



Telford & Wrekin
COUNCIL

Addenbrooke House Ironmasters Way Telford TF3 4NT

CABINET

Date **Thursday, 5 January 2017** Time **5.00pm**
Venue **Meeting Rooms G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

Enquiries Regarding this Agenda:

Democratic Services	Deborah Moseley	01952 383215
Media Enquiries	Corporate Communications Manager	01952 382403
Lead Officer	Richard Partington, Managing Director	01952 380102

Cabinet Members:

Councillor S Davies	Leader of the Council
Councillor R A Overton	Deputy Leader and Cabinet Member for Housing, Leisure & Health
Councillor L D Carter	Council Finance, Partnerships & Commercial Services
Councillor E A Clare	Culture, Sports, Parks & Green Spaces
Councillor A R H England	Adult Social Care & Older People
Councillor A D McClements	Transport, Customer & Neighbourhood Services
Councillor G C W Reynolds	Education, Employment & Regeneration
Councillor H Rhodes	Public Protection, Safety & Enforcement
Councillor P R Watling	Children, Young People & Communities

Invitees

Councillor A J Eade	Conservative
Councillor W L Tomlinson	Liberal Democrat/Independent

AGENDA

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Cllr Richard Overton

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CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on
Thursday, 5 January 2017 at 5.00pm at Addenbrooke House, Ironmasters Way,
Telford

PUBLISHED ON WEDNESDAY, 11 JANUARY 2017

(DEADLINE FOR CALL-IN: MONDAY, 16 JANUARY 2017)

Present: Councillors S Davies (Leader and Chair), L D Carter, E A Clare, A R H England, A D McClements, R A Overton, G C W Reynolds, H Rhodes and P R Watling.

CB-049 Apologies for Absence

Councillors A J Eade (Conservative Group Leader) and W L Tomlinson (Liberal Democrat/Independent Group Leader)

CB-050 Declarations of Interest

None.

CB-051 Minutes

RESOLVED – that the minutes of the meeting held on 17 November 2016 be confirmed and signed by the Chair.

CB-052 2016/17 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 9 November 2016.

Reserved for Council

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, presented the report of the Assistant Director: Finance and Human Resources, which provided Members with the latest financial monitoring information for 2016/17.

The net projected outturn position for 2016/17 for all service budgets showed an improvement of £0.86m on the position reported to Cabinet on 13 October 2016. Councillor Carter thanked the Assistant Director and his team for the work they did in exercising very effective financial management in an extremely challenging financial climate. The aim was that Senior managers would sustain the position and look to make further improvements where possible by year end.

Children's Safeguarding and Early Help & Support continued to be key areas of pressure and both had cost improvement plans in place to reduce costs and deliver

savings. These plans were monitored on a regular basis both by senior managers and Cabinet Members.

There were a number of variations from the approved budget, including some beneficial variances. The key areas included: a benefit of £3.2m relating to Treasury Management activities; a one off benefit of £0.6m following the final winding-up of Transforming Telford Ltd; a one off benefit of £0.7m from updating sinking fund requirements for Private Finance Initiative commitments; Early Help & Support were projecting an overspend of £4.1m, mainly relating to the cost of care packages; Children's Safeguarding also continued to be a key pressure with an overspend of £3.8m being reported, the majority relating to the cost of Children in Care placements.

Central Government had now confirmed that the Council was eligible for a Four Year Settlement however the funding outlook for the medium term was still uncertain due to the number of changes in the pipeline, such as changes to business rates and New Homes Bonus, which sat outside the Revenue Support Grant process. The Autumn Statement on 23 November gave an indication that the Government was committed to maintaining departmental spending plans at the levels announced in SR 2015; disappointingly there was no recognition of Adult Social Care pressures nor any mention of New Homes Bonus.

The capital programme totalled £86.9m, which included all approvals since the budget was set. Spend was projected at around 94% of the budget allocation. The report detailed a number of new approvals, virements and slippage.

The collection levels for Council Tax and Sales Ledger were slightly behind target, and NDR collection was ahead of target. Compared to the same period last year, around £2.8m more had been collected.

RESOLVED –

- (a) that it be noted that 2016/17 revenue spending is currently projected to be within budget and that work will continue with SMT to sustain this position;**
- (b) that the use of the central contingency detailed in section 5 of the report be approved;**
- (c) that the position in relation to capital spend be noted, and TO RECOMMEND TO COUNCIL that the new allocations and slippage detailed in Appendix 3 of the report be approved; and**
- (d) that the collection rates for NDR, council tax and sales ledger be noted.**

CB-053 Service & Financial Planning Strategy – Proposals for Consultation

Key Decision identified as **Service & Financial Planning Strategy 2016/17 to 2019/20** in the Notice of Key Decisions published on 7 December 2016.

Council decision – not subject to Call-in

Councillor L D Carter, Cabinet Member: Council Finance & Service Delivery, presented the report of the Managing Director and the Chief Financial Officer, which set out the proposed service and financial planning strategy for the period 2017/18 to 2018/19, and the proposed engagement and consultation activities with the community. He thanked the Chief Financial Officer, his team and officers from across the Council for all their hard work in managing the finances and preparing the draft budget. He also paid tribute to all officers and unpaid volunteers working in public service and expressed his determination that they should be valued for their efforts.

Over £96m of savings would have been delivered by April 2017 - equivalent to nearly £1,300 for every household in the Borough. The Council had sought to do this in ways that protected front line services as far as possible and, where services to the public were affected, to do this in as compassionate a way as possible. The Administration was committed to protect the most essential services for vulnerable children and adults and to investing in Telford's future and in promoting jobs and growth for the Borough. In order to do this, the Council would continue to seek innovative ways to generate income to fund key frontline services.

In March 2016, the Council had set a medium term budget strategy with specific proposals for 2016/17 and 2017/18, the key features of which were set out in the report. Key proposals for 2017/18, in line with this medium term strategy, included:-

- Dealing with a reduction in the Council's Revenue Support Grant from Government whilst maintaining the Council's commitment to continue its existing policy of transferring grant to Town & Parish Councils in respect of Local Council Tax Support;
- A Council tax increase for 2017/18 of 1.2% in line with the medium term strategy agreed last year and to again implement the Government's assumed "Adult Social Care Precept" in line with the Government's original plans, this is equivalent to a further council tax increase of 2%.
- To continue implementing the package of savings and efficiency measures agreed in March 2016 but with the additional savings and efficiency measures for 2017/18 set out in Appendix 3 to the report and to develop detailed savings proposals for 2018/19 and 2019/20 to cover the expected budget shortfall of £15 - £20m over this two year period.
- Investment in Capital Projects, including:-
 - Pride Programme- Funding for a further major investment in improvements to local roads and associated infrastructure of £20m as part of the Council's continuing Pride Programme of environmental improvements.
 - Funding for further investment in NuPlace, the Council's wholly owned housing company of £13.4m.

- A doubling of the ICT capital programme from £1m to £2m pa for the three year period 2017/18 to 2019/20. This will enable investment to be made resulting in increased efficiencies and ongoing cost savings as well as ensuring that the Council's ICT network is robust.
- To use funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature, including
 - Investment of £1.4m one-off resources over the 2 year period 2017/18 – 2018/19 to improve across the Borough which is a further extension of the Council's comprehensive Pride Programme of environmental improvements.
 - Making available additional funding of £4.459m for Children's safeguarding in 2017/18 compared to what was originally planned and setting aside funds to provide a £2.5m "draw-down budget" for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults. A further £1.344m more funding would be available in 2017/18 than originally planned for Early Help & Support services to help phase in the cuts that the Council was being forced to make.
 - Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives to promote Telford as a place to visit for leisure or to do business, for businesses to invest in and for people to come to live.
 - £500k of one-off resources would be added to £195k previously identified to create a new £695k Partnership Capacity Fund to support the extension of new approaches to joint working with voluntary sector and other community groups aligned to the achievement of ongoing savings.
 - In addition £1.5m of one-off resources would be transferred to supplement the Invest to Save/Capacity fund.
 - £250k of one-off resources would be earmarked to fund organisation development initiatives.
 - The Council contribution to the Food Bank was budgeted on an ongoing basis rather than from time limited funding in recognition of the critical support that this organisation provided to many local people. This represented a total commitment by the Council of more than £130,000 over the period 2016/17 to 2019/20.

Attached to the report were a number of appendices, including savings proposals, Impact Assessments of the savings proposals, the Capital Investment Programme, details of Reserves and Balances and details of education related Section 106 Agreements. A programme of community engagement and consultation on the budget proposals would be undertaken over the next few weeks. As the Council had already agreed and consulted on its Service & Financial Planning strategy for the two year period 2016/17 to 2017/18, the Council aimed to build more in depth engagement during 2017/18 involving residents and partners in developing solutions, and, therefore, an important part of the communication and engagement plan appended to the report was to identify those who were willing and able to be part of this process. Final proposals would be considered by the Cabinet on 23 February 2017 for recommendation to full Council on 2 March 2017.

The Cabinet noted that the report was tabled due to incomplete information being provided as part of the local government finance settlement which was finally announced on 15 December. Details remained outstanding regarding funding totalling over £3m. and the strategy therefore incorporated estimates based on best available data.

RESOLVED – that

- (a) the service and financial planning strategy as set out in the report be approved for consultation with the community between 6 January and 5 February 2017;
- (b) the creation of a One-off Partnership Capacity Fund totalling £695,000 as set out in section 6.3 be approved with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services;
- (c) the transfer of £1.5m of one-off resources in to the Invest to Save/Capacity Fund, £0.25m to the Organisational Development Fund, £275k to the Destination Telford Fund and £1.4m to fund investment in Pavements be approved;
- (d) authority to respond to the provisional settlement and all future local government finance consultation documents be delegated to the Assistant Director: Finance & H.R. after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services;
- (e) it be approved that the £233k that was previously set aside to support new facilities at AFC Telford pending receipt of an acceptable business case be de-committed and used to part fund a new 3G pitch in Madeley;
- (f) it be approved that Business Rates deals may, in future, have a maximum 5 year life subject to the agreement of an appropriate business case – as set out in Section 5.3; and
- (g) the transfer of the remaining £6.9m of available one-off resources to a one-off contingency fund to cover pressures such as costs arising from severe weather, demand for safeguarding services etc be approved with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.

CB-054 **Council Tax Support Scheme 2017/18**

Key Decision identified as **Council Tax Support Policy Review 2017/18** in the Notice of Key Decisions published on 7 December 2016.

Reserved for Council

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, presented the report of the Assistant Director: Neighbourhood & Customer Services, which set out the proposed policies for 2016/17 in relation to Council Tax Support and the Council Tax Hardship Fund.

The Council Tax Support (CTS) Scheme was introduced in April 2013 to award council tax discounts to customers who were on low incomes, based on a series of principles and eligibility criteria. A review of the 2016/17 scheme had taken place, and it was recommended that some changes be made to the scheme that would result in some savings to the overall annual cost, as well as reflecting some technical and legislative amendments that were necessitated each year by Government.

The main proposed change to the Policy was to further reduce the amount of support awarded to all working age claimants, by increasing the percentage reduction amount from 21% to 25%. It was further proposed to replicate changes that the Government were making to the Housing Benefit scheme by introducing a cap on the number of children who were included in the assessment of entitlement, reducing the temporary absence rule to four weeks. It was also proposed that this scheme would remain in place until March 2020, unless Government Policy changed significantly.

A full public consultation on the proposed changes to the Scheme had been undertaken, which included writing directly to the 6446 customers who it was believed would be directly affected by the proposals. Copies of the consultation document and summary of responses were appended to the report. 404 responses were received, and there was support for the recommended options/changes.

The Hardship Fund had been invaluable over the last three years in providing additional support to the most financially vulnerable customers, and it was proposed to fund the Scheme for a further 12 months. It was proposed to engage with specific customers affected by the changes to the Support Scheme to make them aware of the Hardship Fund.

RESOLVED TO RECOMMEND TO COUNCIL

- (a) that the Council Tax Support Scheme Policy for 2017/18, as shown at Appendix A of the report, be approved;**
- (b) that the Council Tax Hardship Policy and accompanying funding continues in 2017/18.**

CB-055 School Funding Formula 2017/18

Key Decision identified as **T&W School Funding Formula 2017/18** in the Notice of Key Decisions published on 7 December 2016.

Councillor G C W Reynolds, Cabinet Member: Education, Employment & Regeneration, presented the report of the Assistant Director: Education & Corporate Parenting which sought approval for the proposed 2017/18 funding formula to be applied for mainstream schools in the Borough.

This was an annual process in the context of revisions to Department for Education (DfE) regulations or any other relevant developments. For mainstream school funding in 2016/17, the DfE had made only minor changes to the funding regulations. Following consultation with schools and the Telford & Wrekin Schools Forum, for 2017/18, it was proposed to retain the principles of the existing funding formula, in the context that the Government was planning to introduce a national funding formula in 2018/19, which would replace local arrangements.

A new pressure for schools and the local authority was the proposed removal of the Education Services Grant (ESG) from September 2017. Just over £2m of ESG was allocated to T&W in 2016/17. This grant currently funded many of the local authority's statutory duties for schools, including those relating to academies. The local authority would be requesting schools forum permission to retain Dedicated Schools Grant (DSG) funds to pay for these duties. Any such retentions would reduce the amount available to be allocated to schools via the funding formula.

The local authority was able to move funds between the 3 different DSG blocks – Schools, Early Years and High Needs. If required, following the DfE's announcement of the allocation of high needs funding for 2017/18, sufficient funds would need to be moved from the schools block to meet projected high needs expenditure in 2017/18. The increase in the number of pupils in special schools in recent years was likely to continue in 2017/18, which was likely to increase high needs expenditure.

RESOLVED that the funding formula for Telford & Wrekin mainstream schools be approved.

CB-056 Local Development Order – Householder Extensions and Alterations

Key Decision identified as **Local Development Order** in the Notice of Key Decisions published on 7 December 2016.

Councillor R A Overton, Cabinet Member: Housing, Leisure & Health, presented the report of the Assistant Director: Business, Development & Employment which sought delegated authority to make a Local Development Order (LDO) removing the need to seek planning permission for a number of types of change to residential properties, across the Borough. The introduction of the LDO was agreed as part of the budget strategy approved by Full Council on 3 March 2016, and the consultation documents were considered by Cabinet on 15 September 2016.

The Local Development Order (LDO) would approve a number of general types of changes for two storey and single storey extensions, in addition to other minor alterations to residential properties that were deemed to be non-controversial. It would mean that such changes would not require an application for planning consent. Instead householders would simply apply to the LPA for a Certificate of Compliance under the LDO which would be a much more straight forward and faster process.

The LDO would last for a period of 3 years, and some exclusions would apply where a full planning application is required, for example applications within the World Heritage Site, Conservation Areas, Listed Buildings and Houses in Multiple Occupation which were excluded from the LDO.

A period of statutory consultation had been carried out and in light of comments received, a number of minor amendments had been made to the document. This included a minor alteration to the boundary of the Newport exclusion area at the request of the Parish Council, which had been marginally extended, and the addition of further technical guidance.

RESOLVED that delegated authority be granted to the Assistant Director: Business, Development & Employment and any other officer authorised by that Assistant Director in writing, to make the Borough of Telford & Wrekin Extensions and Alterations LDO, for a period of 3 years.

The meeting ended at 5.22pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 11 January 2017

Signed:

Date:

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 17 November at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 23 NOVEMBER 2016

(DEADLINE FOR CALL-IN: MONDAY, 28 NOVEMBER 2016)

Present: Councillors S Davies (Leader and Chair), L D Carter, E A Clare, A R H England, A D McClements, R A Overton, G C W Reynolds, H Rhodes and P R Watling.

Also Present: Councillors A J Eade (Conservative Group Leader)

CB-043 **Apologies for Absence**

CB-044 **Declarations of Interest**

None.

CB-045 **Minutes**

RESOLVED – that the minutes of the meeting held on 13 October 2016 be confirmed and signed by the Chair.

CB-046 **Ensuring Children are Fully Protected in Telford and Wrekin – Getting to Good**

Key Decision identified as Inspection of Local Authority Children's Services in the Notice of Key Decisions published on 19 October 2016.

Reserved for Council

Councillor P R Watling, Cabinet Member: Children, Young People & Communities presented the report of the Director of Children's and Adult Services and Independent Chair of the Telford and Wrekin Safeguarding Children Board.

The report was presented in response to the motion carried at the Full Council Meeting on 22 September 2016, that the Council:

- Present a comprehensive plan at the November Full Council Meeting demonstrating a clear commitment to the improvement of Children's Services and detail exactly how the Administration intends to raise all Children's Services in the Borough to a minimum standard of 'Good'.
- Present details of measures the current Administration will now introduce to ensure that vulnerable children in the Borough are fully protected in future

and precisely how it will tackle the serious problems currently facing the Borough.

A draft action plan in line with recommendations from the Ofsted Single Inspection of Services for Children in Need of Help and Protection, Children Looked After and Care Leavers was appended to the report.

Councillor Watling reported that the Council had always had an organisational priority of protecting vulnerable children and adults within the Borough and it ensured that the right help and interventions were and continued to be provided at the right time for children and families. In working in partnership with other agencies, the Council ensured that children in the Borough were and continued to be fully protected. The relationships were enhanced and supported by the Telford & Wrekin Safeguarding Children Board (TWSCB), which provided focussed and effective challenge to the Council and other agencies as well as supporting the Council in its improvement agenda. In the last year the Council had reviewed some key aspects of how children's services operated and implemented plans to improve services.

The report provided background on the Single Inspection of Services for Children in Need of Help and Protection, Children Looked After and Care Leavers (SIF) arrangements. The Cabinet noted the major change in scope from previous inspection frameworks, as it covered the whole of children's social care plus a review of Local Safeguarding Children Board. Furthermore, the major change in timescale was acknowledged; previous one or two week inspections with notice had been replaced by month long inspections with 24 hours' notice.

Details of the national context were also provided; 2% (2) of the 116 Local Authorities inspected in England were judged to be 'outstanding', 25% (28) 'good', 49% (54) 'requires improvement' and 24% (26) 'inadequate'. Members were provided with the details of Telford & Wrekin Council's SIF, which took place between 13 June and 7 July 2016. A copy of the report published on 26 August 2016 was appended to the report.

Councillor Watling advised that the overall grading was that "Children's Services in Telford and Wrekin require improvement to be good". Out of the five judgement areas, two were found to be good already (adoption performance and experiences and progress of care leavers). This was the second best performance out of the nine West Midlands local authorities who had been inspected so far. The Cabinet was pleased to note that the inspection had recognised improvements in the quality of services and in the outcomes that children were achieving, commenting on strong leadership of the Director of Children's Services and the senior team, and the effective political backing and hands-on support of the Managing Director.

Councillor Watling went on to note that in the verbal feedback received from the inspection team, it was reported that significant improvements could be seen and that the Council should continue to do what it was doing to achieve consistently good services. Inspectors had found the Council to be self-aware, and the findings from the inspection reflected the strengths and areas for improvement identified in the 'Where We Are' self-assessment document. The Council had also received positive

feedback about the commitment and motivation of staff, and it had been acknowledged that staff felt supported by management at all levels.

In terms of the Council's response to tackling CSE and the role of partners, Ofsted had reported that work with children and young people at risk of sexual exploitation was very strong and Members noted that there had been no recommendations to further improve the Council's work on CSE. It was acknowledged that the Council and the TWSCB already had an action plan in place to continue to improve the work in this area. examples of which were highlighted in the report had acknowledged that the Council had been a champion for tackling CSE, leadership had been provided to partner agencies and the work had been found to be well co-ordinated.

Areas for improvement had been identified by Ofsted; the 11 recommendations were set out in Appendix 2 to the report. Members noted the large reduction on the 34 recommendations from the previous inspection in 2012. Ofsted's recommendations provided for actions to achieve 'Good'.

The Cabinet noted that there had also been a review of the effectiveness of the TWSCB, which was judged to be 'good' and identified 5 recommendations for improvement, details of which were appended to the report.

Councillor Watling noted the clear commitment of the Cabinet, which had recently proposed that three additional posts be funded (1 Senior Social Worker and 2 CSE Practitioners). This would enable the team to have the capacity to proactively be involved in education and raising awareness of CSE with children, families and professionals within the Borough.

Councillor Watling reported that a copy of the first draft of the action plan was attached to the report but that, following a recent meeting with Ofsted, some further refinement would be required prior to submission of the final draft by 5 December. The plan highlighted that some additional resource would be required to achieve the necessary improvements which included some one off and ongoing costs as detailed within the plan.

Following a question received, Councillor Watling reported that refinement of the draft action plan was a normal part of process, the meeting with Ofsted had been positive and reinforced previous comments for the Council to keep doing what it was doing.

Councillor A J Eade requested a copy of the final written submission.

Cabinet particularly welcomed aspects of the report relating to the Council's work with others, noting the importance of work to smooth the transition to adulthood, with particular praise for officers. Cabinet also thanked the Cabinet Member for Children, Young People & Communities for his dedication and leadership. The Leader informed the Cabinet that he had recently been in discussion with the Police and Crime Commissioner regarding the high prioritisation of Child Sex Offences.

RESOLVED that -

- a) the measures to ensure that children in the Borough are fully protected be endorsed;
- b) the power to approve the final action plan be delegated to the Director of Children's and Adult Services, in consultation with the Cabinet Member for Children and Young People;
- c) the cost of implementing the action plan (£255k) which will be met initially from a combination of service one offs and the Corporate contingency in 2016/17 and will be built into the budget for 2017/18 and ongoing be endorsed.

CB-047 Proposed Consultation on School Organisation Including the Re - Designation of Attendance Areas

Key Decision identified as School Organisation Plan in the Notice of Key Decisions published on 19 October 2016.

Councillor G C W Reynolds, Cabinet Member: Education, Employment and Regeneration presented the report of the Assistant Director: Education and Corporate Parenting which provided details on the school organisation and attendance area consultation, which was proposed to run from 2 December 2017 to 27 January 2017 in line with the statutory requirement for a 6 week term time period of school admissions consultation for academic year 2018/19.

Details on the current position with regard to designated attendance areas for the vast majority of maintained schools and academies were provided. It was reported that whilst these attendance areas did not prevent parents or carers from expressing preference for other schools it was widely accepted that the practice of allocating an attendance area, usually linked to the school's proximity to local housing, helped to determine a range of issues which provided an efficient service for allocating school places. The attendance areas had remained largely unchanged since 2008 and it was proposed that it was a logical time to re-consider this due to new schools built as part of BSF and also the recent upturn in new housing developments.

Details of the implications for primary, secondary and special schools were provided in the report. In particular it was noted that;

- due to potential pressure on places in Newport priority would be given for available places to residents of Newport and its surrounding villages and alternative places would be identified for Muxton pupils elsewhere within the Telford north area which was geographically closer than Newport.
- Telford Priory School would become the attendance area for Muxton residents.
- the Lawley area would become a shared attendance area between Ercall Wood and Telford Langley School.

Councillor G C W Reynolds emphasised that there were sufficient school places across the borough and that the reorganisation did not prevent parents from

exercising their preference for their child to attend an alternative school, but that it would not be incumbent upon the Council to provide home to school transport.

The Cabinet noted that prior to consultation; discussions would be undertaken with key organisations including:

- Specifically affected schools
- Academy sponsors potentially affected by the proposals
- Diocesan representatives affected by the proposals

During the ensuing debate, Members noted that parental preference would be maintained as a result of any changes and that the savings on home to school transport which could be generated by the proposals could be redirected within childrens' services. Discussion took place on the approach to Building School for the Future which had been adopted by the administration and the robustness of the Local Plan.

The Assistant Director: Education and Corporate Parenting was invited to explain the calculation of developer contributions by the School Organisation Team and he noted government legislation which meant that any new school builds had to be designated Free Schools. The EFA had subsequently announced that those areas of the country where the impact of rising populations was such that the Council could not discharge its duty to provide school places would be enabled to build Free Schools. However, this Council was not in a position to claim such support and he believed this was due to the successful planning of the School Organisation Team.

RESOLVED - that

- a) the information relating to the proposed consultation on the changes to attendance contained within this report be noted; and**
- b) authority be delegated to the Assistant Director for Education, Employment & Regeneration to take all required actions and exercise all the Council's relevant powers to enable consultation on agreed issues contained within the report to be undertaken during December 2016 and January 2017.**

CB-048 Pride In Your High Street Update

Key Decision identified as Pride in the High Street in the Notice of Key Decisions published on 19 October 2016.

Councillor G C W Reynolds, Cabinet Member: Education, Employment and Regeneration presented the report of the Assistant Director: Business, Development & Employment, which provided Members with an update on the Pride in Your High Street (PIYHS) fund. The fund of £1m supported physical and social regeneration across our Borough High Streets; recognising the importance of thriving high streets and local centres to strengthen communities and local economies. The fund formed part of the Council's 'business winning and business supporting' agenda.

The Cabinet recalled that the Fund was launched in April 2015 and all nine eligible high streets and local centres submitted successful projects. Promoters had been notified about their successful applications in January 2016 and a number of great projects were now in delivery or had been completed, making a real difference to both the physical environment and vitality of the borough towns. It was clear already that Pride in Your High Street would have a lasting impact. Details of the projects were outlined in the report, including:

- the Newport the Food Frenzy, Carnival and Italian Market
- Social enterprise Wavelength opened 'The Forge' in Wellington
- Business support specialists Good2Great provided training to more than 50 businesses across 6 high streets, helping a wide range of businesses from florists to cafes, hardware shops and accountants.
- 10,000 attended the Oakengates Carnival and with PIYHS funding this would likely become an annual event.
- the Madeley a Band Concert, Queen's Birthday Tea Party and a Victorian fete, achieved the twin objectives of raising the profile of the Anstice and raising funds to pay for the refurbishment of the Ballroom floor.

It was report that at the close of the first bidding round there was an amount of unallocated funding and five high streets which had either experienced a lack of suitable applications, had received no applications for one or other of the elements of the fund or where projects were unable to proceed as a result of changes in circumstances, were each allocated a share of this funding. A second bidding round, open only to those five high streets (Wellington, Donnington, Oakengates, Newport and Dawley) with calls for projects led by the Parish and Town Councils in those areas had so far resulted in an additional eight successful projects supporting high street and local centre regeneration, with a project for Dawley to come forward for evaluation.

A number of physical regeneration projects from the first bidding round were still in delivery. The Council was supporting project sponsors to bring their projects forward as soon as possible, however where projects involve the design and commissioning of physical works, for example, it was likely that these would run beyond the original programme completion date of 31 March 2017. Given the investment being made by project sponsors including private and voluntary groups and the success of projects delivered to date it was proposed that flexibility be provided for extensions in the delivery period to be made, up to March 2018.

Members welcomed the report, particularly, noting the projects which had led to improvements in their own Ward areas and the links to well-being that could be made.

RESOLVED that -

- a) the success of the Pride In Your High Street programme to date be noted;**
- b) authority be delegated to the Managing Director, in consultation with the Cabinet Member for Education, Employment & Regeneration, to extend**

the deadline for expenditure of Pride in Your High Street grants beyond 31 March 2017; and

- c) the 31 March 2018 be noted as the final deadline for completion of projects and receipt of financial and outcome monitoring information from organisations.**

The meeting ended at 5.38pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 23 November 2016

Signed:

Date:

TELFORD & WREKIN COUNCIL**CABINET – 5 JANUARY 2017
COUNCIL – 19 JANUARY 2017****2016/17 FINANCIAL MANAGEMENT REPORT****REPORT OF THE ASSISTANT DIRECTOR: FINANCE & H.R. (CHIEF
FINANCIAL OFFICER)****LEAD CABINET MEMBER: CLLR LEE CARTER****PART A) – SUMMARY REPORT****1.0 SUMMARY OF KEY ISSUES****2016/17 Revenue**

The net projected outturn position for 2016/17 is estimated to be within budget. This is after applying £2.5m available in central contingencies, pending any further commitments in the rest of the year; and after using the specific contingency of £2.5m earmarked in the 2016/17 budget strategy for Early Help & Support pressures and the one off service balances totalling £0.5m for Children's Safeguarding. Any balance remaining in central contingencies at year end will be used to support the medium term service and financial planning strategy.

Overall the position is an improvement of £0.86m compared to the previous report which reflects the strength of financial management in a particularly challenging financial climate. The aim is that Senior managers will sustain the position and look to make further improvements where possible by year end.

Children's Safeguarding and Early Help & Support continue to be key areas of pressure and both have cost improvement plans in place to reduce costs and deliver savings. These plans are monitored on a regular basis both by senior managers and Cabinet Members.

There are a number of variations from the approved budget, including some beneficial variances. The key areas to highlight are:

- A benefit of £3.2m relating to Treasury Management activities - the majority of which relates to benefits from low interest rates for short term borrowing and the current Treasury Management Strategy of keeping the majority of new borrowings very short term. Clearly at some point the Council will need to start to lock in to longer term fixed rates but to do this before longer term interest rates start to increase incurs a "cost of carry" compared to the current strategy although there is a risk that longer-term fixed rates (as opposed to base rates) may start to move upwards quickly at some point. This position is monitored

regularly by senior finance staff and advice is taken from the Council's external treasury management advisors to try to manage this risk as far as possible whilst seeking to maximise short term gains.

- A one off benefit of £0.6m following the final winding-up of Transforming Telford Ltd.
- A one off benefit of £0.7m from updating sinking fund requirements for Private Finance Initiative commitments.
- Early Help & Support are currently projecting an overspend of £4.1m, mainly relating to the cost of care packages. This overspend has increased by £0.4m since the last monitoring on 13th October. A cost improvement plan is in place to deliver savings which should reduce this as the year progresses.
- Children's Safeguarding also continues to be a key pressure with an overspend of £3.8m being reported, the majority relating to the cost of Children in Care placements. The overspend has increased by £0.9m since the last report. A cost improvement plan is in place to review costs and the placement strategy.

Central Government have now confirmed that the Council is eligible for a Four Year Settlement however the funding outlook for the medium term is still uncertain due to the number of changes in the pipeline, such as changes to business rates and New Homes Bonus, which sit outside the Revenue Support Grant process. The Autumn Statement on 23 November gave an indication that the Government is committed to maintaining departmental spending plans at the levels announced in SR 2015; disappointingly there was no recognition of Adult Social Care pressures nor any mention of New Homes Bonus. Detailed information, including grant funding allocations, is now unlikely to be known until the Finance Settlement is announced mid-late December. Further, estimates of retained business rates income, which is complicated by the 2017 Rates Revaluation, will be firmed up late December/January once NDR1 returns and guidelines are available. However, it is anticipated that the Council will need to identify a further £15m-£20m savings by the end of 2019/20.

1.2 Capital

The capital programme totals £86.9m which includes all approvals since the budget was set. At the time of compiling this report projected spend was 94% of the budget allocation. A number of schemes are subject to significant external time limited contributions, arrangements are in place to ensure that particularly close monitoring of these projects is undertaken.

There are some new allocations and slippage identified which will go forward to Full Council for formal approval.

1.3 Corporate Income Collection

The level of outstanding Council Tax and Sales Ledger outstanding debt are slightly behind the target set for the year. NDR collection is ahead of target. However, in total £2.8m more cash has been collected to the end of November compared to the same point last year.

2.0 RECOMMENDATIONS

2.1	Members are asked to:-
(i)	Note that 2016/17 revenue spending is currently projected to be within budget and continue to work with SMT to sustain this position and approve the use of the central contingency detailed in section 5;
(ii)	Note the position in relation to capital spend and that Cabinet recommend that Council approve the new allocations and slippage detailed in Appendix 3
(iii)	Note the collection rates for NNDR, council tax and sales ledger;

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	Delivery of all priorities depend on the effective use of available resources. Regular financial monitoring in the financial management reports helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within the budget set for 2016/17 at 31/3/17.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and ensure that the Council takes action if overall net overspends /shortfalls emerge.

OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4.0 2016/17 REVENUE BUDGET

4.1 Financial management is the responsibility of budget holders and is supported by Finance staff using a risk based approach: following considerable reductions in finance resources through savings exercises more focus is given to higher risk areas (high value/highly volatile); less frequent financial monitoring is undertaken on budgets deemed to be medium to lower risk.

4.2 The main changes since the last report are:

Variations - £m	Cabinet 13/10/16	Change	Current Projected Variation
Children’s Safeguarding – increased cost of placements	+2.652	+0.496	+3.148
Children’s Safeguarding - increased cost, including agency social workers.	+0.266	+0.248	+0.514
Early Help & Support – the ongoing cost pressure is higher than the previous report due to an increased number of clients receiving care and the value of individual care packages	+5.337	+1.082	+6.419
Early Help & Support – shortfall which reflects reduced income from the CCG relating to care packages . The additional income is reflective of the increase in care packages and costs above.	+1.080	-0.326	+0.754
Early Help & Support – use of one-off resources	0.000	-0.200	-0.200
Customer & Neighbourhood – updated waste tonnage projections	+0.303	-0.172	+0.131
Customer & Neighbourhood – reduced level of income due to vacant income-generating posts.	0.000	+0.205	+0.205
Customer & Neighbourhood – reduced costs of housing benefit awarded due to active recovery of overpayments	0.000	-0.441	-0.441
Treasury Management – further benefit from current low short-term borrowing interest rates	-2.500	-0.700	-3.200
PFI – Updated sinking fund assumptions to reflect current projections.	0.000	-0.700	-0.700
Other Variations	-3.932	-0.357	-4.289
Total Projected Variation	+3.206	-0.865	+2.341
Call on Contingency	-3.206	+0.865	-2.341
Final Projected Variation	0.000	0.000	0.000

4.3 The overall 2016/17 budget position is summarised in the table below:

Service Area	13 Oct Cabinet Variation	Current Variation	Change
	£	£	£
Business, Development & Employment	0	(70,000)	(70,000)
Finance & HR	(2,553,384)	(4,138,317)	(1,584,933)
Cooperative Council Team	(85,242)	(99,800)	(14,558)
Children's Safeguarding	2,840,150	3,790,132	949,982
Education & Corporate Parenting	372,871	252,807	(120,064)
Early Help & Support	3,690,356	4,122,667	432,311
Legal, Procurement & Commissioning	(178,615)	(224,820)	(46,205)
Health & Wellbeing	8,689	44,949	36,260
Customer & Neighbourhood Services	(239,395)	(436,215)	(196,820)
Commercial Services	0	(160,000)	(160,000)
Council Wide	(649,000)	(739,976)	(90,976)
Total Projected Variation	3,206,430	2,341,427	(865,003)
Use of Contingency	(3,206,430)	(2,341,427)	865,003
Total Projected Underspend	0	0	0

4.4 Projected variances over £0.100m are highlighted below, other variances are detailed in Appendix 2.

Service Area	Variance £m
<u>Business, Development & Employment</u>	
Development Management & Planning Policy – net additional planning application income.	-0.100
Estates & Investments – Property Investment Portfolio rental and service charge income totals £6.5m p.a. The shortfall currently projected relates to service charges for void properties.	+0.105
<u>Finance & HR</u>	
Treasury –this includes the benefit arising from current low interest rates and lower borrowing than anticipated in the earlier part of the year.	-3.200
PFI Sinking Fund – Updated sinking fund assumptions to reflect current projections.	-0.700

<p><u>Cooperative Council Team</u> There are currently no variances over £100k to report.</p>	
<p><u>Children’s Safeguarding & Independent Review</u></p> <p>Children in Care Placements (CiC) – currently projecting £3.148m overspend in 2016/17 which compares to £1.7m reported at 2015/16 year end and an increase of £0.496m since the last monitoring report. The Service is developing a cost improvement plan for 2016/17 to assess placement costs which will include reviewing unit costs, the numbers of children in care and the placement strategy.</p> <p>Internal Foster Carer Costs– payments to Foster Carers including transport costs and foster carer training.</p> <p>Staffing (Safeguarding) – includes the cost of agency social workers. This variation has increased by £0.248m since the last monitoring report.</p> <p>Care Leavers Accommodation Costs – projecting to be under budget which is based on activity levels.</p> <p>One off Service Balances – use of one off service balances to support Safeguarding pressures.</p> <p>Assessment – the overspend reflects a significant increase in Parenting Assessments placed externally.</p> <p>Independent Review – the recent Ofsted report recommended increasing capacity in this area; the cost of agency staff results in an overspend.</p>	<p>+3.148</p> <p>+0.165</p> <p>+0.514</p> <p>-0.119</p> <p>-0.500</p> <p>+0.265</p> <p>+0.107</p>
<p><u>Education & Corporate Parenting</u></p> <p>Specialist Services – savings target not fully met.</p> <p>Advisory Management/School Improvement traded Advisory Service – shortfall against additional income target; the position will be kept under review as the service goes through reorganisation.</p> <p>School Transport – the overspend relates to 2016/17 savings targets not currently being achieved together with an increase in the number of students requiring transport.</p> <p>Education Services Grant – fewer academy conversions than forecast resulting in less grant being lost.</p> <p>Contribution from Reserves – one off balances</p>	<p>+0.242</p> <p>+0.166</p> <p>+0.130</p> <p>-0.160</p> <p>-0.200</p>

<u>Early Help & Support</u>	
Purchasing budgets – the pressure experienced during 2015/16 is continuing in 2016/17. The cost has risen since the last report which is due to an increase in the number of care clients being supported and some significant increases in individual packages of care. In addition some areas of care, but not all, are still experiencing upward price pressures. A cost improvement plan is in place which includes a number of strategies to reduce demand and deliver care differently which should result in lower costs although at this stage there has been limited progress.	+6.419
Contingency – included in the budget strategy for 2016/17 and 2017/18 to allow time for the service delivery changes to embed.	-2.500
Income – largely relates to a shortfall of income generated from the CCG arising from an agreement to Joint Fund Packages of Care.	+0.754
Transport – transport is being considered as part of the cost improvement plan as it is part of the policy relating to the future delivery of care.	+0.131
Early Help & Support Restructure – staff savings arising from restructuring across the service area.	-0.248
Use of One off Resources identified	-0.200
<u>Legal, Procurement & Commissioning</u>	
Strategic Procurement and Contracts and Quality – arises from a number of vacancies in this service	-0.103
<u>Health & Wellbeing</u>	
There are no variances over £100k to report.	
<u>Customer & Neighbourhood Services</u>	
Waste & Neighbourhood Services – additional recycling costs due to increased tonnage from waste; we are recycling more material than originally planned when the contract was let.	+0.132
Concessionary Travel – saving relating to a projected reduction in passenger numbers	-0.109

Structures & Geotechnics – shortfall against income target due a number of fee earning posts being vacant restricting fee earning opportunities.	+0.205
Housing Benefit Subsidy – reduced costs arising from proactive review work leading to recovery of overpayments and reduced ongoing benefit costs.	-0.441
<u>Commercial Services</u>	
ICT – pressure mainly arising from the increased number of Microsoft licenses required across the council.	+0.272
Property & Design – benefit from early closure of properties together with reduced spend on repairs and maintenance and utilities.	-0.147
<u>Council Wide</u>	
Transforming Telford Balance – residual balance remaining following closure of the company.	-0.649
Employee Costs – shortfall in delivery of savings target due to the retention of some essential user allowances and phasing-in of reductions to mileage rates resulting in a part-year impact in 2016/17.	+0.125

CONTINGENCIES

- 5.1 The 2016/17 budget includes a prudent general contingency of £3.222m, which is set aside to meet any unforeseen expenditure, or delays in phasing in the significant level of savings that the Council has to deliver this year. There is also an amount held centrally for contractual inflation totalling £2.201m which forms part of the approved revenue budget and will only be allocated to specific budgets when the relevant inflation information is available. Given the exceptional cuts being made in the Council's budget it is imperative that the Council has a reasonable level of contingency in order to cover increases in demand for services (e.g. safeguarding which can be significant and occur with no warning) and to allow for any delays or shortfalls in the delivery of planned savings. The current position relating to contingencies is shown below:

	£'000
General Revenue Contingency less previously approved commitments	3.122
Inflation Contingency	2.201
Total Contingencies	5.323

Proposed Use:	
Resources required in 2016/17 to fund the delivery of the action plan arising from the Safeguarding Ofsted Inspection report in 2016/17 of £0.05 with ongoing costs of £0.2m included in the 2017/18 base budget and a one-off £0.15m for campaigns and marketing to be added to the current budget provision.	0.200
Required to meet the current revenue overspend	2.341
Residual Balance	2.782

Currently £2.3m of the contingency is required to bring spend within budget in 2016/17 and £0.2m is committed. This leaves £2.8m available to meet any unforeseen costs in the remainder of the year.

6.0 **CAPITAL**

6.1 **2016/17 Capital Programme**

The capital programme currently totals £86.9m. The financial position is shown in the table below which shows projected spend is currently shown at £82m (reflecting likely requirements for some further slippage of spend into later years in future reports).

Service Area	Current Budget	Spend to Date	% Spend	Year End Projection
	£m	£m		£m
Early Help and Support	1.0	0.0	0%	0.3
Development Business & Employment	29.5	14.1	48%	27.9
Customer & Neighbourhood Services	28.0	8.6	31%	27.5
Education & Corporate Parenting	14.4	4.8	0%	13.4
Health & Well-Being	0.8	0.1	17%	0.8
Co operative Council & Commercial Delivery	0.3	0.1	33%	0.3
Legal Procurement & Commissioning	0.1	0.0	0%	0.1
Finance & Human Resources	6.1	0.1	1%	5.9
Commercial Services	6.7	2.5	37%	5.9
Total	86.9	30.3	35%	82.1

6.2 New allocations and slippage are detailed in Appendix 3 which will go forward to Full Council for approval as part of the next financial management report.

6.3 Capital receipts are projected to achieve target for the year.

7.0 **CORPORATE INCOME MONITORING**

7.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

7.2 In summary, the overall position for all income streams is above target. Cash collection remains in a very strong position in all three areas.

INCOME COLLECTION – November 2016				
	Actual	Target	Performance	Change in cash collected on last year
Council Tax Collection	74.14%	74.49%	0.35% behind target	+£3,507,331
NNDR Collection	75.12%	74.69%	0.43% ahead of target	+ £1,330,633
Sales Ledger Outstanding Debt	6.80%	5.95%	0.85% behind target	-£2,028,827

7.3 **Council Tax (£75.2m)**

The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

Year end performance 2015/16	97.1%
Year End Target for 2016/17	97.1%

Performance is cumulative during the year and expressed against the complete year's debit.

Month End Target	Month End Actual	Last year Actual
74.49%	74.14%	74.49%

Cash collection for council tax is £3.5 million higher than this point last year. Council Tax collection continues to be under target by 0.3% which has followed a similar trend since the start of the financial year. Percentage collection from CTS recipients is higher than last year, which indicates that the decline in collection rate for this year is due to non benefit customers; likely to be those that have fallen outside of the award of benefit support due to local and national changes.

7.4 **NNDR-Business Rates (£76.5m)**

The % of business rates for 2016/17 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

The measure does not take into account the debt that continues to be pursued and collected after the end of the financial year in which it became due. As a general rule the final collection figure for any financial year exceeds 99%.

Year end performance 2015/16 98.3%
Year End Target for 2016/17 98.3%

Month End Target	Month End Actual	Last year Actual
74.69%	75.12%	74.59%

Business Rate collection has improved during November and is now ahead of target by 0.4%. Cash collected is £1.3m more than last year. Collection rates have fluctuated throughout the year.

7.5 **Sales Ledger (£33.7m)**

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2016/17 are as follows:

Age of debt	Annual Target %	November 2016	
		£m	%
Total	5.95	2.29	6.80%

Sales ledger performance is outside of target but this is largely as a result of a few invoices which are outstanding with building firms where payment arrangements have been made for early next year.

