881.7 | 620.0 | 0 | 3,510.6 |
| Funding sources | | | | | |
| Corporate Funded Borrowing | 2,008.9 | 881.7 | 620.0 | 0 | 3,510.6 |
| | | | | | |
| TOTAL | 2,008.9 | 881.7 | 620.0 | 0 | 3,510.6 |
| Revenue budget implications | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

Benefits and risks:

The anticipated benefits of the proposed programme are listed below:

- Reduced depreciation of buildings and assets
- Heritage protection
- Energy efficiency
- Sustainability
- Reduced revenue costs
- Protected service delivery
- Protected income
- Statutory Compliance
- Risk management / Mitigation
- Growth of our local economy

The programme seeks to reduce the risks identified on a project by project basis.

The key risks of not doing the project are:

- Impact on service delivery
- Rising costs – reducing the extent or quality of completed works
- Insufficient funding
- Loss of income
- Potential for serious physical injury
- Loss in value/deterioration of property assets
- Reputational risk
- Non-Compliance with statutory regulations
- Health and safety risks

The key project risks are:

- Statutory
- Financial
- Service
- Reputational

OUTLINE STRATEGIC BUSINESS CASE

| | |
|---------------|--|
| Directorate | Corporate Services |
| Scheme Name | VMWare Host Replacement |
| Budget Holder | Andrew Lovegrove- Director Resources & Assurance |

Project aims and objectives:

Scheme description and demonstration of links to corporate priorities and savings plans.

Replacement of Key IT Hardware operating the council's key line of business systems.

The primary objective for the project is to support the council's requirements to operate IT solutions in a secure manner protecting the Confidentiality, Integrity and Availability of the Councils data and service delivery. The authority is obliged to ensure that the underlying infrastructure is secure and that the systems hosting environment is maintained securely. Infrastructure must not be vulnerable to common cyber-attacks and this should be maintained through secure configuration and software patching.

This project is to replace ageing computer server equipment with manufacturer supported equipment, to allow security and operational integrity to be maintained, in line with emerging vulnerabilities and Cyber Security threats.

The aim of the project is as follows:

- Replace ageing server hosting equipment which provides the underlying hardware resources required to run the councils key line of business systems, with supported 'in life' equipment which is actively supported by the supplier for hardware failure and cyber security/vulnerability patches.
- Replace like for like with equipment that meets the current compatibility, interoperability and support requirements for the infrastructure. This will include additional overhead to mitigate against failure and capacity growth in line with current digital planning throughout the first 5 years of operation.
- Provide support and maintenance contract with the manufacturer or partner for a period of five years.
- Migrate services from existing hosting equipment to new supported equipment.
- Decommission and dispose of outgoing equipment in line with the authorities' security and environmental policies and obligations.

This will support the Council with its strategy & planning towards digital transformation by providing a stable, modern and fit for purpose infrastructure, enabling the flexibility required to adapt to changing service delivery models throughout the short to medium term (i.e. the initial life of the equipment - 5 years).

Procurement will be through an approved Local Government Procurement Framework (CCS or similar) to ensure that best value is demonstrated.

Commissioning and migration activity will be carried out by the Councils contracted IT provider – Hoople Ltd.

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|------------------------------------|--------------|---------|---------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital cost of project | | | | | |
| VMWare Host Replacement | 247.5 | | | | 247.5 |
| | | | | | |
| TOTAL | 247.5 | | | | 247.5 |
| Funding sources | | | | | |
| Corporate Funded Borrowing | 247.5 | | | | 247.5 |
| | | | | | |
| TOTAL | 247.5 | | | | 247.5 |
| Revenue budget implications | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

Benefits and risks:

The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.

Supported 'in life' equipment will provide:

- Continued Cyber Security protection through manufacturer support for vulnerabilities (i.e. loss of data or disruption to service through Ransomware, Malware & Virus exploitation)
- Continued hardware failure protection through manufacturer support for parts and components (i.e. loss of data or disruption to service through catastrophic hardware or component failure)
- Continued feature support through manufacturer software development. Potential for cost avoidance associated with exploitation of advances in technology.
- Reduces risk for potential loss of Confidentiality, Integrity and Availability of Council key Data due to Cyber Attack or Catastrophic Hardware Failure.
- Protects the Councils Data and Service Delivery obligations through fit for purpose equipment.
- Provides operational efficiencies with opportunity for reduced power consumption & improved performance due to technology advancement in modern solutions.
- Additional overhead to support future data growth/transformation in line with current planning.