8.0 **PREVIOUS MINUTES**

03/03/16 – Council, Service & Financial Planning Strategy
16/06/16 - Cabinet, Service & Financial Planning Report – 2015/16 Outturn and 2016/17 Update
21/07/16 – Cabinet, 2016/17 Financial Management Report
29/09/16 – Council, 2016/17 Financial Management Report
13/10/16 – Cabinet, 2016/17 Financial Management Report
24/11/16 – Council, 2016/17 Financial Management Report

9.0 **BACKGROUND PAPERS**

2016/17 Budget Strategy / Financial Ledger reports

Report Prepared by:

Ken Clarke, Assistant Director: Finance & HR (Chief Financial Officer)
– 01952 383100;
Pauline Harris, Corporate Finance Manager – 01952 383701

Summary of 2016/17 Projected Variations

Service Area	13 Oct Cabinet Variation	Current Variation	Change
	£	£	£
Business, Development & Employment	0	(70,000)	(70,000)
Finance & HR	(2,553,384)	(4,138,317)	(1,584,933)
Cooperative Council Team	(85,242)	(99,800)	(14,558)
Children's Safeguarding	2,840,150	3,790,132	949,982
Education & Corporate Parenting	372,871	252,807	(120,064)
Early Help & Support	3,690,356	4,122,667	432,311
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Health & Wellbeing	8,689	44,949	36,260
Customer & Neighbourhood Services	(239,395)	(436,215)	(196,820)
Commercial Services	0	(160,000)	(160,000)
Council Wide	(649,000)	(739,976)	(90,976)
Total Projected Variation	3,206,430	2,341,427	(865,003)
Use of Contingency	(3,206,430)	(2,341,427)	865,003
Total Projected Underspend	0	0	0

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Business, Development & Employment				
Development Management & Planning Policy	Income	(2,359,323)	(100,000)	Additional Planning application income projected based upon current phasing of applications, however the phasing is subject to change throughout the year. This is offset by costs associated with Planning Enquiries anticipated in 2017.
Inward Investment & Business Support	Employees	868,250	(75,000)	Early delivery of restructure saving.
Estates & Investment	Income	(6,519,620)	105,000	This reflects the net current projections for Service charge voids.
Total Business, Development & Employment			(70,000)	
Finance & HR				
Treasury Management		8,508,460	(3,200,000)	Benefits arising from current low interest rates and lower borrowing than anticipated in the earlier part of the year.
Customer & Corporate Finance	Employees	873,025	(87,799)	Underspend from vacant posts which are being held vacant to contribute towards 2017/18 savings targets.
Human Resources	Income	(322,596)	(61,694)	Additional income generated from Services to Schools. This is mainly due to new business from external schools.
PFI Contribution to Sinking Fund	Third Party Payments		(700,000)	Updated sinking fund assumptions following updated projections mean a reduction in the contribution to the fund for 2016/17
Variations Under £50k			(88,824)	
Total Finance & HR			(4,138,317)	
Cooperative Council Team				
Delivery & Planning	Employees	657,145	(69,905)	Underspend from vacant posts not being recruited to pending restructure launched in September 2016.
Variations Under £50k			(29,895)	
Total Cooperative Council Team			(99,800)	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Children's Safeguarding				
Children in Care Placements		9,502,127	3,148,091	Children in Care Placements continues to add pressure to the Children's Safeguarding budget. Looked after Children total was 365 as at the end of November, a decrease of 1 within the reporting period. The 2015/16 reported outturn position was £1.7m overspent and at the end of the year there were 299 Children in Care. The budget strategy for 2016/17 included a budget increase of £1.4m for Children in Care (CIC) placements. The service is developing a Cost Improvement plan for 2016/17 to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy with the objective of targeting cost reductions against placements.
Care leavers Accommodation costs		379,786	(119,275)	The 2015/16 reported outturn position was £0.135m overspent. The outturn projection reflects a significant reduction in placement costs.
Staffing		7,135,568	514,435	The final 2015/16 Safeguarding overspend on staffing was £0.9m. This included £0.69m overspend for agency staff. The budget strategy for 2016/17 included a budget increase of £0.6m. The projected outturn variance in 2016/17 for agency staff is an overspend of £0.59m. There were 15 agency staff at the end of November including 4 within the Family Connect Service. Cabinet considered a report earlier this year following a Scrutiny review of CSE. Cabinet approved additional investment in Family Connect to support recommendations.
Internal Foster Carers costs (excluding salaries, fees and allowances)		300,897	164,699	The cost pressure identified against this budget includes travel costs overspend of £93k and Foster Care training of £21k .
One off Balances			(500,000)	
Assessment		250,565	265,024	The 2015/16 reported outturn position was £0.12m over spent.
Variations under £50,000		3,937,260	209,881	
Independent Review		742,960	107,277	The significant pressure in this area is the cost of agency staff where the current projection is a cost of £95k against a zero budget. Cabinet recently considered a report following the Ofsted inspection of Children's Services in July. The report agreed a recommendation to increase capacity in this area as recommended by Ofsted.
Total Children's Safeguarding		22,249,163	3,790,132	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Education & Corporate Parenting				
Miscellaneous School Expenditure		7,605,254	34,975	A forecast over spend on remissions is being partly offset by lower forecast premature retirement contributions.
Specialist Services		592,643	241,788	The overspend in this area is due to savings targets not currently forecast to be achieved in 2016/17. Current monitoring indicates this will not be offset until 2017/18 at the earliest.
Early Years & Childcare		214,321	83,335	Only part year salary savings target achieved in 2016/17 as restructure takes effect from September 2016. Further savings will be achieved in 2017/18 due to full year impact.
Joint/Community Use		125,255	51,557	A shortfall in income relating to Shortwood is being partly offset by a forecast reduction in net costs for other joint use areas
Advisory management and school improvement traded Advisory Service		277,182	166,352	Additional income target currently forecast not to be achieved in the context of the service's reorganisation, including part of the area moving to the Severn Teaching Alliance Teaching School from September 2016. The position of the service will be kept under review during the year as the impact of the new arrangements becomes clearer.
School Transport		2,755,093	130,000	The overspend in this area is due to the savings target not currently forecast to be achieved in 2016/17. Also reflects an increase in the number of students requiring transport, e.g. at Queensway
Education Services Grant		(1,820,185)	(160,039)	Fewer academy conversions now appear likely to take place in 2016/17 than forecast and Charlton's conversion has been delayed until later in the year.
Contribution from Reserves			(200,000)	One off application of Reserves
Variations under £50,000		1,667,288	(95,161)	
Total Education & Corporate Parenting		11,416,851	252,807	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Early Help & Support				
Purchasing	Provision of all types of care to eligible clients	42,188,894	6,419,107	There is continued and increased pressure on the budgets determined for the delivery of care to adults. Since the last monitoring position the forecast projections have increased across all types of care by £455k. The projections reflect actual expenditure to date and projections for care orders in place at the end of October and include any other intelligence we have about movements since and therefore is the most up to date information available. This significant pressure is the subject of a Cost Improvement Plan(CIP). This includes a number of strategies to both reduce demand and transform the provision of care from traditional Community based support and placements to support packages based wherever possible on Direct Payments with care being delivered by Personal Assistants and other innovative personalised solutions to care. In Period 6, the prior period to this, numbers of clients increased, however for Period 7, the overall client numbers have not increased, but there is turnover(starters and leavers) and the costs of new or reviewed packages of care have increased over those ceasing. Part of the reason for increasing care costs could be the complexity of the care required, and almost certainly the price or unit cost of care required. The recent monitoring of care has revealed that average prices had stabilised in most areas or even fallen following a number of years of growth. In this monitoring period there has again been some limited growth in average unit costs of care. Further work continues to be done as part of the CIP to identify the types of care and providers where pressures are arising in order to determine further actions that may be required to deal with the unit cost of care being purchased.
Contingency		2,500,000	(2,500,000)	The Budget Strategy included this contingency as budgetary growth for 2016-18, the next two years. This contingency budget is a "Safety net" and is part of the strategy to transform the delivery of services.
Income		44,688,894 (16,446,702)	3,919,107 754,090	This shortfall in income largely arises from a shortfall against the target income to be generated from the CCG arising from an agreement to Joint Fund Packages of Care. The agreement was born out of the overall review of Learning Disability clients who have a Health Care need, but includes other care groups as well. Client contributions for the period have increased and this is likely to be connected to the increased numbers of older people in residential and nursing placements.
Transport		666,406	131,289	Transport is a continued area of scrutiny. It is considered within the aforementioned Cost Improvement Plan and is an integral part of the strategy around the transformation of the delivery of care in the future. It is intrinsically linked to the future delivery of care discussed above in the paragraph on Purchasing care

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Early Help & Support restructure(launched 12th September 2016 / end of consultation 27th October 2016)		9,916,781	(248,056)	The restructure of Early Help & Support and the Business Support restructure has brought together budgets from across Adults and Children's services in order to deliver savings of £2.575m. The saving reported here in 2016/17 exceeds the target reduction in year (budget reported is reduced by £1.145m) by £271k, this has resulted from vacant posts held since 1st April 2016 as well as the impact of the estimated reduction to costs the restructure will deliver in 2016/17
One off Resources			(200,000)	Use of one off resources
Variations under £50,000		3,913,829	(233,763)	
Total Early Help & Support		42,739,208	4,122,667	
Legal, Procurement & Commissioning				
Strategic Procurement		720,543	(103,440)	Vacancies within the Procurement and contracts team have resulted from Voluntary redundancies and are delivering savings in year. There are future savings proposals based on restructure in this area and these will potentially be realised as budget reductions if approved
Commissioning		2,398,742	(75,752)	Vacancies within the Procurement and contracts team have resulted from Voluntary redundancies and are delivering savings in year. There are future savings proposals based on restructure in this area and these will potentially be realised as budget reductions if approved
Variations under £50,000		439,871	(45,628)	The inclusion of contributions from one off funds such as capacity fund have resulted in the reduction of some forecast costs which were originally being met by the service
Total Legal, Procurement & Commissioning		3,559,156	(224,820)	
Health & Wellbeing				
Public Health				
Variations under £50,000		10,070,445	0	
Culture & Wellbeing				
Variations under £50,000		1,048,590	30,504	
Civil Resilience & Coroners Service				
Variations under £50,000		517,798	20,000	Proposed increase cost in Mortuary Service Level Agreement
My Options				

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Variations under £50,000		260,947	(5,555)	
Total Health & Wellbeing		11,897,780	44,949	
Customer & Neighbourhood Services				
Service & Contract Development	Various	641,540	(61,883)	Vacant posts which will not be recruited to due to forthcoming restructure
T & W Footpath Special Fund	Various	708,830	(79,817)	Reduction in spend against planned maintenance due to the forthcoming upgrade of street lights pending the outcome of the tender process currently being undertaken.
Concessionary Travel	Various	1,677,030	(109,542)	Saving from the main Arriva bus service. This is over and above the £100k saving put forward for 2016/17.
Waste & Neighbourhood Services	Various	8,008,285	131,789	Additional recycling costs due to increased tonnage from waste as a result of more waste being disposed of than originally anticipated within the contract.
Highways & Engineering	Income	(928,570)	50,367	Projected shortfall against income target from fee earning posts.
Structures & Geotechnics	Employees	358,568	(75,022)	Underspends from vacant posts.
Structures & Geotechnics	Income	(650,650)	205,074	Mainly due to vacant posts in this team which has reduced the level of income generating work. These posts are currently being recruited to
Housing Benefit Subsidy	Various	(127,500)	(440,934)	Impact of reduced costs of Housing Benefit due to benefits review work and data matching exercises undertaken. This has led to an improved position on recovery of overpayments and also a reduced cost of benefits going forward.
Variations Under £50k	Various		(56,247)	A number of one off staffing savings across the service, mainly arising from vacant posts
Total Customer & Neighbourhood Services			(436,215)	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Commercial Services				
ICT	Various	75,566	272,000	There are a number of pressures currently highlighted in ICT including: growth in the cost and number of Microsoft licenses, due to more employees using ICT to do their jobs effectively and the move to digitally enabled and mobile technology; network contract costs and software support costs (storage area network and back-up environment) are also higher than anticipated. Costs relating to the purchase of thick/thin/laptop client devices are also likely to create a pressure throughout the year.
ICT	Income	-	(92,000)	One off capitalisation of salary costs across ICT projects
Property & Design	Operational & Admin Buildings	7,513,417	(147,000)	Early closure of a number of properties in addition to one off reduced spend on R&M and Utilities.
Property & Design	Facilities Management	851,604	(66,000)	One off saving from vacancy management and part year restructure savings
Variations under £50,000			(127,000)	A number of one off savings across whole service area.
Total Commercial Services			(160,000)	
Council wide				
Transforming Telford Balance	One off Balance		(649,000)	Transforming Telford residual balance following closure of the company
Purchase Rebates	Income	(471,000)	(50,255)	Rebate received in October 2016 from West Mercia Energy is £50k higher than the budget. This is based on West Mercia Energy's Audited Accounts for 31st March 2016.
Agency Rebate	Income	(2,500)	(85,721)	Rebate received up to the end of September in respect of Agency costs incurred. £24k of this relates to 2015/16 but was not received until 2016/17.
S131 Grant	Income		(80,000)	The estimated S31 grant provided to compensate Local Authorities for business rates reliefs agreed by Central Government.
Staffing Costs			125,000	Shortfall in delivery of saving target due to the retention of some essential user allowances and phasing-in of reductions to mileage rates resulting in a part-year impact in 2016/17.
Total Council wide			(739,976)	
Total Variations			2,341,427	

Capital Approvals - by Service Area

Appendix 3

Slippage							
Scheme	Service Area	Funding Source	16/17 £	17/18 £	18/19 £	19/20 £	Comment
Telford Growth Package	Customer & Neighbourhood Services	Government Grant	(275,000)	275,000			
Telford Growth Package	Customer & Neighbourhood Services	External	(5,367,500)	5,367,500			
Managing the funding of the capital programme	Finance & Human Resources	Capital receipts			4,400,000	(4,400,000)	
Managing the funding of the capital programme	Finance & Human Resources	Prudential			(4,400,000)	4,400,000	
Housing Company- Housing	Development Business and Employment	Prudential		4,646,000	(4,646,000)		
Total			(5,642,500)	10,288,500	(4,646,000.00)	0.00	

New Allocations							
Scheme	Service Area		16/17 £	17/18 £	18/19 £	19/20 £	Comment
Customer Services Systems Development	Customer & Neighbourhood Services	Revenue	10,000	20,000			
All Other School Schemes	Education and Corporate Parenting	External	225,700.18				
Managing the funding of the capital programme	Finance & Human Resources	Capital receipts	(100,000)			(600,000)	
Managing the funding of the capital programme	Finance & Human Resources	Prudential	100,000			600,000	
Housing & Technology Support for People with Learning Disabilities	Legal, Procurement & Commissioning	Capital Grant	70,000	465,350			
Total			305,700.18	485,350.00		-	

TELFORD & WREKIN COUNCIL**CABINET – 5 JANUARY 2017****SERVICE AND FINANCIAL PLANNING 2017/18 TO 2019/20****REPORT OF THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER****LEAD MEMBERS CLLRS S. DAVIES AND L. CARTER****1. OVERVIEW.**

- 1.1 When the Coalition Government was formed in May 2010 they committed to eliminating the national budget deficit. This remains an objective of the current Government although the target date for achieving a balanced national budget has slipped considerably. However, the Government has also protected many areas of public spending - but not local government. Councils have therefore faced very significant reductions and this is set to continue for the duration of this Parliament so councils will continue to be hit very hard meaning that difficult choices about priorities have to be made.
- 1.2 Unlike the Government, the Council has a statutory responsibility to achieve a balanced budget each year. In order to achieve a balanced financial position this Council will have made savings of £96m pa by the end of this financial year, meaning that every year we now have £1,300 less to spend delivering services to each household in the Borough. The Council has sought to do this in ways that protect front line services as far as possible and where services to the public are affected to do this in as compassionate a way as possible. Despite the reductions that we have had to make, the Council is still a large organisation delivering many services to local people and it is essential that we use our remaining revenue and capital resources as effectively as possible to deliver the greatest possible benefit for local people.
- 1.3 The Council has consistently said that it will continue to protect the most vulnerable in our society and prioritised the protection of services to vulnerable adults and children in our community. The Council is committed to ensuring that we always meet the assessed needs of vulnerable people but this does not mean that we can continue to deliver the same services in the same ways. We have to make changes but will always place priority on these essential services and will not let financial pressures due to Government cuts mean that we fail to meet the assessed needs of the most vulnerable. To do this, we have also had to be innovative in identifying ways to generate more income to fund key front line services.

- 1.4 The Council has sought to generate income by adopting a more commercial approach whilst seeking to recognise and manage risks as far as possible. We were the second council nationally to open a solar farm and are currently investing in NuPlace a wholly owned company that will rent just under 400 good quality homes, mainly at market rents. Both of these schemes generate a profit after paying the loan used to fund the investment and other operating costs. The profit from these and other commercial projects and from our participation in the West Mercia Energy Joint Arrangement is used to help reduce the amount of cuts that we would otherwise have to make to the services that the Council provides.
- 1.5 The Council is also committed to investing in Telford's future. Ensuring that the Borough is an attractive place to live, work and visit is essential if we are to attract new businesses that will create jobs and bring prosperity to the area and the people that live here. The Council also benefits from retaining a share of any additional business rates which helps to minimise the cuts that we have to make to services. Under Government proposals the share of additional business rates growth that is retained will potentially increase to 98% before the end of the current Parliament making growth of the local business rates base even more important for the future financial viability of council services. As part of our "Business Winning, Business Supporting" Approach, the Council is investing an additional £50m in our Property Investment Portfolio which will largely be invested within the Borough in new and also existing industrial, commercial and property holdings. The net return after debt charges will be used to support front line services as will additional retained income from business rates.
- 1.6 In March 2016, the Council set a medium term budget strategy with specific detailed proposals for both 2016/17 and 2017/18. Key features of which were:-
- Given the Government's decision, after 5 years, not to provide council tax freeze grants in future a decision to increase council tax by 1.2% each year from 2016/17 through to 2019/20.
 - A decision to implement the Government's new "Adult Social Care precept" equivalent to a further 2% council tax increase each year from 2016/17 to 2019/20.
 - To implement a package of savings totalling £30m over the two year period 2016/17 – 2017/18. This package of detailed savings proposals was consulted on last year, when we received over 4,000 comments, and as a result it is not necessary to consult on these savings proposals for 2017/18 again.
 - A commitment to continue to work with partner organisations, including Town & Parish Councils and voluntary sector and community groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to provide. These discussions

have been very successful and the Council is committed to extending this approach further.

- Despite the unprecedented cuts in grants from Government, due to our strong financial management and our success in bidding for external funding, usually for specific capital projects e.g. to fund infrastructure rather than for revenue (or day to day running costs), the Council made a number of investments. These included:-
 - Over £50m being committed for transport and highways improvements over the medium term. These projects are funded by specific capital funding that the Council successfully bid for from the DfT, DCLG and from the Marches LEP as well as from Section 106 agreements that the Council has negotiated with developers together with some funding from the Council's own capital resources.
 - An investment of over £50m in NuPlace, the Council's wholly owned housing company with the profit being used to protect front-line services from cuts.
 - Investing over £25m in the Council's Property Investment Portfolio to improve and develop industrial, commercial or retail facilities in order to support new and existing businesses, create and protect jobs and generate increased business rates income and a profit to be used to help protect front line services from some of the impact of Government cuts. This scheme has been very successful and further funding of £30m has subsequently been approved by Council to extend the initiative further.
 - Spending just under £4m over two years to roll-out Superfast Broadband to parts of the borough where there is no superfast broadband infrastructure and broadband suppliers are unlikely to invest.
 - Following the success of our Community Pride Fund in 2014/15, which was oversubscribed, a £1m. Community Pride Fund for 2017/18 was included in the budget proposals. Again, local organisations, communities and businesses will be able to bid for this funding.
 - Identification of funding to campaign for the protection of services at the Princess Royal Hospital which is a key priority for the Council.

- 1.7 The Cabinet remain committed to this medium term financial strategy which received widespread support during the extensive consultation undertaken last year.

Key proposals for 2017/18, in line with this medium term strategy, include:-

Dealing with a reduction in our Revenue Support Grant from Government Whilst Maintaining Our Commitment to continue our existing policy of transferring grant to Town & Parish Councils in respect of Local Council Tax Support

- Managing a further reduction of 25.9% to our Revenue Support Grant from Government next year. This reduction is in line with the 4 year settlement provided in principle by the Government last year although this “offer” was then subject to approval of the Council’s “Efficiency Strategy”. Confirmation that our Efficiency Strategy has been approved by the Government and therefore confirmation of the 4 year grant settlement was received in November 2016.
- A commitment to continue to pay Local Council Tax Support grant to Town & Parish Councils in line with the agreement we made in January 2013 until the Council’s Revenue Support Grant is cut completely by the Government. For 2017/18 the amount available to allocate is £186k following the latest cut of 25.9% to our grant for next year.

Council Tax

- A Council tax increase for 2017/18 of 1.2% in line with the medium term strategy agreed last year.
- To again implement the Government’s assumed “Adult Social Care Precept” in line with the Government’s original plans, this is equivalent to a further council tax increase of 2%. (Therefore in total, that part of the council tax bill relating to this Council’s spending would increase by 3.2% next year.) Whilst council tax is a significant household bill it remains comparatively low in the Telford & Wrekin area as illustrated in the graphs at Appendices 1 and 2.
- However, in recognition of the extreme pressure facing Adult Social care budgets as part of the provisional Local Government Finance settlement the Government offered councils the opportunity to accelerate the implementation of the Adult Social Care Precept with increases of 3% next year and in 2018/19 rather than their original assumption of 2% in each of the next 3 years. This would equate to a “one-off” benefit totalling £1.77m over the next two years for Telford & Wrekin Adult Social Care service users but would mean a total increase in council tax of 4.2% for this Council’s part of the council tax bill at a time when inflation and the growth in local household incomes is much lower. **The Council has not therefore amended its plans but would like to hear the views of local people on whether they would support the Government’s proposal which locally would mean our part of the council tax bill increasing by 4.2% (equivalent to 74p per week in 2017/18 for an average property in the Borough), by 4.2% in 2018/19 (equivalent to 78p per week in for an average property) and then by 1.2% in 2019/20 (equivalent**

to 23p per week for an average property) rather than our current plan of 3.2% increases in each of the next three years(57p per week in 2017/18, 58p per week in 2018/19 and 60p per week in 2019/20 for the average property).

Savings Proposals

- To continue implementing the package of savings and efficiency measures agreed in March 2016 but with the additional savings and efficiency measures for 2017/18 set out in Appendix 3.
- To develop detailed savings proposals for 2018/19 and 2019/20 to cover the expected budget shortfall of £15 - £20m over this two year period. Our approach to further savings will be closely aligned to the Council's "Being the Change" strategy and summarised in section 6.5 of this report. Work to develop these options for future service provision will be undertaken with partners, service users and the community in line with our co-operative working principles. The approach is explained in more detail in section 6.2 of this report.

Investment in Capital Projects

An updated proposed medium term capital programme totalling over £280m is included at Appendix 4 detailing proposed capital investments. These include:-

Pride Programme-

- ❖ Funding for a further major investment in improvements to local roads and associated infrastructure of £20m as part of the Council's continuing Pride Programme of environmental improvements. This is scheduled over a two year period commencing April 2019.
- ❖ £1m to fund repairs to structures such as bridges and retaining walls in 2017/18 as a further extension of the Pride Programme. Many of these structures are now very old and this will ensure that they remain safe.
- ❖ £1m to fund investment in small scale Pride projects particularly local regeneration projects, over the years 2017/18 and 2018/19. A report detailing how this will be allocated will be brought forward to a future Cabinet meeting.
- ❖ The capital programme for 2017/18 already included £1m for Pride in Your Community Projects. It is now proposed to double this funding so that £2m is available. £1m will be for capital projects and £1m will be available to support revenue projects. The intention is that this funding can be used to make a real difference to local people and solve "small" local issues that cause frustration to our residents. Details of how this funding will be allocated will be brought forward to a future Cabinet meeting.

Other

- ❖ Funding for further investment in NuPlace, the Council's wholly owned housing company of £13.4m. A report detailing the proposed use of this allocation will be brought to Cabinet in the near future.
- ❖ A doubling of the ICT capital programme from £1m to £2m pa for the three year period 2017/18 to 2019/20. This will enable investment to be made resulting in increased efficiencies and ongoing cost savings as well as ensuring that the Council's ICT network is robust.

Investment in Revenue Projects.

As well as the above new capital programme investments, it is proposed to use funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature. These include:-

Pride Programme

- ❖ Investment of £1.4m one-off resources over the 2 year period 2017/18 – 2018/19 to improve across the Borough which is a further extension of the Council's comprehensive Pride Programme of environmental improvements.

Other

- ❖ Safeguarding vulnerable children and adults is our top Council priority. We continue to ensure that services have the financial resources to do this and are making available additional funding of £4.459m for Children's' safeguarding in 2017/18 compared to what was originally planned. We have also set aside funds to provide a £2.5m "draw-down budget" for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults. We are also making £1.344m more funding available in 2017/18 than originally planned for our Early Help & Support services to help phase in the cuts that we are being forced to make.
- ❖ Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives to promote Telford as a place to visit for leisure or to do business, for businesses to invest in and for people to come to live.
- ❖ £500k of one-off resources will be added to £195k previously identified to create a new £695k Partnership Capacity Fund to support the extension of new approaches to joint working with voluntary sector and other community groups aligned to the achievement of ongoing savings.
- ❖ In addition £1.5m of one-off resources will be transferred to supplement the Invest to Save/Capacity fund. This will primarily be used to pump prime further "devolution" deals with partner organisations and community groups for example it may be possible to support groups to maintain/improve green space, pavements/walkways etc where this helps to reduce Council expenditure in these areas and/or supports the Council's "Green Guarantee". This funding will also support the

delivery of cost improvement plans across the Council but particularly in Safeguarding and Early Help & Support.

- ❖ £250k of one-off resources will be earmarked to fund organisation development initiatives. These will ensure that our smaller workforce are properly equipped to undertake their often new and much broader roles as we continue to shrink our workforce.
- ❖ The Council contribution to the Food Bank is now budgeted on an ongoing basis rather than from time limited funding recognising the critical support that this organisation provides to many local people. This represents a total commitment by the Council of more than £130,000 over the period 2016/17 to 2019/20.

- 1.8 The Government have also, exceptionally, announced that councils may use new capital receipts generated during the three year period starting 1 April 2016 to fund the one-off costs of transformation. Effectively the Government are recognising that councils now face extreme financial challenges and are having to make fundamental changes to the way that services are delivered necessitating massive change programmes often with significant upfront one-off costs. The Government relaxation does have an implication for ongoing debt charges as debt levels will be higher than they would otherwise have been but this is a pragmatic solution to the severe challenges faced by local authorities. This new flexibility, albeit temporary, has enabled a review of one-off resources to be undertaken and some funds to be identified that can now be invested to support priorities and budget pressures that would otherwise have had to have been used to fund these one-off costs of service transformation. This sum has been further supplemented by a rigorous review of all other one-off resources and a review of financial risks not offset by specific reserves or provisions. This review included consideration of the remaining £233k set aside from the sale of the Bucks Head public house for potential investment in AFC Telford. This funding has been set aside since December 2013 pending receipt of acceptable proposals from the Club. Other than the release of £45k to fund essential fire safety and other works at the ground no other acceptable proposal has been received and it is therefore recommended that the remaining funding is de-committed and used to part fund a replacement 3G pitch in Madeley. Details of all reserves and provisions are set out in Appendix 5.
- 1.9 As the vast majority of the savings proposals for 2017/18 were subject to detailed consultation last year it is not proposed to undertake a similar extensive consultation process this year given that this is itself a very resource intensive process. Details of the ways that comments on this proposed medium term financial strategy can be made are included in Section 20 and Appendix 6. Consultation will commence on 6 January and continue through until 5 February 2017.

1.10 A specific issue that we would welcome residents views on is whether we should accelerate the implementation of the Adult Social Care precept. As explained above, in recognition of the extreme pressure facing Adult Social Care budgets the Government has offered councils the opportunity to accelerate the implementation of the Adult Social Care Precept with increases of 3% next year and in 2018/19 rather than their original assumption of 2% in each of the next 3 years. This would equate to a “one-off” benefit totalling £1.77m over the next two years for Telford & Wrekin Adult Social Care service users. Last year the Government assumed councils would implement a new “adult social care precept” and raise council tax by 2% a year for the next four years with this funding being used to help support adult social care services. This precept would be in addition to any normal council tax increase which would not be expected to exceed 2% without holding a costly referendum. Telford & Wrekin applied this precept as assumed by the Government and after extensive consultation with the community during which we received over 4,000 comments we also applied a further 1.2% rise in Council tax to help fund other services. A total 3.2% increase in council tax. The Council was set to apply this increase each year for the next three years in order to strike a balance between helping to protect essential services after very significant cuts in our grants from central Government whilst also recognising the financial pressures faced by local people. On 15 December 2016, the Government said that councils can now apply a 3% Adult Social Care precept for the next two years – 1% more than the Council had planned. This would see council tax rise by a total of 4.2% a year for the next two years - and a 6% increase in the precept in two years instead of spreading the increase over three years as currently planned. This would generate around £1.77 million one-off additional funding for adult social care services in total over the next two years but would see council tax bills rise more quickly. However if the Adult Social Care precept was implemented at the currently assumed rate of 2% a year spread over three years, by 2019 this would bring the adult social care precept to the same level. The Council has not altered its original plans but would like to hear whether local people would be willing to pay additional council tax next year to help support Adult Social Care service users. The two council tax options that we are consulting on are:-

- Apply the new 3% Adult Social Care precept in 2017 and 2018, giving a total increase in council tax of 4.2% for the next two years (74p per week in 2017/18 and 78p per week in 2018/19 for the average Band B property). In 2019/20, council tax would rise by 1.2% (23p per week for the average Band B property). This would give the Council an additional £1.77m in total over the next two years to help support Adult Social Care services.
- Spread the Government assumed 2% Adult Social Care precept over three years as currently planned instead of two and apply the Council’s planned increase in council tax of 3.2% a year (an increase of 57p per

week in 2017/18, 58p per week in 2018/19 and 60p per week in 2019/20 for the next 3 years for the average Band B home).

- 1.11 As well as consultation with the public and business community, the Council's cross party Finance & Enterprise Scrutiny Committee has a series of meetings scheduled to consider the proposals put forward by the Council's Cabinet in detail. Scrutiny will also consider any proposals that are put forward by Opposition groups.

2. SUMMARY

- 2.1 Since 2010, Telford & Wrekin Council has faced cuts in the grant we receive from Government whereas prior to this date the grant would increase each year to recognise inflationary and other pressures. The scale of these cuts and the protracted period over which they continue to be made are unprecedented. The cuts in our grants are being made at a time when demand for many services, such as safeguarding children against harm or neglect and Adult Social Care have been increasing. These factors combine to place this Council, like most others, under extreme financial pressure.
- 2.2 However despite our severe financial constraints, Telford and Wrekin is a progressive Council with ambitions to improve the Borough and the lives of residents. We are tackling the impact of the Government's sustained grant cuts head on and finding new ways to deliver services and to generate income to help offset some of the grant cuts. We have a long track record of sound financial management and innovative solutions.
- 2.3 Our medium term service and financial planning strategy sets out how as a Co-operative Council, the organisation wants to take forward the Borough over the medium term. It is a vision which is centred on building a strong local identity and resilient and healthy communities by driving housing and economic growth whilst protecting and enhancing our reputation as a "green town".
- 2.4 Despite the severe financial challenges we face, our mission is clear. We are attracting new jobs and investment and promoting growth in the borough, whilst seeking to protect, as far as we are able to, priority front-line services and are working co-operatively with our residents and partners to deliver these.
- 2.5 **A Council working for, and together with, our Community:-**

From our on-going engagement with local people over many years, we are clear that they and their families have some fundamental priorities which we as a Council are working alongside them and in partnership to achieve.

We know that the people of Telford & Wrekin want to live:-

- **In a safe community** – we work in partnership with West Mercia Police to ensure that Telford & Wrekin remains a low crime area. Our work to support and safeguard children from sexual exploitation has been recognised by Ofsted as amongst the best in the country. We have worked to get Telford designated as a White Ribbon Town where domestic violence is not tolerated. Our Public Protection team carry out a lot of unseen work to ensure that local services and facilities are safe, that nuisances are tackled and houses in multiple occupation are better managed. We have made a commitment as a Council to always look after the most vulnerable in our community.
- **In a clean environment** – we work in partnership with TWS and Veolia and also with many Town and Parish Councils and the Parish Environmental Teams to ensure that our streets, parks and public spaces are clean and tidy and that we have first class waste collection and recycling services.
- **In a place with good roads and pavements** – each year we invest in a major programme to repair and maintain our roads and pavements. We have also secured significant amounts of Government funding to improve many roads, roundabouts and junctions so that congestion caused by more cars using our roads in the future will be reduced or avoided. Through our ‘Pride in Your Community’ initiative we have also made lots of little improvements in communities and on estates that can make a big difference to everyday life.
- **Where there are first class schools and education facilities** – we work in partnership to support our primary, secondary and special schools and performance is amongst the best in the West Midlands
- **Where there are excellent and accessible hospital and GP services** – we are working with many GP practices and Health Services in our neighbourhoods to provide more joined-up health and care services that better meet people’s needs there is support in the community to help people to stay healthy. We are also doing all we can to seek to retain full Accident & Emergency services at the Princess Royal Hospital as well as the Women’s and Children’s Centre.
- **Where they have a job and there is a thriving economy** – through our Enterprise Telford approach, we are attracting more new businesses to come to our Borough every year bringing new jobs. We have also supported many existing businesses to succeed and expand. Through our ‘Pride in your High Street’ initiative, we have sought to give local businesses the key skills to both survive and thrive in our town centres. We work to protect local jobs, we have lobbied Government to retain key activity in our town such as HMRC, Cap Gemini and the Land Registry. We also work, through our Job Box and Apprenticeship schemes, to ensure local people, and particularly young people, have the skills they need to get a job.

2.6 While many other councils have focussed on making cuts while neglecting growth and stopped major development projects, we continue to invest to create jobs and safeguard the future prosperity of the Borough and its residents:

- The Council is investing over £50m in NuPlace a wholly owned Council Company for the development of around 400 properties for private rent and over £55m in expanding the Property Investment Portfolio. These initiatives will boost businesses, create jobs and generate additional income for the Council to help reduce the impact of Government cuts. Additional income from these initiatives is expected to arise from increased retained business rates, additional council tax and from New Homes Bonus and the sale of Council services to NuPlace as well as from direct profit (after funding all loan repayments and operating costs) from the projects. These capital investments also offer the Council the prospect of significant capital growth in asset values over the longer term.
- Our £250m Southwater scheme is now open, kick-started by Council investment this has created over 400 jobs, safeguarded a further 300 and created a vibrant heart to the town as well as a regional leisure attraction. The Southwater developments also directly contribute income totalling £1.18m from rental of council owned properties and income from the Multi Storey car park. A further £0.68m is generated from retained business rates income. The net surplus after loan repayments and operating costs is used to support existing front line services and to reduce the cuts that would otherwise have to be made.
- The owners of The Town Centre Shopping Centre are progressing a £200m expansion programme set to create an estimated 2,000 jobs.
- We opened a new Town Centre library in the Southwater development.
- Nearly £200m is being invested in improving the infrastructure of our schools and community leisure facilities.
- We are making it easier for businesses to come here and grow, offering support to existing companies as well as attracting new firms and helping to create new jobs, supported by our new Growth Hub delivered in collaboration with businesses and the University of Wolverhampton.
- We have invested in land stability schemes along with the Government to protect the Ironbridge Gorge – the area’s biggest tourist attraction and the West Midlands region’s only World Heritage Site.
- Regeneration schemes completed in Hadley, Brookside, Oakengates, Hollinswood and St. Georges.
- The proposed Capital Programme summarised in Appendix 4 totals over £280m.

2.7 On 25th November 2015, the Government announced the results of its Comprehensive Spending Review which set out expectations for economic growth, inflation and tax receipts for the remainder of this Parliament. The Comprehensive Spending Review also set out the Government’s spending priorities. As expected the Government

reiterated its objective to eliminate its budget deficit and to run a budget surplus by the end of the Parliament. The Government has also continued to protect spending on the NHS, Education and Overseas Aid in real terms and has also now committed to protecting spending on defence as well as a number of other significant areas of public expenditure. There is little that the Government can do to reduce the very significant cost of servicing the national debt and as so many other parts of public spending are now protected, unprotected areas such as Local Government will continue to face significant reductions for the remainder of this decade.

- 2.8 The Autumn Statement was announced by the chancellor on 23 November 2016. This was against the backdrop of widespread international economic uncertainties arising from Brexit and the USA presidential election and lower Office of Budget Responsibility forecasts for UK Government tax receipts. Key announcements affecting the Council are summarised in Section 10.3 of this report.
- 2.9 The provisional Local Government Finance Settlement was announced on 15 December 2016. However, despite the “4 year Grant Settlement” at the time of preparing this report, details of funding totalling over £3m for next year have still not been released by the Government and a significant degree of uncertainty over our actual position for next year therefore remains. As expected this settlement will force the Council to continue to make cuts on an unprecedented scale with a cut of 25.9% in our Revenue Support Grant next year alone. Whilst it is a provisional settlement with final figures due to be announced in late January or early February, there is little prospect of any significant improvement in the final overall position. Clearly other factors will also change within our own budget as the Council delivers hundreds of services which operate in a dynamic environment and the budget gap projections will therefore need to be updated prior to consideration of final proposals by Cabinet in February.
- 2.10 The Government’s low priority for local government compared to other parts of the public sector and its subsequent significant transfer of risks to the local government sector including the introduction of local council tax support rather than centrally funded council tax benefits and local retention of business rates at a time when it is also radically reducing the grant that it gives to councils clearly all combine to increase the level of financial risk faced by councils. It is therefore essential that the Council has a medium term service and financial planning strategy in place that includes strategies to reduce reliance of government funding, that an appropriate level of reserves and contingencies is maintained by the Council and that financial performance across the Council is effectively controlled. The Council has a long track record of highly effective financial management and has again received an unqualified external audit opinion for its latest set of accounts.

2.11 The base budget (i.e. before savings are deducted and pressures are included) is summarised in the table below.

TELFORD & WREKIN COUNCIL

REVENUE BASE BUDGET - BEFORE SAVINGS AND INVESTMENTS

Service Delivery Unit	<u>2017/18 GROSS EXPENDITURE</u>	<u>2017/18 GROSS INCOME</u>	<u>2017/18 NET EXPENDITURE</u>
	£	£	£
Health & Well-Being	18,495,218	16,911,593	1,583,625
Governance, Procurement & Commissioning	11,272,491	7,940,507	3,331,984
Customer & Neighbourhood Services	117,130,862	87,198,232	29,932,630
Business, Development & Employment	14,134,793	14,320,420	(185,627)
Commercial Services	37,416,050	33,939,100	3,476,950
Finance & Human Resources	8,570,690	7,177,510	1,393,180
Early Help and Support	57,369,127	14,866,178	42,502,949
Children's Safeguarding	21,460,605	624,961	20,835,644
Education & Corporate Parenting	130,766,719	117,514,879	13,251,840
Co-operative Council	3,533,357	2,058,867	1,474,490
Council Wide Items	5,568,984	8,116,298	(2,547,314)
Netting off of Internal Recharges included above	(35,126,107)	(35,126,107)	0
Total	390,592,788	275,542,438	115,050,350

Contributions To/From Balances	2,475,000	434,750	2,040,250
Net Total	393,067,788	275,977,188	117,090,600

Budgets for Service Areas will be restated once the Council has made final decisions on the savings and investment proposals contained in this report.

The overall service and financial planning strategy for the period 2017/18 to 2018/19 is summarised in the table below:-

	2017/18 £m	2018/19 £m	2019/20 £m
Projected Budget Gap (after £6.4m proposed cut to Revenue Support Grant in 2017/18 and assumed savings approved in March 2016 assumed for 2017/18)	(0.692)	12.187	21.563
Less Government assumption of 2% council tax increase relating to adult social care precept *	(1.113)	(2.261)	(3.446)
Less 1.2% council tax increase *	(0.668)	(1.357)	(2.068)
Budget gap after medium term strategy for council tax increases approved at Council in March 2016	(2.473)	8.569	16.049
Add pressures	5.803	4.645	4.063
Less additional savings adjusted for leakage detailed in Appendix 3	(1.779)	(2.380)	(2.723)
Further ongoing savings to be identified	0	(8.750)	(16.000)
Remaining shortfall to be covered from use of one-off resources as part of a planned strategy to deliver a sustainable ongoing budget position.	1.551	2.084	1.389

Notes:-

- * Based on 2016/17 tax base, this will be updated when the council tax base for 2017/18 is finalised in January 2017. If the Adult Social Care precept was increased by 3% rather than 2% in 2017/18 this would raise an additional £576k to be spent on Adult Social Care services.
- The figures above do not reflect the new Adult Social Care Support grant which is a one-off benefit of £0.778m in 2017/18 as considerable uncertainty remains on other grants which have been assumed but not announced at the time of drafting this report. The overall position will be firmed-up in the February report to Cabinet by which time the

Council should have final allocations for all outstanding grants, more certainty over what total income can be expected from retained business rates in 2017/18 and will be able to reflect any additional budget pressures that become apparent over coming weeks.

- The projections assume that all savings approved at Council in March 2016 are delivered in accordance with currently anticipated timescales.
- It is assumed that the additional savings for 2017/18 are implemented. However, this assumption will be revised following the consultation period to reflect any changes that are made in response to comments received.
- Projections for 2018/19 and 2019/20 will need to be refined as further information becomes available.
- The proposed use of £5m of balances over the 3 year period is prudent following the comprehensive review of available one-off resources that has been undertaken.

At the close of the consultation period on 5 February 2017 comments received, including those from the cross party Finance & Enterprise Scrutiny Committee will be taken in to account and the final service and financial planning proposals for 2017/18 will be prepared by the Cabinet. These will be considered at Cabinet on 23 February with final decisions being taken at Full Council on 2 March 2017.

3. RECOMMENDATIONS.

Members are asked to approve:-

- 1. The Service and Financial Planning Strategy set out in this report for consultation between 6 January 2017 and 5 February 2017.**
- 2. Creation of a One-off Partnership Capacity Fund totalling £695,000 as set out in section 6.3 with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.**
- 3. The transfer of £1.5m of one-off resources in to the Invest to Save/Capacity Fund, £0.25m to the Organisational Development Fund, £275k to the Destination Telford Fund and £1.4m to fund investment in Pavements.**
- 4. That authority to respond to the provisional settlement and all future local government finance consultation documents is delegated to the Assistant Director: Finance & H.R. after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.**
- 5. That the £233k that was previously set aside to support new facilities at AFC Telford pending receipt of an acceptable business case is de-committed and used to part fund a new 3G pitch in Madeley.**

6. That Business Rates deals may, in future, have a maximum 5 year life subject to the agreement of an appropriate business case – as set out in Section 5.3
7. Transfer the remaining £6.9m. of available one-off resources to a one-off contingency fund to cover pressures such as costs arising from severe weather, demand for safeguarding services etc. with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.

4. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes	<i>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The proposals contained in this report will impact on specific groups of people. An Impact assessment, on the additional 2017/18 savings proposals, highlights limited equalities, environmental and economic impacts which are included in sections 18 and 19 and Appendix 7. We will conduct a full impact assessment of all future savings proposals prior to any decisions being taken and include details in reports to Cabinet as appropriate.</i>
TARGET COMPLETION/DELIVERY DATE	<i>Public consultation will take place between 6 January 2017 and 5 February 2017. The proposals contained in the report will also be subject to Member scrutiny during this period. Final proposals will be considered by Cabinet on 23 February 2017 who will make recommendations to Full Council on 2 March 2017. The final agreed recommendations will be implemented during 2017/18 and future years.</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<i>This report sets out the service and financial planning strategy for the council for 2017/18 and the medium</i>

		<i>term.</i>
LEGAL ISSUES	Yes	<i>This report develops the proposals for the Council's budget and policy framework which will be consulted upon in accordance with the Policy Framework & Budget Procedure Rules contained in the Constitution. In accordance with the relevant provisions of the Local Government Finance Act 1992 and the Local Government Act 2003 the Council has to set a balanced budget before the 11 March 2017 and has to have regard to the advice provided by the s.151 officer on the robustness of the budget and the adequacy of reserves supporting the budget before doing so.</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<i>This report sets out the strategy framework which includes consideration of corporate risks – particularly in relation to the availability of balances. Environmental assessment is a procedure that ensures that the environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment. The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reducing their environmental impact. The environmental assessment detailed in Appendix 7 provides information on the environmental impacts of the budget proposals. Overall, on balance the environmental assessment of the budget proposals is positive. The economic impacts of the proposals are also detailed in Appendix 7 and are broadly neutral in 2017/18 given the reduction in</i>

		<i>spending by the Council, much of which will reduce economic activity within the Borough although this is broadly offset by the continuation of initiatives funded from one-off resources and the capital and revenue investments outlined in the report and the Council's "business winning, business supporting approach".</i>
IMPACT ON SPECIFIC WARDS	Yes/No	<i>Borough-wide impact.</i>

5. OUR ORGANISATIONAL FOCUS

5.1 A large organisation delivering for local residents, businesses and visitors.

Telford & Wrekin Council serves a population of 172,000 people which is forecast to grow to around 196,900 by 2031. As our population grows, it is ageing and becoming more diverse. The Borough is a key growth hub in the West Midlands in terms of both housing and the local economy and jobs. We have a strong track record at attracting inward investment from both the private and public sector including £70m from the Ministry of defence and in excess of £80m from Magna (automotive supply chain manufacturing). Manufacturing provides 16.7% (8% England) of jobs in the Borough.

Telford is the focus for much of our housing and economic activity, with the historic market town of Newport to the north and the UNESCO world heritage site of Ironbridge to the south on the banks of the River Severn. Although at face value it is a successful and attractive place to live, Telford & Wrekin is an area of contrast with 15 neighbourhoods ranked in the 10% most deprived nationally bringing very real challenges as to how we ensure that all of our population shares in the prosperity which our growing economy generates.

Despite the significant Government cuts faced by the Council, Telford & Wrekin Council is still a large organisation with a significant revenue budget and capital programme and delivers a wide range of essential services to the local community. These include universal services delivered to residents across the Borough such as waste collection and disposal, household recycling, grass cutting, road maintenance, sports and leisure facilities, strategic planning and development control, economic development etc to more targeted services such as support for the homeless, adult social services provided to older members of the community and those with physical or sensory disabilities and services to protect vulnerable children from harm, neglect and abuse.

The Council is clear about its focus for the next 4 years. Through our Co-operative approach, we will continue to work to meet the needs of the local community and businesses within the resources we have. Because of the cuts to the grant we receive from Government, this will mean that we have to develop new delivery models and target our resources at those individuals, families and communities in greatest need. Equally, we will not be able to continue to deliver all of the services which we currently do. In this context, our priorities are set out below:-

- Put our children and young people first
- Protect and create jobs as a 'Business Supporting, Business Winning Council
- Improve local people's prospects through education and skills training
- Protect and support our most vulnerable children and adults
- Ensure that neighbourhoods are safe, clean and well maintained
- Support neighbourhoods most in need and work to ensure that local people have access to suitable housing
- Improve the health and wellbeing of our communities and address health inequalities

5.2 "Put our children and young people first"

Over the past 4 years we have made significant progress in "putting children and young people first". Central to this has been the implementation of "Family Connect" – a single, multi-agency front door for children, young people and families. This has meant that we have enhanced information sharing for safeguarding multi-agency child enquiries. Supporting this we have developed a single, common case management system across children services. The development of this way of working will continue as it is critical to ensuring that children and families receive the "right help at the right time".

The Council has also invested in creating new modern learning environments as part of the "Building Schools for the Future" programme.

5.3 "Protect and create jobs as a 'Business Supporting, Business Winning Council"

A strong local economy is essential to increasing the prosperity of the Borough. We want a thriving, growing economy. Since 2011, the Council has worked successfully to attract and support inward investment into the Borough and to support the retention and growth of our existing businesses. The local economy has grown faster than the national average and we have designated the whole Borough an Enterprise Area with incentives for business expansion and investment across all economic sectors.

Under Enterprise Telford we offer a more competitive "investment offer" tailored to individual business requirements than our competitor locations.

As well as creating jobs and driving prosperity in the Borough, this has brought additional revenue to the Council through business rates which has supported our budget for front line services.

In exceptional cases, the Council will negotiate some flexibility around business rates, mainly for major new inward investors but currently these can only extend through to 2019/20. It is now proposed that this deadline is replaced by a rolling 5 year maximum life for any future business rates deals.

5.4 “Improve local people’s prospects through education and skills training”

To ensure that all residents can access the benefits of our growing economy, we need to make sure that they have the right skills to meet the needs of local employers.

Supporting people into work, whatever their age, is a key priority for the Council. To deliver this, our focus is on working better, working smarter with Job Centre Plus and local training providers, to make the most effective use of these resources – both to support people finding work but also to ensure that the skills needs of local employers are met. Our “Life Ready, Work Ready” initiative is focused on ensuring that all young people when they enter the labour market are work ready and in possession of basic employability and life skills.

Educational attainment in the Borough has improved significantly over recent years and standards in our primary schools are now in line or above national averages. The performance across our secondary schools is more variable and several schools now have refreshed leadership teams in place. GCSE results are starting to show improvement but are currently below the national average, Whilst 86% of schools in the Borough are classified as good or outstanding by OFSTED, we will continue to support and challenge those schools, which need to improve further.

5.5 “Protect and support our most vulnerable children and adults”

Two thirds (65%) of the authority’s budget is spent on supporting and protecting children and adults. The financial challenges which we face have meant that we have already started to look at different delivery models and to ensure that these services are delivered as effectively as possible to have a positive impact on the lives of people who need support. Ways in which we have done this include:

- Delivered more timely placement of children for adoption.
- Increased the number of foster carers from within the Borough to reduce agency and out of Borough placements.
- Ensured a sharp focus on supporting parents to care for children, especially teenagers, and returning children in care back home where it is deemed to be safe.

- Development of “MyLife”- a web based resource to provide information and advice for residents needing social care support.
- Development and launch of the “Personal Assistants Register” to help residents access the right home support.
- Development and sign off of an “Information & Advice Charter” with the voluntary sector.

As our resources reduce, however, we will need to ever more focus our resources on those in greatest need. Equally, we want to do everything we can to prevent children and adults requiring the most intensive support and interventions. Core to this will be working hard to support people to be able to continue to live in their homes, in their local neighbourhoods – this means working better, more effectively with families, community groups and local organisations to provide appropriate support to enable this to happen.

We have made a start adopting a new approach to working with adult social service users, details set out in Right Help, Right Time to Promote Independence, published in 2015. Promoting independence now sits at the heart of adult social care. We have established a structured and fair system which works to make the very best use of the limited resources that we have. We will promote health and wellbeing through the effective development of universal services ensuring that we have “something for everyone”

We recognise that people want to remain in their own home for as long as possible and we will continue to co-ordinate support around individuals to this end. We have effective systems in place to support carers and will continue to support carers to care for family and friends for as long as they wish to.

We are working with the CCG to support safe and effective discharge from hospitals and avoid inappropriate admissions. This does however pose significant risk to the local authority as the NHS system continues to be under significant pressure.

Early signs show that this approach is working, we now need to consider how we integrate locality based services for children, young people and adults.

If we are to successfully reduce the present dependency on public services we must build resilient communities which can help to improve health, and reduce inequalities. We must mobilise assets within communities, promoting equity and increasing peoples control over their own health and lives by:

- Strengthening communities
- Promoting volunteering and peer roles
- Establishing collaborations and partnerships
- Signposting access to community resources

5.6 “Ensure that neighbourhoods are safe, clean and well maintained”

Having neighbourhoods which are safe, clean and well maintained is an essential part of making the Borough a great place to live and to attract inward investment.

Over the past 3 years we have invested significantly in our “Pride in our Community” programme to improve the quality of the environment in neighbourhoods along with retendering the household recycling service – saving £30m over the lifetime of the waste contract, delivering a simpler household “purple top” recycling collection service for residents and provision of new household recycling centres which are open 7 days a week. We have also seen local people take on responsibility to improve their neighbourhood with the recruitment of 246 volunteer snow wardens and 416 street champions to date.

We continue to explore new delivery models for neighbourhood services through working with the community and town and parish councils which has seen the development over the last 2 years of 12 Parish Environmental Teams (PETs) which has generated an extra £300k per annum of additional funding to enhance the Environment. We are also utilising the Community Payback Teams who have saved the council £175k per annum through the provision of additional labour. This report also includes proposals to use £1.4m over the next two years to improve our borough’s pavements and our £5.2m capital investment into LED lighting right across the borough will see a new contract commence from February 2017 and a LED replacement programme completed over the next 2 years delivering a further £250k per annum in energy savings as a result.

Our priority for next year will be a key focus on Enforcement ensuring a more robust response and consequences for those who commit environmental crime in our borough and our work to retender for a new Grounds and Cleansing and Highways provider from 2019 to ensure we secure best value as a result of that procurement process.

5.7 “Support neighbourhoods most in need and work to ensure that local people have access to suitable housing”

Across the Borough, there are currently 15 neighbourhoods ranked among the 10% most deprived nationally – areas with deprivation which are comparable to the most deprived inner-city estates. Over the past 4 years, the Council has invested in the physical regeneration of local and district centres including: Hollinswood, Madeley, Leegomery, Malinslee, Hadley, Brookside and Oakengates Centre. Moving forward, we will place greater focus on the social regeneration of our neighbourhoods most in need.

Whilst we look to ensure that Council services are joined-together to achieve this, our approach will be community-led, we will better engage with local residents and community groups to understand their

challenges and to develop new ways in which they can be empowered to overcome the challenges in their neighbourhoods.

Whilst the housing stock of the Borough continues to grow (we expect to deliver well over 1,000 new homes in 2016/17), we want to ensure that all residents can live in good housing. The Council has worked hard through 2016/17 to tackle empty properties through a support package and loan facility in place. To support the ever growing demand for private rented accommodation, we have established and launched a Landlord Accreditation Scheme to support and set minimum standards for private landlords within the Borough and launched “Telford Home finders” a web based lettings agency for accredited landlords. For our most vulnerable, we have significantly reduced dependency on bed and breakfast for temporary housing accommodation.

We have established “NuPlace” a private company building new homes for both market and affordable rent – with 129 of the 132 first phase properties at Randlay and Woodlands now let and over 100 of these now occupied with the others being occupied during December. Phase 2 properties at Matlock Avenue are also now being reserved. NuPlace continues our goal to improve quality housing choices for local residents, support the regeneration of a number of neighbourhoods, and create income for the Council to support the delivery of front-line services.

5.8 “Improve the health and wellbeing of our communities and address health inequalities”

Good health and wellbeing is crucial because it allows people to maximise their potential and enjoy a fulfilling life. A positive sense of wellbeing is vital for a prosperous and flourishing Telford & Wrekin.

Although there have been some improvements in the health of the population, there remain real health inequalities in the Borough – that is people in the most deprived parts of the Borough live fewer years than people in the least deprived parts.

To address these challenges our new Health & Wellbeing Strategy is focussing on encouraging healthier lifestyles, improving mental health and mental wellbeing and strengthening community resilience and community based support. We are working with local GPs and other partners to develop models of neighbourhood working to support people to stay healthy and keep well. We are leading the way in developing peer led approaches to improving health particularly for those on their journey recovering from drugs and alcohol addiction.

6. MOVING FORWARD: OUR MEDIUM-TERM 2017/18 TO 2018/19 SERVICE & FINANCIAL PLANNING STRATEGY

6.1 The medium term service and financial planning strategy approved at Full Council in March 2016 agreed the majority of the detailed savings that were required for 2017/18. Some additional savings proposals are included in Appendix 3 together with details of further pressures. The medium term service and financial planning strategy also set out the proposed medium term approach to council tax increases i.e. that these should be 1.2% each year through to 2019/20 plus the application of the Government's new "adult social care precept" i.e. that the 2% figure assumed by the Government should be implemented in full. Views on the proposed total council tax increase of 3.2% (or whether the Government's additional 1% increase in the Adult Social Care precept should be implemented) and the additional savings proposals in Appendix 3 are sought during the consultation process.

6.2 A New Approach to Developing Savings Proposals and Community Consultation

6.2.1 Having previously agreed a medium term service and financial planning strategy at Council in March 2016 for the two year period 2016/17 to 2017/18, it is now possible to focus on longer-term planning. In an organisation that will have already delivered almost £100m of ongoing annual savings by the end of this financial year it is essential that a longer term view is taken as future savings will be more challenging and time will be needed to consult with stakeholders about options and ways to minimise impacts. Therefore a new approach to consultation and development of savings for the year 2018/19 and 2019/20 will be taken with proposals being developed as soon as opportunities arise and capacity allows rather than co-ordinating through an annual process as historically was the case when resources were not so tight and the need to implement change not so urgent.

6.2.2 The service and financial planning report to Council in March 2016 set out detailed proposals relating to specific savings and the outcome of extensive public consultation relating to these proposals. The 4 week programme of consultation outlined the high level messages in relation to the Council's financial position and also sought views on 32 proposals that were likely to have greatest impact on the community. Following approval of the Council's budget in March 2016, consultation on the implementation of these proposals has continued as appropriate, including consultation during the summer relating to the future management of a number of libraries within the Borough. We have also been working closely with a number of community groups and Parish Councils in relation to future management of the Council's community centres.

6.2.3 Based on current estimates, further savings will need to be made during 2018/19 and 2019/20 totalling between £15m and £20m. As the majority of savings until 2018/19 have already been identified this

provides us with an opportunity to take a different approach in terms of finalising and consulting on the Council's medium-term Service & Financial Planning Strategy. Although there is a need to bring forward a number of additional savings for 2017/18 (detailed in Appendix 3), consultation has already taken place on the vast majority of savings that are likely to have the greatest impact upon the community in 2017/18. Equalities, Environmental and Economic Impact assessments on the additional savings proposals have been carried out and are summarised in sections 18 and 19 and Appendix 7.

- 6.2.4 Our previous approach to budget consultation means we have been able to raise awareness of the Council's financial position amongst partners and the community and to reach a large number of people, however by developing a defined list of savings and consulting on the potential impact of implementing them, we miss the opportunity to develop a wider range of solutions. This can be seen in the work that has been done to secure the future of a number of libraries and community centres. By working with Town and Parish Councils and residents we have been able to develop alternative ways of delivering these services. It is therefore proposed to adopt this approach with those savings to be delivered in 2018/19 and 2019/20 that have the potential to impact directly upon our residents. We will therefore start an earlier dialogue with a range of partners and service users who could assist in developing alternative service solutions.
- 6.2.5 This report identifies where we need to make savings under the headings of 'being the change'. We will proceed to identify where we intend to enter into a dialogue with the community and our partners in relation to service re-design or savings that will impact upon the community. Our approach will involve communication in relation to the Council's strategy for Service & Financial Planning and will identify where we intend to start a dialogue regarding those savings that have the potential to impact directly upon the community. This dialogue will be supported by the programme of community capacity building that will be delivered across the Council and coordinated by the Community Participation Team. This will enable the community and potential partners to have a greater level of input in developing solutions to some of our most difficult financial challenges. This approach supports our ethos as a Cooperative Council and will ensure that our financial strategy aligns with the themes of 'being the change'.
- 6.2.6 The process of implementing the library savings has followed this approach and has involved the following steps;
- raising awareness of the need to reduce the cost of library provision to the Council
 - working with Town and Parish Council's to develop a model of retaining library provision within the Borough
 - negotiating a transitional funding support package to enable the movement of libraries to Town and Parish Councils

- carrying out statutory consultation relating to the revised model of library provision within the Borough

6.2.7 This approach differs to the way in which we have previously developed our budget strategy which has involved us developing a range of savings proposals and seeking the views of the community on these proposals. This approach limits the opportunity to work proactively with residents and other stakeholders such as Town and Parish Councils and the voluntary and community sector. We want to work more closely with these and other partners in identifying options and potential solutions to the budget challenges that we face. As we have largely set our budget for 2017/18 in broad terms, we have a unique opportunity to take a more open and positive approach to developing our savings proposals for the following 2 years, which will enable us to develop a more creative range of solutions involving our communities and partners. This will include following a similar process to that outlined for libraries above; identifying areas in which there is a need to make savings, working with partners to develop a range of alternatives to make the savings, carrying out consultation on revised ways of delivering services where required, and providing some transitional support, where possible, to implement the agreed solution.

6.3 Support for alternative service provision

An important aspect of this strategy is ensuring that organisations within the Borough have the capacity to work with us to develop and deliver alternative service solutions. The budget for 2016/17 included £100,000 that has been set aside from a reserve budget to be invested in building the capacity of the voluntary and community sector in the Borough. It is now proposed that an additional £95,000 which is unallocated funding from the Corporate Grants budget is added to this to provide a one off pot of £195,000 that will be invested in building the capacity of organisations that are able to help the Council reduce its service costs and demand on Council services. Following the review of one-off resources that has been undertaken, it is further proposed that £500,000 of additional one-off resources are added to create a total **Partnership Capacity Fund** of £695,000. It is recommended that the use of this one-off fund would include the following;

- grant will be used to build capacity and sustainability of the organisation
- organisations will support delivery of council savings or reduce demand on council services
- funding will act as pump priming to secure additional external funding
- Allocations from the fund to be approved by the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.

This fund will complement the existing Partnership Support Fund that is available to organisations that are taking on the delivery of services

that can no longer be delivered by the Council. Support will also be provided to organisations to secure external funding via the new Funding Officer post within the Community Participation Team.

6.4 Approach to Future Development of Savings Proposals.

6.4.1 Our approach to Service and Financial Planning is underpinned and informed by our Co-operative Council ethos. This means that we are working together, with the community and partners, to collectively deliver the best we can for Telford & Wrekin with the combined resources we have. We are working to:

- Bring more public services together so that people get what they need at the right place and the right time;
- Involve local people and our employees more in planning and running services; and
- Support our communities better and encourage local people and organisations to do more to help their communities.

6.4.2 Central to this are our Co-operative values which are at the heart of all that we say and do as an organisation:

- **Openness and Honesty** - be open and honest in the way we work and make decisions and communicate in a clear, simple and timely way
- **Ownership** - be accountable for our own actions and empower others with the skills to help themselves
- **Fairness and Respect** - respond to people's needs in a fair and consistent way
- **Involvement** - work together with our communities, involving people in decisions that affect their lives and be prepared to listen and take on new ideas

6.5 Based on this ethos we have adopted 4 core elements for our medium term service and financial strategy set out in more detail in “Being the Change” to take the organisation forward and help us to deliver the budget savings projected to be required over the medium term. In summary the 4 core elements are:-

- Focussing on Solving Problems and promoting Social Responsibility and action to manage and reduce demand for services
- Challenging & Changing, Reviewing and Reimagining the way we do things
- Reducing our Dependency on Government Grants
- Being a Modern Organisation with Modern Practices and Where we Always Get the Basics Right

6.5.1 Focussing on Solving Problems and promoting Social Responsibility and action to manage and reduce demand for

services – Target for additional savings over 2018/19 and 2019/20 is £8m.

- **“Demand Management”** - ensure that resources are targeted at those residents most in need of help. This is about understanding why people use our services and keeping them out of high cost systems.
- **“Prevention”** – avoid problems which place demand on public services by encouraging people to help themselves to prevent needs developing in the first place. This is relevant to the majority of our population and has a lifelong all age focus.
- **“Early Help & the Right Help”** – when individuals and families do need help and support, we want to identify them quickly and identify the right, effective support first time to avoid issues escalating and requiring more intensive and expensive intervention but also to avoid long-term dependency on our services. Through a whole Council approach, we will improve the customer journey to provide a better seamless journey for clients.
- **“Think Family – Strengthening Families”** – to target our resources at those families most in need of support by taking holistic approach through a key worker model to “turning around” these families. This is a partner-wide agenda and is being led by the Local Strategic Partnership (LSP) and is linked with Enterprise Telford through which we aim to deliver more jobs to promote economic independence.
- **“Working in Communities”** – to reduce demand by targeting our resources at areas in the greatest need of support and working more effectively with the resources which are already in place in our communities. Strong communities place the least demand on public services.
- **“Building Community Capacity”** – the need to harness the resources of the community, community groups and Town And Parish Councils, in helping to develop solutions to improve outcomes for our residents. This is core to our Co-operative approach, the Council doesn’t have a monopoly on the resources or solutions to resolving challenges in our communities. This approach will be strengthened by the new £695,000 Partnership Capacity Fund totalling referred to in section 6.3 above.
 - **Community self-help** – building people’s social support networks by making best use of the resources and assets which are available in a local area – this helps people remain in and be an active part of their local community
 - **Effective co-production** – supporting the development of service provision by communities and moving away from a narrow focus of meeting needs through practitioner provided services.

6.5.2 Challenging & Changing, Reviewing and Reimagining the way we do things – Target for additional savings over 2018/19 and 2019/20 of £5m.

We continue to evaluate the organisation to understand what is working effectively and efficiently and what needs to be changed.

Through this we are able to create and seize opportunities. Examples of what we have done and will continue to deliver include:

- **Redesigning services and business process reengineering** to ensure that they are delivered in the most efficient and effective manner.
- **Redesigning and managing our “front-door”** to enable users to get the right service at the right time. Examples include “First Point for Business” and “Family Connect”.
- **Challenging Policies** – e.g. for calculation of Minimum Revenue Provision (changing debt repayment from equal instalments of principal to an annuity basis with cumulative revenue benefits of over £40m by 2019/20).
- **Working with the private sector** – including the Telford Business Board and major local employers, the management of the Telford Town Centre shopping centre, house-builders and our Universities to drive economic growth in order to generate jobs and increased prosperity for the residents of the Borough and to generate additional income for the Council from business rates and New Homes Bonus and council tax on new homes built in the Borough.

Building on this progress, moving forward there are some major ways that we will change as an organisation:

- **“Channel Shift”** by providing services and information in the most efficient way. For example, providing clear and robust information on the Council’s website will mean that residents can “self-serve” and not need to contact the Council in other less efficient, more expensive ways such as by telephone or face to face. Other examples include the use of smart phone “apps” such as our Everyday Telford App which allows people to report neighbourhood issues directly to the Council.
- **“Improving Business Intelligence”** – we are a data rich organisation, but all services need to be better at turning this data into intelligence to understand who is using our services and the outcomes they receive. As we continue to change the organisation we need to understand the impact of these changes both in terms of efficiency but also in terms of impact on budget and the community too.
- **“Developing new ways of delivering services”** – we will need to be working in an ever more integrated way with our partners including:
 - **Telford & Wrekin NHS Clinical Commissioning Group** – continue to explore how we can work better together to provide and/or commission more effective preventive services in communities and so take pressure off health and social care systems.
 - **Town & Parish Councils** – building on strong working relationships such as Parish Environmental Teams to improve local neighbourhoods and new arrangements for library services in some areas. Are there opportunities for Parish and Town Councils to manage and deliver other services at a more local level?

- **The Local Strategic Partnership** have committed to making “Think Family – Strengthening Families” as one of their top priorities to drive better data sharing across organisations and more integrated and co-ordinated ways of working to improve outcomes and reduce costs.

6.5.3 Reducing our Dependency on Government Grants – Target for additional savings over 2018/19 and 2019/20 of £2m.

We have already taken significant steps to reduce our dependency on Government Grants and we will continue to drive these forward as grant continues to be rapidly withdrawn by the Government:-

- **“Increasing income through trading our existing services”** – there are many Council services that already “trade” outside the organisation and secure income. Primarily ICT, Finance and H.R. Services, Facilities Management and Cleaning, Property Management and Catering. A key purchaser of these services are schools – both those in the Borough and in the past 12 months an increasing number of schools from outside the Borough.
- **“New commercial development/projects”** – we have developed a track record on taking on new ventures to deliver income to the Council and protect front-line services:
 - A solar farm providing £4.4m profit over the next 25 years.
 - Established “NuPlace”, a housing company which will provide around 400 new homes for private and affordable rent, with the first homes now occupied.
 - Established a Growth Fund to invest in development of premises for businesses to encourage job creation and retention as well as generating additional rental income and business rates income

We will continue to research and develop new opportunities that can bring in an income stream to the Council. Our approach will always be business case-based.

- **“Maximising existing funding streams”** – there are 3 main areas which we are already progressing and will continue to drive:
 - ***Business Supporting, Business Winning*** – continuing to work to attract new investment and work to support the retention and growth of existing businesses. As well as being the right thing to develop jobs and growth in the Borough, the Council receives 49% of all new **business rates** rising to potentially 98% at some point in the future subject to clarification of Government proposals.
 - ***Growth Through Good Planning*** - this is a whole Council approach by which all services work to support and enable business investment in the Borough. Through this approach we have been ranked by the 2014 Core Cities Report in the top 3 local authorities for job growth and housing growth. Through this the Council will see **new Council Tax** and Business Rate receipts, as well as receiving the Governments’ **New Homes**

Bonus for new homes – until any major changes to the local government finance system.

- **Property Investment Portfolio** - a property investment portfolio delivering £5.1m income per annum from rental income.
- **“Securing external funding”** – again we have successfully driven this agenda, including £18.79m through the Marches Local Enterprise Partnership Local Growth Fund. In addition, we have also joined the **West Midlands Combined Authority** and are actively working through this to maximise future opportunities for the Borough.

To continue to reduce our dependency on Government Grants, building on our achievements to-date, we must continue to be creative, fast-acting and smart to identify and realise opportunities as and when we identify them.

6.5.4 Being a Modern Organisation with Modern Practices and Where we Always Get the Basics Right – Target for additional savings over 2018/19 and 2019/20 of £2m.

Core to being a modern organisation is continuing to reshape the Council’s relationship with its staff. We must continue to move towards a more flexible, more pragmatic and less bureaucratic approach to decision making. This means:

- Increased autonomy for managers and staff to take decisions
- Greater focus on development through workforce development programmes
- Greater flexibility including wider more flexible working and job descriptions for staff.
- Encourage creative thinking and challenge
- Focus on efficiency and reducing bureaucracy
- Increased staff engagement so that employee representatives will have a greater influence in the organisation

Whilst driving change and reshaping the relationship between the Council and its staff, we will continue to focus on getting the basics right, including:

- **Safeguarding our most vulnerable children and adults**
- **Procurement and purchasing** – ensuring that we maximise value from the services which we procure – this may be direct benefit or a wider benefit to the community for example, social benefit from capital projects including the employment of local people in new build schemes. It is not enough to be led by what the market will provide. We work to influence and shape the market to ensure that tax payers receive maximum value for money. We will improve further our robust contract management to ensure providers and suppliers meet their contractual obligations, review existing contracts to ensure they are fit for purpose and achieving value for money, widely advertise all contract requirements over £5k to achieve optimum market prices,

make greater use of framework agreements and get added social value from procurement.

- **Contract management** – ensuring that we always receive the service or products which we have procured through effective monitoring of delivery and renegotiation of contracts.

7. SAVINGS ALREADY DELIVERED

7.1 The Council has faced truly unprecedented cuts to its grants from central Government which have now forced us to make ongoing annual savings of almost £100m. The need for savings has increased each year due to Government grant cuts, inflation and other pressures. Ongoing savings delivered by year are detailed below:-

	£m
2009/10	4.156
2010/11	6.725
2011/12	11.659
2012/13	19.069
2013/14	11.306
2014/15	17.204
2015/16	10.237 (Includes in-year Public Health cut)
2016/17	15.743
Total	96.099

7.2 This is equal to a cut of around £1,300 pa in the cost of Council services for every household in Telford and Wrekin. In delivering these savings, we have applied the principle of 'as far as possible minimising the impact on priority front-line services'. This principle remains at the core of our current strategy although it is now inevitable that we have to put some savings proposals forward that do have significant consequences on front line services. Savings delivered to date include:-

7.3 Council Jobs

- Reduced the number of jobs by over 1,420 since April 2010, saving around £26m pa following major redesign and restructuring of the organisation to meet the challenges facing the Council. This has seen 640 vacancies deleted and 780 redundancies (with a further 82 people under notice as at 25 November 2016 who will leave before the end of the financial year). Through effective redeployment only 89 of these have been compulsory redundancies.
- Redeployed over 3,100 people within the organisation as a result of restructuring with many employees now having been redeployed more than once.
- Since 2009 staff pay has increased by 4.2% while inflation (RPI) has risen by 24.8% cutting staff pay in real terms by 20.6%

7.4 Senior managers

- Reduced the size of the senior management team by 57% which is over twice the national average reduction of “Nearly 23.2%” as reported by the Municipal Journal in October 2015.
- Cut the pay of our most senior post by 30% in real terms.
- Cut the number of middle managers by 45%.

7.5 Back office costs

- Cut back-office costs by around 48% since 2009, saving £10.8m a year. This scale of reduction is significantly greater than what most authorities have achieved through outsourcing or sharing services and has been achieved much more quickly as protracted negotiations with other councils or third party providers have been avoided. Retaining full control of these services also allows maximum flexibility to drive further changes in future.

7.6 Buying better value services

- Delivered £11.4m procurement savings over the past 8 years by renegotiating and re-tendering contracts for the provision of services.
- Secured savings of £30m over the lifetime of the waste collection and disposal contract.

7.7 Income through growth

- As part of our business winning approach, we expect to generate an extra £7.1m income by 2018, through growth in business rates and council tax since the introduction of the new local government finance system in April 2013.
- We will receive just under £6.5m in 2017/18 from the New Homes Bonus paid by the Government to reward councils for increasing housing supply which is in line with figures issued as part of the provisional local government finance settlement.
- Increased income from more commercial approaches across our services over the past two years, including increasing income from schools outside of Telford & Wrekin.

7.8 New Commercial Income

As outlined earlier in this report, a major strand of our approach to dealing with the Government’s cuts to our Revenue Support Grant has been to increase income. This additional income, after covering associated marginal costs makes a significant contribution to our fixed costs and as a consequence is now a very significant factor in reducing the cuts to front line services that we would otherwise have to make. Significant income streams include the overall positive impact from our investment in homes for rent through our wholly owned company, NuPlace, which is projected to exceed £0.5m in 2017/18, the profit from the solar farm which will exceed £0.2m, the net additional income from the Telford Growth Fund which is boosting the returns from our

existing Property Investment Portfolio total income from which will exceed £6.5m in 2017/18 and the contribution made from our success in delivering high quality support and advisory services to schools – whether they be maintained schools or Academies and whether located within the Borough – or increasingly, outside the Borough. The gross income from trading with schools now exceeds £8.5m pa.

7.9 Shared Services, Trade Union Facilities Time, Cabinet Member Allowances

The Council continually reviews delivery options for its services to ensure value for money. A number of services are provided in partnership with other local authorities and statutory agencies.

Examples include:-

- The West Mercia Youth Offending Service (WMYOS) established in partnership with Worcestershire, Hereford, Shropshire, health, police and probation. The service is now managed by The Police and Crime Commissioner (PCC) with genuine integrated working practices ensuring improved outcomes at a lower cost.
- Membership of West Mercia Energy, a joint energy procurement consortium consisting of 4 upper tier authorities.
- We have for some years delivered a number of specialist services through a joint arrangement with Shropshire Council. Telford hosts sensory inclusion and portage whilst Shropshire provides a pan Shropshire adoption service. We are currently exploring a wider partnership arrangement for the adoption service.
- We also work with authorities across the West Midlands through our links to IEWM to put in place regional procurement contracts for agency foster care and residential accommodation.
- Working co-operatively with our Town and Parish Councils such as the Parish Environmental Teams and new arrangements for the delivery of some library services.
- Sharing the administrative costs of the pension scheme by participating in the Shropshire wide superannuation scheme.
- We continue to look for other opportunities for joint working where it can be demonstrated that service users will benefit at a lower cost.
- Trade Unions have agreed a 20% reduction in facilities time payments for directly employed staff.
- Cabinet Members voluntarily reduced their special responsibility allowances by 10% at the start of the previous Administration which the current Administration have continued.

7.10 Council buildings

- Disposed of 27 properties including the former Civic Offices building.
- Reduced the office space we use by a third, saving the Council £2m. pa.

8. CAPITAL RECEIPTS AND DEBT CHARGES

- 8.1 The Council's programme of property rationalisation has not only reduced running costs but is also generating significant capital receipts enabling us to fund some investment from internal resources rather than from increased borrowing. Debt clearly has to be repaid and adds to pressure on the revenue budget so the generation of capital receipts from the sale of surplus assets helps protect essential front line services. This reduces the amount of cuts that would otherwise have to be made.
- 8.2 The Council, unlike the Government, is not able to borrow to fund revenue services as the Council has to set a balanced revenue budget each year with any shortfall being funded by the use of balances – if available, or from further cuts to spending or increased income.
- 8.3 Debt repayments represent a long term fixed charge against the revenue budget which reduces the amount of funding available for the provision of front line services. "Good capital investment" can also fund assets which will increase in value over the longer term. Invest-to-Save schemes such as the solar farm or the Housing Investment Programme and investment in the Property Investment Portfolio represent "good capital investment" as they earn a surplus which can be used to help protect front line services as the surplus generated helps to reduce the impact on the revenue budget of Government cuts to our grants.
- 8.4 In Telford & Wrekin debt repayments in 2016/17 accounted for 6.9% of the net revenue budget (including payment to Shropshire Council in respect of pre-unitary authority debt). This compares to:-
- Birmingham 26.5%
 - Shropshire 9.2%
 - Unitary Authority average 10.0%
 - Telford & Wrekin 6.9%
- 8.5 Debt repayments in the average unitary authority are almost 50% higher as a proportion of net revenue stream compared to Telford & Wrekin. A graph showing the percentage of the net revenue budget allocated to debt repayments in 2016/17 for all unitary authorities is included in Appendix 8.
- 8.6 Our programme of asset sales totals £48.8m over the medium term. The planned profile of these receipts is shown below:

	£m
2016/17	8.408
2017/18	5.200
2018/19	16.020
2019/20	11.940
Later years	7.250

Total	48.818
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8.7 Generation of these receipts is a key assumption within the service and financial planning strategy. The Council has a detailed schedule of asset disposals to address this and this schedule is regularly monitored by both officers and members of the Audit Committee and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This dependency will continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some capital spending schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis although this would increase revenue costs and necessitate further cuts to other services or the use of additional one-off resources.

9. SECTION 106 AGREEMENTS

- 9.1 Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S.106 agreements are often referred to as 'developer contributions'. The common uses of planning obligations are to; secure affordable housing, to secure financial contributions to provide infrastructure (for example relating to necessary highways works to provide access to the development) and to help fund new educational facilities for the children of families that move in to newly built houses. Careful negotiations are undertaken with developers in reaching the s.106 agreement which are legally binding and clearly state what the funding can be used for.
- 9.2 Legally a S.106 can only be requested when it is:
1. necessary to make the development acceptable in planning terms
 2. directly related to the development; and
 3. fairly and reasonably related in scale and kind to the development.
- 9.3 Negotiations have to ensure that developments remain viable and the National Planning Policy Framework (NPPF) states where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.
- 9.4 The Council's Children and Young People Scrutiny Committee undertook a scrutiny review of Primary School Places during 2014 which considered s.106 agreements relating to education and it was agreed that details of these agreements would be included in the

service and financial planning report in future years. Details are therefore included in Appendix 9 for the period 1st April 2016 to 31st October 2016 showing income and expenditure on each scheme relating to Education. Details of these and all other s.106 agreements will be included in the final accounts report which is considered by Cabinet in June of each year to show the year-end balance and in-year movement relating to each current s.106 agreement.

10. MEDIUM-TERM FINANCIAL OUTLOOK

10.1 Context

Throughout the last Parliament, the Government exercised very tight control over public sector spending but protected spending on education and the health service which together account for a large part of total public expenditure. Overseas aid was also protected with a commitment to spend at 0.7% of GDP. This means that spending on other parts of the public sector faced disproportionate cuts with Local Government most severely affected. The cuts to local government have not been uniformly distributed across the country but have been targeted at areas of greatest social need which have historically attracted more grant from government to reflect their greater levels of deprivation. More prosperous parts of the country tend therefore to be less affected by the cuts to grants but also tend to have a higher level of council tax base and growth which increases income from council tax, new homes bonus and from retained business rates.

10.2 Comprehensive Spending Review 2015.

George Osborne delivered his Comprehensive Spending Review on 25th November 2015. The Spending Review 2015 (SR15) report sets out the Government's spending plans for 2016/17 to 2019/20 and sets out expectations for economic growth, inflation and tax receipts for the remainder of the Parliament. The Comprehensive Spending Review also set out the Government's spending priorities.

10.3 Autumn Statement 2016.

Philip Hammond, Chancellor of the Exchequer made his 2016 Autumn Statement to the House of Commons on 23 November 2016. Announcements particularly relevant to local government and the Council within the Autumn Statement 2016 are summarised below:-

10.3.1 Government Spending

The Chancellor confirmed that the Government has abandoned its commitment to reduce public sector net borrowing to a surplus by the end of this Parliament. It is now planning for a deficit of £21.9bn in 2019/20, compared to the surplus of £10.4bn planned for at Budget 2016, an increase in public sector net borrowing for 2019/20 of £32.3bn. In total borrowing will be £122bn higher through to 2021/22 than previously assumed.

The Chancellor stated that the Government is committed to the existing overall plans for departmental resource spending until 2019/20, which were set out at Spending Review 2015. Departmental resource spending will grow with inflation in 2020/21 and 2021/22.

A new fiscal framework is intended to provide the opportunity for additional investment in the productive capacity of the UK economy, the centrepiece of which is a new National Productivity Investment Fund (NPIF), which will provide for £23 billion of spending between 2017/18 and 2021/22. This fund will provide additional support in order to:-

- Accelerate new housing supply;
- Tackle congestion on the roads;
- Support the market to roll out full-fibre connections and future 5G communications;
- Enhance the UK's position as a world leader in science and innovation.
- The Autumn Statement sets out the priority areas and levels of funding up until 2020/21 across the four areas identified; but specific projects will only be decided in the future. The funding available across the four areas is £2.4bn in 2017/18; £3.8bn in 2018/19; £5.0bn in 2019/20; and £5.5bn in 2020/21. A further £7bn will be available in 2021/22.

At the time of preparing this report details of how the NPIF will operate were still not available.

10.3.2 Business Rates

The Government has announced a number of changes to business rates. The main changes announced are:

- From April 2017, there will be 100% business rates relief on investment in new broadband fibre infrastructure;
- From April 2017, rural rate relief will be increased to 100%;
- The Government has not yet stated whether local authorities will be provided with s31 grant to compensate for these reforms but on past precedent, it would be expected that they would do so although these announcements will have limited impact locally.

10.3.3 Regions

Measures announced included:

- The Government will award £1.8bn to Local Enterprise Partnerships across England through a third round of Growth Deals. £392m of this will go to the Midlands. The Chancellor announced that awards to individual LEPs will be announced in "the coming months";
- The Government will give mayoral combined authorities powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury;
- The Government will also consult on lending local authorities up to £1bn at a new local infrastructure rate of gilts + 60 basis points for three years to support infrastructure projects that provide high value for

money. This represents a 0.2% discount on the rates that we can generally borrow at from the PWLB.

- The Government will publish a Midlands Engine strategy shortly;

10.3.4 Other measures announced:

- A new Housing Infrastructure Fund of £2.3bn by 2020-21, to be allocated to local government on a competitive basis.
- The Government will increase the National Living Wage (NLW) by 4.2% from £7.20 to £7.50 from April 2017 – this had already been assumed within our projections.
- There will be no Autumn Statement in 2017 and beyond as the annual budget will be delivered in the autumn, rather than spring in future.
- Estimates for economic growth show revisions downwards compared to the budget in April 2016 - from 2.2% to 1.3% in 2017/18, from 2.1% to 1.9% in 2018/19, unchanged in 2019/20 and from 2.2% to 2.1% in 2020/21.
- Forecasts for CPI inflation were increased from 0.6% to 1.0% in 2016/17, from 1.6% to 2.5% in 2017/18 and from 2.1% to 2.5% in 2018/19 but unchanged at 2.0% in both 2019/20 and 2020/21.
- Forecasts for national projected receipts from Council Tax for England show increases of between £0.1bn and £0.2bn per annum between 2015/16 and 2019/20, but a decline of £0.1bn in 2020/21.
- Forecasts for national projected receipts from business rates show increases in receipts in all future years of between £0.6bn in 2016/17 to £1.6bn in 2017/18 and 2018/19. In part, this is due to higher assumptions for RPI.
- The national debt is forecast to continue to increase as a percentage of GDP peaking at 90.2% of GDP in 2017/18 whilst the absolute level of the national debt will continue to increase in to the next parliament.

10.3.5 Main Impacts of Autumn Statement Announcements on Council Budgets:-

- Unfortunately despite widespread concerns being expressed by many groups in recent months, there was no recognition of the funding pressures facing Adult Social Care or the wider financial pressures facing councils.
- An increase in Insurance Premium Tax of 2% from June next year will cost the Council around £25k pa.
- The Council has an assumed savings target from the benefit from salary sacrifice cars of £40k pa. This will need to be phased out from our budgets due to the changes to salary sacrifice schemes announced by the Chancellor.
- The increase in employer's national Insurance contributions may cost the Council around £20k pa
- No update on expectations for public sector pay were announced so it is assumed that despite higher rates of inflation that the Government would look to still cap pay awards at 1% pa nationally. If higher inflation results in higher pay awards this would impact on the Council's

budget but some allowance has been included in current forecasts of our budget gap as explained later in this report.

- Higher levels of inflation and the living wage increase will impact on suppliers of services to the Council – particularly care providers resulting in upward pressure on prices.
- The living wage increase directly attributable to the Council will be covered from the funding set aside for implementation of single status. Further increases in the Government’s “Living Wage” are also assumed to be funded from the single status ongoing budget provision.
- The Government confirmed that the previously proposed cuts to Education Services Grant. However, the Education for All Bill is not proceeding which would have removed Council’s improvement duties. Therefore councils now have duties with no funding to pay for them. This position will have to be discussed with schools in the Borough.

10.4 Social Care

Last year, the Government announced that councils with adult social care responsibilities would be able to raise an additional 2% pa through council tax to fund adult social care by introducing a new “social care precept”. This 2% would be in addition to the council tax referendum limit and would need to be used exclusively for adult social care only. The Government assumed that this would raise an additional £2bn per annum by 2019/20 and the Government assumed that all eligible councils would increase by the maximum 2% each year throughout this period in its projections of the funding available for adult social care in the CSR2015 and in the local government grant settlement.

Telford & Wrekin Council set a medium term strategy that reflected this Government assumption i.e. that we would pass this additional council tax increase on to council tax payers. This is a clear transfer of responsibility from central government tax receipts to council tax payers but the funding position for adult social services is such that almost all councils have had to follow this approach.

As part of the provisional Local Government finance settlement a one-off Adult Social Care Support grant for 2017/18 and the ability to accelerate the implementation of the adult Social care precept were announced. These are discussed in more detail in Section 10.7 of this report.

10.5 Local Government Funding Reform

Fundamental changes were made to the local government finance system from 2013/14 including the localisation of a share of business rates, the replacement of the national council tax benefit scheme with local council tax support schemes and the transfer of responsibility for public health services from the NHS to councils. This current local government finance system represented a significant transfer of risk from the Government to councils but also brought opportunities and incentives to encourage growth in local communities. This Council is well placed to benefit from the current financial system with an

attractive environment, good motorway connections and ready to go development sites. We have grasped the challenge to become a “Business Supporting and Business Winning” Council.

The Government are committed to passing 100% of revenues from business rates to councils by the end of the current parliament. In this area Telford & Wrekin Council would receive 98% and the Shropshire Fire & Rescue Service 2%. However the Government have not clarified whether this will be with effect from the 2019/20 or 2020/21 financial years or how this system will operate.

However the Government have made it clear that they will not merely pass the additional funding to councils to make up for the cuts to our grants but rather, they will pass additional responsibilities to councils so that the transfer is fiscally neutral at both a central and local government level.

What is very unclear at present is what additional responsibilities will be transferred and how much additional risk the Government are seeking to transfer for demand led services as well as 100% of the risk that relates to the collection of business rates which is likely to decrease during economic downturns when demand for many of our services also tends to increase.

Appeals against business rates are currently a significant issue as the Government’s Valuation Office Agency takes a considerable period of time to process appeals. Currently around 2/3 of the total rateable value in the borough is subject to appeal. The Council has to estimate what proportion of these appeals will be successful and to what extent successful appeals will reduce the rates collected. Transferring 100% of business rates income to councils potentially doubles this exposure to the risk of appeals against Valuation Office Agency decisions on rateable values. The revaluation of the rateable value of all business premises that comes in to effect from April 2017 will result in further appeals which can take years for the Valuation Office Agency to determine and result in very significant back-dating costs in respect of successful appeals.

The Government have also said that as part of their reform of local government funding they will also review the allocation of resources across the country taking in to account the need to spend on council services which should take in to account factors such as the population age profile of different areas and socio-economic factors. This review will also consider what resources are available locally to fund this assessed need to spend from council tax and business rates. It is therefore possible that some significant changes to the allocation of funding between parts of the country may occur which will probably be effected through changing the distribution of remaining revenue support grant and by changing the complex system of tariffs and top-ups within the business rates retention system. The Government

would probably seek to phase in significant changes through a new damping mechanism with a system of floors and ceilings to limit the year on year changes to a maximum percentage adding another layer of complexity to an already very opaque system.

This Council will however continue to take every opportunity through official consultation processes and other opportunities as they arise to lobby for a fair funding settlement for Telford & Wrekin residents. Despite some improvement recently the Council still has a significantly lower spending power per household (£1648.54 in 2017/18) than the national average (£1804.84). The Council is, however, pleased that the average reduction locally between 2016/17 and 2017/18 of 0.4% is better than the national average reduction of 1.14%. This still leaves the Council significantly below national average spending power although an adjustment for the costs of fire services needs to be recognised but is not easy to ascertain from the Government's published figures. Detailed responses to all official consultation opportunities offered by the Government to date have been sent by the Council but it now appears very unlikely that any significant methodology changes will be implemented by the Government until the fundamental changes required as part of the move to the much publicised 100% business rates retention system are implemented in either 2019/20 or 2020/21.

The Council will also send a response to the provisional settlement which will be agreed by the Cabinet Member for Council Finance, Partnerships and Commercial Services. This response will inevitably have to draw attention to the wholly inadequate funding for Adult Social Care. The Local Government Association and other national commentators, as well as many councils have consistently drawn attention to the pressures facing this service. Adult Social Care is the largest council service and therefore in the face of continuing cuts to our grants has to make savings. Where-ever possible these will be efficiency measures rather than cuts to services as we will always meet the assessed needs of individuals.

The Government's proposal to allow additional funding to be raised from increasing the Adult Social Care precept more quickly than it had previously assumed simply transfers the cost of funding this essential service from national tax receipts to local council tax payers. It also favours areas that already have higher levels of council tax and/or higher value properties as a 1% council tax increase clearly raises more in these areas than in Telford & Wrekin which has a comparatively low rate of council tax and where the average property is in Band B compared to Band D nationally. Areas with higher value housing stock also tend to have lower levels of need as they tend generally to have healthier and wealthier populations with a consequent increase in the number of "self-funders" and fewer people requiring care and support for as long as in more deprived areas. The new one-off (2017/18 only) Adult Social Care Support grant does

reflect need to spend although this is based on data that is at least 5 years old but it does not compensate areas that have less ability to raise additional income from a 1% additional council tax increase which may be easier for residents in wealthier parts of the country to afford, on average, than in areas with relatively low income levels.

Other key decisions to be taken by the Government as part of their overall funding review will include what proportion of growth from business rates income will be retained locally by tariff authorities, how often future resets will be undertaken and whether these are full or partial resets. Whether appeals will be managed solely at a local level or not. Whether councils would still benefit from a safety net system should they see an excessive decrease in rates income. How the needs formula will operate and the balance between the conflicting needs for as great a level of accuracy as possible against having as simple and transparent a system as possible.

A number of consultation papers have already been issued by the Government relating to aspects of this funding reform process which is broadly welcomed by the Council which has, as explained above, responded at all opportunities to date to ensure that our views are considered by the Government. Clearly the Council will continue to respond at all future opportunities to make its case for a fair deal for Telford & Wrekin. However, at present there is very considerable uncertainty about how the new system will impact on the Council and even whether it will be implemented within our current medium term planning horizon (i.e. in 2019/20) or not.

This high degree of uncertainty does nothing to assist with medium term service and financial planning. Despite the Government's offer of 4 year grant settlement this only relates to Revenue Support Grant which represents an ever-decreasing proportion of our total funding. Projections of what the council's budget gap might be in 2019/20 and beyond are currently extremely difficult and will be refined as and when additional information becomes available.

10.6 New Homes Bonus

The future operation of the New Homes Bonus scheme was subject to consultation in December 2015. The outcome of this consultation was not announced until a year later as part of the Provisional Local Government Finance Settlement on 15 December 2016 and the following significant changes are proposed:

- Funding is reduced by £241m in 2017/18 (this funding will be diverted to the new Adult Social Care Support Grant – see below).
- The number of years for which legacy payments are made will be reduced from 6 years to 5 years of payments in 2017/18
- This will reduce further to 4 years worth of payments from 2018/19 onwards
- From 2018/19, the government will consider withholding payments from local authorities that are not “planning effectively, by making

positive decisions on planning applications and delivering housing growth”

- There are no plans to withhold payments for areas without a local plan in 2017/18; however this will be revisited in 2018/19
- The intention for a further consultation was announced regarding withholding payments for homes that are built following an appeal
- A national baseline of 0.4% of the council tax base for 2017/18 will be introduced, below which the bonus will not be paid as the Government has assumed that this reflects a percentage of housing that would have been built anyway. This baseline may alter in future years.
- The local growth, in terms of numbers of properties, above the baseline is then multiplied by the national average band D council tax for 2016/17 (£1529.56) to give the actual grant entitlement. An additional bonus of £350 for each affordable home is payable and is outside the baseline.
- 2017/18 allocations have been announced along with indicative allocations for 2018/19 and 2019/20 (which may alter pending any further changes to the scheme and actual housing numbers). As the indicative allocations are simply calculated as a percentage of the NHB control totals using the 2017/18 total payment as a basis, authorities could see significant variances between these and the eventual allocations they receive in future years. Indicative Amounts for Telford & Wrekin announced are:-

2017/18	£6.458m
2018/19	£4.937m
2019/20	£4.737m

Clearly these show a significant reduction in the benefit from New Homes Bonus although it is still expected to remain a significant source of revenue in future years.

10.7 Local Government Finance Settlement

In the 2016/17 settlement indicative Revenue Support Grant figures were also included for the following three years. The Government offered councils that submitted an acceptable “Efficiency Strategy” a firm 4 year grant settlement. This Council submitted its efficiency strategy and received confirmation that we are eligible for this 4 year grant settlement during November. To some extent this assists with medium term financial planning. However, it has to be recognised that the 4 year offer only relates to Revenue Support Grant which represents an ever decreasing proportion of our total funding.

Despite persistent requests from across the local government community over many years for an early settlement so that effective financial planning can be undertaken, the provisional settlement was not announced until 15 December 2016. This late announcement makes planning and forward projections extremely difficult and compresses the time available for consultation. As expected this settlement will force the Council to continue to make cuts on an unprecedented scale as it has a legal duty to set a “balanced budget”. Whilst it is a provisional settlement with final proposals due to

be announced in late January or early February, there is little prospect of any significant improvement in the final settlement.

Whilst the Comprehensive Spending Review and Autumn Statements set the strategic financial overview for the Government as a whole over the medium term, the provisional local government finance settlement sets out the specific proposals affecting local government for 2017/18 with details for each council being provided. Key issues for the Council include:-

- A period of consultation will be held on the provisional settlement until 13 January 2017 with a final announcement not being made until late January or early February 2017. The Cabinet Member for Council Finance, Partnerships and Commercial Services will respond on behalf of the Council.
- When the 2016/17 settlement was announced social care authorities were allowed to include a Social Care Precept of 2% per annum for the 4 years, up to and including, 2019/20. The settlement announced that local authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19 - so providing funding earlier than previously anticipated - but cannot exceed 6% in total over this three year period. To ensure that income from the precept is used for adult social care, council's will be required to publish a description of their plans; further, those using the extra freedom to raise their precept by 3% must also show how they plan to use the extra money to improve social care.
- The referendum limit for unitary authorities has been adjusted in line with the Social Care Precept flexibility above: 2% core threshold plus a maximum of 3% social care precept for 2017/18.
- As mentioned above, changes to New Homes Bonus were also confirmed as part of the settlement announcements. The changes have allowed £240m to be diverted from New Homes Bonus to a new "**Adult Social Care Support Grant**". The allocation for Telford & Wrekin Council, based on the adult social care relative needs formula is £0.778m in 2017/18. This is a one-off benefit in 2017/18 only.
- Within the business rates retention system the NNDR baseline and top up/tariff amounts have been amended in the settlement to reflect the impact of the 2017 Revaluation. The adjusted amounts are intended to make changes in rateable values revenue neutral for individual authorities. The actual amount of business rates available for the budget strategy will be confirmed when the NNDR 1 form is completed and submitted in January 2017. However, at the time of drafting this report the NNDR 1 form and associated methodology changes are still not available resulting in considerable uncertainty over how much business rates funding will be available next year.
- Similarly, at the time of preparing this report, details of funding totalling over £3m expected for next year have still not been released by the Government and a significant degree of uncertainty over our actual position therefore remains. It is also possible that as this is a provisional settlement, the final figures may be better or worse than

currently indicated. Clearly other factors will also change within our own budget as the Council delivers hundreds of services which operate in a dynamic environment so an updated position will be presented to Cabinet on 23 February 2017.

- What is clear, however, **is that, as expected, the Council's Revenue Support Grant has been cut by 25.9% for next year in cash terms.** In overall terms, the settlement information received to the date of drafting this report is broadly as expected and means that the Council will have to continue to make very difficult choices about how it prioritises spending decisions.

10.8 Future projections.

It is very difficult to make accurate projections of the likely budget gap that the Council may face in the years beyond 2017/18 despite the Revenue Support Grant figures provided through to 2019/20. The Council faces many uncertainties, these include the:-

- Impact of successful appeals by ratepayers against the Valuation Office Agency's rateable values,
- Timing of the introduction of the new retained business rates retention system,
- Impact locally of the additional responsibilities that will be transferred to councils as part of the move towards 100% local retention of business rates,
- Impact of the new approach to assessing local needs,
- Impact of the new approach to New Homes Bonus in later years and the further consultations on the operation of the scheme in future announced by the Government
- The detailed arrangements for the "Improved" Better Care fund
- Trend of schools to move to Academy status and the consequent risk of loss of existing and potential council income for a wide range of services to academy chains.
- Whether uncertainty caused as the UK triggers Article 50 will impact on interest rates, business confidence or exchange rates with an impact on the rate of inflation – any of which could significantly affect the Council's medium term financial projections.
- Volumes of activity in demand led services which the Council can not control e.g. the number of children that need to be taken in to care to protect them from harm, neglect or abuse.

However, it is clear that the Council faces further significant grant cuts in both 2018/19 and 2019/20. The 4 year settlement provided the following projections for Revenue Support Grant:-

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
RSG	24.899	18.457	14.147	9.812
% Reduction from Previous	-20.81%	-25.88%	-23.35%	-30.65%

Year				
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It is therefore essential that we now use the best available information to estimate the likely level of budget shortfall in later years so that we can start to plan ahead now. After having delivered almost £100m of annual savings already, it is clear that further cuts will be more challenging so we will start to discuss potential future service options and possible approaches to bridging the gap in these years whilst seeking to minimise impacts on our community with Town and Parish Councils, local community groups, service users, the voluntary sector and other partner organisations.

The Council's budget model includes many assumptions on factors that will impact on the anticipated scale of the budget shortfall that we will face in future years including assumptions on major income streams and spending. Using the best information currently available we currently anticipate that the Council will face the following budget shortfalls over the medium term. These projections will be regularly updated as further information becomes available:-

	2017/18 £m	2018/19 £m	2019/20 £m
Expected budget shortfall before additional pressures or savings but after assumed increases in council tax*	(2.473)	11.042	7.480
Expected cumulative budget shortfall	(2.473)	8.569	16.049

* These figures assume that all savings approved at Council in March 2016 are delivered in full and according to currently assumed timetables. They also reflect the decisions taken at Council in March 2016 for council tax increases totalling 3.2% pa (including the Government's assumed 2% for the Social Care Precept) but are before any further use of one-off resources, additional pressures or savings.