OUTLINE STRATEGIC BUSINESS CASE

| | |
|----------------------|---|
| Directorate | Corporate Services |
| Scheme Name | Property Improvements in Care Homes |
| Budget Holder | Andrew Lovegrove- Director Resources & Assurance |

Project aims and objectives:

A programme of building improvement works 2023/24 which have been identified through the assessment of criteria primarily focussed on (1) identified risk, (2) health, safety or welfare of the building users (3) delivery of the aims within the council's county plan, (4) service continuity, through the delivery of property specific projects.

Key objectives include:

- Ensure that the Council's estate is maintained, safe and fit for purpose
- Address identified risks
- Reduce revenue expenditure by investing in buildings
- Extend the lifecycle of Council assets and protect/enhance value
- Secure better services, quality of life and value for money
- Support reduction of carbon footprint
- To support the delivery of the County Plan

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services.

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|--|---------|---------|---------|--------------|-------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital cost of project | | | | | |
| Care Homes Building Improvement Works 2023/24 | 550.0 | | | | 550.0 |
| TOTAL | 550.0 | | | | 550.0 |
| Funding sources | | | | | |
| Corporate Funded Borrowing | 550.0 | | | | 550.0 |
| TOTAL | 550.0 | | | | 550.0 |
| Revenue budget implications | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

Benefits and risks:

The anticipated benefits of the proposed programme are listed below:

- Statutory Compliance
- Risk Management / Mitigation
- Protected Service Delivery
- Energy Efficiency
- Sustainability

The programme seeks to reduce the risks identified on a project by project basis.

The key risks of not doing the project are:

- Non-Compliance with Statutory Regulations
- Health and Safety Risks
- Potential for serious Physical Injury
- Impact on Service Delivery
- Reputational Risk

The key project risks are:

- Statutory
- Financial
- Service
- Reputational



Title of report: 2024/25 Council Tax Reduction Scheme

Meeting: Cabinet

Meeting date: Thursday 25 January 2024

Cabinet Member: Peter Stoddart, Finance and corporate services

Report by: Director of Resources and assurance

Report author: Head of Strategic Finance (Deputy S151 Officer)

Classification

Open

Decision type

Budget and policy framework

Wards affected

All Wards

Purpose

To recommend to Council the 2024/25 local Council Tax Reduction (CTR) scheme.

Recommendation(s)

That:

- a) **The Council Tax Reduction Scheme for 2024/25, with the same parameters as the existing scheme, be recommended to Council for approval.**

Alternative options

1. The local CTR scheme discount was increased to its maximum level in 2021/22 and this was maintained in 2022/23 and again in 2023/24. It cannot be increased further in 2024/25. A reduced discount scheme could be proposed for 2024/25 however this is not recommended as it would limit the support offered to residents; maintaining the maximum level of discount in 2024/25 will ensure that eligible households receive support as the impact of the rising cost of living continues.

Key considerations

2. Council tax charges can be reduced if the bill payer meets certain set criteria contained in the CTR scheme. CTR is available to working age and pensioner claimants. The pensioner CTR scheme is set nationally. The working age CTR scheme is set locally by this council. More than 11,000 bill payers in Herefordshire are currently in receipt of CTR, with over 6,000 claims from working age applicants.
3. The existing local working age CTR scheme was approved by Council in February 2023 and is included at Appendix 1; with the maximum discount maintained in 2023/24 to mirror those available to pensioner cases. This means that a 100% discount is awarded under CTR (unless their income breaches the threshold) irrespective of the council tax band the property falls into.
4. During recent years, the working age CTR caseload has increased; reflecting the national picture and the impact of increases in the cost of living and inflation on working age residents. Having a higher discount rate reduces potential debt recovery action where charges raised cannot be paid. The CTR caseload for 2022/23 and the value of discount awarded is shown below.

| Caseload Type | Number of claims | Discount value (£'000) |
|----------------------|-------------------------|-------------------------------|
| Working age | 6,570 | 7,812 |
| Pensioner | 4,885 | 6,370 |
| Total | 11,455 | 14,182 |

Community impact

9. In addition to the CTR scheme, the council provides other discounts and these are listed on the council's website. Maintaining the maximum discount in 2024/25 will have a positive impact on the community by minimising the debt burden on residents who struggle to pay their council tax charge.