The projections for years after 2017/18 are only intended as a broad indication at this stage for planning purposes and the estimates will be further updated as additional information becomes available.

It is with this medium term focus in mind that pressures and any developments need to be considered. The approach adopted in preparing this strategy has been to maximise ongoing savings as far as possible whilst seeking to approve only unavoidable pressures as these have to be funded from further savings.

11. 2016/17 PROJECTED OUTTURN POSITION

As the Financial Management report also on this agenda shows, excellent financial control is being exercised and good progress is

being made in delivering the overall budget for 2016/17 although there are some areas of significant pressure and the actual outturn will clearly be different as we are only part way through the year. The final outturn may be a better or worse position than that currently shown in the financial management report and it is clearly essential that all Cabinet Members and budget holders continue to exercise tight financial control and to deliver all planned savings. However, it is anticipated that the Council will have some one-off funding available at year end (currently estimated to be in the region of £2.7 - £2.8m) which will be used to support one-off costs associated with the delivery of this medium term service and financial planning strategy and key priority services and investments.

12. SAVINGS PROPOSALS 2016/17 AND LATER YEARS

Appendix 3 includes details of additional savings proposals and pressures for 2017/18. These savings proposals total £1.779m in 2017/18 but their full year impact increases to £2.38m in 2018/19 and by 2019/20 are estimated to generate £2.723m of ongoing savings.

However, Appendix 3 also details additional pressures for additional investment in safeguarding and re-phasing of Early Help & Support savings totalling £5.803m in 2017/18 but reducing to £4.645m in 2018/19 and £4.063m by 2019/20.

Savings net of these pressures and an allowance for the benefit from the savings that will leak to non-General Fund revenue budgets (mainly capital and Dedicated Schools Grant budgets) therefore total a shortfall of £4.024m in 2017/18, £2.265m in 2018/19 and £1.340m by 2019/20.

Further detail is included on the summary sheet of Appendix 3 which also analyses the new savings proposals by the nature of the saving and by Being the Change theme.

13. INVESTMENT IN PRIORTIES

The rigorous review of one-off resources referred to in Section 16.2 below and very good performance in collection of council tax and business rates enables some one-off investments to be funded from available one-off resources.

Investment in Capital Projects

An updated proposed medium term capital programme totalling over £280m is included at Appendix 4 detailing proposed capital investments. These include:-

Pride Programme-

- ❖ Funding for a further major investment in improvements to local roads and associated infrastructure of £20m as part of the Council's

continuing Pride Programme of environmental improvements. This is scheduled over a two year period commencing April 2019.

- ❖ £1m to fund repairs to structures such as bridges and retaining walls in 2017/18 as a further extension of the Pride Programme. Many of these structures are now very old and this will ensure that they remain safe.
- ❖ £1m to fund investment in small scale Pride projects particularly local regeneration projects, over the years 2017/18 and 2018/19. A report detailing how this will be allocated will be brought forward to a future Cabinet meeting.
- ❖ The capital programme for 2017/18 already included £1m for Pride in Your Community Projects. It is now proposed to double this funding so that £2m is available. £1m will be for capital projects and £1m will be available to support revenue projects. The intention is that this funding can be used to make a real difference to local people and solve “small” local issues that cause frustration to our residents. Details of how this funding will be allocated will be brought forward to a future Cabinet meeting.

Other

- ❖ Funding for further investment in NuPlace, the Council’s wholly owned housing company of £13.4m. A report detailing proposed use of this allocation will be brought to Cabinet in the near future.
- ❖ A doubling of the ICT capital programme from £1m to £2m pa for the three year period 2017/18 to 2019/20. This will enable investment to be made resulting in increased efficiencies and ongoing cost savings as well as ensuring that the Council’s ICT network is robust.

Investment in Revenue Projects.

As well as the above new capital programme investments, it is proposed to use funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature. These include:-

Pride Programme

- ❖ Investment of £1.4m one-off resources over the 2 year period 2017/18 – 2018/19 to improve pavements across the Borough which is a further extension of the Councils comprehensive Pride Programme of environmental improvements.

Other

- ❖ Safeguarding vulnerable children and adults is our top Council priority. We continue to ensure that services have the financial resources to do this and are making available additional funding of £4.459m for Children’s’ safeguarding in 2017/18 compared to what was originally planned. We have also set aside funds to provide a £2.5m “draw-down budget” for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults. We are also making

£1.344m more funding available in 2017/18 than originally planned for our Early Help & Support services to help phase in the cuts that we are being forced to make.

- ❖ Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives to promote Telford as a place to visit for leisure or to do business, for businesses to invest in and for people to come to live.
- ❖ £500k of one-off resources will be added to £195k previously identified to create a new £695k Partnership Capacity Fund to support the extension of new approaches to joint working with voluntary sector and other community groups aligned to the achievement of ongoing savings.
- ❖ In addition £1.5m of one-off resources will be transferred to supplement the Invest to Save/Capacity fund. This will primarily be used to pump prime further “devolution” deals with partner organisations and community groups for example it may be possible to support groups to maintain/improve green space, pavements/walkways etc where this helps to reduce Council expenditure in these areas and/or supports the Council’s “Green Guarantee”. This funding will also support the delivery of cost improvement plans across the Council but particularly in Safeguarding and Early Help & Support.
- ❖ £250k of one-off resources will be earmarked to fund organisation development initiatives. These will ensure that our smaller workforce are properly equipped to undertake their often new and much broader roles as we continue to shrink our workforce.
- ❖ The Council contribution to the Food Bank is now budgeted on an ongoing basis rather than from time limited funding recognising the critical support that this organisation provides to many local people. This represents a total commitment by the Council of more than £130,000 over the period 2016/17 to 2019/20.

This is an affordable programme of investment in key priority areas. Much of this funding will help secure additional income or savings for the Council.

14. OVERALL PROJECTED BUDGET SHORTFALLS

Bringing the provisionally updated projections of the budget gap and the additional savings now identified in Appendix 3 and the pressures included in Appendix 3 together, the projected remaining shortfall for the next three years is summarised below:-

	2017/18 £m	2018/19 £m	2019/20 £m

Projected Budget Gap (after £6.4m proposed cut to Revenue Support Grant in 2017/18 and assumed savings approved in March 2016 assumed for 2017/18)	(0.692)	12.187	21.563
Less Government assumption of 2% council tax increase relating to adult social care precept *	(1.113)	(2.261)	(3.446)
Less 1.2% council tax increase *	(0.668)	(1.357)	(2.068)
Budget gap after medium term strategy for council tax increases approved at Council in March 2016	(2.473)	8.569	16.049
Add pressures	5.803	4.645	4.063
Less additional savings adjusted for leakage detailed in Appendix 3	(1.779)	(2.380)	(2.723)
Further ongoing savings to be identified	0	(8.750)	(16.000)
Remaining shortfall to be covered from use of one-off resources as part of a planned strategy to deliver a sustainable ongoing budget position.	1.551	2.084	1.389

Notes:-

- * Based on 2016/17 tax base will be updated when the council tax base for 2017/18 is finalised in January 2017. If the Adult Social Care precept was increased by 3% rather than 2% in 2017/18 this would raise an additional £576k to be spent on Adult Social Care services.
- The figures above do not reflect the new Adult Social Care Support grant which is a one-off benefit of £0.778m in 2017/18 as considerable uncertainty remains on other grants which have been assumed but not announced at the time of drafting this report. The overall position will be firmed-up in the February report to Cabinet by which time the Council should have final allocations for all outstanding grants, more certainty over what total income can be expected from retained business rates in 2017/18 and will be able to reflect any additional budget pressures that become apparent over coming weeks.
- The projections assume that all savings approved at Council in March 2016 are delivered in accordance with currently anticipated timescales.
- It is assumed that the additional savings for 2017/18 are implemented. However, this assumption will be revised following the consultation period to reflect any changes that are made in response to comments received.
- Projections for 2018/19 and 2019/20 will need to be refined as further information becomes available.
- The proposed use of £5m of balances over the 3 year period is prudent following the comprehensive review of available one-off resources that has been undertaken.

15. COUNCIL TAX

Council Tax in Telford & Wrekin has historically been low compared to other councils. Appendix 1 is a graph comparing council tax levels across the Midlands region and demonstrates that council tax in this area is the third lowest in the Midlands region at Band D (£1184.21) and is less than 1.2% higher than Dudley which is lowest (£1170.24). Appendix 2 compares our council tax to the other unitary authorities in England and shows that we have the sixth lowest council tax at Band D out of 55 unitary authorities being over £100 less pa at Band D compared to the average.

If Telford & Wrekin Council had levied a council tax at the average level of Midlands authorities (£1315.58 at Band D) in the current year, we would have generated an additional £6.39m p.a.

A further factor that has reduced resources in this area is “grant damping’ whereby grant that the Government has calculated should be paid to this council is withheld and used to support spending by councils that would otherwise receive less grant e.g. as a result of reducing population numbers. In the calculations used to establish the current local government finance system which came in to effect from 1st April 2013, £1.6m pa of this loss was perpetuated in the new baseline funding settlement for the Council and will be withheld from us for the foreseeable future.

The Council also continues to suffer from a population undercount. We believe that the Office for National Statistics undercounts our population by around 4,000 people which has resulted in a further loss of grant of around £1.2m pa. in recent years.

As well as a comparatively low level of council tax, this area also has comparatively low property values with the majority of our properties being in Council Tax Bands A or B. Whilst this is relatively good news for local residents in terms of their council tax bill and although we appreciate that council tax bills are still a significant cost for local households, it means that we do not have the same scope to generate income from council tax as many other parts of the country where levels of council tax are much higher and average property levels are also higher so a 1% increase raises considerably more per property than it does in Telford & Wrekin.

The Government made some important changes to local government funding last year affecting council tax last year. They announced that they would not provide council tax freeze grants in future. They also announced a new Adult Social Care precept equivalent to a 2% council tax increase and assumed that all “upper tier” councils such as Telford & Wrekin would implement this for the remainder of the Parliament. As part of the budget consultation process last year, three options for council tax increases were consulted on and a decision was taken at

Council in March 2016 that increases of 3.2% (including the 2% Adult Social Care Precept assumed by the Government would be implemented through to 2019/20.

A specific issue that we would welcome residents views on is whether we should now accelerate the implementation of the Adult Social Care precept. In recognition of the extreme pressure facing Adult Social Care budgets the Government has offered councils the opportunity to accelerate the implementation of the Adult Social Care Precept with increases of 3% next year and in 2018/19 rather than their original assumption of 2% in each of the next 3 years. This would equate to a “one-off” benefit totalling £1.77m over the next two years for Telford & Wrekin Adult Social Care service users. Last year the Government assumed councils would implement this new “adult social care precept” and raise council tax by 2% a year for the next four years with this funding being used to help support adult social care services. This precept would be in addition to any normal council tax increase which would not be expected to exceed 2% without holding a costly referendum. Telford & Wrekin applied this precept as assumed by the Government and after extensive consultation with the community during which we received over 4,000 comments we also applied a further 1.2% rise in Council tax to help fund other services. A total 3.2% increase in council tax. As explained above, the Council was set to apply this increase each year for the next three years in order to strike a balance between helping to protect essential services after very significant cuts in our grants from central Government whilst also recognising the financial pressures faced by local people. On 15 December 2016, the Government said that councils can now apply a 3% Adult Social Care precept for the next two years – 1% more than the Council had planned. This would see council tax rise by a total of 4.2% a year for the next two years - including a 6% increase in the precept over two years instead of spreading the increase over three years as currently planned. This would generate around £1.77m one-off additional funding for the Council in total over the next two years but would see council tax bills rise more quickly. However if the Adult Social Care precept was implemented at the currently assumed rate of 2% a year spread over three years, by 2019 this would bring the adult social care precept to the same level. The Council has not altered its original plans but would like to hear whether local people would be willing to pay additional council tax next year to help support Adult Social Care service users. The two council tax options that we are consulting on are:-

- Apply the new 3% Adult Social Care precept in 2017 and 2018, giving a total increase in council tax of 4.2% for the next two years (74p per week in 2017/18 and 78p per week in 2018/19 for the average Band B property). In 2019/20, council tax would rise by 1.2% (23p per week for the average Band B property). This would give the Council an additional £1.77m in total over the next two years to help support Adult Social Care services.

- Spread the Government assumed 2% Adult Social Care precept over three years as currently planned instead of two and apply the Council's planned increase in council tax of 3.2% a year (an increase of 57p per week in 2017/18, 58p per week in 2018/19 and 60p per week in 2019/20 for the next 3 years for the average Band B home).

16. BASE BUDGET, BALANCES AND CONTINGENCIES

16.1 Base Budget

A summary of the Base Budget position is included at Appendix 10 which shows a net base budget of £117.091m for 2017/18 before savings and investments giving a base budget funding surplus of £2.473m – before the pressures flagged above and detailed in Appendix 3 are reflected. Appendix 11 includes an analysis of the main changes in moving from the 2016/17 budget to the 2017/18 base budget.

16.2 Balances

Appendix 5 summarises the overall reserves and balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This currently shows around £15.85m available which could be taken in to account as part of medium term budget strategy considerations. However, this figure excludes the currently projected underspend in the current financial year as reported in the Financial Management report also on this agenda as this position will change before the end of the year. Any available underspend at year end will be used to fund priority investments and to support the delivery of the ongoing savings that the Council must make in later years.

A rigorous review of all reserves, provisions and balances has been undertaken. This has benefitted from very good collection for council tax and business rates in recent years which has resulted in additional funding accumulating in the collection funds which can now be released. The Government's temporary relaxation of the rules for using capital receipts has also enabled some one-off funds to be released. The Government have offered Councils the ability to fund the one-off costs of service reform projects from new capital receipts generated during a three year period commencing from 1st April 2016. This has enabled some funds previously committed to fund one-off invest to save initiatives and severance costs etc to be released but will result in higher levels of debt than would have otherwise been the case and therefore higher debt charges than would otherwise have been the case as all capital receipts would otherwise be used to fund planned capital projects. However, whilst the debt charges are ongoing they will be more than offset by the ongoing savings generated from the invest to save measures. In order to take advantage of this flexibility

Full Council would need to approve an updated “Efficiency Strategy” before the start of the 2017/18 and 2018/19 years.

The funding released from this review will be used to support the delivery of the medium term service and financial planning strategy as set out in this report and to fund some one-off investments.

16.3 Risk Management

As an organisation which provides a vast range of different services to the community and spends in excess of £400m per annum, the management of risks is an important consideration in the budget setting process. The Council has a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council’s priorities and may also have a financial impact. This is regularly reviewed by Senior Management Team to manage risks and mitigate potential exposures both as part of everyday business and as part of decision making processes. The budget for 2017/18 also includes a number of risk-mitigating elements:

- Despite the financial challenges being faced, the Council has a clear goal to attract new jobs and investment and promote growth in the borough and is committed to an investment programme which will safeguard the prosperity of the borough – growth will result in additional council tax, new homes bonus and business rates pending any major changes to the system including the proposed introduction of 98% retention of business rates.
- A key focus of the budget is on income generation, thus reducing the Council’s reliance on Government Grant in the future. All proposals are subject to a rigorous business case development process to manage and mitigate risks as far as possible.
- An Invest to Save and Capacity Fund and a Partnership Capacity Fund are in place to provide additional resources for priority areas and to assist with the delivery of savings, again bids are subject to a rigorous business case development process.
- Although very challenging, many savings have been phased over a number of years to allow adequate time for full consideration, consultation and implementation.
- The Council has a comprehensive employee restructuring programme which is used consistently and supported by clear, costed rationales to support reductions in ongoing costs whilst maintaining the delivery of essential services and minimising compulsory redundancies as far as possible.
- Contingencies have been built into the budget: a general contingency of £2.776m; and additional one-off ring-fenced funding for Early Help & Support of £2.5m.

- £4.459m investment in to Children's Safeguarding in 2017/18 to support Looked After Children
- A robust monitoring regime is in place to identify any adverse variances early so that corrective action can take place. Additional in year savings targets have been delivered in recent years to meet service pressures.
- The projected financial position for 2016/17 currently shows an underspend which will be available to support the 2017/18 budget strategy and the delivery of future savings.
- The Council has General Fund balances as a safeguard against unforeseen costs (prior to any increase as a result of the anticipated favourable outturn for 2016/17). As explained in section 16.2 of this report a rigorous review of reserves and balances has been undertaken which has released a considerable sum. This will be used to support the medium term service and financial planning strategy and to fund some one-off investments as well as creating an additional one-off contingency of £6.9m to provide additional assurance that this is a robust medium term strategy.
- In extreme emergency circumstances, general balances and some other funds that have been set-aside for specific purposes could be used and then replaced as part of a future strategy.
- The Council holds £11.92m set aside for one-off costs associated with the equal pay settlement. This is a significant sum which will be reviewed as modelling work on the likely settlement is firmed-up.
- Capital programme resources are available, in accordance with the Prudential Code of Borrowing and capacity may exist to capitalise expenditure planned to be funded from revenue in extreme circumstances.
- There is an effective Treasury Management Strategy which aims to maximise returns for the Council while minimising risks with a solid track record of exceeding targets set.
- Appropriate insurance arrangements are in place to safeguard the council's assets and protect against liabilities.
- Financial advice and support is provided by professional and experienced in-house finance staff, drawing on external knowledge for specific projects where appropriate.
- All reports considered by SMT and Cabinet are required to include financial and legal comments prepared by suitably qualified officers to ensure that financial and legal implications are clearly understood before decisions are taken.

These factors together with the Council's long track record of effective financial management over what has been an exceptionally challenging period of austerity, which is unprecedented both in scale and duration,

provide comfort that the Council is in a sound financial position despite the further challenges that the Government have now presented with the latest grant announcement.

16.4 Inflation Assumptions and Contingencies

The Council's budget model includes an allowance for pay awards of 1.0% for 2017/18 and 1.5% for 2018/19 and 2019/20. If actual pay awards are lower than this the saving will be used to reduce the savings requirements for these years. If they are higher the Council will need to find further savings. The Chancellor has announced an expectation that public sector pay increases will not be greater than 1% pa, however after 7 years of considerable pay restraint which have seen the pay of council employees cut in real terms by over 20% (and considerably more for the most senior staff) there is a risk that as the economy improves the Council may not be able to retain or attract suitably skilled staff to deliver services in what is now a very challenging environment. This slightly higher provision for potential pay awards is considered prudent given the OBR's estimates for rising inflation during this period following the devaluation of the pound.

In accordance with practice in recent years, no allowance has been built in for general inflation, although some provision for contractually committed inflation has been made and some provision for the additional costs that care providers will face as a result of the new national "living"/minimum wage.

The base budget for 2017/18 includes a revenue contingency of £2.776m and additional one-off ring-fenced funding of £2.5m for Early Help & Support. Recommendation 7 of this report also creates an additional one-off contingency fund of £6.9m to provide further support if required.

16.5 Single Status

The Council is planning to implement a new job evaluation scheme during 2018/19 to meet the requirements of the single status legislation. An allowance for additional costs arising from this has been built in to the budget for 2018/19 of £1.37m. This includes the cost to the Council of the Government's new national "living"/minimum wage which is expected to be an additional £0.48m pa when fully implemented. This leaves around £0.9m for further costs arising from the implementation of the new scheme. This is after allowing for existing commitments against the funding previously earmarked e.g. to meet the costs of moving away from fixed point grades and some additional payments for social workers to reflect market rates. It is in the context of introducing a local job evaluation scheme that will have a lower on-going cost than previously assumed. In addition to the ongoing budgetary provision £11.92m one-off funding was set aside several years ago to meet any one-off costs associated with implementing the single status agreement.

17. EDUCATION FUNDING – DEDICATED SCHOOLS GRANT

The Dedicated Schools Grant is received in 3 blocks of funding:-

- Schools Block, which is mostly delegated to schools,
- High Needs Block (which funds Special Education needs placements and support, Special Schools and Pupil Referral Units and alternative provision) and
- Early Years Block which funds provision for 2, 3 and 4 year olds.

The DSG allocations for 2017/18 were announced on 20 December 2016 and are based on pupil numbers recorded in October 2016. The total Schools Block DSG before any recoupment for academies is £107.490m, which reflects an increase in pupil numbers of 538. During 2016/17 the Department for Education (DfE) carried out an exercise with each Local Authority to re-baseline the funding blocks to reflect the pattern of planned spending by authorities rather than the DfE allocation. The results of this exercise have been used when calculating the Schools Block and the High Needs Block in 2017-18.

In 2017/18 Telford & Wrekin's per pupil funding amount in respect of the Schools Block is £4,384 compared to £4,456 in 2016/17. The decrease is a result of the re-baselining exercise referred to above, which adjusted DSG allocations according to actual expenditure and as a result increased Telford & Wrekin's High Needs Block allocation with a corresponding decrease in the Schools Block allocation. This decrease in the Schools Block is partially offset by the transfer of the retained duties element of the Education Services Grant (ESG) to the Schools Block in 2017/18. This amounted to £0.4m for Telford & Wrekin. Individual schools funding continues to be protected by the national Minimum Funding Guarantee (MFG) for schools which means that no school's funding can reduce by more than 1.5% per pupil, per year.

The 2017/18 High Needs Block allocation is based upon the 2016/17 re-baselining exercise. Additional funds have then been added to reflect estimated population growth in each local authority. This resulted in a total allocation for Telford & Wrekin of £20.147m, including additional funds for population growth of £330,000.

With regard to the Early Years Block, from September 2017 there is a significant extension to the free provision for 3 and 4 years olds as working families become entitled to 30 hours free provision, a doubling of the current 15 hours entitlement. Alongside this and in the context of significant increases in the minimum (living) wage, early years funding will increase in 2017/18, both in funding per hour paid to local authorities and the number of hours funded. The hourly funding rate paid by the DfE to Telford & Wrekin for 2 year olds will increase from £4.85 to £5.20 and for 3 and 4 year olds from £4.03 to £4.36. The

actual allocations of early years DSG funding in 2017/18 will be based upon data from the January 2017 and January 2018 censuses, but the DfE have provided estimated allocations which amount to over £11m for Telford & Wrekin in 2017/18.

The rates per pupil for pupil premium in 2017 to 2018 will be maintained at their current rates. The total allocation for Telford & Wrekin for 2017/18 has yet to be determined as it will be based upon January 2017 census data, but as an indication, the 2016/17 allocation for Telford & Wrekin's schools (including academies) is £9.5m.

In the 2015 Spending Review the Government announced their intention to remove the ESG general funding rate from 2017/18. Telford & Wrekin received £1.6m in respect of this funding in 2016/17. Following the first stage of the National Funding Formula for schools consultation, they set out their intention to provide transitional funding for local authorities from April to August 2017. After this date, the general funding rate will be removed. The allocation for the ESG transitional grant was announced on 20 December at a rate of £27.50 per pupil for five months, an uplift on the estimate of £20 the DfE announced on 30 November. However, based on the current number of maintained schools in Telford & Wrekin, this results in a 2017/18 allocation of £0.6m, a reduction of £1m compared to 2016/17. The grant will immediately be recouped if any school converts to academy status between April and August 2017, in proportion to the school's pupil numbers and the date of conversion.

The school improvement monitoring and brokering grant was announced on 30 November 2016. This grant of £30 million (pro rata of £50 million per annum) will be allocated to local authorities from September 2017. Local authorities will receive an allocation of at least £1,800 for each maintained school in their authority as at September 2017, subject to a total minimum allocation of £50,000 for each authority. Telford & Wrekin have 54 maintained schools currently so would expect to receive £97k in respect of this new grant, although there has been no final allocation notification.

The DfE have stated that they recognise local authorities will need to use other sources of funding to pay for education services once the general rate has been removed. They intend to revise the school funding regulations to allow local authorities to retain some of the school block funding to cover the statutory duties they carry out for maintained schools but any amount retained will have to be agreed by the Schools Forum. If the local authority and the Schools Forum fail to reach a consensus on the amount to be retained the matter will have to be referred to the Secretary of State.

18. EQUALITY IMPACT ASSESSMENT

Equality Impact Assessment is a tool that is used to ensure our decision making takes into consideration the protected characteristics with regard to the General Equality Duty (GED). In short we must demonstrate that we pay due regard to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations. We need to assess and analyse the practical impact on those whose needs are affected by cuts or changes. We have adopted a proportionate approach that takes into account the relevance of a proposal with regard to equality. This is a measured response recognising that our resources are best aimed at dealing with those proposals that could have the most significant impact. In order to accomplish this we have followed a process designed to screen proposals and ensure that they are fully explored.

An initial scoping exercise to determine which budget saving proposals require action or further investigation with regard to equality impact was completed. For proposals where implications have been identified and are at a sufficiently developed state a proportionate impact assessment has been undertaken. Where a proposal is still at an early stage of development an equality impact assessment will be undertaken during its development.

The 2017/18 proposals that have been identified for further work related to the equality duty are as follows;

No.	Description of Saving	Action
23	Increase in primary school meal prices from £2 to £2.30	Initial Impact Assessment to be completed
25	Review of off-peak ice skating concessions	Initial Impact Assessment to be completed

19. ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENT.

Environmental assessment is a procedure that ensures that environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment. The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reduce their environmental impact.

The environmental assessment detailed in Appendix 7 provides information on the environmental impacts of the additional savings now put forward for 2017/18. Overall, on balance the environmental

assessment of the budget proposals is positive for example as the council will operate from fewer buildings energy use will be lower and lower employee numbers will result in decreased car journeys to and from work and potentially work related journeys as we redesign services and use communication technology differently.

An economic impact assessment has also been undertaken for those proposals that have a significant individual economic impact (and is also included in Appendix 7). Clearly reducing spending by the council will impact on the local economy for example through fewer people being directly employed by the council and less business being placed by the council with local suppliers as spending cuts are made. The Council adopts a proactive business supporting and business winning approach which will reduce the adverse economic impacts caused by the Government's continuing cuts to our grant.

20. COMMUNITY ENGAGEMENT AND COMMUNICATION

In March 2016 Full Council approved our Service & Financial Planning strategy for the two year period 2016/17 to 2017/18. The report set out detailed proposals relating to specific savings and the outcome of extensive public consultation relating to these proposals. The 4 week programme of consultation outlined the high level messages in relation to the Council's financial position, and also sought views on 32 proposals that were likely to have greatest impact on the community. Following approval of the Council's budget in March 2016, consultation on the implementation of these proposals has continued as appropriate, including consultation during the summer relating to the future management of a number of libraries within the Borough. We have also been working closely with a number of community groups and Town and Parish Councils to develop alternative ways of delivering services that it was agreed that the council would no longer deliver.

As outlined above by engaging with residents and other partners it can be possible to find alternative ways of delivering those services that support our community. As we have already agreed a two year budget strategy we have an opportunity to enter into a dialogue about the areas in which we need to make further savings. It is therefore proposed that over the next 18 months we will engage with a range of partners and service users who could assist in developing alternative service solutions in those areas that have potential to impact upon our residents.

Our 2017 approach to consultation and engagement on our budget will include clear communication in relation to where the council intends to spend its budget and highlight any areas for limited new investments. We will identify the areas in which we intend to enter into a dialogue with our community and partners in relation to service re-design or savings that will impact on the community. We will seek feedback on

our approach, and which of two possible Council Tax increases should be applied and will continue to identify those who wish to work with us on developing alternative service solutions.

As in previous years, communicating and engaging with the community on our future plans is an important part of the budget process and the ways in which we will do this are outlined below and in Appendix 6. However, the aim is to build more in depth engagement during 2017/18 involving residents and partners in developing solutions, therefore an important part of our communication plan is to identify those who are willing and able to be part of this process.

The ways in which we will seek views on our proposed strategy are as follows;

- Discussions at a number of specific forums during January, there will also be the opportunity for discussion with other groups during 2017
- Communications campaign including media and social media, updated budget page on the council website, and direct email communication
- Gathering comments and feedback via a wide range of channels including online public suggestion scheme, email, social media, in writing to freepost address and telephone

Comments can be sent to us at the following E mail address:-

yourviewsmatter@telford.gov.uk

Throughout this process will also be gathering contacts of those who wish to be involved in more in depth engagement in relation to savings for 2018/19 and 2019/20.

21. NEXT STEPS & TIMETABLE

The consultation period will run from 6 January 2017 through to 5 February 2017 in order that careful consideration can be given to the views expressed by the Council's Cabinet when preparing their final report and recommendations to Full Council.

The Finance & Enterprise Scrutiny Committee will scrutinise the Administration's budget proposals and should also have the opportunity to scrutinise any alternative budget proposals put forward by Opposition groups prior to Cabinet on 23 February 2017. The Chair of the Finance & Enterprise Scrutiny Committee will present the recommendations of the Committee at the Cabinet meeting on 23 February. The Cabinet will then make their final recommendations to Full Council at this meeting.

Full Council will consider the recommendations from Cabinet and Scrutiny/Opposition Groups on 2 March 2017 when final decisions will be made and the budget and council tax for 2017/18 will be determined.

22. BACKGROUND PAPERS

- LG Futures Autumn Statement briefing – November 2016
- LG Futures Local Government Finance Settlement briefing –December 2016
- BBC News Website
- Revenue Support Grant Settlement Announcement – CLG Website
- Service & Financial Planning Report to Council – 3rd March 2016
- Municipal Journal – 8th October 2015, article by Dan Peters, “Drop in Senior Numbers”.

Report prepared by:-

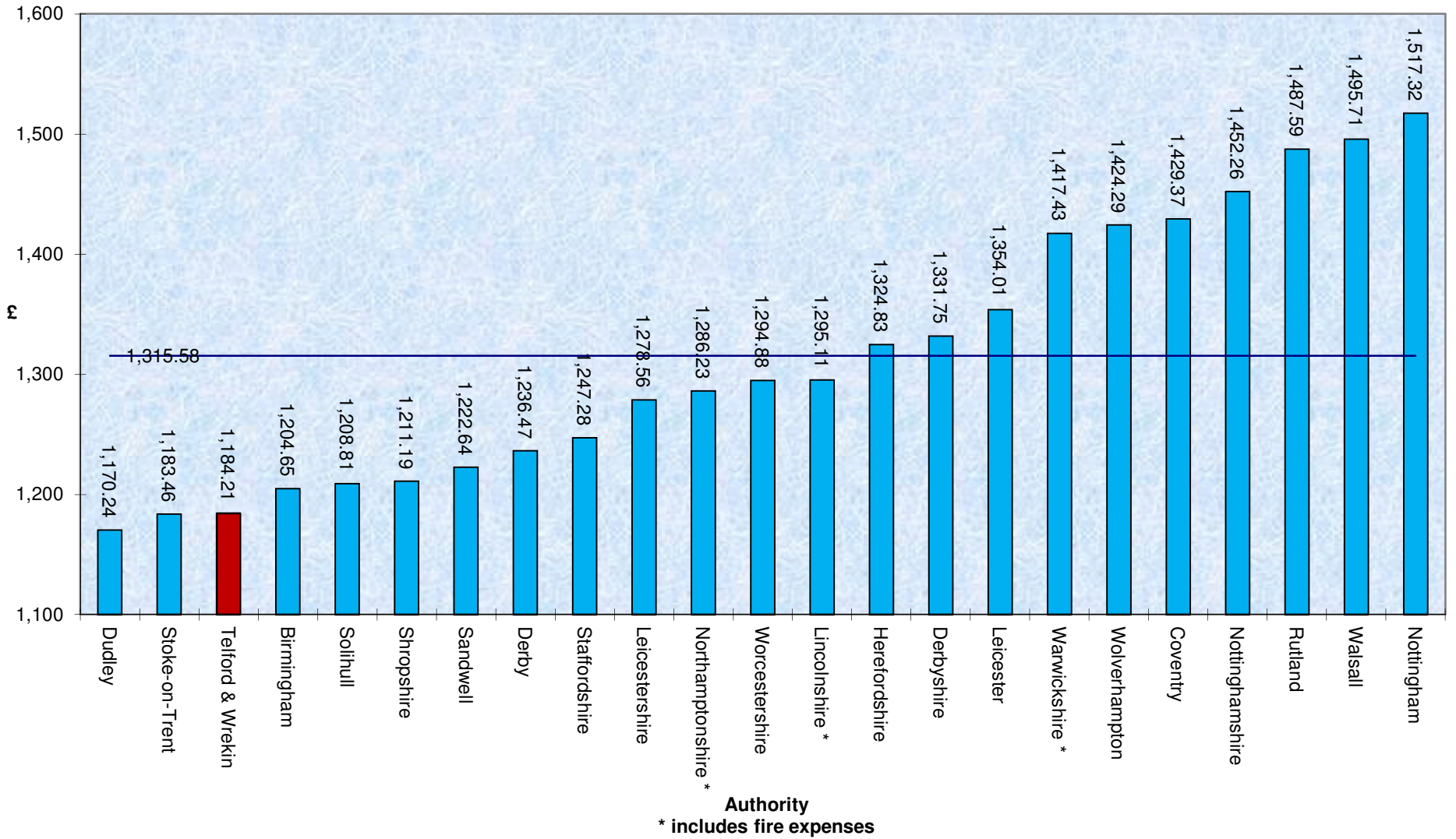
- **Ken Clarke, Assistant Director: Finance & H.R. (C.F.O.) - Tel: (01952) 383100**

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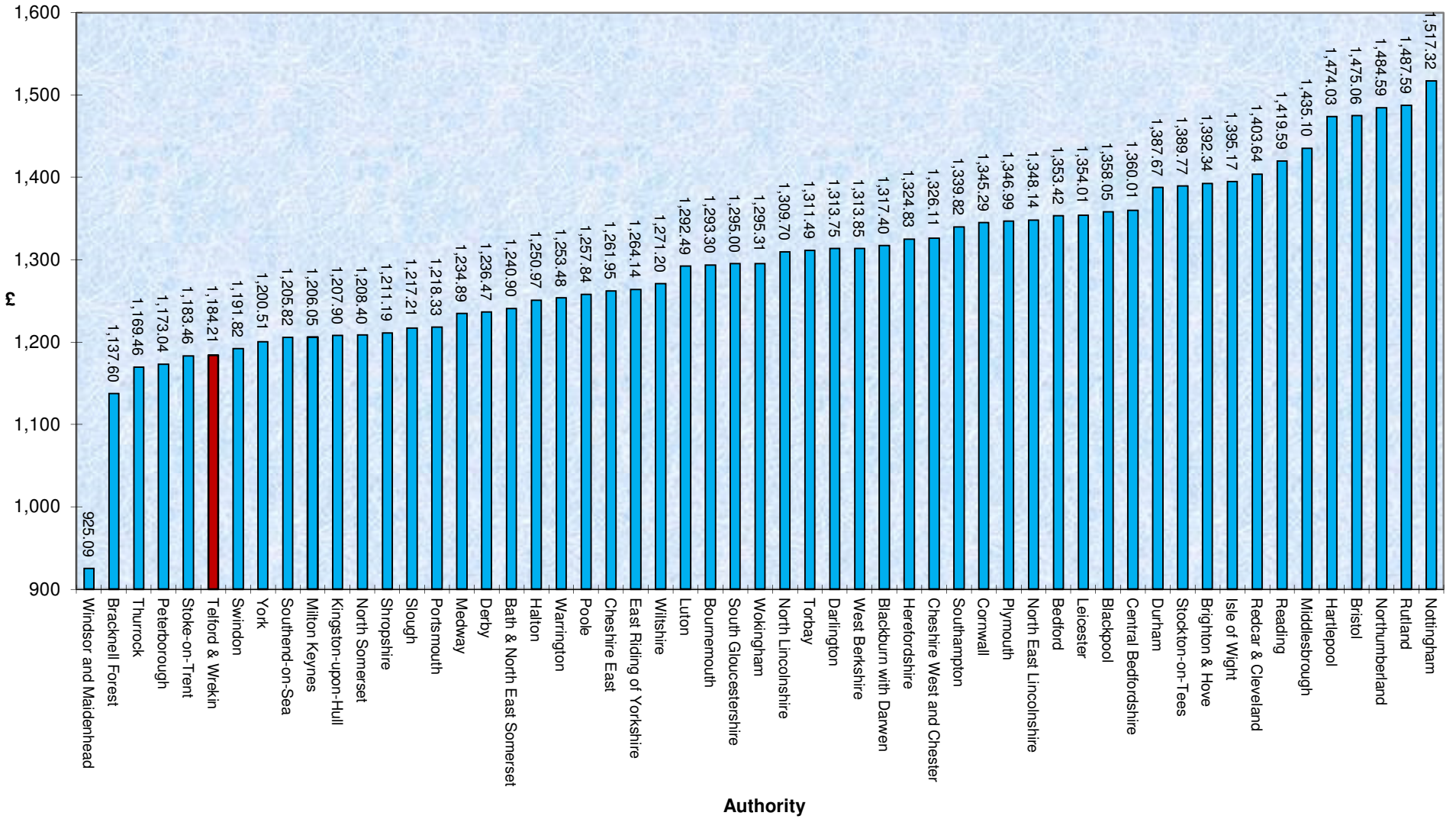
Appendix

- 1 2016/17 Council Tax Comparison (at Band D) – Midlands Councils
- 2 2016/17 Council Tax Comparison (at Band D) – Unitary Councils
- 3 Additional Savings Proposals and Pressures 2017/18
- 4 Capital Investment Programme
- 5 Reserves and Balances
- 6 Communication and engagement plan for January 2017 to March 2017
- 7 Environmental and Economic Impact Assessment on additional Savings Proposals
- 8 Financing costs to net revenue stream 2016/17
- 9 Details of education related Section 106 Agreements
- 10 Base Budget before savings 2017/18
- 11 Analysis of Base Budget Movements

**Midlands Authorities 2016/17 Band D Council Tax for Equivalent Unitary Services
(Excluding Police, Fire* and Parish Precepts)**



Unitary Authorities 2016/17 Band D Council Tax (Excluding Police, Fire and Parish precepts)



**APPENDIX 3
SUMMARY OF SAVINGS PROPOSALS 2017/18**

Area	Additional Savings Proposed				Pressures Identified				Total Additional Savings Net of Pressures				check
	2017/18 £	2018/19 £	2019/20 £	Total £	2017/18 £	2018/19 £	2019/20 £	Total £	2017/18 £	2018/19 £	2019/20 £	Total £	
Business, Development & Employment	297,537	0	0	297,537	0	0	0	0	297,537	0	0	297,537	-
Finance & Human Resources	220,140	342,370	117,000	679,510	0	0	0	0	220,140	342,370	117,000	679,510	-
Cooperative Council Team	273,760	0	0	273,760	0	0	0	0	273,760	0	0	273,760	-
	791,437	342,370	117,000	1,250,807	0	0	0	0	791,437	342,370	117,000	1,250,807	
Children's Safeguarding	0	0	0	0	(4,459,000)	417,000	(21,000)	(4,063,000)	(4,459,000)	417,000	(21,000)	(4,063,000)	-
Early Help & Support	0	0	0	0	(1,344,000)	741,000	603,000	0	(1,344,000)	741,000	603,000	0	-
Education & Corporate Parenting	0	41,667	0	41,667	0	0	0	0	0	41,667	0	41,667	-
Legal, Procurement & Commissioning	240,905	51,767	100,000	392,672	0	0	0	0	240,905	51,767	100,000	392,672	-
	240,905	93,434	100,000	434,339	(5,803,000)	1,158,000	582,000	(4,063,000)	(5,562,095)	1,251,434	682,000	(3,628,661)	
Health & Wellbeing	0	0	0	0	0	0	0	0	0	0	0	0	-
Customer & Neighbourhood Services	329,160	0	0	329,160	0	0	0	0	329,160	0	0	329,160	-
Commercial Services	444,184	175,200	130,825	750,209	0	0	0	0	444,184	175,200	130,825	750,209	-
	773,344	175,200	130,825	1,079,369	0	0	0	0	773,344	175,200	130,825	1,079,369	
Total	1,805,686	611,004	347,825	2,764,515	(5,803,000)	1,158,000	582,000	(4,063,000)	(3,997,314)	1,769,004	929,825	(1,298,485)	
Cumulative	1,805,686	2,416,690	2,764,515		(5,803,000)	(4,645,000)	(4,063,000)		(3,997,314)	(2,228,310)	(1,298,485)		
Leakage	(27,085)	(9,165)	(5,217)	(41,468)					(27,085)	(9,165)	(5,217)	(41,468)	
Cumulative less leakage	1,778,601	2,380,440	2,723,047	2,723,047					(4,024,399)	(2,264,560)	(1,339,953)	(1,339,953)	
Check totals	-	-	-	-	-	-	-	-	-	-	-	-	-

Summary of Additional Savings by Type - 2017/18, 2018/19 and 2019/20

Area	Funding	Income	Staffing	Non-Staffing	Procurement	Property Rationalisation	Service Review/Redesign	Total
	£	£	£	£	£	£	£	£
Business, Development & Employment	-	-	-	-	-	-	297,537	297,537
Finance & Human Resources	-	12,000	517,510	150,000	-	-	-	679,510
Cooperative Council Team	-	-	161,460	112,300	-	-	-	273,760
Children's Safeguarding	-	-	-	-	-	-	-	-
Early Help & Support	-	-	-	-	-	-	-	-
Education & Corporate Parenting	-	-	-	-	-	-	41,667	41,667
Legal, Procurement & Commissioning	-	-	91,810	300,862	-	-	-	392,672
Health & Wellbeing	-	-	-	-	-	-	-	-
Customer & Neighbourhood Services	-	-	195,240	133,920	-	-	-	329,160
Commercial Services	-	424,769	105,990	147,000	-	-	72,450	750,209
Overall Total	-	436,769	1,072,010	844,082	-	-	411,654	2,764,515

Summary of Additional Savings by Efficiency Theme - 2017/18, 2018/19 and 2019/20

Area	A Solving Problems and Promoting Social Responsibility and action to manage and reduce demand for services	B Challenging and changing, reviewing and re-imagining how we do things	C Reducing our Dependency on Government Grants	D Being a modern organisation with modern practices and where we always get the basics right	E Service Cut - the service will no longer be delivered by the Council or through any other delivery arrangement	Total
	£	£	£	£	£	£
Business, Development & Employment	-	297,537	-	-	-	297,537
Finance & Human Resources	-	517,510	12,000	150,000	-	679,510
Cooperative Council Team	-	161,460	-	-	112,300	273,760
Children's Safeguarding	-	-	-	-	-	-
Early Help & Support	-	-	-	-	-	-
Education & Corporate Parenting	-	41,667	-	-	-	41,667
Legal, Procurement & Commissioning	-	282,000	-	-	110,672	392,672
Health & Wellbeing	-	-	-	-	-	-
Customer & Neighbourhood Services	-	329,160	-	-	-	329,160
Commercial Services	-	-	424,769	325,440	-	750,209
Overall Total	-	1,629,334	436,769	475,440	222,972	2,764,515

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	Additional Savings			Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
					2017/18	2018/19	2019/20							
					£		£	£						
Managing Director: Richard Partington														
Business, Development & Employment														
1	Service Review/Redesign	B	Saving from early delivery 16/17 & 17/18 - i.e. overdelivery against 17/18 targets	No	297,537			297,537	Various	Savings from over delivery of 16/17 and 17/18 savings targets	Predominantly from over delivery of PIP income targets in 16/17 and 17/18	None	Significant benefits for other services including BIT, engineering, facility management to benefit through design and build and ongoing property management	Downturn in market, failure to achieve income targets due to voids. Investor market is strong - mitigate risk through robust business cases for investor. Opportunity to diversify and strengthen PIP
Total Business Development & Employment					297,537			297,537						
Finance & HR														
2	Staffing	B	Fundamental Service Review and Restructure across the whole of Finance & Human Resources	No	54,000	342,370	117,000	513,370	Pauline Harris/Tracey Smart/Julie Pugh/Sophie Lane/Sue Wilson	Reduction in staffing budgets is the only option to make savings. This will be achieved through a combination of service re-design and some service cuts. This includes more automation following the implementation of the new payroll system and maximising the use of Agresso by service Managers..	Limited directly but may be delays in responding to FOI and other requests and from debtors	The proposal will require a service area wide restructure and significant reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employees where possible.	Unable to provide as much support to as many services and projects and less "hands on" support to Managers. The level of service/support currently provided will reduce/change Finance support needs to be focussed on supporting business change and delivery of savings, managers will be more responsible for routine budget management.. Less HR advice will be available to support managers but will be focussed on the most challenging cases that pose the greatest risk of employment claims being brought against the Council. Collection rates for council tax and business rates income and sales ledger debt will have to be closely monitored to ensure that savings on staff costs do not impact significantly on current reasonably good collection rates.	Care must be taken to ensure that the appropriate strategic financial control is maintained and external audit costs do not increase to offset the savings and the Council's reputation for sound financial management and financial support to key projects is not compromised too much. Careful re-design of processes is key to ensuring risks are mitigated. There is an increased likelihood of late provision of information, such as FOI requests, and reduced opportunity to seek out additional income opportunities/support managers in new initiatives. Reduced HR support may impact on risks of employment tribunal/settlement costs if issues are not dealt with appropriately at an early stage. There is a risk that collection rates for debts may be impacted. To help mitigate a new HR/Payroll system will go live in 2017, resources will be aimed at highest risk/value added areas and managers will be encouraged to self-serve as much as possible with initial training and support provided.
3	Staffing	B	Reduction in PA support team budget	No	4,140			4,140	Ken Clarke	Residual budget following previous staffing changes	Nil	Nil	Nil	Nil
4	Income	C	Increased income from trading with schools	No	12,000			12,000	Tracey Smart	Income from additional work being done and anticipated for schools	Nil	Nil	Will represent a cost to school budgets.	There is already a high dependency on income from schools in the finance team. We will have to maintain high service standards and remain competitive if we are to retain and grow this income further.
5	Non-Staffing	D	Review of accounting policies including capitalisation of interest for projects which are not complete at year end and benefits from active treasury management	No	150,000			150,000	Pauline Harris	Review of accounting policies that may generate a revenue saving e.g. where capital projects are underway but not complete at year end our policy would be to capitalise the interest costs relating to any borrowing rather than making a charge to revenue.	Nil	Nil	Nil	Debt levels would be higher than if interest costs were charged to revenue account.
Total Finance & HR					220,140	342,370	117,000	679,510						
Cooperative Council														
6	Staffing	B	Staffing restructures in CPT and ODD to realign services to meet changing needs of organisation.	No	161,460			161,460	Jon Power/Rachael Jones	Restructure of Organisational and Delivery and Community Participation Teams in order to review services delivered by teams to support changing needs of the organisation, full savings to be delivered in 2017/18	Potential for positive impact on Community as increased resources to support community capacity building activity	Fundamental refocusing of roles and job descriptions, net change in number of posts increase of 0.47 FTE	None	None
7	Non-Staffing	E	Unallocated funding as result review corporate grants 2015, agreed in budget strategy 2016/17	Yes - completed	112,300			112,300	Rachael Jones	Review of corporate grants carried out 2015, saving relates to unallocated funding. Separate funding of £100k has been set aside for capacity building voluntary sector, proposed £95,300 unallocated from 2016/17 added to give fund of £195,300.	None	None	None	None
Total Cooperative Council					273,760			273,760						
TOTAL SAVINGS RICHARD PARTINGTON					791,437	342,370	117,000	1,250,807						
Director: Clive Jones														
Education & Corporate Parenting														
8	Service Review/Redesign	B	As part of changes to education funding arrangements, to seek agreement from schools to fund some services as part of a collective top-slice from school budgets in 2017/18	Yes - with schools	158,333	41,667		200,000		Opportunity arising as part of changes to the education funding arrangements.	To be confirmed following discussions with schools	To be confirmed following discussions with schools	To be confirmed following discussions with schools	To be confirmed following discussions with schools
9	Service Review/Redesign	B	Savings not delivered in 2017/18		(158,333)			(158,333)		N/A	N/A	N/A	N/A	N/A
Total Education & Corporate Parenting						41,667		41,667						
Legal, Procurement & Commissioning														
10	Staffing	E	Audit, IG & Insurance - Service Review	No	43,043	48,767	0	91,810	JE	Audit, Insurance & Information Governance Services Service reduction	Less oversight of the governance of the organisation	If the proposals as planned are delivered there will be no impact upon auditors (although the management of the team will transfer to Governance and the oversight of audit reports will be affected by the deletion of the Audit, IG, Insurance & Investigation Services SDM post - the most senior auditor).	Teams across the Council will have to take on more responsibility for ensuring compliance with processes and procedures. The ability of the audit team to support internal investigations will be affected as the team will be cut from 3fte to 1fte. Insurance services will lose capacity and will be reduced to 1fte. IG will lose capacity and will require teams to work on their own ombudsman complaints in the first instance. Teams will have to ensure compliance with IG procedures and implement legislative changes to IG processes in 18/19 which will be onerous	None
11	Non-Staffing	E	Audit, IG & Insurance - Cost Savings	No	6,730	0	0	6,730	JE	Savings - principally on training and development	None	Less well trained staff	None	None
12	Non-Staffing	E	Procurement & Brokerage - Cost Savings	No	2,000	3,000	0	5,000	SB	Savings - principally on training and development	None	Less well trained staff	None	None
13	Non-Staffing	B	SLA budget - Commissioning	No for 2017/18; may be required for 2019/20 saving	182,000	0	100,000	282,000	LT	In the first instance this has been identified as BCF spend and budget allocated from existing funding not currently allocated. Year 19/20 savings will come from a change in the way that the voluntary sector is funded	Support will be provided to enable the voluntary sector to secure sustainable alternative funding.	None identified yet	This could potentially put pressure on the demand for statutory services in children's and adults services	There needs to be a wider conversation about commissioning as part of longer term planning because these proposals significantly reduce capacity in the commissioning teams.
14	Non-Staffing	E	TAMHS grant - cease	No	7,132	0	0	7,132	LT	This service is no longer provided	None	None	None	None
Total Legal, Procurement & Commissioning					240,905	51,767	100,000	392,672						
TOTAL SAVINGS CLIVE JONES					240,905	93,434	100,000	434,339						
Director: Jonathan Rowe														
Customer & Neighbourhood Services														
15	Non-Staffing	B	Review of budgets across Customer services	No	5,000			5,000	Lee Higgins	this is a line by line review that will allow us to further reduce the remaining revenue budgets left in customer services	None	None	None	None
16	Non-Staffing	B	Reduction in mystery shopping budget as now undertaken in house	No	18,000			18,000	Lee Higgins	We have reduced our number of mystery shopper exercises and now use more 'volunteers' so we can reduce this budget accordingly with no major impact	Employ volunteers as mystery shoppers	None	Community Engagement Team still essential in helping to run this programme	None

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
17	Staffing	B	Restructure of Customer Services and Benefits	No	158,240			158,240	Lee Higgins	The restructure proposals have already been launched so that this savings will be delivered early in the spirit of one restructure to help mitigate impact on morale of constant restructures	Will lead to more customers being nudged to use digital access channels for contact and longer term not providing face to face for some customers e.g. landlords. Channel shift should help to protect current performance levels in the contact centre	Structure already launched and out for consultation	No impact	Channel Shift essential along with promotion of all new digital access channels and some decisions not to offer face to face services where appropriate for some services
18	Non-Staffing	B	Retain the provision for enhanced winter maintenance services during significant Snow events as per winter maintenance policy, but to fund from contingency if events happen and not continue to fund from Revenue Budgets	No	45,000			45,000	Dave Hanley	Additional funding was provided for the enhanced level of winter maintenance for the last few years the winters have not been as harsh leading to a small underspend in the service. As a result the proposal is to remove the 'revenue' budget, still continue to provide the enhanced service and during a harsh winter if winter budgets are stretched the service will call on the corporate contingency pot for that year to continue the service.	None	None	None.	We have 244 Snow wardens who can be deployed (pending their individual availability) to assist and we will be working with Rachel Jones and her team to extend volunteering for both snow wardens, street champions and potentially to help with drainage and flooding
19	Non-Staffing	B	To retain the commitment to support partnership deployment of flood barriers, but to reduce revenue funds to equate with average costs experienced over recent years and to use corporate contingency if required during exceptional levels of rainfall.	No	20,000			20,000	Dave Hanley	The flood barriers in the Gorge have not been installed as frequently over the last 4 years and therefore we believe we can reduce the budget by 20K and still provide the level of resilience required in times of flooding	Limited impact based on the last 4 years of trend data looking at how often the flood barriers have had to be installed.	Reduced payments to staff who have to go out of hours to install and oversee the barriers while in operation	None	The councils corporate contingency budget will be accessed to ensure flood barriers are always implemented as required in times of unprecedented rainfall if current revenue budgets are spent
20	Non-Staffing	B	Removal of R & M budgets for bus shelters	No	30,000			30,000	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme.	None but may put strain on our capital programme	None	None	None
21	Non-Staffing	B	Removal of the revenue budget for traffic surveys budget and use capital as required	No	15,920			15,920	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme.	None but may put a strain on our capital programme	None	Impact on the Highways Capital Programme	None
22	Staffing	B	Restructure of Corporate Communications Team	No	37,000			37,000	Nigel Newman	This is a reduction in posts within the corporate comms team and reflects the 12% across the board savings required. We believe we can deliver this savings through more generic officers working in comms e.g. all working on social media, pr and internal comms	None	Yes would reduce in a reduction in posts within the comms team achieved by sharing the internal comms role across a wider group of staff through a move to more generic working	May impact on the ability to meet the full needs of internal services to market their offer	still being considered
Total Customer & Neighbourhood Services					329,160	-	-	329,160						
Commercial Services														
23	Income	C	Increase primary school meal prices from £2 to £2.30 over a 3 year period	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	40,000	40,000	40,000	120,000	Lorna Hicks (Stuart Davidson)	School meal price hasn't changed for paid meals for 3 years. Free School Meals are charged at £2.20 so an increased charge over a 2 year period would bring this in line by 18/19. A further increase to £2.30 by 2019/20 is considered reasonable, as a cost of £2.30 is comparable with other providers.	Could impact on families that are on the border of being unable to claim free school meals (FSM) and could result in a loss of paid meals served and parents electing for cheaper, less healthy options. Mitigation would involve continued promotion of FSM to try to increase uptake. Schools have already been notified of the first 10p increase for 2017/18 as part of wider discussions about prices for School Catering. Parents will be advised of the price increase along with the new menus in the Spring Term prior to implementation in April 2017.	No direct impact	None	None
24	Income	C	Extend swimming lesson programme	Y	15,500	8,500	0	24,000	Mark Moore (Stuart Davidson)	Based on current performance it is considered that there is potential to generate additional income from an expansion of the lesson programme.	The majority of the proposed expansion would not be controversial or lead to significant loss of public or club swimming. Consultation will only be required with specific groups who are affected by programme changes. Pool programmes are revised on a termly basis and any groups impacted upon will be written to and invited to a meeting to give them the opportunity to comment on proposed programme changes and put forward alternatives. This will be done on a site by site basis between January and March 2017 in advance of any changes being implemented after the Easter Holidays.	Additional staffing costs have been factored into the projections.	None	This saving is based upon income growth and assumes increased demand to fill additional spaces.
25	Income	C	Review of off-peak ice skating concessions (increase to half non-concessionary rate in 2017/18)	N in 17/18 (part of annual pricing review)	4,929	2,000	0	6,929	Mark Moore (Stuart Davidson)	Benchmarking suggests that our concessions policy is relatively generous. Increasing off-peak skating concessionary prices as proposed is again a comparatively generous concession, particularly as majority of other ice rinks are privately run and do not offer concessions at all. The impact of Club 2000 price review would only impact on Club 2000 members - to enable the club to be supported with this, it is proposed that this price increase does not take effect until 18/19.	Increasing off-peak skating concessionary prices would impact upon concessionary groups and may impact upon health inequalities. Free swimming for children and young people and adult concessionary swimming prices would not be affected. Leisure prices (including ice skating) are reviewed annually through existing delegated authority in consultation with the lead Cabinet member, they are not normally subject to separate public consultation. However, any price changes would be communicated widely to customers in advance of implementation and we would also actively promote the wide range of other leisure concessions available for local residents.	None	None	Decline in participation may reduce level of saving or remove benefit altogether
26	Income	C	Review ice rink hire fees	Y	12,800	7,200		20,000	Mark Moore (Stuart Davidson)	Benchmarking indicates that current Ice Skating lesson prices are cheap compared with other Ice Rinks, it is proposed to increase the charges by 10% in 2017/18 and a further 5% in 2018/19.	Impact limited to those who attend or deliver skating lessons. Leisure prices are reviewed annually through existing delegated authority in consultation with the lead Cabinet member, they are not normally subject to separate public consultation. However, in this case, there are some specific impacts on particular groups and therefore consultation will be carried out with both figure and dance instructors and ice skating customers before reviewing prices in the usual way as part of the annual price review. Affected groups would be notified of the proposed changes in January-February 2017 and invited to meet and share comments or alternative proposals.	None	None	Potential reduction in participation would impact upon level of saving but considered low risk.

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
27	Income	C	Services for Schools price review to improve the profitability of services provided	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	82,000	33,000	33,000	148,000	Chris Goulson/Kirsty King/Stuart Davidson	Initial financial modelling suggests full costs are not always being recovered, therefore prices need to be increased - proposed target is £52k for Cleaning, £35k for Caretaking, £11k for ICT. An additional £50k saving on Primary School Catering budget (contingency) has also been identified, which can be delivered in 2017/18.	None	None	Will impact on schools' budgets, so price increases for these services will be phased in over 3 years to mitigate the impact to schools. Any loss of business from schools could have wider implications for other services, for example if a school decides to move to a new provider for all services. For all services except ICT, schools receive a bespoke written contract update clearly setting out planned price or service changes at least 3 months in advance of implementation. For 2017/18, this information will be sent out in December 2016. Schools then have time to vary or cancel their contract accordingly. For ICT, proposed prices for ICT support are set in consultation with the ICT Schools Governance Board, which includes representatives from a range of local schools. Prices for 2017/18 have already been agreed with the Governance Board.	None
28	Income	C	Improve profitability of Arthog/Arthog outreach	N	18,515	51,500	27,825	97,840	Jo Barnett (Stuart Davidson)	The saving in 2018/19 includes £25k relating to repayment of loan which ceases in 17/18 and this is the release of that element. The remaining saving relates to additional income target from 2017/18 onwards, as analysis of occupancy of Arthog shows that there is scope to increase profitability of the Centre, particularly at weekends.	Positive impact of more people participating in outdoor education activities.	Staffing will need to be increased to maximise occupancy of centre - target relates to net income	None	This saving is largely based upon income growth and assumes increased demand to maximise occupancy.
29	Non-Staffing	D	Additional reductions in black and white printing (build controls into re-tender of MFD) plus additional savings from colour printing in 17/18	N	87,000	30,000	30,000	147,000	Kirsty King	A £32k saving linked to reductions in colour printing was built into 2016/17 budgets, so an additional saving of £87k is proposed for 2017/18 based on us continuing to reduce costs by approx. £10k per month. For 2018/19 and 2019/20, proposal is to reduce black and white printing by an additional 15% in each year, based on current average monthly black and white printing cost of £16.6k.	None	None	None	Proposed reductions in black and white printing are challenging, however the new MFD contract will allow controls to be put in place to facilitate this if needed.
30	Staffing	D	Additional savings arising from 2016/17 review of cleaning specification and associated restructure	N	48,000			48,000	Kate Sumner (Stuart Davidson)	The review of cleaning specification and programme of building closures will achieve a saving of £48k over and above the £110k target.	None	Consulted upon as part of 2016/17 restructure.	None	None
31	Staffing	D	Deletion of 2 posts in biT and creation of 1 higher-level apprentice/graduate post	N	57,990			57,990	Chris Goulson	Saving to be achieved as a result of a VR request and a vacancy. Reduction in capacity can be accommodated due to reduction of BSF work.	None	None	None	None
32	Service Review/Redesign	D	Other savings already brought forward for 17/18 - over delivery against 17/18 targets	N - already consulted on	72,450			72,450	All SDMs in Commercial Services	N/A	N/A	N/A	N/A	N/A
33	Income	C	White label' partnership with established energy price comparison service	Y - market research will be needed	5,000	3,000		8,000	Toni Guest	Proposed model is to partner with an established provider to provide a TWC-branded energy price comparison service with commission being paid on conversions. Model includes legal and marketing costs and assumes 3% of residents participate (similar to that achieved by other local authorities).	This project would encourage local residents/organisations to switch providers and could result in cost reductions.	None/minimal - to be delivered within existing resources	None	Main risk is that participation is lower than anticipated and net income projections not achieved (marketing costs built into the model)
Total Commercial Services					444,184	175,200	130,825	750,209						
TOTAL SAVINGS JONATHAN ROWE					773,344	175,200	130,825	1,079,369						
OVERALL TOTAL SAVINGS					1,805,686	611,004	347,825	2,764,515						
PRESSURES					- 5,803,000	1,158,000	582,000	- 4,063,000						
					1,805,686	611,004	347,825	2,764,515						

PRESSURES

No.	Service Area	Description	2017/18	2018/19	2019/20	Total	Lead Officer
			£	£	£	£	
Children's Safeguarding							
	Placement Budget & Associated Costs	Placement numbers have increased significantly in 2016/17. Ofsted have confirmed that children and young people are appropriately being brought into care. It is anticipated that numbers will peak and then start to fall back as a result of a number of actions being taken. We are currently working on a multi year (4) action plan and predictive model. This will provide a more accurate assessment of CiC numbers over this period and the expected impact of various actions being taken.	4,459,000	-417,000	21,000	4,063,000	Jo Britton
Total Children's Safeguarding			4,459,000	- 417,000	21,000	4,063,000	
Early Help & Support							
	Costs associated with the provision of Care	Pressure reflecting the latest projections in the current financial management report	1,344,000	- 741,000	- 603,000	0	
Total Early Help & Support			1,344,000	- 741,000	- 603,000	-	
OVERALL PRESSURES			5,803,000	- 1,158,000	- 582,000	4,063,000	

Capital Programme - 2016/17 to 2018/19 & Later Years

Policy Area	Total £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Later Years £'000
Early Help & Support	968	968	0	0	0	0
Development Business & Employment	127,977	29,522	37,357	26,778	11,320	23,000
Customer & Neighbourhood Services	93,761	28,032	28,796	9,499	13,717	13,717
Education & Corporate Parenting	26,150	14,364	2,925	8,861	0	0
Health & Well-Being	1,371	759	153	153	153	153
Co operative Council & Commercial Delivery	301	301	0	0	0	0
Legal Procurement & Commissioning	783	132	527	62	62	0
Finance & Human Resources	14,309	6,099	4,070	4,070	70	0
Commercial Services	17,349	6,747	5,103	2,599	2,900	0
	282,969	86,924	78,931	52,022	28,222	36,870
Resources						
Borrowing Approval	1,275	1,275	0	0	0	0
Government Grant	70,126	32,977	16,677	12,846	3,813	3,813
Prudential	141,970	37,585	45,183	20,926	12,469	25,807
Capital Receipts	48,818	8,408	5,200	16,020	11,940	7,250
Revenue	1,863	793	1,070	0	0	0
External	18,917	5,886	10,801	2,230	0	0
Total funding	282,969	86,924	78,931	52,022	28,222	36,870

**Capital Programme - 2016/17 to 2018/19 & Later Years
Scheme Summary showing major schemes separately**

Assistant Director	Scheme	Expenditure						Funding						
		Total £'000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Later Years £'000	Government Gr £'000	Prudential £'000	Capital Receipts £'000	Borrowing £'000	Approv Revenue £'000	External £'000	
Early Help & Support	Social Care Capital Grant	579	579	0	0	0	0	579	0	0	0	0	0	0
	ICT Social Care Review	389	389	0	0	0	0	0	389	0	0	0	0	0
		968	968	0	0	0	0	579	389	0	0	0	0	0
Health & Well-Being	Day Opportunities for Adults with Learning Disabilities	103	103	0	0	0	0	0	0	103	0	0	0	0
	Public Health Capital Grants	448	448	0	0	0	0	448	0	0	0	0	0	0
	Parks for People	819	207	153	153	153	153	483	336	0	0	0	0	0
	Health & Well-Being Other Schemes	1	1	0	0	0	0	0	1	0	0	0	0	0
		1,371	759	153	153	153	153	931	337	103	0	0	0	0
Development Business & Employment	Town Centre - Phase 1 & Accommodation Strategy	410	410	0	0	0	0	0	0	410	0	0	0	0
	Dawley Regeneration	304	304	0	0	0	0	0	254	50	0	0	0	0
	Small Scale Regeneration Projects	1,000	0	500	500	0	0	0	1,000	0	0	0	0	0
	Superfast Broadband Programme	3,802	3,207	595	0	0	0	2,872	0	713	0	217	0	0
	Housing DBE	2,962	487	2,475	0	0	0	0	2,187	0	0	0	0	775
	Brookside	251	251	0	0	0	0	0	251	0	0	0	0	0
	HCA Land Deal	3,676	1,108	1,254	1,314	0	0	0	0	0	0	0	0	3,676
	Land Deal Board Schemes	1,696	683	1,013	0	0	0	0	0	0	0	0	0	1,696
	Property Investment Programme	56,362	11,117	9,639	7,106	5,500	23,000	0	55,862	500	0	0	0	0
	Housing Company - Housing	55,993	11,809	20,706	17,658	5,820	0	0	50,968	2,275	0	0	0	2,750
	Development Business and Employment other schemes	1,521	146	1,175	200	0	0	54	280	1,187	0	0	0	0
		127,977	29,522	37,357	26,778	11,320	23,000	2,926	110,802	5,135	0	217	0	8,897
Customer & Neighbourhood Services	Ironbridge Gorge Stability	2,144	1,894	250	0	0	0	0	2,144	0	0	0	0	0
	Every Day Telford - Pride in your Community	2,645	645	2,000	0	0	0	0	1,631	0	0	1,000	0	14
	Transport & Highways Schemes	87,286	24,849	25,915	9,088	13,717	13,717	46,831	33,291	0	0	0	0	7,164
	Customer Services Systems Development	1,686	644	631	411	0	0	0	1,412	0	0	274	0	0
		93,761	28,032	28,796	9,499	13,717	13,717	46,831	38,478	0	0	1,274	0	7,178
Education & Corporate Parenting	Building Schools For The Future	10,346	9,564	379	403	0	0	2,558	-6,074	12,920	1,268	-333	0	7
	Service Transformation - Invest To Save	300	150	150	0	0	0	0	300	0	0	0	0	0
	Education & Corporate Parenting All Other Schemes	15,504	4,650	2,396	8,458	0	0	13,417	-1,510	700	7	100	0	2,790
		26,150	14,364	2,925	8,861	0	0	15,975	-7,284	13,620	1,275	-233	0	2,797
Commercial Services	ICT/ eGov	7,050	1,108	2,353	1,589	2,000	0	0	6,618	0	0	432	0	0
	Every Day Telford - Pride Hollinswood Centre	684	684	0	0	0	0	0	174	502	0	8	0	0
	Supported Independent Living - Disabled Facilities Grant	1,801	1,801	0	0	0	0	1,577	224	0	0	0	0	0
	Housing Related Schemes	1,888	1,278	500	110	0	0	772	26	1,045	0	0	0	45
	3G Pitch	750	0	750	0	0	0	0	750	0	0	0	0	0
	Commercial & Business Fund	140	140	0	0	0	0	0	0	140	0	0	0	0
	Asset Management Plan - General Works & Surveys	2,970	870	700	700	700	0	0	2,970	0	0	0	0	0
	Commercial Services other schemes	2,066	866	800	200	200	0	0	1,901	0	0	165	0	0
		17,349	6,747	5,103	2,599	2,900	0	2,349	12,663	1,687	0	605	0	45
Finance & Human Resources	Every Day Telford -Pride in your Community	301	301	0	0	0	0	0	301	0	0	0	0	0
	Efficiency Schemes Capitalisation	13,814	5,814	4,000	4,000	0	0	0	8,000	5,814	0	0	0	0
		14,115	6,115	4,000	4,000	0	0	0	8,301	5,814	0	0	0	0
Legal Procurement & Commissioning	Legal Fees	248	62	62	62	62	0	0	248	0	0	0	0	0
	Housing & Technology support for People with Learning Disabilities	535	70	465	0	0	0	535	0	0	0	0	0	0
		783	132	527	62	62	0	535	248	0	0	0	0	0
Finance & Human Resources	Managing the funding of the Capital Programme	115	115	0	0	0	0	0	-22,344	22,459	0	0	0	0
	Finance & Human Resources other schemes	380	170	70	70	70	0	0	380	0	0	0	0	0
		495	285	70	70	70	0	0	-21,964	22,459	0	0	0	0
		282,969	86,924	78,931	52,022	28,222	36,870	70,126	141,970	48,818	1,275	1,863	0	18,917

Usable Balances at 1 April 2020Appendix 5.

		Balance at 1 April 2020 £m
Total Reserves and Balances		62.02
Less Commitments/Earmarked Funds:		
School Funds	Balances held on behalf of schools; therefore not available to the Council	- 9.39
Funds held for other sectors/partnership working	Includes funds for the Local Safeguarding Partnership, Telford Energy Advice Centre, Arthog, PVI Early Years sector and Section 38 Funds	- 0.05
Building Schools for the Future Funds	Procurement, capital and lifecycle costs which are fully committed to delivering the BSF programme	- 0.01
Grant funding	Grant funding received and fully committed in the budget strategy	- 0.15
Insurance Reserves	Required to cover policy excesses and other potential costs such as MMI liabilities and claims prior to 1998 (unitary)	- 2.29
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund	- 0.58
Other Corporate Items	For Example ITS/Capacity Fund	- 3.76
Single Status	Provision for equal pay settlement	- 11.92
Other Provisions	For example Bad Debt Provision and Pride Funding Reserve	- 6.79
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken	- 3.48
Residual General Working Balances		23.60
Earmarked for Financial Risks following Risk Review		- 7.75
Residual Balances Available for the Budget Strategy		15.85
Proposed Commitments in the budget report		
Community Capacity Building Fund		- 0.50
Organisational Development Initiatives		- 0.25
ITS/Capacity Fund (including support to facilitate the transfer of services to third party organisations)		- 1.50
Footway Programme Funding		- 1.40
Destination Telford Funding		- 0.28
One-off balances required to support the budget strategy		- 5.02
Creation of one-off contingency balance		- 6.90
		-

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
General / Special Fund Balances													
Special Fund Bals	Special Fund Balance	(684,401.31)		(684,401.31)		(684,401.31)		(684,401.31)		(684,401.31)		Working balance	Sufficient
General Fund Bals	General Fund Balance	(3,806,005.49)		(3,806,005.49)		(3,806,005.49)		(3,806,005.49)		(3,806,005.49)		General Fund Working Balance	Forms part of minimum level of balances required
Reserves	Budget Strategy Reserve	(6,874,928.41)	500,257.16	(6,374,671.25)	500,000.00	(5,874,671.25)		(5,874,671.25)		(5,874,671.25)		Feeds into budget strategy	
Total General / Special Fund Balances		(11,365,335.21)	500,257.16	(10,865,078.05)	500,000.00	(10,365,078.05)	0.00	(10,365,078.05)	0.00	(10,365,078.05)			
Specific Commitments not Available													
Reserves	Collection Fund Reserve Fund	(1,702,000.00)	(3,528,563.24)	(5,230,563.24)	(2,400,000.00)	(7,630,563.24)		(7,630,563.24)		(7,630,563.24)		Drawn down balance from Collection fund surplus.	Feeds into budget strategy
Reserves	Capital Funding Reserve	(1,000,000.00)		(1,000,000.00)	1,000,000.00	0.00		0.00		0.00		Set aside at 14/15 year end to fund Pride in Your Community Fund Initiative in 17/18 (instead of prudential)	Fully Committed
Reserves	Environmental Mtce Programme	(1,500,000.00)		(1,500,000.00)		(1,500,000.00)		(1,500,000.00)		(1,500,000.00)		Fully committed to fund a programme of improvements	
Provision	Single Status Provision - General Fund element	(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		Funding set aside to meet costs of implementing single status	Fully Committed
Reserves	Skills Dvpt and Apprentices	(256,224.44)	95,000.00	(161,224.44)	95,000.00	(66,224.44)	66,224.44	0.00		0.00		To support employees facing redundancy and apprentice posts; usage based on previous year spend may alter if scheme alters.	
Reserves	Solar Farm Sinking Fund	(12,040.00)		(12,040.00)		(12,040.00)		(12,040.00)		(12,040.00)			
Reserves	Severance Fund	(5,600,927.20)		(5,600,927.20)		(5,600,927.20)		(5,600,927.20)		(5,600,927.20)		Fund set up to meet the one off costs of redundancies arising from restructures in order to deliver ongoing savings	Monitored as restructures progress; the Council also has the ability to capitalise costs associated with service transformation which will be utilised.
Provision	Redundancy Provision	(710,889.25)	710,889.25	0.00		0.00		0.00		0.00		Specific provision to meet one off costs associated with the Council re-structure - relates to those who had received notification of redundancy at 31 3 16. A new provision will be created at 31 3 17.	Fully committed in 16/17
reserves	Pride in Your Community - Funding Reserve	(4,589,890.00)	434,000.00	(4,155,890.00)	434,000.00	(3,721,890.00)	434,000.00	(3,287,890.00)	434,000.00	(2,853,890.00)		Reserve created to fund debt charges associated with the Pride In Your Community initiative.	Will meet associated debt charges until 2026/27
Reserves	Insurance - Self Insurance Fund	(1,822,199.42)		(1,822,199.42)		(1,822,199.42)		(1,822,199.42)		(1,822,199.42)		Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.	Regularly reviewed - requirement depends on claims; in year requirement assumed to equal contribution.
Reserves	Voluntary Sector Support Fund	(149,115.87)	(95,300.00)	(244,415.87)	50,000.00	(194,415.87)	50,000.00	(144,415.87)	50,000.00	(94,415.87)		To fund the Voluntary Sector following budget cuts in 2016/17	
School Bals	School Balances	(6,550,522.52)	750,000.00	(5,800,522.52)	750,000.00	(5,050,522.52)	750,000.00	(4,300,522.52)		(4,300,522.52)		This represents school balances held by the LEA only. Additional amounts are held by schools as balances in independent bank accounts. Projected movement in balances is based on schools budget plans. It should be noted that schools budget outturns, over the sector as a whole are invariably better than initial budgets (i.e. balances are higher.)	
Reserves	Schools' Supply Insurance Fund	(167,892.10)	40,000.00	(127,892.10)	40,000.00	(87,892.10)	5,000.00	(82,892.10)	5,000.00	(77,892.10)		Self Insurance Fund for supply teacher cover in Schools including maternity pay - fluctuates year on year dependant on levels of sickness and maternity leave	LA administered insurance fund to limit the additional costs incurred by schools resulting from contracted staff absence due to sickness. This is a fund constantly reviewed to ensure premiums are appropriate for the level of cover and claim
Reserves	Theft & Vandalism Fund	(81,112.15)	20,000.00	(61,112.15)	10,000.00	(51,112.15)	10,000.00	(41,112.15)	10,000.00	(31,112.15)		Self Insurance fund to cover schools costs re theft and vandalism - would expect to hold small variance.	LA administered to limit losses to schools. Regular review to ensure premiums are at an appropriate level.
Reserves	Schools Maternity Insurance Fund	(40,317.17)	15,000.00	(25,317.17)	5,000.00	(20,317.17)	5,000.00	(15,317.17)	5,000.00	(10,317.17)		Self insurance fund to cover maternity leave	LA administered to limit losses to schools. Regular review to ensure premiums are at an appropriate level.
Provision	Single Status - DSG and Schools	(4,323,770.95)		(4,323,770.95)		(4,323,770.95)		(4,323,770.95)		(4,323,770.95)		Provision for Single Status costs in schools and DSG centrally funded staff. Use of this dependant on final implementation of SS.	As per Corporate percentages
Reserves	Youth Offending	(17,284.50)	0.00	(17,284.50)	17,284.50	0.00		0.00		0.00		T&W share of Partnership reserve for YOS - confirmed share of reserve following closure of Partnership - to be utilised to offset any in year savings once announced or impact in 16/17 associated with WM YOS grant	
Reserves	Local Safeguarding Board	(31,296.04)	5,000.00	(26,296.04)	10,000.00	(16,296.04)	10,000.00	(6,296.04)	5,000.00	(1,296.04)		T&W Share of Partnership reserve to support the work of the Local Safeguarding Board	

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
Reserves	SDG Balances	(3,334.83)	1,000.00	(2,334.83)	1,000.00	(1,334.83)	1,000.00	(334.83)	334.83	0.00	School Development Group Fund - monies used to support development of Learning Communities by schools	Balance held on behalf of schools.	
Reserves	Early Years	(91,277.09)	15,000.00	(76,277.09)	10,000.00	(66,277.09)	10,000.00	(56,277.09)	10,000.00	(46,277.09)	ring fenced fund for PVI early years sector used to pay for refurb and r&m on early years provision	reasonable	
Reserves	Early Years	(156,994.53)	58,000.00	(98,994.53)	30,000.00	(68,994.53)	30,000.00	(38,994.53)	38,994.53	0.00	To sustain existing nursery provisions in key areas of need		
Reserves	Match Funding Provision/Trading Support	(84,583.24)		(84,583.24)		(84,583.24)		(84,583.24)		(84,583.24)	To assist with the development of new income streams and provide an smoothing account for any changes to trading income.		
Reserves	Hadley PFI Sinking Fund	(1,613,800.08)	732,475.00	(881,325.08)	100,000.00	(781,325.08)	100,000.00	(681,325.08)	100,000.00	(581,325.08)	Equalisation account relating to Hadley PFI	Based on the funding model - fully committed	
Reserves	Invest to Save Reserve	(103,500.04)	15,334.00	(88,166.04)	85,003.00	(3,163.04)	3,163.04	0.00		0.00	Committed to support Workforce Training re Safeguarding and Early Intervention .		
Reserves	PIP Reserve Contribution Account	(224,969.05)		(224,969.05)		(224,969.05)		(224,969.05)		(224,969.05)	Reserve to be used to aid with the ongoing rationalisation of the PIP resulting pressures on Income and Service Charge voids.		
Reserves	Dilapidations - PIP	(152,559.54)		(152,559.54)		(152,559.54)		(152,559.54)		(152,559.54)	Committed spend on Hollinswood House & Stafford Park 15 and a number of other properties in relation to dilapidations.		
Reserves	Granville House	(70,803.12)	70,803.12	0.00		0.00		0.00		0.00	Granville House refurbishment - to be utilised as part of accommodation strategy, Agreed at SMT. D Runtun.	Revenue	
Reserves	Transforming Telford Reserve	(56,755.99)	56,755.99	0.00		0.00		0.00		0.00	One off benefit following winding up of Transforming Telford	Committed to support the 2016/17 revenue position	
Debtors	Transforming Telford Residual balance	(547,071.81)	547,071.81	0.00		0.00		0.00		0.00	One off benefit following winding up of Transforming Telford	Committed to support the 2016/17 revenue position	
Provision	Land Charges Provision	(80,803.34)	50,000.00	(30,803.34)		(30,803.34)		(30,803.34)		(30,803.34)	Created to cover litigation costs; settlement finalised and awaiting final costs.		
Reserves	Corporate ICT Reserve	(605,495.10)	601,000.00	(4,495.10)	4,495.10	0.00		0.00		0.00	To support the ICT Capital Programme	Within 16/17 capital programme	
Total Specific Commitments		(44,264,460.89)	593,465.93	(43,670,994.96)	241,782.60	(43,429,212.36)	1,474,387.48	(41,954,824.88)	658,329.36	(41,296,495.52)			
Specific Earmarked Balances Identified as Risks													
Debtors	Bad Debt Provision	(3,934,955.18)		(3,934,955.18)		(3,934,955.18)		(3,934,955.18)		(3,934,955.18)	To cover bad debts	Level based on formula	
Reserves	Corporate Capacity / Invest to Save Fund	(5,004,942.43)	1,279,000.00	(3,725,942.43)	1,601,000.00	(2,124,942.43)	232,000.00	(1,892,942.43)	43,000.00	(1,849,942.43)	Various initiatives to build capacity and provide funding to deliver future savings. Includes support to partner organisations who take on the delivery of services.	It is proposed to add £1.5m to this fund as part of the 2017/18 budget strategy.	
Reserves/Provision/Creditor	Insurance Funds	(422,488.91)	179,400.00	(243,088.91)		(243,088.91)		(243,088.91)		(243,088.91)	Self Insurance Reserve (non-Education) as part of overall insurance strategy	Level seems reasonable, based on the excesses to which the council is exposed under the current arrangements	
Reserves	General - Insurance - SCC liabilities	(228,437.19)		(228,437.19)		(228,437.19)		(228,437.19)		(228,437.19)	This is an additional insurance reserve which was established when the County Council's balance sheet was disaggregated and is available to cover claims liabilities that arise.	If this does ever become available following the actuarial valuation the level would increase the level of self insurance available to the authority.	
Reserves	Stop Loss Provision	(944,848.78)	75,000.00	(869,848.78)	75,000.00	(794,848.78)	75,000.00	(719,848.78)	75,000.00	(644,848.78)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs including lead roof theft and flooding		
Reserves	BSF Lifecycle and FM	(39,286.80)	39,286.80	0.00		0.00		0.00		0.00	This is cost of the ongoing maintenance of the Attenuation basin at Er call Wood - to be transferred to another area when identified.		
Reserves	Building Schools for the Future	(62,322.82)	50,000.00	(12,322.82)		(12,322.82)		(12,322.82)		(12,322.82)	Reserve set aside for procurement and support costs associated with BSF - no further call on this.		
Total Specific Earmarked Balances Identified as Risks		(10,637,282.11)	1,622,686.80	(9,014,595.31)	1,676,000.00	(7,338,595.31)	307,000.00	(7,031,595.31)	118,000.00	(6,913,595.31)			

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
Specific Earmarked Service Balances													
Reserves	Elections Equalisation Reserve	(146,582.44)	(55,000.00)	(201,582.44)	(55,000.00)	(256,582.44)	(55,000.00)	(311,582.44)		(311,582.44)		Set aside to assist in funding future local elections as annual revenue budget may not be sufficient in any given year.	depends on the number of elections that arise; next Borough election due May 2019
Reserves	Single Status Project Team	(342,824.91)	20,000.00	(322,824.91)	20,000.00	(302,824.91)	150,000.00	(152,824.91)	152,824.91	0.00		Required to fund single status project work (including legal and consultancy costs) and preparation for implementation	
Reserves	Community Right to Challenge	(8,546.00)		(8,546.00)		(8,546.00)		(8,546.00)		(8,546.00)		Funding to support any additional cost arising	
Reserves/Provision	Balance Control Mechanism / Residual balances from closed schools	(186,684.83)	128,870.54	(57,814.29)	57,814.29	0.00		0.00		0.00		Balances clawed back from schools through the balance control mechanism plus residual balances from closed schools	To cover possible deficits of schools which close in the future.
Reserves	Early Help Plan	(48,239.90)	31,239.90	(17,000.00)		(17,000.00)		(17,000.00)		(17,000.00)		Required to Support Early Help Action Plan	
Reserves	Joint Commissioning Balance	(26,438.59)	26,438.59	0.00		0.00		0.00		0.00		To support 2016/17 spending levels	
Reserves	Childrens Services	(430,559.00)	430,559.00	0.00		0.00		0.00		0.00		Being used in 2016/17 as per Budget Strategy to support spending levels in 2016/17	
Reserves	Safer Communities cwfd	(31,110.90)	10,000.00	(21,110.90)	10,000.00	(11,110.90)	10,000.00	(1,110.90)		(1,110.90)		Combination of two reserves - committed to fund Domestic Violence service and initiatives, Crucial Crew and other community safety costs to be incurred.	
Reserves	SIS - One vision	(1,927.54)	500.00	(1,427.54)	500.00	(927.54)	500.00	(427.54)	427.54	0.00		Given by One Vision Charity to support children with vision impairment - committed	
Reserves	Youth Projects Support	(94,108.87)	35,000.00	(59,108.87)	38,695.63	(20,413.24)		(20,413.24)		(20,413.24)		Funding of Youth Parliament and required to build community capacity and resilience for Youth and Family support	
Reserves	Stafford Park Pooled Fund	(23,674.00)	23,674.00	0.00		0.00		0.00		0.00		To offset 2016/17 costs	
Reserves	Education Welfare Balance	(38,715.39)	26,215.00	(12,500.39)	10,000.00	(2,500.39)	2,500.39	0.00		0.00		Income from fixed penalty notices re Truancy etc - held to support budget if shortfall in income and fund training and resources costs associated with this process. Funding of 1 additional posts.	
Reserves	School Reorganisation Reserve	(330,017.00)	100,000.00	(230,017.00)	230,017.00	0.00		0.00		0.00		Monies carried forward as a reserve against the possible unfavourable balance on schools conversions to academy status	
Reserves	Assistive Technology	(52,284.99)	52,284.99	0.00		0.00		0.00		0.00		Required to offset in year costs	
Reserves	PCT monies	(92,439.28)	92,439.28	0.00		0.00		0.00		0.00		Committed to budget strategy	
Reserves	Transforming Social Care Grant	(159,356.70)	43,907.00	(115,449.70)	61,691.00	(53,758.70)		(53,758.70)		(53,758.70)		Grant paid to LA's to implement Transformation to Social care service delivery including Personalisation etc	The committed balance meets current committed costs to support the transformation of EHS.
Reserves	Young Persons Substance Misuse	(13,089.00)	4,196.00	(8,893.00)	4,197.00	(4,696.00)		(4,696.00)		(4,696.00)		To be used to cover additional costs of DARs IT system and additional licences as part of transformation to whole system approach to IT systems in EHS.	
Reserves	Public Health Transition Grant	(29,204.73)		(29,204.73)		(29,204.73)		(29,204.73)		(29,204.73)		To offset pressures in 2016/17	
Reserves	Legal Reserve	(104,168.40)		(104,168.40)		(104,168.40)		(104,168.40)		(104,168.40)		For standards investigations and Legal Staffing	Fully committed
Reserves	Customer Services & Benefits	(271,275.35)	55,000.00	(216,275.35)	50,000.00	(166,275.35)	50,000.00	(116,275.35)	50,000.00	(66,275.35)		To support additional staffing costs as a result of Welfare Reform changes and to support delay in implementing restructure 2016/17	
Reserves	ICT Equipment Reserve	(197,500.00)	72,929.00	(124,571.00)	99,221.00	(25,350.00)	25,350.00	0.00		0.00		Development of the App, costs of CRM and to support schools pricing model in 16/17 & 17/18	
Reserves	Telford Loyalty Card Scheme	(26,203.34)	13,203.34	(13,000.00)		(13,000.00)		(13,000.00)		(13,000.00)		To fund costs associated with the TLC card.	
Reserves	Member Dvpt Reserve	(5,000.00)		(5,000.00)		(5,000.00)		(5,000.00)		(5,000.00)		To be spent on training and equipment as required	

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
Reserves	Coalbrookdale Water Course	(128,658.65)	10,000.00	(118,658.65)	10,000.00	(108,658.65)	50,000.00	(58,658.65)	50,000.00	(8,658.65)	Coalbrookdale Water course drawdown as and when required each year.	This is a commuted sum for Coalbrookdale Water Course - each year monitoring is done & once in every 4 years works are done to maintain water courses. Work last completed in 14/15.	
Reserves	Waste	(519,402.00)	519,402.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	This is to fund the contract termination costs payable to TWS linked to the early implementation of 2 CRC sites in 2016/17.		
Reserves	Environmental Pressures	(1,265,490.98)	634,995.00	(630,495.98)	400,000.00	(230,495.98)	230,495.98	0.00	0.00	0.00	This includes £800k of Pride funding for 2016/17 and PETS		
Reserves	Stoneyhill Landfill	(22,138.00)		(22,138.00)		(22,138.00)		(22,138.00)		(22,138.00)	This is for a commuted sum for the cleaning & maintenance of the silo's (golf balls) and as a contingency in case the technology does not ensure the quality of the "stuff" piped out to STW system. This was a new design to deliver the ongoing savings, the revenue budget just covers the annual running / monitoring costs. The budget will not cover the costs of cleaning. When it is required in the future	This needs to be held for costs we will incur in future years, although they are unknown at this point in time.	
Reserves	Development Planning System - changed descriptor from Budget Strategy Reserve for 16/17	(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)	Balance was held for new Planning System development, however the current system is being upgraded to enable the latest version of GIS. The system will be reviewed as to its sustainability.	Plan to move unspent to legal costs	
Reserves	Capacity Fund - Skills Analysis	(14,856.00)	14,856.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Research of skills gaps surveys		
Reserves	Capacity Fund - Targeted Marketing Campaign	(11,250.34)	11,250.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Destination Telford .	Fully committed in 16/17, supplementing Destination Telford.	
Reserves	Capacity Fund - First Point for Business			0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Fund Balances	Destination Telford	(168,114.15)	139,000.00	(29,114.15)	29,114.15	0.00	0.00	0.00	0.00	0.00	Destination Telford .	Committed in 16/17 and ongoing, supplementing Destination Telford.	
Reserves	Growth Hub development	(10,045.95)		(10,045.95)		(10,045.95)		(10,045.95)		(10,045.95)			
Reserves	Car Parking Enforcement Balances	(11,822.05)		(11,822.05)		(11,822.05)		(11,822.05)		(11,822.05)	Was used to fund A Brookes post which is now vacant. Could be used to assist with the Permits invest to save proposal.	Committed to the 2016/17 position	
Reserves	Development Control Highways	(52,952.76)	52,952.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Balance trfd from YBAC Capacity fund £37,948 15/16 and £38,328 16/17 to fund .Highways Development Control officer.	Will be fully applied by 16/17	
Reserves	Environmental Services Gen Reserve	(141,000.00)	141,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Granville House Refurb fund £16k, Eastern Primary Clean £25k, Cleaning of drains and gullies £25k, Drainage schemes £30k, road sweeping £30k, Castlefields Way £15k.		
Reserves	Leisure Grant Holding Account	(34,820.27)		(34,820.27)		(34,820.27)		(34,820.27)		(34,820.27)		Committed to in year position	
Reserves	Sponsorship Fund			0.00	0.00	0.00	0.00	0.00	0.00	0.00		Funding for Apprentice.	
Reserves	Local Plan Enquiry	(221,208.03)		(221,208.03)		(221,208.03)		(221,208.03)		(221,208.03)	Public Examination of Local Plan	Enquiry due to take place November 2016 but delayed so costs not yet known	
Reserves	Planning Appeal costs	(46,623.50)	30,280.00	(16,343.50)	16,343.50	0.00	0.00	0.00	0.00	0.00	Set aside for legal costs associated with planning appeals		
Reserves	Waste Contract Sinking Fund	(1,863,485.68)	376,700.00	(1,486,785.68)	277,687.51	(1,209,098.17)		(1,209,098.17)		(1,209,098.17)	Enable the ongoing management of new Waste contract.	Fully committed for new Waste contract.	
Reserves	Pride in Your Community	(301,832.58)	281,833.00	(19,999.58)		(19,999.58)		(19,999.58)		(19,999.58)	Fully committed for Pride		

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
Reserves	Grounds & Cleansing Contract	(150,000.00)	150,000.00	0.00		0.00		0.00		0.00		To fund initial data capture work required for new grounds cleansing contract. Spend to be incurred in 2016/17	
Reserves	Telford Town Park Commuted Sums	(19,990.00)		(19,990.00)		(19,990.00)		(19,990.00)		(19,990.00)		Balance to be built up over 10 years to fund management and maintenance plan for further ten years after 2020.	
Reserves	Parish Environmental Teams	(30,167.20)	30,167.20	0.00		0.00		0.00		0.00		Balance of Parish Contribution to scheme to fund materials/works.	Expected draw down against parish material spend and additional apprentice costs over and above Parish £5k contribution.
Reserves	Public Realm	(7,880.80)	7,880.80	0.00		0.00		0.00		0.00		Member/Parish council contributions received relating to works to be completed in 16/17	
Reserves	Capital grant funding held as a reserve	(579,300.10)	579,300.10	0.00		0.00		0.00		0.00		Committed to funding the capital programme	
Reserves	Family Nurse Partnership Monies	(20,000.00)	20,000.00	0.00		0.00		0.00		0.00		Monies received from CCG to support Safeguarding initiative in relation to Family Nursing	
Reserves	Transport	(168,830.00)	40,000.00	(128,830.00)	40,000.00	(88,830.00)	28,830.00	(60,000.00)		(60,000.00)		Costs for purchase of Sat Nav system for Fleet vehicles and logical system change and for replacement vehicles and adaptations and for Transport work in Commissioning	Reserve to be allocated between SDUs
Reserves	Transport Review Reserve			0.00		0.00		0.00		0.00			
Reserves	SEN Review Reserve	(100,000.00)	45,000.00	(55,000.00)	55,000.00	0.00		0.00		0.00		To fund additional costs associated with review and introduction of EHCP including external support	
Reserves	EHS Transformation	(92,678.10)	18,635.00	(74,043.10)	74,043.10	0.00		0.00		0.00		To support new model and transformation of EHS	
Reserves	Substance Misuse Bond Scheme	(24,351.81)	5,000.00	(19,351.81)	5,000.00	(14,351.81)	5,000.00	(9,351.81)		(9,351.81)		Supports charitable housing options e.g Manning Place & KIP project	
Reserves	New Technology	(140,009.92)		(140,009.92)		(140,009.92)		(140,009.92)		(140,009.92)		Committed to Financial Management system development	
Reserves	Catering Control Account	(39,425.42)	20,000.00	(19,425.42)	19,425.42	0.00		0.00		0.00		Funding to Support Lets Cook Project and other initiatives if required	To be kept under review
reserves	Organisational Improvement Fund	(6,145.12)		(6,145.12)		(6,145.12)		(6,145.12)		(6,145.12)		To fund Organisational Improvement Programme	
Reserves	Cooperative Council Initiatives	(19,867.95)	5,000.00	(14,867.95)	5,000.00	(9,867.95)	5,000.00	(4,867.95)	4,867.95	0.00		To pump prime new income initiatives	
Reserves	Mystery Shopper Exercise	(560.00)	560.00	0.00		0.00		0.00		0.00		Committed	
Reserves	Library Self Service Facilities	(6,824.73)	6,824.73	0.00		0.00		0.00		0.00		Used to fund replacement of public access PC's within Libraries, set up and Internet Cafe and support Library Self Serve facilities. This will be required to support the transfer of Library services to Parishes.	
Reserves	Crisis Assistance Reserve	(111,244.99)	96,963.00	(14,281.99)	14,281.99	0.00		0.00		0.00		To support work on crisis assistance scheme including a grant to the CAB and Just Credit union.	
Reserves	Graphic Design - PC Replacement Reserve	(4,959.69)	4,959.69	0.00		0.00		0.00		0.00		For replacement equipment	
Reserves	Corporate Communications Reserve	(18,297.20)	12,247.00	(6,050.20)		(6,050.20)		(6,050.20)		(6,050.20)		To fund Gov Connect and training costs.	
Reserves	People Services Reserve	(7,437.95)		(7,437.95)		(7,437.95)		(7,437.95)		(7,437.95)		Funding for scanning of personnel files.	
Reserves	Delivery & Planning Reserve	(26,877.97)		(26,877.97)		(26,877.97)		(26,877.97)		(26,877.97)		IEWM Grant to fund training costs	
Reserves	Register Office	(137.71)	137.71	0.00		0.00		0.00		0.00		£4k for replacement headstones and the balance is for back scanning of registration documents	
Reserves	Finance	(50,747.62)		(50,747.62)		(50,747.62)		(50,747.62)		(50,747.62)		To provide specialist advice, additional hours and support for Finance	
Reserves	Revenues Reserve	(160,000.00)		(160,000.00)		(160,000.00)		(160,000.00)		(160,000.00)		To provide additional support to the Revenues Service	
Reserves	Modern Apprentice Reserve	(75,000.00)	15,000.00	(60,000.00)	15,000.00	(45,000.00)	15,000.00	(30,000.00)	15,000.00	(15,000.00)		To fund modern apprentices across the 2 accountancy teams (no base budget).	
Reserves	Commercial Development Reserve	0.00	25,000.00	25,000.00		25,000.00		25,000.00		25,000.00		Professional support for commercial initiatives, such as the WOC	
Reserves	Treasury Management Reserve	(60,000.00)		(60,000.00)	30,000.00	(30,000.00)	30,000.00	0.00		0.00		Set aside to provide support for any technical advice needed	
Reserves	Library Book Fund			0.00		0.00		0.00		0.00		For the purchase of new books in Southwater	