Environmental Impact

10. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
11. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy, for example by directing claimants to apply online.

Equality duty

12. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
16. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. The approved scheme will provide financial assistance to council taxpayers on low incomes with pension age and working age claimants able to benefit from this support.

Resource implications

17. The 2024/25 budget proposals are being presented assuming the current CTR scheme continues in 2024/25. Should the local CTR discount be reduced then additional resources will be available however the resourcing of increased debt recovery action is also likely to be required.

Legal implications

18. The CTR scheme is locally determined by each billing authority under Section 13A and Schedule 1A of the Local Government Finance Act 1992.
19. For each financial year a billing authority must consider whether to revise its scheme or to replace it with another scheme and this must take place in the financial year preceding that for which the revision or replacement scheme is to have effect.
20. A statutory procedure is provided for under Paragraph 3 of Schedule 1A which a billing authority must follow when revising its scheme. Public consultation to determine support for continuation of the discount took place, via an online survey, between 21 November and 31 December 2023.

Risk management

21. By maintaining an increased discount, the risk that claimants may not pay their council tax charge and move further into debt if summons charges are levied, is reduced. The costs and time associated with collecting unpaid, overdue debts is also reduced.

Consultees

22. Public consultation is required before scheme changes are proposed. Public budget consultation took place between 21 November and 31 December 2023; the results report clear support for continuing discount for council tax for those most in need. Whilst no changes are proposed for 2024/25, the responses of the survey will support improvements and inform plans to increase participation in future rounds of consultation.

Appendices

Appendix 1 Approved 2023/24 Council Tax Reduction Scheme.

Background papers

None identified.

Herefordshire Council
Council Tax Reduction Scheme

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



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1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2023.
- 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 2023 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 (Amendment) (England) Regulations 2017;
 - Council Tax Reduction Schemes Prescribed Requirements)(Amendment)(England) Regulations 2018;
 - Council Tax Reduction Schemes Prescribed Requirements)(Amendment)(England) Regulations 2020;
 - Council Tax Reduction Schemes Prescribed Requirements)(Amendment)(England) Regulations 2021;
 - Council Tax Reduction Schemes Prescribed Requirements)(Amendment)(England) Regulations 2022;
 - The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2022;
 - Council Tax Reduction Schemes Prescribed Requirements)(Amendment)(England) Regulations 2023; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

- 1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;
- a. has attained the qualifying age for state pension credit; and
 - b. is not, or, if he has a partner, his partner is not;
 - i. a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance; or
 - ii. a person with an award of universal credit

The three prescribed classes are as follows;

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

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

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

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

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

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

Class C: alternative maximum Council Tax Reduction

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

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

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

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

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for

- the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

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

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

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

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

Class D

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit¹; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction² amount can be calculated;
- g. not have capital savings above £6,000³;
- h. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*⁴ is **less** than their *applicable amount*⁵ or the applicant or partner is in receipt of income support, jobseekers allowance (income based) or employment and support allowance (income related); and
- i. has made a valid application for reduction⁶.

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

Class E

To obtain reduction the individual (or partner) must:

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

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

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

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 reduction to be given for **working age applicants** for the financial year 2023/24

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 of 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 2014 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 a 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 a 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 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or 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 2004¹³;
- 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;
- 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;

'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

¹³ As amended by the Finance Act 2014

'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;

'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;

‘Uprating 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 amended¹⁴; 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

¹⁴ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- 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;
 - (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 reduction scheme.

4.0 Requirement to provide a National Insurance Number¹⁵

4.1 No person shall be entitled to reduction 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 reduction.

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

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

4.3 Paragraph 4.2 shall not apply–

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

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

5.1 This scheme applies to a person if:

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

6.0 Remunerative work

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

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

¹⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

over;

- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- b. in any other case, the period of 5 weeks immediately prior to that date of claim, or 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;
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- (b) a family member of a person referred to in sub-paragraph (a);
- (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
- (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;

- (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
- (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance; or
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4).

7.6 A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.

7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

7.8 In this regulation—
 "claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
 "Crown servant" means a person holding an office or employment under the Crown;
 "EEA Regulations" means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020
 "EEA national" has the meaning given in regulation 2(1) of the EEA Regulations;
 "family member" has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);
 "relevant person of Northern Ireland" has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and
 "His Majesty's forces" has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9

7.11 "Person subject to immigration control" has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority's scheme established under section 13A(2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker's allowance.

7A.3 In this section "the Act" means the Local Government Finance Act 1992.

8.0 Temporary Absence (period of absence)

8.1 Where a person is absent from the dwelling throughout any day then no reduction shall be payable

8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.

8.3 In paragraph 8.2, 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;
 - 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 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; and
 - iii. that period is unlikely to exceed 13 weeks; and
- c. a period of absence not exceeding 52 weeks, beginning with the first whole day of 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 paragraph 8.4 applies; and
 - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.4 This paragraph applies to a person who is;

- a. 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 paragraph 8.1, or
 - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
- b. resident in a hospital or similar institution as a patient;
- c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in the United Kingdom or elsewhere, a training course;

- e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- f. 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 of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- h. a student;
- i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) 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.

8.5 This 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 (as amended by the Mental Health (Discrimination) Act 2013), 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

8.6 Where paragraph 8.5 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 paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident

8.7 In this section;

- ‘medically approved’ means certified by a medical practitioner;
- ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
 - a. in a care home;
 - b. in an independent hospital;
 - c. in an Abbeyfield Home; or
 - d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Sections 9 - 11

The family for Council tax reduction purposes

9.0 Membership of a family

- 9.1 Within the reduction scheme adopted by the Council 'family' means;
- a. a married or unmarried couple;
 - b. 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;
 - c. two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - 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 (with or without children),
 - e. 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;
 - f. 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;
- a. on income support ;
 - b. an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
 - c. 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;
- a. the person who is receiving child benefit in respect of him; or
 - b. if there is no such person;
 - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or

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

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

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

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

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

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

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

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

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

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

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

Sections 12 – 14 & Schedule 1

Applicable Amounts for Council tax reduction purposes

12.0 Applicable amounts

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);
- 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 lowest amount within paragraph 1 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 or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in paragraph 3 of Schedule 1 of this scheme (family premium);
- 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 may 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) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings: persons who are not pensioners);
 - (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 2013 as appropriate;

- 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 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 (v) above;
 - ix. main phase employment and support allowance;
- g. a pension or allowance to which head (ii), (iv), (v) or (vi) 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 person 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 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 12;
 - 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,

- g. including any payment made by the applicant's employer in respect of–
 - (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 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 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 amended¹⁶.

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 effect in Northern Ireland and which corresponds to statutory sick pay, statutory

¹⁶ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

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

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

27.0 Earnings of self-employed earners

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

copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

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

28.0 Calculation of net profit of self-employed earners

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be
- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
 - b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
 - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.
- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less
- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - b. an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of—
- a. any capital expenditure;
 - b. the depreciation of any capital asset;
 - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
 - d. any loss incurred before the beginning of the assessment period;
 - e. the repayment of capital on any loan taken out for the purposes of the employment;

- f. any expenses incurred in providing business entertainment, and
 - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for–
- a. the replacement in the course of business of equipment or machinery; and
 - b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a. or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt–
- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
 - b. a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - iii. any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- a. income tax; and
 - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
 - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 28.12 In this section, ‘qualifying premium’ means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.
- 29.0 Deduction of tax and contributions of self-employed earners**
- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the

assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b(i); 28.3 b ii) or 28.9 a shall be the total of—

- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means—

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 28.3(a) or, as the case may be, 28.4 of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 30.2, any sum, where applicable, specified in Schedule 4.

30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.

30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008 or 2013 as appropriate, 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 Paragraph 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—

$A - (B \times C)$

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 £6,000, 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 reduction or increasing the amount of that reduction.
- 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 reduction shall be granted when the applicant has an amount greater than this level

34.0 Calculation of capital

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

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

35.0 Disregard of capital of child and young person

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

36.0 Income treated as capital

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

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

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

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

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

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

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

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

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

37.0 Calculation of capital in the United Kingdom

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

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

38.0 Calculation of capital outside the United Kingdom

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

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

39.0 Notional capital

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

39.2 Except in the case of

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

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

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

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

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

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

Allowance Regulations;

- ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
- v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- c. in respect of a person's participation in the Mandatory Work Activity Scheme;
- d. Enterprise Scheme;
- e. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme;
- f. 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 Not Used