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
Reserves	Land Charges	(96,255.00)		(96,255.00)		(96,255.00)		(96,255.00)		(96,255.00)		To support the pricing review of Land Charges. This is likely to be used to support the costs of litigation	
Reserves	Care & Enablement Reserve	(70,785.00)		(70,785.00)		(70,785.00)		(70,785.00)		(70,785.00)		To support restructure proposals	
Reserves	Co Operative Council & Commercial Projects Fund-Reserve	(55,071.01)	40,000.00	(15,071.01)	15,071.01	0.00		0.00		0.00		To be used for 16/17 Commercial projects - and other issues Wellington Health Suite and Private Wire feasibility	
Reserves	Transformation Posts Reserve	(165,184.26)	14,289.41	(150,894.85)	98,000.00	(52,894.85)	52,894.85	0.00		0.00		To support transformation of EHS and delivery of new Target operating model	
reserves	Public Health Grant	(178,118.16)		(178,118.16)		(178,118.16)		(178,118.16)		(178,118.16)		Fully Committed for use in 2016/17 - ringfenced for Public Health purposes	
Reserves	Joint Arrangement			0.00		0.00		0.00		0.00			
Reserves	Early Help Partnership	(69,263.53)		(69,263.53)		(69,263.53)		(69,263.53)		(69,263.53)		Local Advisory Board Development – locality working. To build capacity within the voluntary sector to deliver the Healthy Child Programme, Children Centre Core Purpose and activity to support school readiness (as directed by the Early Help Partnership Board and in response to the recent Early Help and Support Restructure)	
Reserves	Childrens Services Reserves - Early Intervention	(79,157.19)	79,157.19	0.00		0.00		0.00		0.00		Used to offset 16/17 position	
Reserves	BCF Risk Reserve	(200,590.97)	132,121.00	(68,469.97)	68,469.97	0.00		0.00		0.00		To support development and transitional costs of such developments within BCF and to offset bottom line 2016/17	
Reserves	Change Programme	(141,384.62)	50,159.00	(91,225.62)	91,225.62	0.00		0.00		0.00		To support work on CIP and Target Operating Model changes including locality working.	
Reserves	ICT Infrastructure	0.00		0.00		0.00		0.00		0.00		Required for upgrade to Abacus and work to integrate 2 main Adult systems - Carefirst & Abacus. Expansion of mobile working.	
Reserves	Workforce Development	(90,347.50)	36,578.00	(53,769.50)	53,769.50	0.00		0.00		0.00		This is required to ensure new ways of working re assessment & support planning are embedded in day to day working. As part of restructured workforce.Changes (as agreed with CCG) in relation to brokerage and CHC referrals also require training	
Reserves	Innovation fund	(195,000.00)	106,000.00	(89,000.00)	89,000.00	0.00		0.00		0.00			
Reserves	Revitalise Fund (Pride In Your High Street)	(800,000.00)	164,173.00	(635,827.00)	635,827.00	0.00		0.00		0.00			
Reserves	Creative Development	(25,783.46)		(25,783.46)		(25,783.46)		(25,783.46)		(25,783.46)			
Reserves	Time for Me offer	(23,610.50)		(23,610.50)		(23,610.50)		(23,610.50)		(23,610.50)			
Reserves	Leisure/Aspirations Invest to Save Funding	(130,912.02)		(130,912.02)		(130,912.02)		(130,912.02)		(130,912.02)		Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year. £13k sinking fund contribution budget pa had been taken in previous savings rounds.	No budgeted provision
Reserves	Tennis Centre Sinking Fund			0.00		0.00		0.00		0.00		Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year. £13k sinking fund contribution budget pa had been taken in previous savings rounds.	
Reserves	Procurement Advice reserve	(29,561.00)	0.00	(29,561.00)	29,561.00	0.00		0.00		0.00		For GPC Advice & Procurement systems	
Reserves	World Heritage Lottery Fund	(5,000.00)	5,000.00	0.00		0.00		0.00		0.00		Now agreed with IGMT	
Reserves	Young Persons Substance Misuse	(74,891.17)	12,000.00	(62,891.17)	62,891.17	0.00		0.00		0.00		funding of a peer support and mentoring offer for children and young people with drug and alcohol problems	
Reserves	Carers Services	(29,500.24)	29,500.24	0.00		0.00		0.00		0.00		For 16/17 position	
Reserves	Accommodation	(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)		To be used to support Accommodation Strategy	
Total Specific Earmarked Service Balances		(12,054,802.01)	5,075,378.81	(6,979,423.20)	2,661,846.86	(4,317,576.34)	600,571.22	(3,717,005.12)	273,120.40	(3,443,884.72)			
Overall Total		(78,321,880.22)	7,791,788.70	(70,530,091.52)	5,079,629.46	(65,450,462.06)	2,381,958.70	(63,068,503.36)	1,049,449.76	(62,019,053.60)			

Budget Strategy – Communication and Consultation Plan – November 2016 to March 2017

APPENDIX 6

Task	Who	Timescale
Scope equality impact assessment and consultation requirements for savings	Community Participation Team and all Service Areas	November
Agree approach to consultation and communication	Community Participation Team, SMT and Cabinet	November
Prepare and agree budget communication and consultation materials and presentations	Community Participation Team, Financial Management Team, Communications, Cabinet Member for Finance & Service Delivery	November - December
Budget proposals agreed by Cabinet – communication regarding budget approach to be linked to date papers published		5 January
Launch budget proposals to include radio interview, media release, community panel, budget page, social media, partner communication	Corporate Communications	6 January
Attend Young People’s Forum	Cllr Paul Watling and YPF Support Officers	11 January
Attend Senior Citizens Forum	Cllr Lee Carter and Cllr Arnold England (Cabinet Member for Adult Social Care & Older People) Finance Officer Support	25 January
Attend Business Board	Cllr Lee Carter and Richard Partington (Managing Director)	January (date TBC)
Attend Parish Forum	Cllr Lee Carter and Ken Clarke, Jonathan Rowe	10 January
Attend Schools Forum	Jim Collins	January (date TBC)
Attend Voluntary Sector Chief Officers Group	Cllr Lee Carter and Ken Clarke	18 January
Attend a joint unions meeting	Cllr Lee Carter and Ken Clarke	26 January
Close of formal consultation period		5 February

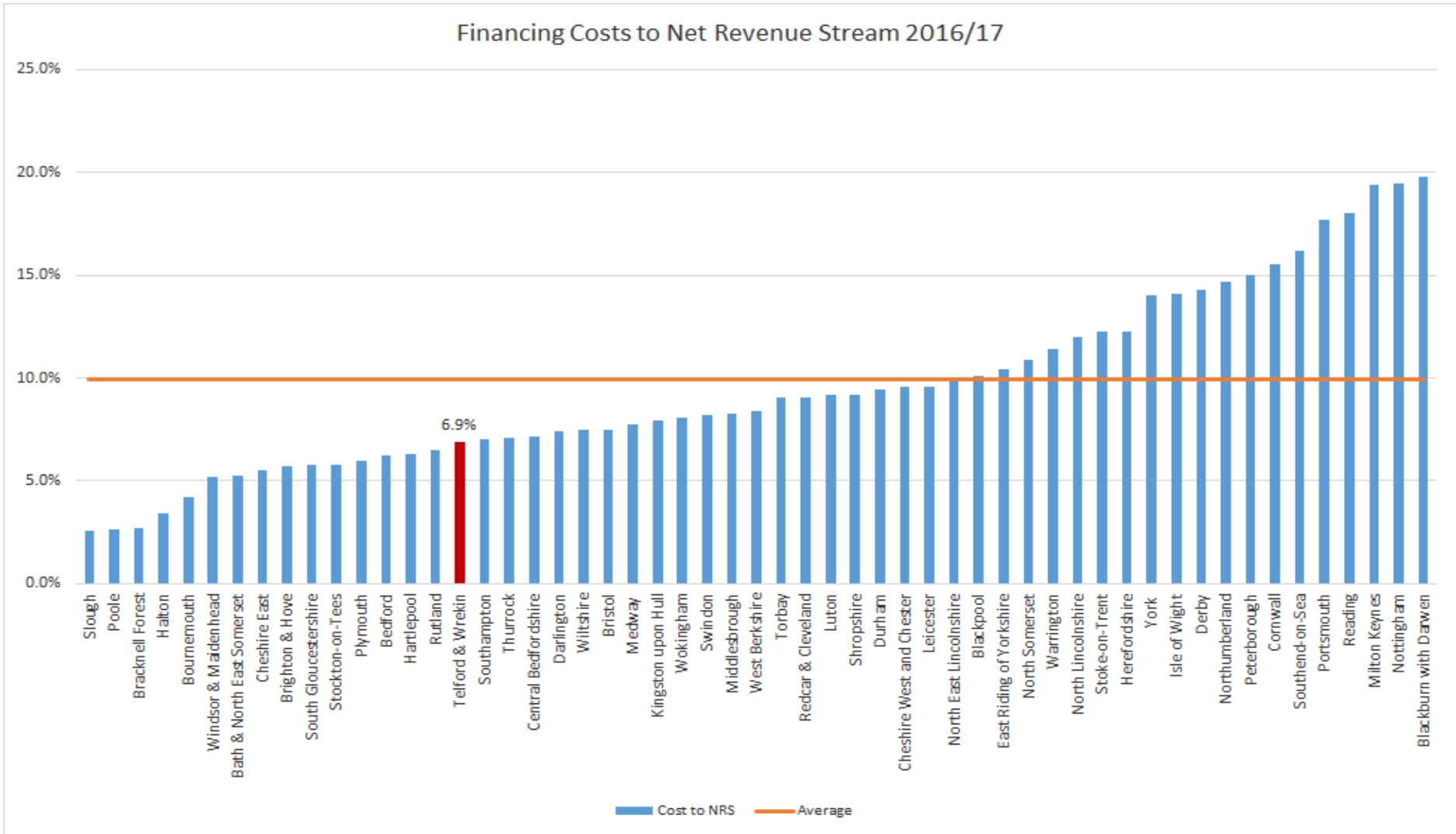
Share findings of consultation	Community Participation and Organisational Delivery and Development	7 February
Cabinet		23 February
Full Council		2 March
Ongoing discussion and planning with stakeholders, residents and partners		March onwards

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	Additional Savings			Total Ongoing Saving	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
					2017/18	2018/19	2019/20					
					£		£	£				
Managing Director: Richard Partington												
Business, Development & Employment												
1	Service Review/Redesign	B	Saving from early delivery 16/17 & 17/18 - i.e. overdelivery against 17/18 targets	No	297,537			297,537	Various	Savings from over delivery of 16/17 and 17/18 savings targets	None	None
Total Business Development & Employment					297,537	-	-	297,537				
Finance & HR												
2	Staffing	B	Fundamental Service Review and Restructure across the whole of Finance & Human Resources	No	54,000	342,370	117,000	513,370	Pauline Harris/Tracey Smart/Julie Pugh/Sophie Lane/Sue Wilson	Reduction in staffing budgets is the only option to make savings. This will be achieved through a combination of service re-design and some service cuts. This includes more automation following the implementation of the new payroll system and maximising the use of Agresso by service Managers..	None	None
3	Staffing	B	Reduction in PA support team budget	No	4,140			4,140	Ken Clarke	Residual budget following previous staffing changes	None	None
4	Income	C	Increased income from trading with schools	No	12,000			12,000	Tracey Smart	Income from additional work being done and anticipated for schools	None	None
5	Non-Staffing	D	Review of accounting policies including capitalisation of interest for projects which are not complete at year end and benefits from active treasury management	No	150,000			150,000	Pauline Harris	Review of accounting policies that may generate a revenue saving e.g. where capital projects are underway but not complete at year end our policy would be to capitalise the interest costs relating to any borrowing rather than making a charge to revenue.	None	None
Total Finance & HR					220,140	342,370	117,000	679,510				
Cooperative Council												
6	Staffing	B	Staffing restructures in CPT and ODD to realign services to meet changing needs of organisation.	No	161,460			161,460	Jon Power/Rachael Jones	Restructure of Organisational and Delivery and Community Participation Teams in order to review services delivered by teams to support changing needs of the organisation, full savings to be delivered in 2017/18	None	None
7	Non-Staffing	E	Unallocated funding as result review corporate grants 2015, agreed in budget strategy 2016/17	Yes - completed	112,300			112,300	Rachael Jones	Review of corporate grants carried out 2015, saving relates to unallocated funding. Separate funding of £100k has been set aside for capacity building voluntary sector, proposed £95,300 unallocated from 2016/17 added to give fund of £195,300.	None	None
Total Cooperative Council					273,760	-	-	273,760				
TOTAL SAVINGS RICHARD PARTINGTON					791,437	342,370	117,000	1,250,807				
Director: Clive Jones												
Education & Corporate Parenting												
8	Service Review/Redesign	B	As part of changes to education funding arrangements, to seek agreement from schools to fund some services as part of a collective top-slice from school budgets in 2017/18	Yes - with schools	158,333	41,667		200,000		Opportunity arising as part of changes to the education funding arrangements.	None	None
9	Service Review/Redesign	B	Savings not delivered in 2017/18		(158,333)			(158,333)	N/A		None	None
Total Education & Corporate Parenting					-	41,667	-	41,667				
Legal, Procurement & Commissioning												

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
10	Staffing	E	Audit, IG & Insurance - Service Review	No	43,043	48,767	0	91,810	JE	Audit, Insurance & Information Governance Services Service reduction	None	None
11	Non-Staffing	E	Audit, IG & Insurance - Cost Savings	No	6,730	0	0	6,730	JE	Savings - principally on training and development	None	None
12	Non-Staffing	E	Procurement & Brokerage - Cost Savings	No	2,000	3,000	0	5,000	SB	Savings - principally on training and development	None	None
13	Non-Staffing	B	SLA budget - Commissioning	No for 2017/18; may be required for 2019/20 saving	182,000	0	100,000	282,000	LT	In the first instance this has been identified as BCF spend and budget allocated from existing funding not currently allocated. Year 19/20 savings will come from a change in the way that the voluntary sector is funded	None	None
14	Non-Staffing	E	TAMHS grant - cease	No	7,132	0	0	7,132	LT	This service is no longer provided	None	None
Total Legal, Procurement & Commissioning					240,905	51,767	100,000	392,672				
TOTAL SAVINGS CLIVE JONES					240,905	93,434	100,000	434,339				
Director: Jonathan Rowe												
Customer & Neighbourhood Services												
15	Non-Staffing	B	Review of budgets across Customer services	No	5,000			5,000	Lee Higgins	this is a line by line review that will allow us to further reduce the remaining revenue budgets left in customer services	None	None
16	Non-Staffing	B	Reduction in mystery shopping budget as now undertaken in house	No	18,000			18,000	Lee Higgins	We have reduced our number of mystery shopper exercises and now use more 'volunteers' so we can reduce this budget accordingly with no major impact	None	None
17	Staffing	B	Restructure of Customer Services and Benefits	No	158,240			158,240	Lee Higgins	The restructure proposals have already been launched so that this savings will be delivered early in the spirit of one restructure to help mitigate impact on morale of constant restructures	None	None
18	Non-Staffing	B	Retain the provision for enhanced winter maintenance services during significant Snow events as per winter maintenance policy, but to fund from contingency if events happen and not continue to fund from Revenue Budgets	No	45,000			45,000	Dave Hanley	Additional funding was provided for the enhanced level of winter maintenance for the last few years the winters have not been as harsh leading to a small underspend in the service. As a result the proposal is to remove the 'revenue' budget, still continue to provide the enhanced service and during a harsh winter if winter budgets are stretched the service will call on the corporate contingency pot for that year to continue the service.	Recognises the importance of winter maintenance to ensure flow of traffic to minimise impact on local businesses	None
19	Non-Staffing	B	To retain the commitment to support partnership deployment of flood barriers, but to reduce revenue funds to equate with average costs experienced over recent years and to use corporate contingency if required during exceptional levels of rainfall.	No	20,000			20,000	Dave Hanley	The flood barriers in the Gorge have not been installed as frequently over the last 4 years and therefore we believe we can reduce the budget by 20K and still provide the level of resilience required in times of flooding	Recognises the importance of flood prevention to minimise impact on local businesses/tourism etc	None
20	Non-Staffing	B	Removal of R & M budgets for bus shelters	No	30,000			30,000	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme.	None	None
21	Non-Staffing	B	Removal of the revenue budget for traffic surveys budget and use capital as required	No	15,920			15,920	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme	Recognises the importance of understanding traffic flows to plan effectively to manage the road networks and so minimise impact on local businesses/tourism etc	Recognises the importance of understanding traffic flows to plan effectively to manage the road networks and so minimise impact on the environment through efficient travel
22	Staffing	B	Restructure of Corporate Communications Team	No	37,000			37,000	Nigel Newman	This is a reduction in posts within the corporate comms team and reflects the 12% across the board savings required. We believe we can deliver this savings through more generic officers working in comms e.g. all working on social media, pr and internal comms	None	None
Total Customer & Neighbourhood Services					329,160	-	-	329,160				
Commercial Services												
23	Income	C	Increase primary school meal prices from £2 to £2.30 over a 3 year period	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	40,000	40,000	40,000	120,000	Lorna Hicks (Stuart Davidson)	School meal price hasn't changed for paid meals for 3 years. Free School Meals are charged at £2.20 so an increased charge over a 2 year period would bring this in line by 18/19. A further increase to £2.30 by 2019/20 is considered reasonable, as a cost of £2.30 is comparable with other providers.	None	None

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
24	Income	C	Extend swimming lesson programme	Y	15,500	8,500	0	24,000	Mark Moore (Stuart Davidson)	Based on current performance it is considered that there is potential to generate additional income from an expansion of the lesson programme.	None	None
25	Income	C	Review of off-peak ice staking concessions (increase to half non-concessionary rate in 2017/18)	N in 17/18 (part of annual pricing review)	4,929	2,000	0	6,929	Mark Moore (Stuart Davidson)	Benchmarking suggests that our concessions policy is relatively generous. Increasing off-peak skating concessionary prices as proposed is again a comparatively generous concession, particularly as majority of other ice rinks are privately run and do not offer concessions at all. The impact of Club 2000 price review would only impact on Club 2000 members - to enable the club to be supported with this, it is proposed that this price increase does not take effect until 18/19.	None	None
26	Income	C	Review ice rink hire fees	Y	12,800	7,200		20,000	Mark Moore (Stuart Davidson)	Benchmarking indicates that current Ice Skating lesson prices are cheap compared with other Ice Rinks, it is proposed to increase the charges by 10% in 2017/18 and a further 5% in 2018/19.	None	None
27	Income	C	Services for Schools price review to improve the profitability of services provided	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	82,000	33,000	33,000	148,000	Chris Goulson/Kirsty King/Stuart Davidson	Initial financial modelling suggests full costs are not always being recovered, therefore prices need to be increased - proposed target is £52k for Cleaning, £35k for Caretaking, £11k for ICT. An additional £50k saving on Primary School Catering budget (contingency) has also been identified, which can be delivered in 2017/18.	None	None
28	Income	C	Improve profitability of Arthog/Arthog outreach	N	18,515	51,500	27,825	97,840	Jo Barnett (Stuart Davidson)	The saving in 2018/19 includes £25k relating to repayment of loan which ceases in 17/18 and this is the release of that element. The remaining saving relates to additional income target from 2017/18 onwards, as analysis of occupancy of Arthog shows that there is scope to increase profitability of the Centre, particularly at weekends.	None	None
29	Non-Staffing	D	Additional reductions in black and white printing (build controls into re-tender of MFD) plus additional savings from colour printing in 17/18	N	87,000	30,000	30,000	147,000	Kirsty King	A £32k saving linked to reductions in colour printing was built into 2016/17 budgets, so an additional saving of £87k is proposed for 2017/18 based on us continuing to reduce costs by approx. £10k per month. For 2018/19 and 2019/20, proposal is to reduce black and white printing by an additional 15% in each year, based on current average monthly black and white printing cost of £16.6k.	None	Positive impact in terms of reduced paper consumption and consumables together with reduced energy use.
30	Staffing	D	Additional savings arising from 2016/17 review of cleaning specification and associated restructure	N	48,000			48,000	Kate Sumner (Stuart Davidson)	The review of cleaning specification and programme of building closures will achieve a saving of £48k over and above the £110k target.	None	None
31	Staffing	D	Deletion of 2 posts in biT and creation of 1 higher-level apprentice/graduate post	N	57,990			57,990	Chris Goulson	Saving to be achieved as a result of a VR request and a vacancy. Reduction in capacity can be accommodated due to reduction of BSF work.	None	None

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
32	Service Review/Redesign	D	Other savings already brought forward for 17/18 - over delivery against 17/18 targets	N - already consulted on	72,450			72,450	All SDMs in Commercial Services	N/A	None	None
33	Income	C	White label' partnership with established energy price comparison service	Y - market research will be needed	5,000	3,000		8,000	Toni Guest	Proposed model is to partner with an established provider to provide a TWC-branded energy price comparison service with commission being paid on conversions. Model includes legal and marketing costs and assumes 3% of residents participate (similar to that achieved by other local authorities).	Potential impact on other energy suppliers.	
Total Commercial Services					444,184	175,200	130,825	750,209				
TOTAL SAVINGS JONATHAN ROWE					773,344	175,200	130,825	1,079,369				
OVERALL TOTAL SAVINGS					1,805,686	611,004	347,825	2,764,515				



Section 106 Monetary Contributions Received and Expended for Education Purposes 01/04/16 to 31/03/17

APPENDIX 9

Planning Application No	Scheme	Bal brought forward	Income	Expenditure	Bal Carried forward	Project	
E003	W2010/0011	Wakins Nursery Apley Castle	-30325.88	0.00	0.00	-30325.88	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
E006	W2005/0961 & TWC/2012/0408	Marshbrook Way Donnington	0.00	0.00	0.00	0.00	Towards Muxton 3 class extension - completed
E007	W2009/1015	Land at Church Farm Yard	0.00	0.00	0.00	0.00	Preston St Lawrence CE Primary refurb - completed
E015	TWC/2012/0320 & TWC/2013/0720	Land off Sommerfield Road	-121609.68	-118470.00	0.00	-240079.68	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
E016	TWC/2011/1037	Land at The Walker Institute (Phase 2)	-38065.72	0.00	0.00	-38065.72	Will be used for expansion in North East Telford - project yet to be confirmed.
E019	W2006/1347	Leegomery Centre	-27630.77	0.00	0.00	-27630.77	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
E020	TWC/2011/0821	Land at Wellington Rd Newport	0.00	-702910.00	0.00	-702910.00	New primary provision & expansion of secondary provision
E021	TWC/2013/0938	Land to the South Side of Holyhead Rd	-50544.09	-50000.00	0.00	-100544.09	Will be used for expansion in North West Telford - project yet to be confirmed.
E575	W2004/0981 & TWC/2013/0096	KMC (comm.centre/sch design)	-660000.00	-27629.60	688338.03	708.43	Meadows Primary Extension - completed
E603	W2005/1290	Dawley Bingo Hall	0.00	0.00	0.00	0.00	Captain Webb Primary redevelopment completed
E605	W2005/0659 & W2007/1161	Land @ Britannia Way	-91539.36	0.00	293.98	-91245.38	To be used within vicinity of development - HLC
E607	TWC/2010/0638	Land at The Pidgeon Box	-53996.34	0.00	54057.53	61.19	Will be used for expansion in North East Telford - project yet to be confirmed.
E609	W2007/1732	Capewell Works	0.00	0.00	0.00	0.00	Teagues Bridge Primary - 3 class & hall extension - completed
E610	W2005/0661	Parkdale - Hadley	293.98	-293.98	0.00	0.00	To be used within vicinity of development - HLC
E620	TWC/2012/0371	Land at Muxton C2 & C3	-105946.87	0.00	106001.75	54.88	Towards Muxton 3 class extension - completed
E624	TWC/2010/0147	Land @ Holyhead Rd (former garage)	0.00	0.00	0.00	0.00	Meadows Primary Extension - completed
E627	TWC/2012/0211	Land at Maynards Croft Newport	-36601.67	-2110.75	0.00	-38712.42	Newport Infant 2 class extension project - completed
E628	TWC/2010/0722	Redhill - Education	-109461.39	0.00	109517.89	56.50	Will be used for expansion in North East Telford - project yet to be confirmed.
E630	TWC/2012/0609 & TWC/2014/1124	Woodlands Primary Redevelopment	-92621.65	0.00	92669.63	47.98	Woodlands Demountable (15/16) & John Fletcher Primary Works (16/17)
E636	TWC/2012/0787	Former White Hart Pub	0.00	0.00	0.00	0.00	Captain Webb Primary redevelopment completed
E637	TWC/2013/0297	Land off Edgmond Rd Newport	-206879.75	0.00	0.00	-206879.75	To be used toward expansion of education facilities in Newport area - project yet to be confirmed
E642	TWC/2014/1122	Land at junction of Stirchley Ave Randlay	-40182.64	0.00	0.00	-40182.64	Randlay Primary School Kitchen Works (16/17)
EH45	W2006/0608	Land off Church Walk Donnington	0.00	0.00	0.00	0.00	Muxton 3 class extension - completed
YD25	TWC/2013/0083	Land at Hadley Park West (Oakehampton Rd)	-365557.35	-130807.00	0.00	-496364.35	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
YD26	TWC/2012/0886	Land at 121-125 Hadley Park Road	-39494.06	0.00	0.00	-39494.06	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
YD27	TWC/2010/0089	Highfield House	0.00	0.00	0.00	0.00	St Patricks Primary School refurbishment
YD28	TWC/2014/0333	Land at Corner of Stafford Rd/A41 Newport	-73950.99	0.00	0.00	-73950.99	To be used toward expansion of education facilities in Newport area - project yet to be confirmed
YD30	TWC/2010/0828	Lawley Primary New School	-151400.04	-294736.84	0.00	-446136.88	1st & 2nd installment re new School at Lawley & school expansion plan sum
YD57	TWC/2014/0360	Land at Heath Hill/Balls Hill	0.00	0.00	0.00	0.00	Cotribution to Captain Webb Primary Extension
YD59	TWC/2013/0606	Land at Hadley Park Rd West Millar Homes	0.00	-134386.00	134386.00	0.00	To be used within vicinity of development - HLC PRIMARY EXPANSION
YD61	TWC/2014/0882 & TWC/2015/0177	Park Road Malinslee	-52512.20	0.00	52582.29	70.09	Old Park Primary Extension (16/17)
YD82	TWC/2015/0028	Land at Frome Way Donnington	-98750	-2083.01	0.00	-100833.01	Teagues Bridge Primary - 3 class & hall extension - completed
YD84	TWC/2013/0693	Heath Court, Cliff Cres Ellerdine	0.00	-20571.00	0.00	-20571.00	High Ercall Adaptations

Totals

-2446776.47	-1483998.18	1237847.10	-2692927.55
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-2692927.55

To 31/10/16 0.00

APPENDIX 10 - TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET - BEFORE SAVINGS AND INVESTMENTS

Service Delivery Unit	<u>2017/18</u> <u>GROSS</u> <u>EXPENDITURE</u> £	<u>2017/18</u> <u>GROSS</u> <u>INCOME</u> £	<u>2017/18</u> <u>NET</u> <u>EXPENDITURE</u> £
Health & Well-Being	18,495,218	16,911,593	1,583,625
Governance, Procurement & Commissioning	11,272,491	7,940,507	3,331,984
Customer & Neighbourhood Services	117,130,862	87,198,232	29,932,630
Business, Development & Employment	14,134,793	14,320,420	(185,627)
Commercial Services	37,416,050	33,939,100	3,476,950
Finance & Human Resources	8,570,690	7,177,510	1,393,180
Early Help and Support	57,369,127	14,866,178	42,502,949
Childrens Safeguarding	21,460,605	624,961	20,835,644
Education & Corporate Parenting	130,766,719	117,514,879	13,251,840
Co-operative Council	3,533,357	2,058,867	1,474,490
Council Wide Items	5,568,984	8,116,298	(2,547,314)
Netting off of Internal Recharges included above	(35,126,107)	(35,126,107)	0
Total	390,592,788	275,542,438	115,050,350
Contributions To/From Balances	2,475,000	434,750	2,040,250
Net Total	393,067,788	275,977,188	117,090,600

Budgets for Service Delivery Units will be restated once the Council has made final decisions on the savings and investment proposals contained in this report.

Base Budget Movements from 2016/17 - APPENDIX 11

	2017/18	
	<u>£'000</u>	<u>£'000</u>
2016/17 Base Budget		122,279
Net Transfer to Collection Fund Reserve		(1,054)
		<u>121,225</u>
<u>Inflation</u>		
General	(244)	
Pay Inflation	799	
		556
<u>Pressures</u>		
Pensions - Increases to the employers contribution mainly due to the triennial evaluation	2,179	
Apprentice Levy	303	
Impact of changes to Grants including reduced Education Services Grant and cuts to Public Health Grant	1,792	
Ofsted Recommendations	150	
Funding for Safeguarding Ofsted Action Plan	200	
Social Care Cost Pressures - transitional clients	308	
CHC - impact of reduced funding	2,400	
New Better Care Fund Funding	(500)	
Other	(811)	
		6,021
<u>Capital/Treasury</u>		
Impact of Capital Programme	(689)	
		(689)
<u>Less Savings</u>		
Savings Proposals - approved in March 2016 Strategy	(11,937)	
		(11,937)
<u>Plus Pressures - approved in March 2016 Strategy</u>	1,915	
		1,915
Base Budget		117,091
<u>Less Funding</u>		
Council Tax Income - including 3.2% increase and collection fund surplus	61,823	
Revenue Support Grant - per settlement	18,457	
Parishes CTS Grant - in line with reductions in RSG	(185)	
Retained Business Rates including top up and S 31 grant	39,468	
Total Funding		119,563
Base Budget Surplus		(2,473)

TELFORD & WREKIN COUNCIL**CABINET - 5TH JANUARY 2017
COUNCIL - 19TH JANUARY 2017****COUNCIL TAX SUPPORT SCHEME 2017/18****LEAD CABINET MEMBERS - CLLR LEE CARTER & CLLR PAUL WATLING****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 On the 31st March 2013 the national Council Tax Benefit scheme was abolished and replaced with a new system of localised Council Tax Support which requires each billing authority to design and implement its own system for awarding council tax discounts to customers who are on low incomes.
- 1.2 Telford & Wrekin Council's Council Tax Support scheme for 2013/14 was approved by full Council on the 22nd November 2012 and commenced on the 1st April 2013. Each year since then Full Council have approved the recommendation to retain the scheme unchanged, apart from last year (2015/16) where a Self Employed minimum income and Council Tax Support Cap were introduced.
- 1.3 We are recommending that for 2017/18 we introduce some changes to the scheme that will make savings to the overall annual cost, as well as making some technical and legislative amendments that are necessitated each year by Government. These recommended changes have been to full public consultation and have been supported; in particular they have been supported by constituents currently in receipt of Council Tax Support, who will be directly affected.
- 1.4 In addition to the technical changes that retain the synergies between the Housing Benefit scheme and the Council Tax Support scheme we are recommending to further reduce the amount of support awarded to all working age claimants, by increasing the percentage reduction amount from 21% to 25%. We are also proposing to replicate changes that the Government are making to the Housing Benefit scheme by introducing a cap on the number of children who are included in the assessment of entitlement, reducing the temporary absence rule to four weeks . We are proposing that this scheme will then stay in place until March 2020, unless Government Policy changes significantly.
- 1.5 The Council Tax Hardship fund has been invaluable over the last three years in assisting us to award help to the most financially vulnerable customers and it is proposed that it continues in 2017/18 and we engage with the specific customers who are affected by the proposed changes to make them aware of the fund.

2. RECOMMENDATIONS

- 2.1 That Cabinet recommend that Full Council approve the Council Tax Support Scheme Policy for 2017/18 attached in Appendix A.
- 2.2 That Cabinet recommend that Full Council approve the continuation of the Council Tax Hardship Policy and accompanying funding..

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	No	
	Will the proposals impact on specific groups of people?	
	Yes	These proposals will impact on all current and future working age recipients of Council Tax Support.
TARGET COMPLETION/DELIVERY DATE	The Council Support Tax scheme must be approved by full Council no later than 31 st January 2017. The 2017/18 Council Tax Support scheme will commence on the 1 st April 2017.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	

FINANCIAL/VALUE FOR MONEY IMPACT

Funding for Council Tax Support (CTS) is included within the overall grant funding the Council receives from Central Government but is not separately identifiable. As the Government continues to cut local government funding, by implication, there is less funding available for CTS.

The Government cut the amount of funding it provided for CTS when the responsibility to design localised Council Tax Support Schemes was passed to Local Authorities in April 2013/14. This led to the 21% global reduction in CTS given to less-vulnerable, working age claimants, although pension age claimants were not affected by the changes. The percentage reduction remained at 21% in 2014/15, 2015/16 and 2016/17.

The Council has faced unprecedented cuts to funding from Central Government together with increasing demands for services, such as looking after vulnerable children and adults, which have resulted in savings totalling £96m being required over the past 8 years in order to set a balanced budget. The 2016/17 savings package included a proposal to reduce the costs of the Council Tax Support scheme by £0.235m. The combination of reduced claimant numbers and changing the percentage reduction rate to 25% will deliver this saving.

	Estimated Cost of CTS Discounts £m
2017/18 Estimated Cost @ 21% percentage reduction	12.36
2017/18 Estimated Cost @ 25% percentage reduction and reduction in caseload	12.01
Saving applied to Total Council Tax	(0.35)
Saving applied to T&W element of Council Tax (77%)	(0.27)
Note: 3.2% CT Increase assumed in 17/18	

The Service Area will continue to review benefit entitlement which should lead to further reductions

in CTS in the future.

The cost of CTS together with other changes to the council tax base position, such as growth in the number of dwellings, feeds into the Council's overall budget strategy.

Council tax income is accounted for through the Collection Fund and ultimately any CTS over/underspends against budget will feed into the Collection Fund surplus/deficit which is shared between major precepting authorities (Police, Fire, TWC). Any surplus is available to feed into future budget strategies.

The hardship fund of £0.030m will be accommodated in the 2017/18 budget strategy from within the collection fund.

PH 24/11/2016

LEGAL ISSUES	Yes
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Council Tax Support Scheme

Section 13A of the Local Government Finance Act 1992 (the 1992 Act) places a duty on the Council to make a scheme specifying the reductions to council tax for:

- Those persons whom the authority considers to be in financial need, or
- Those persons in classes consisting of persons whom the authority considers to be, in general, in financial need

The Scheme must be approved by full Council by 31 January preceding the start of the financial year it relates to.

The 1992 Act states that before making, revising or replacing a scheme the authority must (in the following order):

- Consult any major precepting authority which has power to issue a precept to it,
- Publish a draft scheme in such a manner as it thinks fit, and
- Consult with such other persons as it considers are likely to have an interest in the operation of the scheme.

In exercising its decision making powers Cabinet must be satisfy its public law duties. This means that in making the decision Cabinet must take into account only relevant considerations, follow procedural requirements, act for proper motives and not act unreasonably.

Consultation has been undertaken in respect of these proposals. The general legal principles that must be followed when carrying out a consultation and when making a decision where consultation has taken place are well established and can be summarised as follows:

- The consultation must be at a time when proposals are still at a formative stage.
- The proposer must give sufficient reasons for any proposal to enable intelligent consideration and response. Those consulted should be aware of the criteria that will be applied when considering proposals and which factors will be considered decisive or of substantial importance at the end of the Consultation process
- Adequate time must be given for consideration and response.
- The product of consultation must be conscientiously taken into account in finalising any proposals.

Cabinet must satisfy itself that the consultation has been properly conducted in line with the principles above. In addition, Cabinet must ensure that it is clear of the outcomes of that consultation and therefore, as decision maker, is able to take the results fully into account when making its decision on the proposals contained in this report.

Whilst there is an obligation to take into account the product of consultation, the outcome of the consultation is one of a number of factors to be taken into account in making the decision. In making its decision Cabinet must both look at the outcome of the consultation and also set out the weight that was attached to it in relation to/balanced with other factors (which must be recorded as part of its decision).

In making its decision, Cabinet must also have due regard to the Public Sector Equality Duty as set out at S149 of the Equality Act 2010, which states:

“(1) 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... “

To assist Cabinet in respect of the Public Sector Equality Duty, an equality impact assessment has been carried out. Cabinet must conscientiously take into account the outcome of the assessment in reaching its decision.

Council Tax Hardship Policy and Fund

The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need. The proposed scheme falls within the general power of competence. In addition, there is no specific statutory prohibition, preventing the Council from implementing the proposed scheme. The Council therefore is empowered to produce, implement and administer the council tax hardship scheme detailed in this report.

Section 13A (1)(c) of the 1992 Act provides that the amount of council tax which a person is liable to, may be reduced to such extent as the billing authority for the area in which the dwelling is situated thinks fit. The Council, as a billing authority may reduce a person’s council tax liability relating to a Telford & Wrekin residence, as it thinks fit. Any decision under the hardship scheme, to reduce an applicant’s council tax liability, is an exercise of this general discretion. The Hardship Scheme therefore informs the Council’s exercise of this power, in respect of a person who has made an application for assistance under the hardship scheme meeting the eligibility criteria. The Council is therefore empowered to make the council tax reductions under the hardship scheme.

PM 28.11.16

OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	
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The wider changes to welfare benefits that have been proposed by the Government may have a financial impact on many of the same residents who are in receipt of Council Tax Support. These proposed changes, the details of many of which are still not clear, may affect their ability to pay their contribution towards their Council Tax.

That said, the improving economic situation has meant that year on year the numbers of residents claiming Council Tax Support is gradually reducing, so this may offset any adverse impact of the national welfare reforms.

IMPACT ON SPECIFIC WARDS	No	Borough wide impact
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PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 Introduction and Background

- 4.1.1 The Government announced as part of the Spending Review in 2010, that it would localise support for Council Tax from 2013/14, with an expectation that funding would be reduced by 10%.
- 4.1.2 As a result for 2013/14 there was a gap of around £3.1 million between the amount of Council Tax Support funding we received from the Government and the amount we would need to continue to support customers at the same level as they were receiving under the Council Tax Benefit scheme.
- 4.1.3 Councils were required to establish local Council Tax Support (CTS) schemes to be implemented on 1st April 2013. This reform of Council Tax Support was accompanied by a new cash-limited government grant to councils which is taken into account in setting the Council Tax Base and when forming the CTS local schemes. The support is in the form of discount shown on the Council Tax demand notice.
- 4.1.4 Whilst the new regulations provided councils with flexibility to set up their own local arrangements, the Government expressed a clear intention in relation to certain aspects of a local scheme. These include:
- The amount of Council Tax Support awarded to pension age customers will continue to be a national prescribed scheme which will effectively protect them from any reduction in support. Pension age customers account for over 43% of our caseload.
 - Councils should also consider ensuring support for other vulnerable groups.
 - Local schemes should support work incentives and in particular avoid disincentives to move into work
- 4.1.5 Telford & Wrekin Council's scheme was introduced on the 1st April 2013 following a wide ranging consultation with residents, stakeholders and partners.
- 4.1.6 For the most part, our local scheme follows the same basic rules of the default national scheme, with a number of key differences. These are:
- Customers who meet the specific definition of severe disability contained within the policy are protected from any reduction in benefit. This will also apply to customers who meet the criteria for receiving a war compensation related benefit or pension. Currently over 14% of our caseload meet this definition of vulnerability.
 - Customers who have in excess of £6,000 in capital are not entitled to Council Tax Support. The previous Council Tax Benefit scheme had an absolute cap of £16,000, but any capital between £6,000 and £16,000 reduced the amount of benefit paid to the customer. The first £6,000 however continues to be disregarded in full.

- The maximum period that an award of Council Tax Support can be backdated is 1 calendar month from the date of the application.
- Under the Council Tax Benefit scheme, if you were the only person in your household liable to pay Council Tax, but another adult in your household had a low income, you may have been able to receive Council Tax Benefit of up to 25%. This could be paid regardless of the relative prosperity of the Tax Payer. This benefit, known as Second Adult Rebate was removed in our local scheme.
- A minimum award of £2.50 a week, removing payment to those claimants that only qualify for relatively small amounts of rebate.
- There is an upper limit (a cap) on income from state benefits: People in receipt of benefits can not receive more in benefits than the average working family.
- There is a minimum weekly income for working age self employed people who had been trading for more than 12 months: After 12 months of trading a minimum weekly income is used to calculate Council Tax Support when income declared from their self-employed business is less than 30 hours per week at the National Minimum wage (for people under 25) or the National Living wage (for people aged 25 or over).
- Removal of the Family Premium from the assessment: The Government said that they were removing the Family Premium for new claims and new births within the assessment of Housing Benefit from April 2016, we made these amendments in our local Council Tax Support scheme too.

4.1.7 The legislative protection of pension age customers and our own local policy of protecting vulnerable customers mean that any reductions we make to Council Tax Support have to be applied entirely to the 43% of non vulnerable working age customers.

4.2 Review of the 2016/17 scheme

- 4.2.1 There are still continuing signs that the economy is improving and unemployment levels are reducing. This means that year on year since its introduction, the Council Tax Support scheme has cost us less than we forecast. When the scheme for 2016/17 was approved in January 2016, we forecast that it would cost us £12.04 million. However, we now anticipate that by the end of this year the value of Council Tax Support granted will total £11.9 million, a reduction of £0.140 million.
- 4.2.2 In addition to the natural reduction in claimant levels, another significant factor that has contributed to the reduction in cost is the proactive work that the Benefit Service has undertaken to reduce the amount of fraud and error in the system.
- 4.2.3 Since December 2013, the Benefit Service has been undertaking a review of customer's circumstances to identify any unreported changes in circumstance. So far during 2016/17 we have reduced Council Tax Support costs by £53,500 by ensuring that customers are only receiving the support that they are genuinely entitled to.
- 4.2.4 The 21% reduction in CTS introduced in 2013/14 was a significant decrease in the amount of support granted in the previous Council Tax Benefit scheme, however since Year 1 the vast majority of Local Authorities have also reduced their CTS awards by similar levels as a result of the reduction in Government funding and many have reduced the support available even further.

Many Local Authorities have set their reduction level at 25% and higher (35% in one LA) as their schemes have developed year on year.

4.2.5 Council Tax collection rates are very positive overall, with a significant increase in the value of Council Tax collected compared to previous years. There are a group of Council Tax Support claimants, namely those that are of working age but unemployed, for whom collection is significantly lower than other customer groups. However, there are still a significant percentage of that group who are paying. Any decision to increase the level of support for this group would require a comparative reduction in the level of support provided to other groups of claimants, such as those in low paid employment. Also as 2013/14 was the first year that this group of people were asked to make any Council Tax contribution at all it was felt that the overall collection level for the group may increase as they become more accepting of the fact that they have to make some Council Tax payment.

4.2.6 As part of the 2013/14 scheme, a one off hardship fund of £65,000 was set aside to provide additional assistance to Council Tax Support claimants who were genuinely having difficulty paying the additional charges as a result of the reduction in support awarded. For 2014/15 approval was granted for unspent funding to be rolled forward to enable the scheme to continue for a second year. A further £30,000 was approved to fund hardship awards for 2015/16, and 2016/17.

The Council Tax hardship scheme had been invaluable in providing additional support to the most vulnerable customers, and it is therefore recommended that this scheme be funded for a further 12 month at a cost of £30,000.

The policy for awarding Council Tax hardship was approved by Cabinet in March 2015 alongside the Discretionary Housing Payment Policy.

4.3 Proposed scheme for 2017/18

4.3.1 If we were to retain the current scheme for another year, then we forecast that, taking into account the natural reduction in caseload and our continued proactive work to reduce fraud and error, plus a Council Tax increase of 3.2% the scheme will cost us £12.234 million for 2017/18, which is £194k more than the budgeted costs of the scheme in 2016/17, and as stated this included a Council Tax increase in the expenditure.

4.3.2 However, given the forthcoming financial challenges that the Council will face in the coming years, a member/officer working group was formed to consider all options for the design of the scheme and develop proposals to ensure that we continued to deliver fair but affordable support. The group also developed a number of realistic alternative proposals that could form part of a public consultation that offered a genuine range of options.

4.3.3 The proposed scheme for 2017/18 is based on five key principals:

- If people are to receive less money in Council Tax Support the impact should be shared as equally as possible across all working age claimants.
- Vulnerable people should be protected from changes that would mean they receive less money in Council Tax Support. The Council recognises that severely disabled claimants often have less money and find it difficult to pay Council Tax. This could be because of higher disability related living costs and in some cases, a limited ability to work.
- The needs of people with children or caring responsibilities should be recognised in relation to Council Tax Support.
- The scheme should ensure that there are incentives to encourage people to start or remain in employment.

- We will not make changes that ask people to pay unrealistic and unaffordable levels of Council Tax.
- 4.3.4 Using these principals, the working group explored and considered a range of options for the design of the scheme, which included modelling the impact of reducing the amount of Council Tax Support granted from the current 21% reduction up to a reduction of 30%.
- 4.3.5 The findings of the working group were that:
- In January 2016, as part of the Council Budget consultation, the public were consulted on a range of proposals to make the cuts the Council must find. This included a proposal to cut £235k from the Council Tax Support scheme, this proposal was agreed.
 - The current scheme is working well, and the changes that were introduced in 2013 have been generally accepted by the majority of Council Tax Support claimants. Overall it has not had a significant negative impact on Council Tax collection. By moving to a 25% reduction, which is the minimum percentage that can be implemented to achieve the above £235k agreed saving, the impact on customers; an additional 60p per week to pay towards their Council Tax, is low.
 - Retaining the core design of the national default scheme enables us to administer the scheme in the most cost effective way as we are able to assess a customer's Housing Benefit and Council Tax Support entitlement as one transaction.
 - Moving to a 25% reduction in the amount of Council Tax Support that can be granted, generates a £270k saving to the Council that can be used to protect frontline services; With £200,000 the Council could provide one of the following:
 - 14,000 hours of home care which could help 18 older people stay at home
 - External fostering places, through private agencies, for 4 children each year
 - Internal fostering places for 9 children each year
 - Filling 3,799 pot holes each year
 - 109 winter maintenance gritting treatments for frost and ice or 28 full snow clearing and gritting
 - Emptying 2,440 public litter bins across the borough for 19 months
 - Weekly collection of 5,137 households residual and green waste each year
 - By retaining the £30k Council Tax Hardship fund, the Council can continue to support customers who are in true hardship and unable to meet their Council Tax liability.
- 4.3.6 As a result, we are recommending that the Council Tax Support scheme should change for 2017/18 and that there is the necessity at the moment to further reduce the amount of support awarded to all working age claimants, by increasing the percentage reduction amount from 21% to 25%. We are proposing that this scheme will then stay in place until March 2020, unless Government Policy changes significantly. There are some other changes that are being recommended to the scheme that will affect a small number of claimants.
- 4.3.7 **New claims will only take into account a maximum of 2 dependant children per family.** The Government has said that they are going to limit benefit support by only taking into account a maximum of 2 dependant children per family; this will apply in Universal Credit, Tax Credits and Housing Benefit to families who make a new claim from April 2017.

We are proposing to do the same within the assessment of our local Council Tax Support scheme.

This will not affect any current claims, only new claims from April 2017.

4.3.8 **Introduce reduced temporary absence rules.**

In 2015, the Chancellor announced that changes would be made to the temporary absence rule in Housing Benefit and Pension Credit reducing the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks.

This limit applies to new periods of absence only. There are exceptions where an absence is in relation to;

- The death of a partner, child or close relative
- Receiving medical treatment
- A person who has fled their home due to fear of violence
- A member of Her Majesty's forces posted overseas

We are proposing to include the same amendment to our Council Tax Support scheme

4.3.9 **Currently all working age customers who receive Council Tax Support (unless they are a pensioner or classed as vulnerable) pay 21% of their Council Tax bill (after appropriate discounts have been awarded). We are proposing this will move to 25% of the bill.**

This change would affect 6,431 working age households in the Borough receiving Council Tax Support. All of these customers were contacted directly during the consultation and encouraged to participate in the survey. Many of whom did take part; 68% of all respondents agreed with the proposal to move to a 25% reduction, of which 67.7% were in receipt of Council Tax Support themselves and still agreed with this cut.