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 purposes¹⁷

¹⁷ Amounts shown in sections 43 to 56 will be uprated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

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

'access funds' means;

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

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

'contribution' means;

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

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

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

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

'full-time course of study' means a full time course of study which;

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

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

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

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

‘grant income’ means

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

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

‘last day of the course’ means;

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

‘period of study’ means—

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

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

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

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

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

‘standard maintenance grant’ means–

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

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

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

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

- 43.2 For the purposes of the definition of ‘full-time student’, a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course
- a. in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending:
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
 - b. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

- 43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;
- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
 - b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

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

45.0 Students who are excluded from entitlement to council tax reduction

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

45.2 To be eligible for reduction, 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.

Sections 57 – 63

The calculation and amount of Council tax reduction

57.0 Maximum council tax reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax reduction in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A divided by B where;

- (a) A is the 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; 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).

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

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 deductions¹⁸

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, £14.15 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £4.60 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 £236.00, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
- (b) not less than £236.00, but less than £410.00, the deduction to be made under this section shall be £9.40 x 1/7
- (c) not less than £410.00, but less than £511.00, the deduction to be made under this section shall be £11.80 x 1/7;

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.

¹⁸ The amounts shown within this section shall be updated in line with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012

- 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:
 - attendance allowance, or would be receiving that allowance but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. an abatement as a result of hospitalisation; or
 - the care component of the disability living allowance, or would be receiving that component but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. 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;
 - e. 'patient' has the meaning given within this scheme, and
 - f. 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;
 - g. 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 reduction 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 area¹⁹

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 scheme by the amount of that extended reduction.

62.0 - 63.0 Not Used

¹⁹ 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 reduction 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 - 66.0 Not Used

67.0 Date on which change of circumstances is to take effect

67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.

67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

Sections 68– 74A

Claiming and the treatment of claims for Council tax reduction purposes

68.0 Making an application²⁰

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.

²⁰ 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 scheme²¹

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, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

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.

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

(1) Where an applicant ;

- (a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and

²¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

- (2) That date is the latest of;
- a. the first day from which the applicant had continuous good cause;
 - b. the day 3 months before the date the application was made;
 - c. the day 3 months before the date when the applicant requested that the application should include a past period.

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 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 evidence²²

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

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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 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 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 application²³

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

²³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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 circumstances²⁴

- 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 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 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.
- 74.7 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

²⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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 £6,000;

(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.

74.8 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances

Sections 75- 90

Decisions, decision notices and awards of Council tax reduction

75.0 Decisions by the authority²⁵

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 decision²⁶

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,

²⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁶ 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 reduction²⁷

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 reduction is to be paid²⁸

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount

²⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁸ 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 reduction²⁹

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 reasonable practicable, as soon as possible afterwards.

80.0 Payment on the death of the person entitled³⁰

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 liability³¹

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.

²⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³¹ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

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 appointment under paragraph 4(3) or is treated as having been so appointed by virtue of paragraph 4(4), the amount of the reduction may be paid to that person.

83.0 – 90.0 Not used

Sections 91 – 94

Collection, holding and forwarding of information for Council tax reduction purposes

91.0 Use of information from and to the Department of Work and Pensions (DWP) and Hi Majesty's Revenues and Customs (HMRC)

91.1 The authority will 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 requirements³².

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.

³² Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

Sections 95 – 98

Revisions, Written Statements, Termination of Council tax reduction

95.0 Persons affected by Decisions

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- a. an applicant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction 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 reduction 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 reduction 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 reduction 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 reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 99

Appeals against the authority's decisions

99.0 Procedure by which a person may make an appeal against certain decisions of the authority³³

- 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 Act³⁴.

³³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³⁴ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

Section 100

Procedure for applying for a discretionary reduction

100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act³⁵

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 with 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).

³⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 101 – 106A³⁶
Electronic Communication

³⁶ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

101.0 Interpretation

101.1 In this Part;
“**information**” includes an application, a certificate, notice or other evidence; and
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

102.0 Conditions for the use of electronic communication

102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.

102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

102.4 The second condition is that the person uses an approved method of;
(a) authenticating the identity of the sender of the communication;
(b) electronic communication;
(c) authenticating any application or notice delivered by means of an electronic communication; and
(d) subject to sub-paragraph (7), submitting to the authority any information.