In our current scheme, a single person aged over 25 receives Job Seekers Allowance at £73.10 per week; an average Council Tax bill (with a Single Person Discount) is £14.83 per week, or £771.16 per year (after a Single Person Discount of £257.02 per year has been applied). This customer would currently pay a contribution of £3.11 per week or £161.72 per year.

If we were to implement this, and increase the amount of the bill that has to be paid from 21% to 25%, then this resident would have to pay 3.71 per week, which is an additional 60p a week. Over a year this resident would pay a total of £192.92, which is an additional £31.20.

Of the 15,196 households who currently receive Council Tax Support 6,431 would see a reduction in the amount of support they receive. We will contact each of these households and provide them with support to adjust to the change in Council Tax Support and where appropriate provide assistance from our discretionary hardship fund.

By increasing the amount people have to pay towards their Council Tax bill the Council would save approximately £270,000 per year. In the current climate, and bearing in mind the cuts that we now have to make, we are recommending this increase as the fairest way to reduce the costs of the scheme whilst protecting vulnerable households.

4.4 **Consultation and approval of the policy for 2017/18**

4.4.1 It is a requirement within the legislation that each year, the Council Tax Support scheme for the forthcoming financial year must be approved by Full Council no later than the 31st January. This is required even if the decision is made to retain the existing scheme.

4.4.2 The CTS scheme must go through certain steps to comply with provisions in the Local Government Finance Act before it can be adopted by the Council, these are;

- Consultation with major precepting authorities (Police, Fire Service)

- Public Consultation

In October 2014 a Supreme Court judgement against the London Borough of Haringey found that their public consultation on their proposed Council Tax Support scheme was insufficient as although it gave consultees an explanation of the proposed scheme, it did not give full and realistic alternatives, or give reasons for proposing its draft scheme.

- 4.4.3 A full public consultation on proposed changes to our Council Tax Scheme for 2017/18 was undertaken from the 8th September 2016 to the 1st November 2016. As well as consulting with local residents generally, we also wrote specifically to the 6,446 (relevant caseload at the start of the consultation, this has since decreased) customers who we believed would be directly affected by our proposed scheme. We also consulted directly with the major precepting authorities (West Mercia Police and Shropshire Fire and Rescue Service) and all Parish Councils, as well as key stakeholders such as the CAB and social sector landlords.
- 4.4.4 The consultation document (Appendix C) provides an explanation of the financial challenge that the Council is facing and our proposed scheme for 2017/18 along side 2 alternative options
- Option B – Continue with the current Council Tax Support scheme
 - Option C – Increase the minimum contribution that working age claimants pay from the current 21% to 30%
- 4.4.5 404 responses were received to the consultation. Throughout the consultation, responses showed that consultees were in support of all of the proposals and recommendations that we made. In particular, 68% of responses agreed with our recommendation to introduce our recommended proposed changes to the scheme. The summary of the consultation responses is included (Appendix D).
- 4.4.6 As part of the public consultation we also made clear that we would not be consulting on the scheme until 2020.

We are proposing to make the following changes to our scheme from 1 April 2017, this scheme will then remain in place until March 2020 unless government policy changes significantly.

Public consultations on plans and proposals can cost a lot of money, last year we consulted on only doing a consultation if we intended to make changes to the scheme.

- 4.4.7 Each year The Department for Communities and Local Government issue a set of CTS scheme regulations that will apply to pension-age claimants as they are not included within our local scheme. This is referred to as The Prescribed Scheme. Although the regulations for the 2017/18 prescribed scheme have not yet been passed, we are not anticipating any significant changes from the DCLG other than technical changes they intend to make to the pension age scheme and annual uprating.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 5.1 These proposals will impact on all current and future working age recipients of Council Tax Support.
- 5.2 There are also approximately 6,500 households who will be specifically affected by the changes that we are proposing and who will see a reduction in the amount of Council Tax Support received. All of these households were written to directly as part of the consultation process and encouraged to give their views on the proposals. Subject to the proposed scheme being approved, we will again contact all of the affected households to tell them how the changes will

affect them and offer them advice and support, including considering whether it is appropriate to offer them some assistance from the Council Tax Support hardship fund.

- 5.3 A full Community Impact Assessment of the proposal has been undertaken and is provided (Appendix B).

6 PREVIOUS MINUTES

- 6.1 Minute 66iii of the Council meeting of 21st January 2016 (Localised Council Tax Support Policy 2016/17)
- 6.2 Minute CB-113 of the Cabinet meeting of 19th March 2015 (Discretionary Housing Payment and Council Tax Support Hardship Policy)

7. BACKGROUND PAPERS

- Appendix A - Council Tax Reduction Scheme Policy under S13a (s) and Schedule 1a of the Local Government Finance Act 1992
(view online at <http://apps.telford.gov.uk/CouncilAndDemocracy/Meetings/Meeting/MTQ2Mg%3d%3d>)
- Appendix B – Community Impact Assessment (undertaken November 2016)
- Appendix C - Council Tax Support consultation document
- Appendix D - Council Tax Support consultation response summary

Report prepared by Lee Higgins, Customer, Benefits and Library Service Delivery Manager,

Telephone: 01952 383835



Telford & Wrekin
COUNCIL

Council Tax Support Scheme

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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 1st April 2017 until 31st March 2018.
- 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 2017 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; 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. who does not have capital 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;
- f. who does not have capital above £16,000; and
- g. 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 Her 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 or universal credit or on an income-related employment and support allowance.
- 1.7 This scheme shall not apply in relation to any person if he, or if he has a partner, his partner, has attained the qualifying age for state pension credit. The scheme shall not apply to any applicant who is subject to immigration control under Section 115 of the Immigration and Asylum Act 1999 and non-economically active EEA nationals.
- 1.8 The Council has resolved that there will be *three* classes of persons who will receive a reduction in line with adopted scheme (from hereafter referred to as Support). There will be *three* main classes prescribed for, for each of which there will be a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from support as specified within section 7 of this scheme.

Class D

To obtain support 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 (£16,000 for protected groups as defined with paragraph 2A.1);
- 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 (living allowance) *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 support⁶.

Maximum council tax reduction stated above is defined within section 57 of this scheme

Class E

To obtain support 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 (£16,000 for protected groups as defined with paragraph 2A.1);
- h. be a person in respect of whom a day in which s/he is liable to pay council tax falls

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

- within a week in respect of which the person's *income*¹⁰ is **more** than their (living allowances) *applicable amount*¹¹;
- i. have made a valid application for support¹²;
 - 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

Class F - Alternative maximum council tax reduction for Protected Groups¹³

To obtain support the individual must:

- a. have not attained the qualifying age for state pension credit¹⁴; 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 or on an income-related employment and support allowance or in receipt of an award 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. 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;
- f. be somebody in respect of whom a maximum council tax reduction¹⁵ amount can be calculated;
- g. have made a valid application for support¹⁶;
- h. be somebody who has at least one second adult living with them who is not his partner, not somebody who pays rent, and who is on a *prescribed* low wage and/or *prescribed* benefit, as set out in within sections 62 and 63 and schedule 2 of this scheme.

Maximum council tax reduction stated above is defined within section 57 of this scheme

Classes D, E & F - the Benefit Cap

All of the classes will be calculated taking into account the 'Benefit Cap' as defined within the Benefit Cap (Housing Benefit) Regulations 2012 (as amended). No Council Tax Reduction will be granted where the authority is of the opinion that the applicant or partner exceeds the cap on state benefits.

The following exceptions will be made to the existing regulations and will apply specifically to the Council Tax Reduction scheme for working age applicants:

- a. The cap will be set at £20,000 per annum for couples and lone parents from 1st April 2016;
- b. The cap will be set at £13,400 for single applicants;
- c. Any amount of Housing Benefit payable to the applicant will be excluded from the calculation; and
- d. Any amount of Universal Credit Housing Element payable to the applicant will be excluded from the calculation.

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

¹³ Protected groups are defined within paragraph 2A.0

¹⁴ Section 5 of this scheme

¹⁵ Sections 57 to 63 of this scheme

¹⁶ Sections 68 to 74a of this scheme

Council Tax Reduction Scheme

Details of support to be given for **working age applicants** for the financial year 2017/18

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

‘alternative maximum council tax reduction’ (Second Adult Rebate) means the amount determined in accordance with section 62 and Schedule 2;

‘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 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 husband and wife;
- (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

'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 2004¹⁷;
- 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

¹⁷ As amended by the Finance Act 2014

(non-dependant deductions) of those Regulations;

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

‘second adult’ has the meaning given to it in Schedule 2;

‘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.); or
- (c) the Employment, Skills and Enterprise Scheme;

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

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

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

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

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

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

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

‘State Pension Credit Act’ means the State Pension Credit Act 2002;

‘student’ has the meaning prescribed in section 43;

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

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

‘the Tax Credits Act’ means the Tax Credits Act 2002;

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

‘training allowance’ means an allowance (whether by way of periodical grants or otherwise) payable–

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

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

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

'Universal Credit' means any payment of Universal Credit payable under the Welfare Reform Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

'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 amended¹⁸; 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

¹⁸ 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).

2A.0 Protected Groups

2A.1 The following persons are considered as protected groups within this scheme where the following circumstances apply;

- The applicant or partner is in receipt of a severe disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The applicant, partner or any dependant is in receipt of a enhanced disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The applicant or partner is in receipt of a support component within the calculation of council tax support or within their Employment and Support Allowance; or
- The applicant or partner receives War Disablement Pension or a War Widow's/Widower's Pension, or an Armed Forces Independence Payment (AFIP) or any similar payment from another country.

3.0 Definition of non-dependant

3.1 In this scheme, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.

3.2 This paragraph applies to;

- a. any member of the applicant's family;
- b. if the applicant is polygamously married, any partner of his and any child or young

- person who is a member of his household and for whom he or one of his partners is responsible;
- c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
- d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
- e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant–

- a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - i. that person is a close relative of his or her partner; or
 - ii. the tenancy or other agreement between them is other than on a commercial basis;
- b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
- c. a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the support scheme.

4.0 Requirement to provide a National Insurance Number¹⁹

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

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

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

4.3 Paragraph 4.2 shall not apply–

- a. in the case of a child or young person in respect of whom council tax reduction is claimed;
- b. to a person who;

¹⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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

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

5.1 This scheme applies to a person if:

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

6.0 Remunerative work

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

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

- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- b. in any other case, the period of 5 weeks immediately prior to that date of claim, or 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 or Article 6 of Council Directive 2004/38/EC;
- (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;
- (ab) Article 45 of the Treaty on the functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
- (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 (4A) of that regulation or Article 20 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).

7.5 A person falls within this paragraph if the person is—

- (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) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
- (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;
- (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 1971²⁰ where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.

²⁰ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance;
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4) or
- (i) a person who is treated as a worker for the purpose of the definition of "qualified person" in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013 (right of residence of a Croatian who is an "accession State national subject to worker authorisation")

7.6 A person falls within this paragraph if the person is a Crown servant or member of Her 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 Her 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 The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014; and

"Her 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 support 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 within Great Britain not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain 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 within Great Britain 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.

8.3A A person who is temporarily absent from a dwelling he occupies as his home and is absent outside Great Britain shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain, provided that—

- (a) the person intends to return to occupy the dwelling as his home;
- (b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and
- (c) the period of absence is unlikely to exceed 4 weeks.

8.3B A person who is temporarily absent from a dwelling he occupies as his home and is absent outside of Great Britain as a member of the armed forces away on operations, a mariner or a continental shelf worker shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 26 weeks beginning with the first day of that absence from Great Britain, provided that—

- (a) the person intends to return to occupy the dwelling as his home;
- (b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and
- (c) the period of absence is unlikely to exceed 26 weeks.

8.3C This paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the temporary absence from Great Britain is in connection with the death of the—
 - (i) person's partner or a child or young person for whom he or his partner is responsible;
 - (ii) person's close relative;
 - (iii) close relative of the person's partner; or
 - (iv) close relative of a child or young person for whom the person or their partner is responsible;
- (c) the person intends to return to occupy the dwelling as his home; and
- (d) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let.

8.3D person to whom paragraph (8.3C) applies shall be treated as occupying a dwelling he is absent from as his home whilst he is temporarily absent for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain.

8.3E The period of absence in paragraph (8.3D) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks

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, 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 Great Britain or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in Great Britain or elsewhere, a training course;
- e. undertaking medically approved care of a person residing in Great Britain 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 Great Britain, 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;
- ‘continental shelf worker’ means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any activity mentioned in section 11(2) of the Petroleum Act 1998
- ‘designated area’ means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

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

- a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
 - b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage
- ‘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;
 - prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998
 - ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Sections 9 - 11

The family for Council tax reduction purposes

9.0 Membership of a family

- 9.1 Within the support scheme adopted by the Council 'family' means;
- a. 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 2002²¹ 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.

²¹ The Adoption and Children Act 2002 (Commencement No. 12) Order 2014

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). **No family premium will be awarded where an application for reduction is received on or after 1st May 2016.**
 - i) Sub paragraph (c) shall not apply to a person who, on 30th April 2016, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person; or
 - b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
 - (ii) (i) above does not apply if—
 - (a) sub-paragraph 12.1 c (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction.
 - (iii) For the purpose of this section "child", "polygamous marriage" and "young person" have the same meaning as in section 2 of this scheme;
- d. the amount of any premiums which may be applicable to him, determined in accordance with paragraphs 4 to 16 of Schedule 1 of this document (premiums).
- e. the amount of either the
 - i. work-related activity component; or
 - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 of this document (the components)
- f. the amount of any transitional addition which may be applicable to him in accordance with paragraph 19 to 20 of Schedule 1 of this scheme (transitional addition).

13.0 Polygamous marriages

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

- a. the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this scheme as if he and that partner were a couple;
- b. an amount equal to the amount within paragraph 1 (3) (c) of Schedule 1 of this scheme in respect of each of his other partners;
- c. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme (applicable amounts) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium). **No family premium will be awarded where an application for reduction is received on or after 1st May 2016.**
 - i) Sub paragraph (d) shall not apply to a person who, on 30th April 2016, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person;

- or
- b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
 - (i) above does not apply if—
 - (a) sub-paragraph 13.1 d (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction.
 - (ii) For the purpose of this section “child”, “polygamous marriage” and “young person” have the same meaning as in section 2 of this scheme;
- e. the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this scheme (premiums).
- f. the amount of either the;
 - i. work-related activity component; or
 - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 (the components).
- g. the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this scheme (transitional addition)

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

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

- a. who has, or
- b. who (jointly with his partner) has,

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

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

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

Sections 15 – 32 & Schedules 3 & 4

Definition and the treatment of income for Council tax reduction purposes

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

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

is to be calculated in accordance with the following provisions.

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

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

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

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

- 15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of
- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
 - (b) 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 16 (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 16 (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 17.2 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 83(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 52;
 - ii. in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.

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

24.0 Disregard of changes in tax, contributions etc.

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

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

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

25.0 Earnings of employed earners

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

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;

- c. any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - (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;
- g. 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);
- h. 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);
- i. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- j. 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;
- k. 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;
- l. 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 amended²².

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 l)

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;

²² Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

- 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 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 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 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 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 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.

29A.0 Minimum Income Floor

- 29 A.1 Where the applicant or partner are not a child-minder and no start-up period (as defined within 29 A.2) applies to the applicant and the weekly income from self-employment of the applicant or partner as calculated by reference to parts 27 to 29 of this scheme is less than the National Minimum Wage or National Living Wage (subject to the age of the self-employed person) multiplied by 30 hours (the minimum income floor), the income used by the Council in the calculation of their award shall be increased to that amount. The National Minimum Wage / National Living Wage applied shall be that which applies to the relevant assessment period less an estimate for tax, national insurance and half a pension contribution (where a pension contribution is being made), as if estimating the income of an ordinary employed worker.
- 29 A.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the applicant or partner. This will normally be one year from the date of claim, or one year from the date of commencement of the employment activity, whichever is sooner. During this period no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.
- 29 A.3 Where a applicant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the Minimum Income Floor where appropriate.

29 A.4 For the purposes of determining whether a applicant is in gainful self-employment or meets the conditions for a start up-period, the Council will require the applicant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start up period are met

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 shall 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 30.1 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–

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

D

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until he 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 these 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 support or increasing the amount of that support.

32.2 Except in the case of–

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

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

32.3 – 32.5 Not used

32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–

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

32.7 Paragraph 32.6 shall not apply in respect of a payment of income made–

- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane

- (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
 - c. pursuant to section 2 of the 1973 Act in respect of a person's participation—
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - d. in respect of a person's participation in the Work for Your Benefit Pilot Scheme
 - e. in respect of a previous participation in the Mandatory Work Activity Scheme;
 - f. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
 - g. 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 of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

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

Sections 33 – 42 & Schedule 5

Definition and the treatment of capital for Council tax reduction purposes

33.0 Capital limit

- 33.1 For the purposes of this scheme, the prescribed amount is £6,000 and no support shall be granted when the applicant has an amount greater than this level.
- 33.2 Where the applicant falls within the protected group as defined by paragraph 2A.1 the amount specified in paragraph 33.1 shall be £16,000.

34.0 Calculation of capital

- 34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).
- 34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Disregard of capital of child and young person

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

36.0 Income treated as capital

- 36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.
- 36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.
- 36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.
- 36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.
- 36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.
- 36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.
- 36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.
- 36.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.
- 36.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

37.0 Calculation of capital in the United Kingdom

- 37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current

market or surrender value less—

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

38.0 Calculation of capital outside the United Kingdom

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

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

39.0 Notional capital

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

39.2 Except in the case of

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

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

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

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

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

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (bb) in respect of a person's participation in the Mandatory Work Activity Scheme; Enterprise Scheme;
- (bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- b. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

40.0 Diminishing notional capital rule

40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;

- a. in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
- b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where
 - (i) that week is a week subsequent to the relevant week; and

(ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.

40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that

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

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

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

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

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

- determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7
- d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.
- 40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case—
- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.
- 40.6 The conditions are that
- a. a further claim is made 26 or more weeks after
- (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
- (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
- (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
- b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.
- 40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.
- 40.8 For the purposes of this section
- a. 'part-week'
- (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
- (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
- (iii) in paragraph 40.4 (c),(d) and (e) means—
- aa. a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
- bb. any other period of less than a week for which it is payable;
- b. 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section

39.1

(i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or

(ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;

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

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

41.0 Capital jointly held

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

42.0 Calculation of tariff income from capital – Protected Groups only

42.1 Where the applicant's falls with a protected group as defined by paragraph 2A.1, and where that applicant's capital calculated in accordance with this scheme exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £16,000

42.2 Notwithstanding paragraph 42.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.

42.3 For the purposes of paragraph 42.1, capital includes any income treated as capital under section 36 (income treated as capital).

Sections 43 - 56

Definition and the treatment of students for Council tax reduction purposes²³

²³ Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

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

'access funds' means;

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

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

'contribution' means;

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

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

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

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

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

- a. is not funded in whole or in part by the Secretary of State under section 14 of the

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

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

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

‘grant income’ means

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

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

‘last day of the course’ means;

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

‘period of study’ means—

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

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

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

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

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

‘standard maintenance grant’ means–

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

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

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

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

43.2 For the purposes of the definition of ‘full-time student’, a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course

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

43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;

- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
- b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational

establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

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

45.0 Students who are excluded from entitlement to council tax reduction

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

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

- 45.3 Paragraph 45.2 shall not apply to a student
- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) who is a lone parent;
 - (c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;
 - (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
 - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
 - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
 - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
 - (i) who is;
 - i) aged under 21 and whose course of study is not a course of higher education
 - ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding
 - iii) 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 Paragraph 45.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

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

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

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

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

(a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
(i) engaged in caring for another person; or
(ii) ill;

(b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

(c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

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

(a) the day on which he resumes attending or undertaking the course; or

(b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,

which shall first occur.

46.0 Calculation of grant income

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

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

(a) intended to meet tuition fees or examination fees;

(b) in respect of the student's disability;

- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
 - (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
 - (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;
 - (f) intended to meet the cost of books and equipment;
 - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
 - (h) intended for the child care costs of a child dependant.
 - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;
- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).
- 46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
 - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

47.0 Calculation of covenant income where a contribution is assessed

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

47.2 The weekly amount of the student's covenant shall be determined—
(a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
(b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

48.0 Covenant income where no grant income or no contribution is assessed

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with subparagraphs (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

57A Minimum Council Tax Support

57A.1 Where the amount of an applicant's council tax reduction is less than £2.50 per reduction week, no amount of reduction shall be paid whatsoever.

57A.2 Paragraph 57A.1 shall not apply to any applicant in the protected group as defined by paragraph 2A.1.

58.0 Non-dependant deductions²⁴

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, £11.45 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £3.77 x 1/7.

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

- (a) less than £195.00, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
- (b) not less than £195.00, but less than £338.00, the deduction to be made under this section shall be £7.58 x 1/7
- (c) not less than £338.00, but less than £420.00, the deduction to be made under this

²⁴ The amounts shown within this section shall be updated in line with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012

section shall be £9.56 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.
- 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 support as a percentage of excess of income over the applicable amount which is deducted from maximum council tax reduction, shall be $2 \frac{6}{7}$ per cent. Where an applicant's income exceeds their applicable amount, their council tax reduction shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax reduction as defined within section 57 of this scheme

59A.0 Reduction of entitlement (Classes D & E)

59A.1 An entitlement calculated in accordance with this scheme shall be reduced by an amount of 25%. The standard deduction shall apply to the council tax reduction calculated for all working age claimants. The deduction **will not apply** where an applicant falls within the protected groups defined within paragraph 2A.1.

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 area²⁵

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,

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

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 Alternative maximum council tax reduction (Second Adult Reduction) (Class F)

62.1 Subject to paragraphs 62.2 and 62.3, the alternative maximum council tax reduction where the conditions are satisfied shall be the amount determined in accordance with Schedule 2.

62.2 Subject to paragraph 62.3, 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, in determining the alternative maximum council tax reduction in his case, the amount determined in accordance with Schedule 2 shall be divided by the number of persons who are jointly and severally liable for that tax.

62.3 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9, 77 or 77A of the 1992 Act (liability of spouses and civil partners), paragraph 62.2 shall not apply in his case.

63.0 Residents of a dwelling to whom Second Adult Reduction does not apply (Class F)

63.1 Entitlement to an alternative maximum council tax reduction (Second Adult Rebate) shall not apply in respect of any person referred to in the following paragraphs namely;

- (a) a person who is liable for council tax solely in consequence of the provisions of sections 9, 77 and 77A of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- (b) a person who is residing with a couple or with the members of a polygamous marriage where the applicant for council tax reduction 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;
- (c) a person who jointly with the applicant for support falls within the same paragraph of sections 6(2)(a) to (e) or 75(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant;
- (d) a person who is residing with two or more persons both or all of whom fall within the same paragraph of sections 6(2)(a) to (e) or 75(2)(a) to (e) of the 1992 Act and 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.

Sections 64 – 67

Dates on which entitlement and changes of circumstances are to take effect

64.0 Date on which entitlement is to begin

64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that support shall be so entitled from the reduction week following the date on which that claim is made or is treated as made.

64.2 Where a person is otherwise entitled to council tax reduction and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his claim is made or is treated as made, he shall be so entitled from that reduction week.

65.0 - 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 application**²⁶

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) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
- (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

²⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

reduction or its amount.

69.0 Procedure by which a person may apply for a reduction under the authority's scheme²⁷

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. For the purposes of this scheme a Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall be treated as a valid claim. The authority will consider a claim for reduction as

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

remaining valid for any period that the claimant is entitled to Housing Benefit or Universal Credit.

- 69.9 (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
- (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 1 month before the date the application was made;
- c. the day 1 month before the date when the applicant requested that the application should include a past period
- (3) Where an applicant falls within a protected group as defined by paragraph 2A.1 the date specified within sub paragraph (2) b, and c, above shall be 6 months.

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 application 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.

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 evidence²⁸

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;

²⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (i) is a person treated as not being in Great Britain for the purposes of this scheme;
- (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
- (iii) has not previously been allocated a national insurance number.

72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

72.6 Where the authority makes a request under sub-paragraph (4), it must;

- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (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 application²⁹

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

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

any time before a decision has been made on it.

- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.
- 74.0 Duty to notify changes of circumstances³⁰**
- 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.

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

- 74.6 The duty imposed on a person by sub-paragraph (1) includes in the case of a person falling within the alternative maximum council tax reduction, giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs.
- 74.7 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within 21 days 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 authority³¹

75.1 An authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and Part 1 of Schedule 7 of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 being satisfied, or as soon as reasonably practicable thereafter.

76.0 Notification of decision³²

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 paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances;
(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

³¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (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, 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 reduction³³

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom support is to be paid³⁴

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

³⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount of a reduction must be made to that person.

78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

79.0 Shortfall in support / reduction³⁵

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 entitled³⁶

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 liability³⁷

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.

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

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

³⁷ 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 or is treated as having been so appointed, 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 for Work and Pensions (DWP) and Her 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.

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.

Sections 95 – 98

Revisions, Written Statements, Termination of Council tax reduction

95.0 Persons affected by Decisions

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- a. an applicant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - c. a person appointed by the authority under this scheme;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council tax reduction. The request must be received within one month of the date of the notification being issued by the authority.

98.0 Terminations

- 98.1 The authority may terminate support in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 99

Appeals against the authority's decisions

99.0 Procedure by which a person may make an appeal against certain decisions of the authority³⁸

- 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 Act³⁹.

³⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³⁹ 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 Act⁴⁰

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).

⁴⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 101 – 106A⁴¹
Electronic Communication

⁴¹ 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 paragraph (1) if the conditions specified in 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 Amounts⁴²

⁴² ⁴² 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	£73.10
b) is aged not less than 25	£73.10
c) is aged not less than 18 but less than 25	£57.90
2. Lone Parent	£73.10
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£114.85
b) Where one member is aged not less than 18	£114.85
c) Polygamous Addition	£41.75

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;	£66.90
(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.	£66.90
(c) Third or subsequent dependent child or young person whose date of birth falls on or after 1 st April 2017. This shall be determined in accordance with the Housing Benefit Regulations 2006 (as amended).	NIL

(2) In column (1) of the table in paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Family Premiums

3. (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- 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, £17.45;
- c. **No family premium will be awarded where an application for reduction is received on or after 1st May 2016.**
 - i) Sub paragraph (c) shall not apply to a person who, on 30th April 2016, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person; or
 - b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
 - (c) (i) above does not apply if—
 - (a) sub-paragraph 3 c (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction;

Premiums

4. Except as provided in paragraph 5, the premiums specified this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
5. Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
- 6 (1) The following premiums, namely—
 - a. severe disability premium to which paragraph 10 applies;
 - b. an enhanced disability premium to which paragraph 11 applies;
 - c. a disabled child premium to which paragraph 12 applies; and a
 - d. carer premium to which paragraph 13 applies,
 may be applicable in addition to any other premium which may apply under this Schedule
7. (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
 - a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
 - b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns(Scotland) Act 1990 for any period during which he is in receipt of a training allowance.
 (2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

Disability Premium

8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

Additional Condition for the Disability Premiums

9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

Severe Disability Premiums

10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

Enhanced Disability Premium

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

Disabled Child Premium

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

Carer Premium

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

Persons in receipt of concessionary payments

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

15. For the purposes of this Schedule, a person shall be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and shall be so regarded only for any period in respect of which that benefit is paid.

Amounts of Premium

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
Disability Premium	£32.25
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	£45.95
Severe Disability Premium	£61.85
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	£61.85
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	£123.70
Disabled Child Premium	£60.06 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	£34.60 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit

	Regulations 2006
Enhanced Disability Premium	<p>(a) £24.43 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;</p> <p>(b) £15.75 in respect of each person who is neither–</p> <p>(i) a child or young person; nor</p> <p>(ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied;</p> <p>(c) £22.60 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.</p>

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 £29.05. The amount of the support component is £36.20. The work related activity component **will not** apply where the applicant has been awarded Employment and Support Allowance on or after 1st April 2017 **and** been placed in the Work Related Activity Group

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

Second Adult Reduction

(Alternative Maximum Council tax reduction for protected groups as defined with paragraph 2A.1)

1. Subject to paragraphs 2 and 3, the alternative maximum Council Tax Reduction in respect of a day for the purpose of section 62 shall be determined in accordance with the following Table and in this Table
 - a) 'second adult' means any person or persons residing with the applicant; and
 - (b) 'persons to whom paragraph 45.2 applies' includes any person to whom that section would apply were they, and their partner if they had one, below the qualifying age for state pension credit.
2. In this Schedule 'council tax due in respect of that day' means the council tax payable under section 10 or 78 of the 1992 Act less–
 - (a) any reductions made in consequence of any enactment in, or under, the 1992 Act; and
 - (b) in a case to which sub-paragraph (c) in column (1) of the table below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

Second Adult	Alternative Maximum Council Tax Reduction
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance–	<p>is less than £193.00 per week; - 15 per cent of the council tax due in respect of that day;</p> <p>is not less than £193.00 per week but less than £250.00 per week; - 7.5 per cent of the council tax due in respect of that day;</p>
(c) where the dwelling would be wholly occupied by one or more persons to whom regulation 43.1 applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance	100 per cent. of the council tax due in respect of that day.

In determining a second adult's gross income for the purposes of this Schedule, there shall be disregarded from that income;

- a. any attendance allowance, or any disability living allowance under section 71 of the Act or any personal independence payment under the Welfare Reform Act 2012 or an AFIP;
- 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).

3. Where there are two or more second adults residing with the applicant for reduction and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 of the 1992 Act, his income shall be disregarded in determining the amount of any alternative maximum Council Tax Reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

Schedule 3

Sums to be disregarded in the calculation of earnings⁴³

⁴³ 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 earnings⁴⁴

⁴⁴ 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 Her 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 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 or council tax 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.** Not used
- 50.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 51.** Any guardian's allowance.
- 52.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- 53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55.** (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
 - (b) surviving civil partner of a person;
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10
- 56A.–56B.** Not used

- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—
 (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
 (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,
 in respect of which such assistance is or was received.
 (2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
 (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
 (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
- 61.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
- 62.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
- 63.** (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
 (2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
- 64.** Not used
- 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 disregarded⁴⁵

⁴⁵ 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, 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. -6. Not Used
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.

- (4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

- (3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means–
- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
 - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

10. Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
 - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

11. Any sum–
- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited and which is to be used for the purchase of another

home,
for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)
 - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
 - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
 - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
 - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A;
 - (a) was formerly in the applicant's care, and

- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

- 20.** Any social fund payment made pursuant to Part 8 of the Act.
- 21.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 22.** Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24.** (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
 - (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child ,a young person or a student who has not completed his full-time education and has no parent or step-

parent, to his guardian,
but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

28. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

- 30.** Not used
- 31.** The value of the right to receive an occupational or personal pension.
- 32.** The value of any funds held under a personal pension scheme
- 33.** The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
- 34.** Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- 35.** Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
- 36.** Not used.
- 37.** Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
- 38.** Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
- (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,
- for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
- 39.** Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
- 40.** (1) Any payment or repayment made—
- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),
- but only for a period of 52 weeks from the date of receipt of the payment or repayment.
- (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (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 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) 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.** Not used
- 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).

53A.-53B. Not used

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)

1. Community Impact Assessment - Localised Council Tax Support scheme 2017/18

Section 1 – Overview

The national Council Tax Benefit (CTB) scheme came to an end on 31st March 2013 and was replaced by a locally determined system of Council Tax Support (CTS). The Council consulted on the local scheme in 2012 and designed a scheme that we think is fair, encourages people to work and remain in work and reduces the impact of the most vulnerable claimants where possible.

The aim of the Council Tax Support scheme is to provide financial assistance to council taxpayers within the Council's area who have low incomes.

The Council currently pays Council Tax Support to around 15,196 claimants and 8,728 of these are of working age. We recognise that Council Tax Support is paid to greater numbers of women than men and in particular females who do not have a partner. Therefore, we acknowledge that any change to the Council Tax Support scheme will have a disproportionate affect on female claimants.

We have included a breakdown of our current caseload in Appendix 1 (as of 31 October 2016).

Persons who are of state pension age (a minimum 60 years of age for women or 65 for men) are protected under the scheme, in that the calculation of the support they are to receive has been set by Central Government. For working age applicants however, the support they receive is to be determined by the local authority.

This equality impact assessment looks at the potential for **not only** protecting pensioners (as required under the legislation) **but also** providing full support to all working age claimants who are considered **vulnerable** as defined below;

- The claimant or partner is in receipt of a severe disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The claimant, partner or any dependant is in receipt of a enhanced disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The claimant, partner of any dependant is in receipt of Personal Independence Payment (daily living component) at the enhanced rate.
- The claimant or partner is in receipt of a support component within the calculation of council tax support or within their Employment and Support Allowance; or
- The claimant or partner receives War Disablement Pension or a War Widow's/Widower's Pension, or any similar payment from another country.

The objective in adopting this policy would be as follows;

- a. To protect pension age claimants (in accordance with the requirements laid down by Central Government);
- b. to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being the most seriously disabled, injured or sick and not likely to be able to obtain work; and
- c. to protect the beneficiaries of Council's commitment to the Armed Forces Covenant

The main issue for the Council is that the funding for support by Government has been reduced significantly. Continuing to protect these two additional working age groups (bearing in mind that pensioners are already protected under the scheme by Central Government) increases the shortfall in funding to be borne by the remaining working age claimants who are not deemed vulnerable.

Central Government has not been prescriptive in how an authority should protect vulnerable groups but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the Public Sector Equality Duty in section 149 of the Equality Act 2010.

In relation to disability, no definition has been given as to the level which would lead to protection being given, although it is acknowledged that where a person is in the longer term able to undertake work, that they should be incentivised to do so.

This would not apply to those who are deemed severely disabled.

There are a number of changes being proposed;

1. New claims will only take into account a maximum of 2 dependant children per family

Aligned with government policy, this change is aimed at removing incentives to have large families when in receipt of state benefits. It applies to other forms of welfare support and will be introduced in April 2017.

It will affect new claims only.

2. Introduce reduced temporary absence rules

Aligned with Government policy this will reduce allowable temporary absence from 13 weeks to 4 weeks. There are some exceptions in relation to;

- the death of a partner, child or close relative
- receiving medical treatment
- a person who has fled their home due to fear of violence
- a member of Her Majesty's forces posted overseas

3. Change the proportion of Council Tax a working age eligible claimant has to pay; currently it is 21% of the bill. This is one of a number of options being considered are;

a. Change proportion from 21% to 25%. This is the preferred option.

This will develop a saving of £270,000 and includes an overall reduction in the number of claimants as a result of improving economic outlook. It is felt that the increase is fair and affordable amount for many people to pay.

b. Make no change

We have modelled a saving on the basis that the overall number of claimants is reducing and the other changes have gone head will produce a saving of approximately £95,000.

c. Change proportion to 30%

This is a considerable increase from 21% nearly double and will deliver savings of approximately £485,000. It includes an overall reduction in the number of claimants as a result of improving economic outlook.

Any change to the proportion paid will affect 6431 claimants.

This policy will affect:

- Customers/service-users
- Partners
- Employees
- Other – interested parties and organisations representing or supporting claimants, for example, Citizens Advice Bureau (CAB), Thrive.

The proposals will affect the Council Tax Support Scheme from 1st April 2017 and will continue until amended. The scheme is reviewed annually.

1. Your contact details:

Name of person completing impact assessment and their post	Melanie Tolhurst, Benefit Welfare and Assurance Group Manager Or Lee Higgins – Benefit Service Delivery Manager
Telephone	01952 383838 / 383840

Section 2 – Impact Assessment

Positive and negative impacts are assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

	Impact (X)		
	Positive	Negative	None
People of different ages		Working age 18-65yrs	Pension age and protected groups
People with ill health or people with a disability		Disabled persons not in protected group	Severely Disabled persons are in protected group
People of different genders		Women of working age will be affected more than men as they represent a higher number of claimants and tend to be in lower wage employment.	
People who are transgender			No evidence to indicate impact
Different racial groups			No evidence to indicate impact
People with different religion or beliefs			No evidence to indicate impact
People of different sexual orientations			No evidence to indicate impact
Women who are pregnant or breast-feeding			No evidence to indicate impact
People that are married or in a civil partnership			No evidence to indicate impact
People affected by deprivation		Working age 18-65yrs (although there is some protection for low incomes on an exceptional basis)	

What is the expected impact?

All persons within the Council's area who are liable for Council Tax with a low income may apply for support and assistance with their Council Tax.

They do this by making an application, providing evidence of their income and household circumstances, their potential entitlement for support will be calculated in line with Central Government prescribed requirements for the Council Tax Support (Reduction) scheme.

The desired outcomes of the local scheme are;

○ **Pension Age Claimants**

- That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012);
- That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax Support in line with the regulations; and
- That all pensioner claimants continue to receive the correct level of support at all times.

There are currently 6468 pensioner claimants of Council Tax Support.

○ **Severely Disabled Working Age Claimants (as defined above)**

- That all working age severely disabled claimants receive the level of support previously provided under the abolished Council Tax Benefit scheme;
- That all new working age severely disabled claimants or existing working age claimants who become severely disabled are able to receive Council Tax support in line with the abolished Council Tax Benefit scheme; and
- That all working age severely disabled claimants continue to receive the correct level of support at all times.

People who fall within this category are considered vulnerable.

○ **Working Age Claimants who receive a war widows pension or war disablement pension**

- That all working age claimants who meet the criteria, receive the level of support currently provided under the abolished Council Tax Benefit scheme;
- That all new working age claimants or existing working age claimants who meet the criteria are able to receive Council Tax support in line with the abolished council tax benefit scheme; and
- That all working age claimants who meet the criteria, continue to receive the correct level of support at all times.

People who fall within these categories are considered vulnerable.

There are currently 2297 vulnerable claimants of Council Tax Support.

○ **Remaining Working Age Claimants (not protected)**

- That the remaining (non protected) working age claimants receive the level of support determined by the Council;

- That all new working age claimants or existing working age claimants who are not in the protected categories are able to receive Council Tax Support in line with Council policy; and
- That they continue to receive a sufficient level of support that enables them to be able to afford to make the contribution towards their Council Tax that is required

There are around 6,431 remaining working age claimants who would not be protected from the impact of any changes in the new Council Tax Support scheme.

A breakdown of those affected by Ward or Town and Parish breakdown of Working Age claims (Appendix 3). We recognise there are areas within the Borough where there are higher numbers of people claiming Council Tax Support and acknowledge that claimants in these areas will be affected more than other areas of the Borough..

Individuals affected will need to adjust their finances to accommodate the additional costs of Council Tax. There are numerous organisations across the borough that can provide support to individuals to amend their budget. There may also need to be consideration of support and how it is distributed across the borough.

Consultation and engagement

All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme and a full consultation with the public was undertaken, as required by the legislation (Local Government Finance Act 2012) from 8 September 2016 to 1 November 2016.

The public consultation was designed to deliver focussed responses regarding the 3 options it also encouraged a number of free text responses about the impact for any changes on them.

The consultation was available to all residents however there was focus on gathering feedback from people who would be directly affected by the proposed changes.

Section 3 – Mitigating Actions

It is **not** possible to protect all claimants given the significant reduction in the funding available to the Council. The reduction in funding for the Council Tax Scheme is part of the Budget set on <Date> March 2016 by Full Council. This budget balances the financial and resources needs across all areas of the Council's areas of responsibility.

The reduction is focussed on working age claimants, 18-65yrs. However, not all working age claimants will see a reduction in support from the current Council Tax Support levels.

Those defined as 'Severely' disabled under this scheme will be fully protected and receive 100% Council Tax Support.

The reduction that others will see will be mitigated to some degree by the Council having the ability to assist claimants in exceptional hardship. A fund will be available for those who find great difficulty financial and each case will be examined on a case-by-case basis taking into account their full personal and financial circumstances.

The Council has already contacted claimants identified as directly affected during the Consultation period.

Before commencement of the 2017/18 Council Tax Support scheme, when the specific impact on each individual claim is known the Council will contact all claimants again directly

affected by the changes to the scheme. It will work closely with them to make them aware of the effect of the changes in each of their individual circumstances. Each claimant identified as affected will be informed of the exceptional hardship fund and how to access it.

Where people identify difficulty with payment, the Council has a dedicated team supporting applications to the fund which are considered in depth and all individual circumstances are closely examined. This team will signpost claimants to the Department for Works and Pensions where they have identified income from other benefits is not being claimed and ensure each claimant is receiving all the income to which they are entitled. Hardship claims are regularly reviewed to take into account changes in claimant's circumstances to ensure that payments are relevant and up to date. Appendix 1d provides information about the use of the Hardship fund during the financial year 2015/2016 and up to date.

The Council has maintained the core aspects of the abolished Council Tax Benefit means tested scheme that provides additional assistance where there are dependants, disability and caring responsibilities by continuing to apply;

- disability premiums;
- enhanced disability premiums;
- severe disability premiums;
- work related activity components (where the person is in receipt of Employment and Support Allowance);
- support component (where the person is in receipt of Employment and Support Allowance);
- disabled child premiums (where dependants are in receipt of Disability Living Allowance or are registered / certified blind; and
- carer's premium where the claimant or partner is in receipt of Carer's Allowance

The scheme also provides significant work incentives with the continued use of;

- earnings disregards;
- additional earnings disregards;
- childcare disregards; and
- extended payments (reductions)

The Council, in creating its policy, has looked to protect families from child poverty by maintaining

- Dependants Additions – an allowance for each child is used within the calculation;
- Disabled Child Premiums – where a child is deemed to be disabled under the policy an additional premium is granted for each child within the calculation;
- Enhanced Disability Premium (where the child is entitled to Disability Living Allowance Care Component at the highest rate); and
- Continuing Family premium for uninterrupted claims – where any claimant has at least one child, a family premium was awarded prior to April 2016. This will continue to be included in the Council's scheme for existing claimants but will be removed for new claims and new births.

In addition child benefit, child maintenance and other income payable to and for the support of children will continue to be disregarded in full.

Previous engagement activities have identified that consideration should be given to those with limited financial management skills, mental health problems and anxiety in completing forms. As part of the wider changes to Welfare Reform being delivered through a number of Council services, the Council will continue to proactively engage and work with interested groups and third party organisations (including but not limited to Citizen's Advice Bureau) to maximise opportunities to support and advise customers affected by the changes, especially but not exclusively limited to customers who may share these characteristics.

Some concerns previously raised regarding access to the Benefit Service can be allayed. The service has access to the full compliment of communication support tools including a telephone and face-to-face application process that can guide a claimant through the process in a supportive manner. Home visits are also available for customers in exceptional circumstances, particularly where the customer may have mobility difficulties or significant complex needs.

Section 4 – General Equality Duty

Throughout the development of the scheme there has been careful consideration of those with protected characteristics and how the changes would affect them in relation to the General Equality Duty.

- The above actions eliminate unlawful discrimination and maintain the level of support to the most vulnerable within the Council's area.
- We believe the current proposals achieve the aim of protecting the most vulnerable in our society whilst budgetary reductions are implemented locally in relation to available council tax support.
- Where negative impacts have been identified we have made attempts to lessen the impact on those affected; for example, a reactive hardship fund.
- We will also continue to review the situation and seek to provide further mitigation as and when opportunities and budgetary constraints allow.

Section 5 – Review and Monitoring

The updated policy will be implemented 1st April 2016, subject to Cabinet approval 21 January 2017

We will monitor the uptake and management of the Council Tax support Scheme as a normal business activity. This means it is dealt with in our normal management process and is closely monitored. This is so we can be proactive identifying trends where intervention may be required.

Reports will analyse data collected on a monthly and quarterly basis. Exceptional funds are considered as part of this reporting cycle. Where necessary further information is extracted to further examine negative trends or areas of concern.

The overall Council Tax Support Scheme will be reviewed annually.

APPENDIX 1

Current Council Tax Support Caseload Breakdown

1a. Breakdown by case group

Case Group	Number of Current Council Tax Support claims
Pension Age	6468
Working Age	8731

1b. Working Age claims breakdown by gender by the person claiming Council Tax Support

Gender	Number of claims
Female	5804
Male	2927

1c. Working Age claims breakdown by Parish area Ranked by proportion volume

Parish	Number of Council Tax Support claims
Madeley Parish Council	1620
Wellington Town Council	1052
Great Dawley Parish Council	1084
Stirchley & Brookside Parish Council	832
Donnington & Muxton Parish Council	686
Hadley and Leegomery Parish Council	675
Oakengates Town Council	461
St Georges & Priorslee Parish Council	371
Lawley & Overdale Parish Council	335
Hollinswood & Randlay Parish Council	319
Newport Town Council	293
Ketley Parish Council	259
Dawley Hamlets Parish Council	244
Wrockwardine Wood & Trench Parish Council	229
The Gorge Parish Council	105
Others*	86
Wrockwardine Parish Council	52
Ercall Magna Parish Council	28

*Represents Parish areas with fewer than 20 claimants and have been combined to protect against the potential identification of individuals.

Information extracted from Telford & Wrekin Council Tax information management system 31 October 2015. The number of claimants can change daily so this information is only accurate at the time of extraction

1d. Council Tax Support Hardship Fund distribution 2015/2016

Total amount awarded	£21,216.60
Number of awards	305
Average amount of award	£69.56

82% of awards were made to Working Age customers, but not employed.
18% of awards were made to Working Age customers, in employment.

Council Tax Support Consultation

September to November 2016

Council Tax Support is changing; **Have your say**



Dear Resident,

In 2013 the national Council Tax Benefit was abolished and replaced with local support schemes, which in Telford and Wrekin is called Council Tax Support.

At the same time, the Government significantly cut the amount of funding it gave to councils to run the Council Tax Support scheme.

Council Tax Support is paid to a wide range of people, including older people, long term unemployed, and those who are unable to work because of disability or ill health. It's also paid to working families in low paid employment, or people who find themselves unemployed for short periods because of redundancy.

In 2012, we asked for your views and with your help designed our Council Tax Support scheme to meet the needs of residents.

Our current scheme is fair to all residents, encourages people to work and remain in work, and reduces the impact on the most vulnerable citizens where possible.

The Council now faces some very tough financial decisions as our funding from Government continues to be cut.

Since 2010, we have made £80 million of cuts. The Council must now deliver between another £45 and £50 million of cuts by 2020.

In January 2016, as part of the Council Budget consultation, we asked the public about their views on a range of proposals to make the cuts we must find. This included a proposal to cut £235,000 from the Council Tax Support scheme, which is around 2% of the overall costs. This proposal was agreed.

We must consider every possible option to avoid cuts to services we provide directly to the community. We are also campaigning hard for fairer funding for the borough. Using the Government's own spending power figures, the borough is underfunded by £12 million a year compared with other English councils.

One of the very difficult decisions we face as our funding is cut is how we fund Council Tax Support in the future. The Government has said that support for pensioners must be protected and so they will not see changes to their entitlement.

We are asking for your views on a number of possible changes to our current scheme for working age people. We want your help to make the decisions that we must take.

Please give us your views to help decide on the changes to our Council Tax Support scheme for 2017/18.

Councillor Shaun Davies
Leader of the Council

Introduction

Local councils are now responsible for how much Council Tax Support households receive. In 2013 the local Council Tax Support scheme replaced the national Council Tax Benefit.

We asked local people for their views when we introduced our Council Tax Support scheme. Since 2013, we have saved the £3.1 million that we needed to find due to the reduction in Government funding for Council Tax Support.

Telford & Wrekin Council's grant from the Government continues to be cut, and we have already begun finding the £45- 50 million cuts we must make by 2020 on top of the £80 million already made since 2010.

It has been very difficult to make the cuts we have so far and any further cuts will be even harder to make. At the moment the local Council Tax Support scheme costs just under £12 million a year.

The Council now needs to decide if further changes are needed to the scheme to help make more savings. Some plans for savings have been made and we are keen to give everyone, whether they claim Council Tax Support or not, a chance to tell us what they think.

We would like to hear from Council Tax payers including people who claim Council Tax Support as well as other benefits, and other interested individuals and organisations. The information you provide will be treated confidentially and used solely by Telford & Wrekin Council.