102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

103.0 Use of intermediaries

103.1 The authority may use intermediaries in connection with;
(a) the delivery of any information by means of an electronic communication; and
(b) the authentication or security of anything transmitted by such means,
and may require other persons to use intermediaries in connection with those matters.

104.0 Effect of delivering information by means of electronic communication

104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;
(a) by this section; and
(b) by or under an enactment,

are satisfied.

104.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

105.0 Proof of identity of sender or recipient of information

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

106.0 Proof of delivery of information

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;

(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

106A.0 Proof of content of information

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

Section 107
Counter Fraud and Compliance

107.0 Counter Fraud and compliance

107.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council tax reduction;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

107.2 The authority believes that it is important to minimise the opportunity for fraud and;

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this scheme;
- d. will co-operate with the Department for Work and Pensions (DWP), Her Majesty's Revenues and Customs and take part in joint working including prosecutions; and
- e. will in all cases seek to recover all outstanding council tax.

107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Applicable Amounts³⁷

³⁷ The amounts shown within this schedule shall be updated 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 | £84.80 |
| b) is aged not less than 25 | £84.80 |
| c) is aged not less than 18 but less than 25 | £67.20 |
| 2. Lone Parent | £84.80 |
| 3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance | £133.30 |
| b) Where one member is aged not less than 18 | £133.30 |
| c) For each additional spouse who is a member of the same household as the claimant | £48.50 |

For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if;

- a. Paragraph 17 or 18 is satisfied in relation to the applicant; or
- b. 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; | £77.78 |
| (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. | £77.78 |

(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
- a. 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, £18.53;

Premiums

4. Except as provided in paragraph 5, the premiums specified in 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 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
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 | £39.85 |
| 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 | £56.80 |
| Severe Disability Premium | £76.40 |
| 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 | £76.40 |
| 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 | £152.80 |
| Disabled Child Premium | £74.69 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 | £42.75 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) £30.17 in respect of each child 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) £19.55 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) £27.90 where the applicant is a member of a couple or a |

| Premium | Amount |
|---------|---|
| | 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 £33.70. The amount of the support component is £44.70.

Transitional Addition

- 19. The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of the Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 – 29 of Schedule 3 of the Housing Benefit Regulations 2006

Amount of transitional addition

- 20. The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of the Housing Benefit Regulations 2006

Schedule 2

Not Used

Schedule 3

Sums to be disregarded in the calculation of earnings³⁸

³⁸ 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.

Schedule 4

Sums to be disregarded in the calculation of income other than earnings³⁹

³⁹ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is–
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant’s participation as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker’s allowance, the whole of the applicant’s income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker’s allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker’s allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment–
 - (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);

- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
 - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
 - (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
 - (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14**
- (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
 - (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
 - (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15**
- (1) Subject to sub-paragraph (2), any of the following payments;
 - (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of

any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–
 - (a) a former partner of the applicant, or a former partner of any member of the applicant’s family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant’s family.

- 16.** 100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow’s pension or war widower’s pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

- 17.** Subject to paragraph 35, £15 of any;
 - (a) widowed mother’s allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent’s allowance paid pursuant to section 39A of the Act.

- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
(2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of–
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of ‘water charges’ in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words ‘in so far as such charges are in respect of the dwelling which a person occupies as his home’.

- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–
 - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student’s award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student’s bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
 - (c) the student’s student loan,an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to–
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non- dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to–
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 26.** (1) Any payment made to the applicant in respect of a person who is a member of his family–

- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 27.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under–
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 28.** Any payment made to the applicant or his partner for a person ('the person concerned'), who is not normally a member of the applicant's household but is temporarily in his care, by–
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 29.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995(local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.
- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013
- 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, other than child 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).
- 48A.** (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.
(2) In paragraph (1)
'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;
(a) the Child Support Act 1991;
(b) the Child Support (Northern Ireland) Order 1991;
(c) a court order;
(d) a consent order;
(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;
'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

- 49. 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.
- 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
- 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.** Any payment made under the Energy Rebate Scheme 2022 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.
- “The Energy Rebate Scheme 2022” means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022
- 65.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 66.** Any payment of child benefit.

Schedule 5
Capital to be disregarded⁴⁰

⁴⁰ Any amounts shown in this schedule will be updated 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 reduction.
- 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).

64. Any payment made under the Energy Rebate Scheme 2022 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.

"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