The Council is asking for views on changes to the Council Tax Support scheme until **Tuesday 1st November 2016**.

In March 2017, Full Council will set out the plans for the budget for 2017/18.

Who would be affected?

People receiving Council Tax Support of working age and not classed as "severely disabled" would be directly affected by the proposed changes. Anyone who may need to claim help in the future would also be affected, so it's important to have your say. The changes would affect people both in and out of work.

The changes that we are proposing will not affect pensioners, working age people classed as "severely disabled" or people in receipt of a war pension. This criterion is defined below;

People and their partners who are entitled to a severe disability premium or an enhanced disability premium are defined as "vulnerable". People with a dependant with an enhanced disability premium are protected from the impact of the changes.

People who receive the support component within their Employment and Support Allowance and those who get a War Disablement Pension or a War Widow's/Widower's Pension are also protected.

Telford & Wrekin Council Proposal

When we designed the local Council Tax Support scheme in 2013 we based it on some key principles. As our financial situation has changed we revised and consulted on these principles.

Principle 1:

If people are to receive less money in Council Tax Support the impact should be shared as equally as possible across all working age claimants.

Principle 2:

The most vulnerable people should be protected from changes that would mean they receive less money in Council Tax Support. The Council recognises that severely disabled claimants often have less money and find it difficult to pay Council Tax. This could be because of higher disability related living costs and in some cases, a limited ability to work.

Principle 3:

The needs of people with children or caring responsibilities should be recognised in relation to Council Tax Support.

Principle 4:

The scheme should ensure that there are incentives to encourage people to start or remain in employment.

Principle 5:

We will not make changes that ask people to pay unrealistic and unaffordable levels of Council Tax.

The Government says that local schemes should:

- Support more people into work by ensuring that work always pays;
- Protect the most vulnerable people; and
- Deliver fairness to those claiming benefit and the taxpayer

From 1 April 2017, we are recommending that our local scheme for working age people should mainly stay the same with some new features that are set out on the following pages.

We think that our proposals will help us to continue with a scheme that is fair to all residents, saves the Council money and makes sure that local people can still afford to pay their Council Tax.

To help you give your views about our plans, we have summarised the different options. You can read about these and how much they would cost on the following pages

How to give your views

Please read this whole document before answering the Council Tax Support scheme survey.

You can complete the Council Tax Support scheme survey in a number of ways:

- Online at www.telford.gov.uk/counciltaxsupport
- Or by completing the survey in this booklet and handing it in at First Point offices in Southwater One or Wellington Civic and Leisure Centre, or send to the FREEPOST address below.

You can also give your views by:

- emailing us at yourviewsmatter@telford.gov.uk
- write to
FREEPOST RTKJ-KGJA-ASXU,
Co-operative Council Delivery Team
Telford & Wrekin Council
Darby House
Telford
TF3 4JA

If you would like any further information about the Council Tax Support consultation, please ring 01952 383840.

The key features of our current scheme are:

The structure and design of our scheme is very similar to the Government's suggested 'default' Council Tax Support scheme:

By keeping things the same we help people to understand the rules as they are similar to Housing Benefit and we reduce our administration and IT costs.

We protect the severely disabled and those receiving specific types of income from the effect of the cuts:

People and their partners who are entitled to a severe disability premium or an enhanced disability premium are defined as 'vulnerable'. People with a dependant with an enhanced disability premium are protected from the impact of the changes.

People who receive the support component within their Employment and Support Allowance and those who get a War Disablement Pension or a War Widow's/Widower's Pension are also protected.

Savings and capital limit is £6,000:

Currently, people with savings and capital of more than £6,000 are not entitled to Council Tax Support.

Benefit claims are backdated to one month:

People who have a good reason for not applying for benefit sooner can have their award backdated for up to one month and no longer.

There is a £2.50 minimum award level:

People who are entitled to less than £2.50 a week support will no longer receive Council Tax Support.

There is no 'Second Adult' Rebate for working age customers:

There is no longer a reduction of up to 25% if you have another adult in your household who has a low income.

There is a discretionary scheme to deal with extreme financial hardship:

We created a discretionary fund to give additional Council Tax Support to individuals experiencing extreme financial hardship.

There is an upper limit (a cap) on income from state benefit:

People in receipt of benefits can not receive more in benefits than the average working family earns in wages.

There is a minimum weekly income for working age self employed people who had been trading for more than 12 months:

After 12 months of trading a minimum weekly income is used to calculate Council Tax Support when income declared from their self-employed business is less than 30 hours per week at the National Minimum wage (for people under 25) or the National Living Wage (for people aged 25 or over).

Removal of the Family Premium from the assessment:

The Government said that they were removing the Family Premium for new claims and new births within the assessment of Housing Benefit from April 2016, we made these amendments in our local Council Tax Support scheme too.

Our intention to only consult on our future Council Tax Support scheme once every four years:

Public consultations on plans and proposals can cost a lot of money, because of this we would like to only consult on our scheme once every four years after our Council elections, unless we intend to make any changes before then. If we intend to make changes to the scheme we will consult residents and taxpayers before any changes are made.

We are keeping all of the above features as part of our Council Tax Support Scheme.

We are proposing to make the following changes to our scheme from 1 April 2017, this scheme will then remain in place until March 2020 unless government policy changes significantly.

Proposal 1. New claims will only take into account a maximum of 2 dependant children per family

The Government has said that they are going to limit benefit support by only taking into account a maximum of 2 dependant children per family; this will apply in Universal Credit, Tax Credits and Housing Benefit to families who make a new claim from April 2017.

We are proposing to do the same within the assessment of our local Council Tax Support scheme too.

This will not affect any current claims, only new claims from April 2017.

Q1 Please tell us to what extent you agree or disagree with Proposal 1? (Please select one box only)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

If you disagree with this proposal, please tell us why

Proposal 2. Introduce reduced temporary absence rules

In 2015, the Chancellor announced that changes would be made to the temporary absence rule in Housing Benefit and Pension Credit reducing the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks.

This limit applies to new periods of absence only. There are exceptions where an absence is in relation to;

- the death of a partner, child or close relative
- receiving medical treatment
- a person who has fled their home due to fear of violence
- a member of Her Majesty's forces posted overseas

We are proposing to include the same amendment to our Council Tax Support scheme.

Q2 Please tell us to what extent you agree or disagree with Proposal 2? (Please select one box only)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

If you disagree with this proposal, please tell us why

In order to make further savings we would like to gather resident views on the following 3 options. The Council has said that it must cut at least another £235,000 from its Council Tax Support budget if it is not to make even deeper cuts to other services

Option A

Currently all working age customers who receive Council Tax Support (unless they are a pensioner or classed as vulnerable) pay 21% of their Council Tax bill (after appropriate discount have been awarded). We are proposing this will now move to 25% of the bill

This change would affect 6,446 working age households in the Borough receiving Council Tax Support.

In our current scheme, a single person aged over 25 receives Job Seekers Allowance at £73.10 per week; an average Council Tax bill (with a Single Person Discount) is £14.83 per week, or £771.16 per year (after a Single Person Discount of £257.02 per year has been applied). This customer would currently pay a contribution of £3.11 per week or £161.72 per year.

If we were to implement Option A, and increase the amount of the bill that has to be paid from 21% to 25%, then this resident would have to pay £3.71 per week, which is an additional 60p a week. Over a year this resident would pay a total of £192.92, which is an additional £31.20.

The impact of Option A is:

Of the 15,398 households who currently receive Council Tax Support 6,446 would see a reduction in the amount of support they receive.

We will contact each of these households and provide them with support to adjust to the change in Council Tax Support and where appropriate provide assistance from our discretionary hardship fund.

By increasing the amount people have to pay towards their Council Tax bill the Council would save approximately £270,000 per year.

In the current climate, and bearing in mind the cuts that we now have to make, we are **recommending** Option A as the fairest way to reduce the costs of the scheme whilst protecting vulnerable households.

This option would contribute towards the savings the Council must make and could mean that less cuts would need to be made to other Council services as a result of reducing Government funding.

We **recommend** Option A.

Option B

Continue with the current Council Tax Support scheme

We could decide to continue with the current Council Tax Support scheme and make no further changes to the proportion of Council Tax paid.

The impact of Option B is:

Each year the number of people claiming Council Tax Support has been reducing slightly.

We estimate that if we make no changes to the scheme we could save approximately £96,000. Compared with Option A this saving is lower and would mean that deeper cuts would be needed to other services as it does not meet the budget 2017/18 target of £235,000.

We are **not** recommending Option B.

Option C

Currently all working age customers (unless they are classed as vulnerable) pay 21% of their total Council Tax bill. This option proposes moving this to 30% of the bill

In 2013 we introduced a 21% cut to the amount of Council Tax Support paid to all working age people. Option A proposes that people would pay 25% of their bill, but we could move that to 30% of the bill.

Of the 15,398 households who currently receive Council Tax Support 6,446 would see a reduction in the amount of support they receive.

If we were to implement Option C, and increase the amount of the bill that have to pay from 21% to 30%, then this customer would have to pay £4.45 per week, which is an additional £1.34. Over a year this would be equivalent to £231.40, which is an additional £69.68 compared with what this person would currently pay.

By increasing the amount people have to pay towards their Council Tax bill the Council would save approximately £485,000 per year.

We are **not** recommending Option C.

Costs of Services

When thinking about making savings or increasing costs it can be useful to look at what else could be provided with this money.

With £200,000 the Council could provide one of the following:

- 14,000 hours of home care which could help 18 older people stay at home
- External fostering places, through private agencies, for 4 children each year
- Internal fostering places for 9 children each year
- Filling 3,799 pot holes each year
- 109 winter maintenance gritting treatments for frost and ice or 28 full snow clearing and gritting
- Emptying 2,440 public litter bins across the borough for 19 months
- Weekly collection of 5,137 households residual and green waste each year

Q3 Please tell us which option you would like the Council to take? (Please select one box only)

Option A

Option B

Option C

If you do not agree with the Council's preferred option, please use the space below to make any comments you have on the options or tell us of any alternative options you would like us to consider and your reasons.

If you feel that our proposed changes would affect particular individuals or groups of people more than others please tell us how you think that we could overcome this

Thank you for sharing your views on the Council Tax Support scheme. To make sure we have the views of a cross-section of local people, we would like to ask you for some personal details. The Council will keep and use this information in line with the Data Protection Act (1998) for statistical analysis. Your details will be kept confidential. They will not be used for any other purpose than this exercise. You do not have to complete all of this section if you don't want to.

For more information on how your information is used, how your information is held and your rights to gain access to the information we hold on you please see our corporate privacy policy at www.telford.gov.uk/dataprotection.

Please provide us with your postcode to establish which ward you live in

What is your age?

17 years and under

26 - 64 years

18 - 21 years

65 years plus

22 - 25 years

What is your gender

Male

Prefer not to say

Female

Do you have any long-standing illness or disability that limits your daily activities?

Yes

Prefer not to say

No

Which of these activities best describes what you are doing at the moment?

Working full-time (30 hours or more a week)

Working part-time (under 30 hours a week)

On a government-supported training programme (for example, a Modern Apprenticeship)

Looking after the home

Retired

Unemployed and available for work

Permanently sick or disabled

In full-time education at school, college or university

Prefer not to say

Doing something else (please state below)

Are you caring for someone who has a long-standing illness or disability that limits their daily activities?

Yes

Prefer not to say

No

Are you the parent/carer of a child under the age of 18 years?

Yes

Prefer not to say

No

If yes, how many children under the age of 18 years?

1

4

2

5+

3

If yes, does your child/children have a disability?

Yes

Prefer not to say

No

What is your ethnicity?

- White:** English/Welsh/Scottish/Northern Irish/British
- White:** Irish
- White:** Gypsy or Traveller
- White:** Polish
- White:** Any other (please write in box below)
- Mixed/multiple ethnic group:** White and Black Caribbean
- Mixed/multiple ethnic group:** White and Black African
- Mixed/multiple ethnic group:** White and Asian
- Mixed/multiple ethnic group:** Any other (please write in box below)
- Asian/Asian British:** Indian
- Asian/Asian British:** Pakistani
- Asian/Asian British:** Bangladeshi
- Asian/Asian British:** Any other (please write in box below)
- Black/African/Caribbean/Black British:** African (please write country of origin in box below)
- Black/African/Caribbean/Black British:** Caribbean
- Black/African/Caribbean/Black British:** Any other (please write in box below)
- Other ethnic group:** Arab (please write country of origin in box below)
- Other ethnic group:** Chinese
- Other ethnic group:** Any other (please write in box below)
- Prefer not to say

Do you belong to any particular religion or hold particular beliefs?

- Christian
- Hindu
- Muslim
- Sikh
- No religion
- Prefer not to say
- Other (please state below)

Do you have an armed forces connection, e.g. currently serving, a reservist, veteran or dependent of a current or former member of Her Majesty's Armed Forces?

- Yes
- No
- Prefer not to say

Do you pay Council Tax to Telford & Wrekin Council?

Yes

Prefer not to say

No

Are you current receiving Council Tax Support in Telford and Wrekin?

Yes

Prefer not to say

No

If yes, do you think these proposals will directly affect you?

Yes

Don't know

No

How did you find out about this consultation?

If you are responding to this consultation in your capacity as a representative please identify which organisation

Voluntary organisation

Landlord from the Private Sector

Parish or Town Council

Prefer not to say

Local Welfare Advice agency

Other (please state below)

Landlord from the Social Rented Sector

Please provide details of your organisation

Name

Organisation

Address

Email address

Completed surveys must be returned to Telford & Wrekin Council by Tuesday 1st November 2016

How will the information be used?

The information from this consultation will be used by the Council to help it to make its decision on changes to the Council Tax Support scheme. The decision on changes to the Council Tax Support scheme must be made no later than 31 January 2017.

The results from the consultation will be published on our website later this year.

Thank you for taking the time to complete the survey

Council Tax Support Consultation

Sample make up

There were a total of 404 responses to the survey of which 279 (71% of those who answered the question) indicated that they were currently receiving Council Tax support.

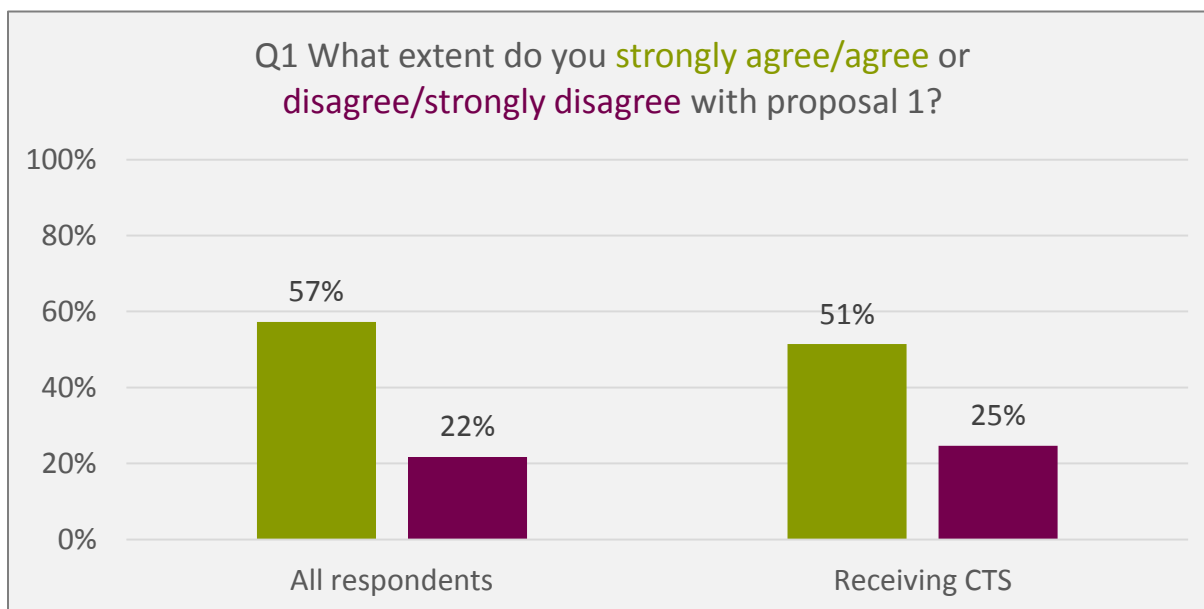
The majority of respondents (58%) were female, compared with 37% male and 5% who preferred not to say.

85% of respondents were aged between 26 and 64, with 11% aged 65 and above and 4% aged 25 and below.

Survey Summary

Q1 Please tell us to what extent you agree or disagree with proposal 1?

The majority of all respondents (57%) agreed or strongly agreed with the proposal to only take a maximum of two dependent children into account on new claims. Amongst those receiving Council Tax Support the proportion in agreement was smaller; however more than half (51%) still agreed or strongly agreed.

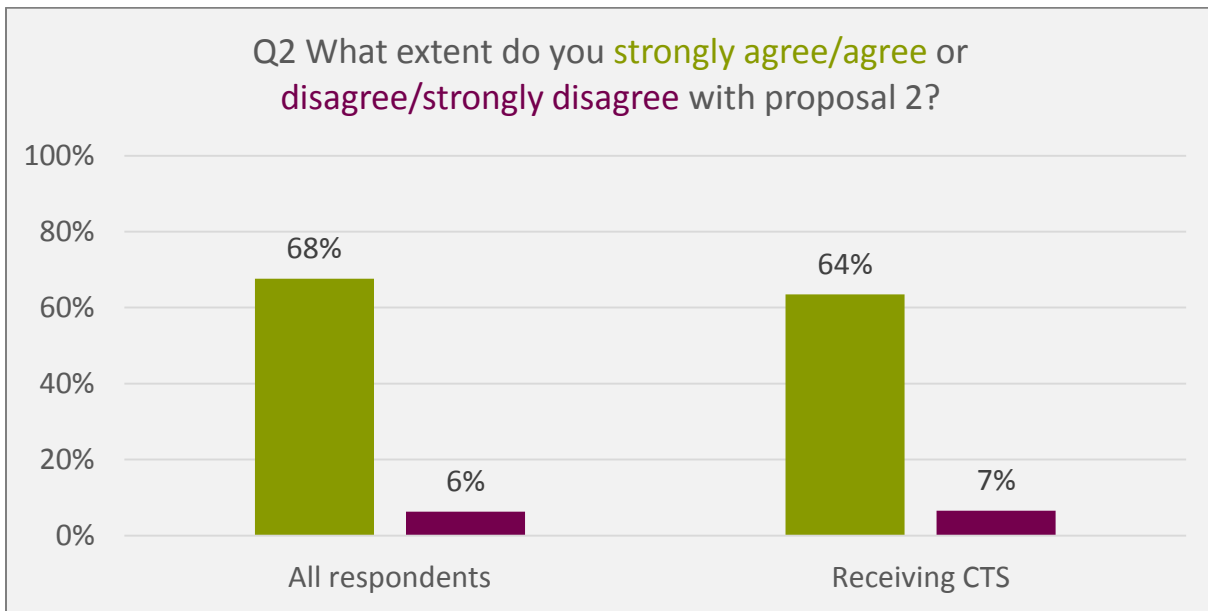


Response	All respondents		Receiving Council Tax Support	
	N	%	N	%
Strongly agree	112	28.0%	58	21.0%
Agree	117	29.3%	84	30.4%
Neither agree nor disagree	71	17.8%	54	19.6%
Disagree	32	8.0%	26	9.4%
Strongly disagree	55	13.8%	42	15.2%
Don't know	13	3.3%	12	4.3%
Total	400	100.0%	276	100.0%

Amongst the 76 respondents who supplied details on why they did not agree with the proposal, the main reason given was that it was unfair on larger families (41%) or because of the financial impact that it would have on themselves (37%). 7% thought that the proposal should apply to all claims and 5% expressed concern about the impact that it would have specifically on children.

Q2 Please tell us to what extent you agree or disagree with proposal 2?

68% of all respondents agreed or strongly agreed with the proposal to introduce reduced temporary absence rules compared with 64% of those currently receiving Council Tax Support.



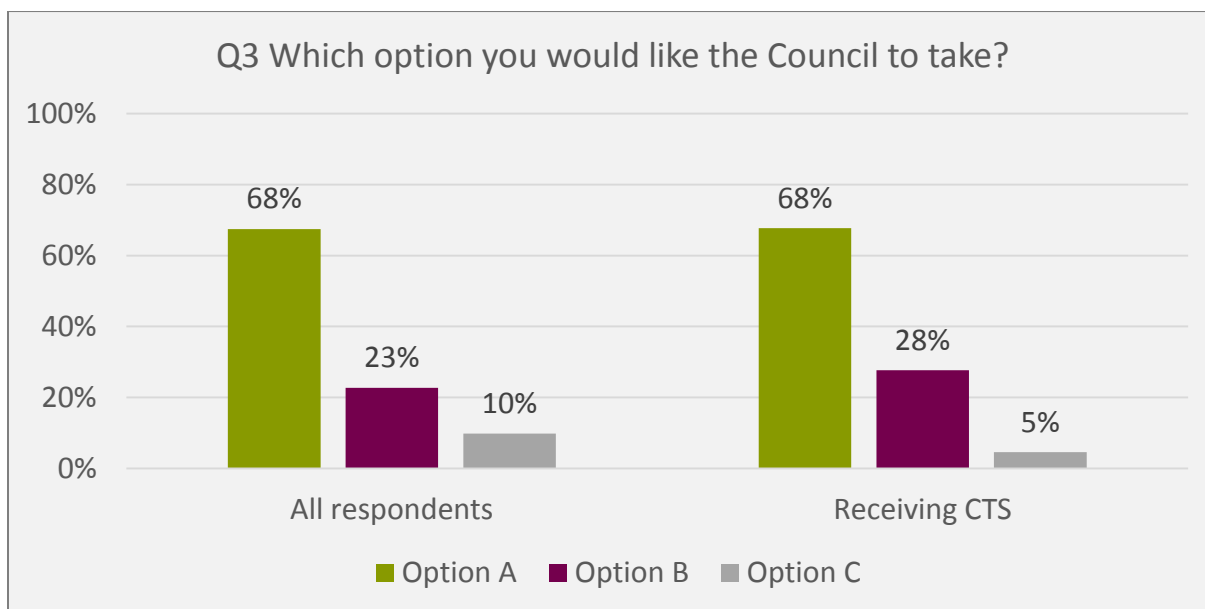
Response	All respondents		Receiving Council Tax Support	
	N	%	N	%
Strongly agree	139	34.9%	71	25.9%
Agree	130	32.7%	103	37.6%
Neither agree nor disagree	76	19.1%	59	21.5%
Disagree	12	3.0%	9	3.3%
Strongly disagree	13	3.3%	9	3.3%
Don't know	28	7.0%	23	8.4%
Total	398	100.0%	274	100.0%

Where respondents disagreed with the proposal, the main themes emerging were that they felt that the period should be unchanged or reduced by a smaller amount e.g. 8 weeks.

Q3 Please tell us which option you would like the Council to take?

Telford & Wrekin Council recommended Option A as the fairest way to reduce the costs of the scheme whilst protecting the majority of households. The proportion of all respondents and those currently receiving Council Tax Support supporting Option A was identical, with over two thirds (68%) indicating that this was the option they would like the Council to take.

Respondents receiving Council Tax Support were half as likely to favour increased contributions under Option C (5%) than all survey respondents (10%).

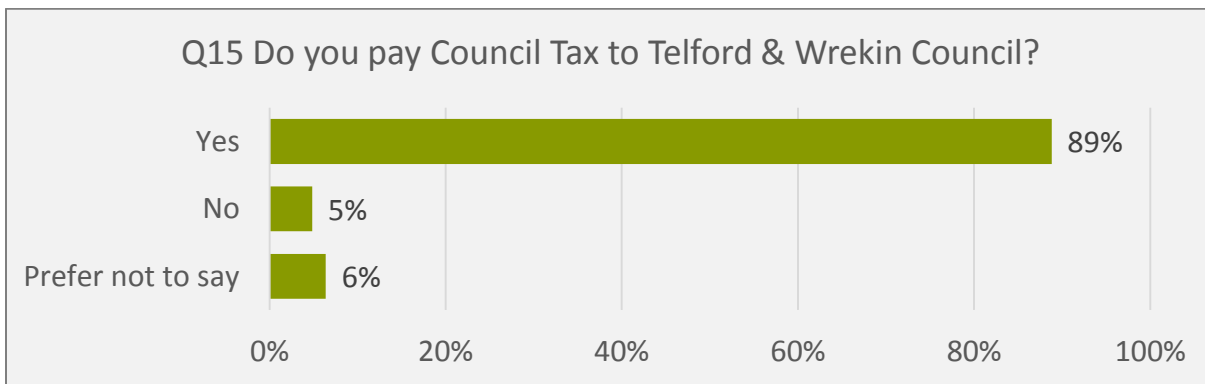


Response	All respondents		Receiving Council Tax Support	
	N	%	N	%
Option A	256	67.5%	176	67.7%
Option B	86	22.7%	72	27.7%
Option C	37	9.8%	12	4.6%
Total	379	100.0%	260	100.0%

Amongst the 61 respondents who gave a reason as to why they disagreed with Option A, the main reason given was the financial impact on themselves (34%). 16% thought that the proportion should be higher as per Option C, whilst 16% did not agree with the principal of reducing Council Tax Support. 13% thought that savings should be found elsewhere whilst 10% thought that Council Tax should be increased for others.

Q15 Do you pay Council Tax to Telford & Wrekin Council?

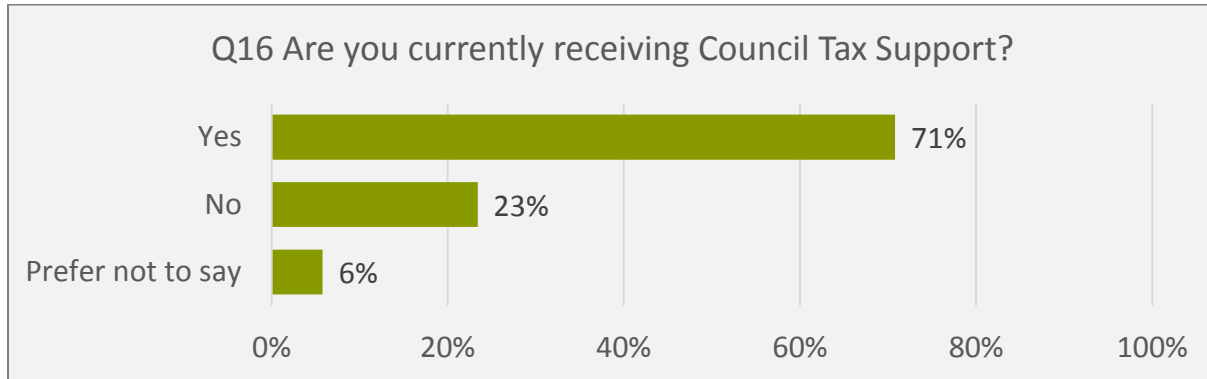
89% of respondents indicated that they pay Council Tax to Telford & Wrekin Council.



Response	N	%
Yes	349	88.8%
No	25	6.4%
Prefer not to say	19	4.8%
Total	393	100.0%

Q16 Are you currently receiving Council Tax Support in Telford & Wrekin?

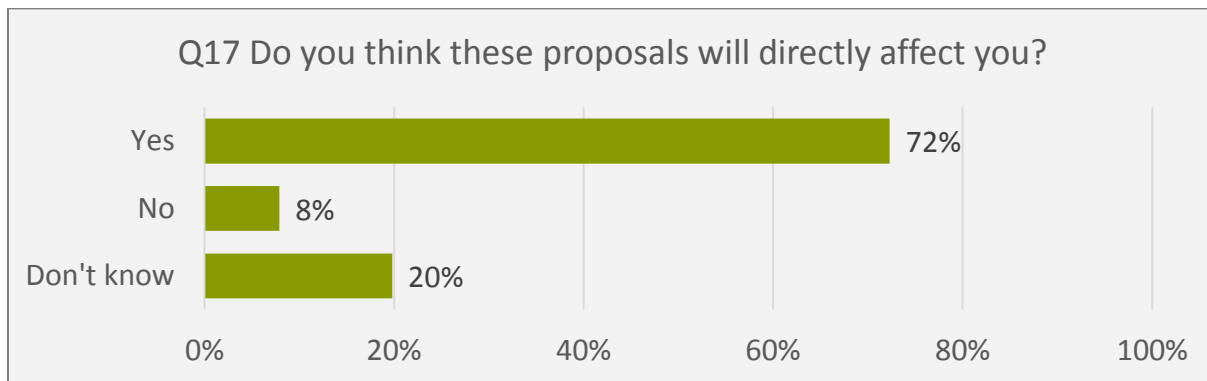
71% of respondents indicated that they were currently receiving Council Tax Support in Telford & Wrekin.



Response	N	%
Yes	279	70.8%
No	92	23.4%
Prefer not to say	23	5.8%
Total	394	100.0%

Q17 If yes, do you think these proposals will directly affect you?

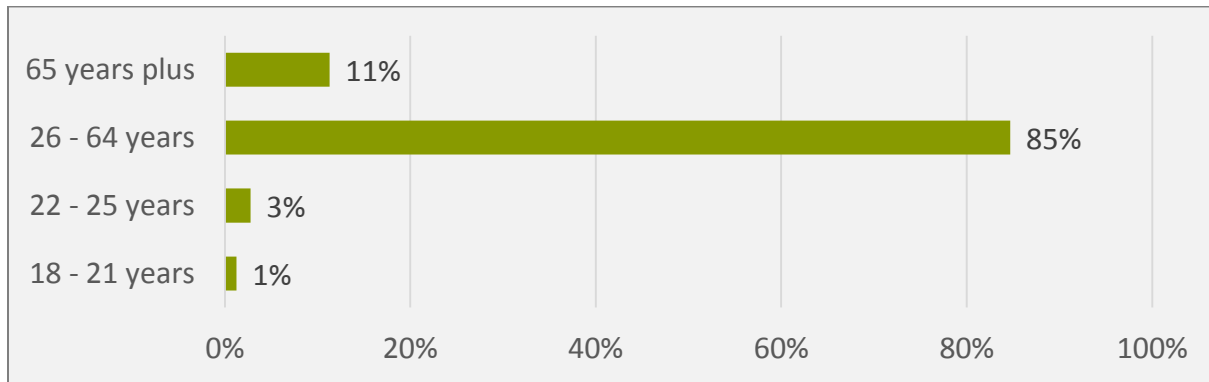
Almost three quarters (72%) of people currently receiving Council Tax Support thought that the proposals would directly affect them. One fifth (20%) indicated that they did not know. Fewer than one in ten (8%) thought that the proposal would not have an impact on them.



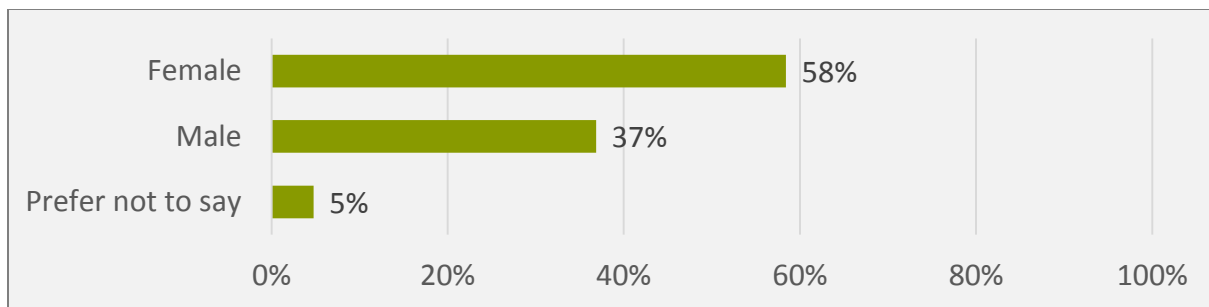
Response	N	%
Yes	201	72.3%
No	22	7.9%
Don't know	55	19.8%
Total	394	100.0%

Demographics

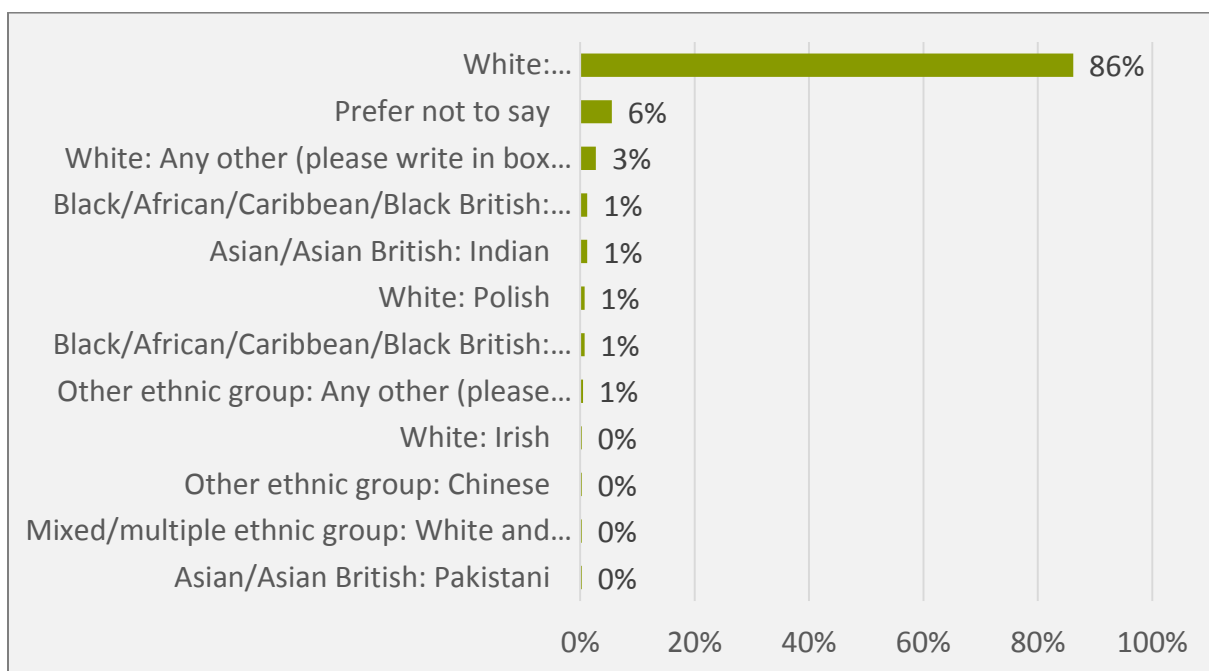
Age



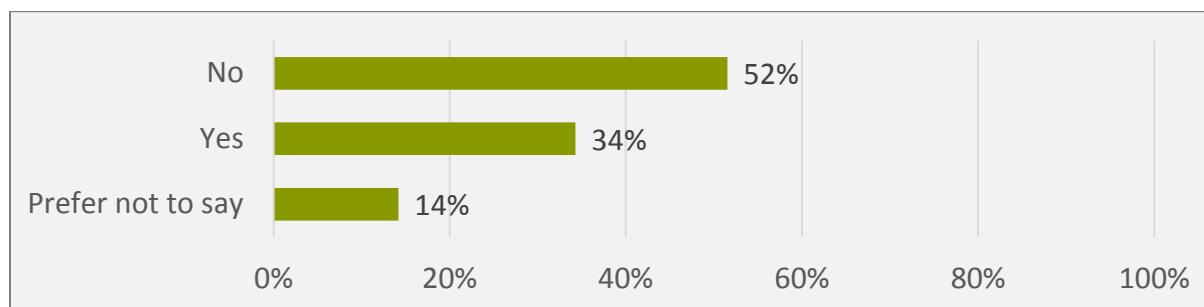
Gender



Ethnicity



Long term illness or disability



Ward	n	%
Admaston & Bratton	2	0.7%
Apley Castle	6	2.2%
Arleston	5	1.9%
Brookside	7	2.6%
Church Aston & Lilleshall	1	0.4%
College	6	2.2%
Dawley & Aqueduct	18	6.7%
Donnington	21	7.9%
Dothill	6	2.2%
Edgmond & Ercall Magna	4	1.5%
Ercall	4	1.5%
Hadley & Leegomery	15	5.6%
Haygate	10	3.7%
Horsehay & Lightmoor	9	3.4%
Ironbridge Gorge	2	0.7%
Ketley & Overdale	13	4.9%
Madeley & Sutton Hill	20	7.5%
Malinslee & Dawley Bank	12	4.5%
Muxton	9	3.4%
Newport North & West	4	1.5%
Newport South & East	4	1.5%
Oakengates & Ketley Bank	16	6.0%
Park	2	0.7%
Priorslee	3	1.1%
Shawbirch	4	1.5%
St Georges	16	6.0%
The Nedge	19	7.1%
Woodside	15	5.6%
Wrockwardine	3	1.1%
Wrockwardine Wood & Trench	11	4.1%

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 Each year we review the local funding formula for mainstream schools in the context of revisions to DfE regulations or any other relevant developments. Although we consult with schools and the Schools Forum regarding any changes, the Council makes the final decision on the funding formula. The local funding formula applies both to academies and maintained schools.
- 1.2 The following is proposed for 2017/18:
 - Retain the principles of the existing funding formula, in the context that the Government is planning to introduce a national funding formula in 2018/19, which will replace local arrangements;
- 1.3 A new pressure for schools and the local authority is the proposed removal of the Education Services Grant (ESG) from September 2017. Just over £2m of ESG was allocated to T&W in 2016/17. This grant currently funds many of the local authority's statutory duties for schools, including those relating to academies. The local authority will be requesting schools forum permission to retain Dedicated Schools Grant (DSG) funds to pay for these duties. Any such retentions will reduce the amount available to be allocated to schools via the funding formula.
- 1.4 The local authority is able to move funds between the 3 different DSG blocks – Schools, Early Years and High Needs. If required, following the DfE's announcement of the allocation of high needs funding for 2017/18, sufficient funds will need to be moved from the schools block to meet projected high needs expenditure in 2017/18. The increase in the number of pupils in special schools in recent years is likely to continue in 2017/18, which is likely to increase high needs expenditure.
- 1.5 The revised funding formula has to be submitted to the Education Funding Agency (EFA), a DfE agency, by 20 January 2017.
- 1.6 This report seeks Cabinet approval for the proposed 2017/18 funding formula for Telford & Wrekin mainstream schools.

2. RECOMMENDATION

- 2.1 **That the funding formula for Telford & Wrekin mainstream schools be approved.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priority objective(s)?	
	Yes	By ensuring that as far as is possible schools receive fair funding for their pupils, this supports the objective to improve local people's prospects through education and skills training.
	Will the proposals impact on specific groups of people?	
	Yes	Children, young people, parents and the wider community served by schools.
TARGET COMPLETION/DELIVERY DATE	The revised funding formula will take effect from 1 April 2017 for maintained schools and from 1 September 2017 for academies. Details of the formula have to be provided to the EFA by 20 January 2017.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Most mainstream schools are forecast to receive a cash increase in funding in 2017/18 arising from increases in pupil numbers, although in some cases this may not be sufficient to meet inflationary pressures. Reductions in funding per pupil continue to be protected by the national Minimum Funding Guarantee (MFG) for schools which means that no school's funding can reduce by more than 1.5% per pupil, per year.
LEGAL ISSUES	Yes	The revised arrangements have to comply with the School Finance Regulations.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	Yes	The revised funding formula will affect all schools in T&W, including academies, with the exception of nursery schools, special schools and independent schools and so will impact upon all Wards across the Borough.

PART B) – ADDITIONAL INFORMATION

4 THE FUNDING SYSTEM FOR SCHOOLS

4.1 Dedicated Schools Grant (DSG) is allocated to local authorities by the DfE in three blocks; Schools, High Needs and Early Years, using the following bases:

- Schools Block: Calculated by multiplying the number of pupils at the preceding October census (i.e. October 2016 for 2017/18) by a unit of funding (different for each local authority). The 2017/18 allocation for T&W is £107.490m.
- High Needs Block: Calculated by taking historic allocations and distributing any remaining funding available nationally broadly pro-rata to authorities. The 2017/18 allocation for T&W is £19.109m.
- Early Years Block: Calculated by taking the average pupils in the relevant two January censuses (i.e. January 2017 and January 2018 for 2017/18) and then multiplying by a unit of funding. The 2017/18 initial allocation for T&W is £11.381m.

4.2 DSG is ring-fenced for schools, but local authorities can move funds between the blocks. As described above, whilst the School and Early Years blocks are allocated in proportion to pupil numbers, this is not necessarily the case for High Needs.

4.3 Presently, many of the statutory services provided by local authorities to schools are funded by the Education Services Grant (ESG). In 2016/17 T&W's allocation is just over £2m, consisting of:

- Retained duties ESG: £0.41m Funding services provided to both academies and maintained schools;
- General funding ESG: £1.62m Funding services provided just to maintained schools.

4.4 For 2017/18, the retained duties element has been added to schools block DSG. The general funding element will be paid at a reduced rate between April and August 2017, confirmed at £27.50 per pupil in a maintained school, and then cease. Money for the services formerly funded by ESG, which are mostly statutory, will then only be provided if the Schools Forum vote to allow the funds to be top-sliced from DSG. Whilst we would of course endeavour to reach a consensus with our Forum, should this not be possible the local authority can appeal to the Secretary of State for Education.

4.5 DSG is distributed to institutions as follows:

- Mainstream schools Via a locally determined funding formula, within the constraints of DfE regulations. The DfE is planning a national funding formula for schools to take effect in 2018/19, which will reduce/eliminate local authority involvement in determining individual school's funding in their area (apart from the

early years and high needs funding). However, at present, the local funding formula for schools continues to determine how much of the total funding received by T&W is allocated to each individual school.

- Special schools and pupil referral units (PRUs) Via a place plus top-up system, the place element being set nationally at £10,000, the top-up element being locally determined. The number of places is determined by a combination of the local authority and the EFA.
- Nurseries, nursery classes and private, voluntary and independent (PVI) early years providers. Via the Early Years Single Funding Formula (EYSFF) for 3 and 4 year olds, a locally determined formula, within the constraints of DfE regulations. Via a single hourly rate for 2 year olds (currently set at £4.85 in T&W, matching the allocation rate from the DfE). The DfE has consulted on revised arrangements in 2017/18 but the principles of limited local discretion within national guidelines will remain in place.

4.6 Pupil numbers in the Borough continue to grow. This has led to an increase in the overall cash sum of DSG allocated by the DfE in 2017/18.

5 T&W 2017/18 FUNDING FORMULA

5.1 The local funding formula for 2017/18 was discussed with the Schools Forum on 23 September 2016. There was a consensus that in the absence of significant changes to the funding regulations and in the context of a national funding formula for schools being planned by the DfE for 2018/19, the 2017/18 formula should remain consistent with 2016/17.

5.2 The actual allocations to schools will be confirmed once 2017/18 budgets have been calculated following the release of confirmed DSG allocations by the DfE on 20 December 2017. The amounts received by schools are partly dependent upon decisions that the Schools Forum will make at the meeting to be held on 13 January 2017, concerning monies to be retained by the local authority to pay for services – mostly statutory – previously funded by the Education Services Grant.

6. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

6.1 Schools continue to be protected by the national Minimum Funding Guarantee, which prevents any year on year reduction in funding for a school exceeding 1.5% per pupil.

6.2 Under current regulations, the formula can be reviewed and if desirable it can be amended by the local authority each year. This is likely to change in 2018/19 with the introduction of a national funding formula for schools. Confirmation of the DfE's plans is expected during Spring Term 2017.

7. PREVIOUS MINUTES

7.1 Minutes of the meetings of the Cabinet held on 8th November, 2012 (concerning the 2013/14 funding formula for schools), 14th November 2013 (concerning the 2014/15 funding formula), Thursday 13 November 2014 (concerning the 2015/16 funding formula) and 12 November 2015 (concerning the 2016/17 funding formula).

8. BACKGROUND PAPERS

“Schools revenue funding 2017 to 2018: Operational guide”, Education Funding Agency, July 2016

T&W Schools Forum, Minutes and accompanying papers of meetings held on 23rd September 2016

Report prepared by:

Tim Davis

Finance Team Leader

Telephone: 01952 383756

TELFORD & WREKIN COUNCIL**CABINET - 5 JANUARY 2017****LOCAL DEVELOPMENT ORDER – HOUSEHOLDER EXTENSIONS AND ALTERATIONS****REPORT OF ASSISTANT DIRECTOR BUSINESS, DEVELOPMENT AND EMPLOYMENT****LEAD CABINET MEMBER – CLLR RICHARD OVERTON****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 Following a period of statutory consultation, the report seeks delegated authority to make a Local Development Order (LDO) removing the need to seek planning permission for a number of types of change to residential properties, across the Borough. The introduction of the LDO was agreed as part of the budget strategy approved by Full Council on the 3rd March 2016, and the consultation documents considered by Cabinet on the 15th September 2016.
- 1.2 The Local Development Order (LDO) will approve a number of general types of changes for two storey and single storey extensions, in addition to other minor alterations to residential properties that are deemed to be non-controversial. It will mean that such changes will not require an application for planning consent. Instead householders simply apply to the LPA for a Certificate of Compliance under the LDO which will be a much more straight forward and faster process.
- 1.3 The LDO will last for a period of 3 years, and some exclusions will apply where a full planning application is required, for example applications within the World Heritage Site, Conservation Areas, Listed Buildings and Houses in Multiple Occupation which are excluded from the LDO.
- 1.4 Public consultation was carried out between the 10th October and 7th November 2016. A number of minor amendments have since been made to the document in the light of consultation comments. This includes a minor alteration to the boundary of the Newport exclusion area at the request of the Parish Council, which has been marginally extended, and the addition of further technical guidance as guided by Consultees.

2. RECOMMENDATIONS

- 2.1 That Cabinet delegate authority to Assistant Director: Business, Development & Employment and any other officer authorised by that Assistant Director in writing, to make the Borough of Telford & Wrekin Extensions and Alterations LDO, for a period of 3 years.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<i>Promote development by simplifying and speeding up the planning process</i>
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/ DELIVERY DATE	Consultation completed Autumn 2016 Subject to Cabinet approval adoption will be in January 2017	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>The 2016-2018 Budget Strategy approved a saving of £68k in relation to the introduction of the LDO process, which will be delivered by reducing staff and non-staff costs as proposed.</p> <p>The implementation of LDO process will reduce householder planning application timescales and will release some of the remaining resource to focus on other priorities and is key to enable the team to actively pursue opportunities to develop future income streams.</p> <p>The LDO application charge will be set to recover all costs associated with the compliance check processes. The application charge will be set at £150 per application.</p> <p>TAS 28.11.16</p>
LEGAL ISSUES	Yes	<p>An LDO deems planning permission to have been granted for specific development or specified classes of development within a defined area. An LDO may relate to all the land within a Local Planning Authority or may be restricted to part of that land or to a specific site. The scope of an LDO is restricted by legislation.</p> <p>The procedure for making an LDO requires drafting the order and a statement of reasons justifying why an LDO should be made. The description of the development to be permitted by the LDO needs to be carefully and clearly worded to avoid circumstances where unacceptable forms of development are allowed unintentionally.</p> <p>The draft documents must be consulted on.</p> <p>The LDO is of no effect unless it is adopted by resolution of the LPA.</p> <p>A copy of the Order, the statement of reasons and any environmental statement must be sent to the Secretary</p>

		<p>of State.</p> <p>If the LPA decides to revoke or amend the LDO prior to the 3 year term there will be a risk of compensation payable if a planning application that would previously have been permitted by the LDO is refused or is granted subject to conditions within 12 months following the date of revocation or amendment. EG 29-11-16</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>The implementation of an LDO will allow the applicant to have notification that they can carry out the works within a 2 week time frame, rather than the statutory 8 weeks which a planning application takes. Notification remains essential and is undertaken by the applicant, allowing them to directly discuss the issues with the neighbours.</p> <p>The description of the development to be permitted by the LDO must be carefully and clearly worded to avoid circumstances where unacceptable forms of development are allowed unintentionally.</p> <p>The Secretary of State may intervene and by order revoke the LDO.</p> <p>Risk of compensation if the LPA decides to revoke or amend the LDO prior to the 3 year duration.</p>
IMPACT ON SPECIFIC WARDS	No	Borough-wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

BACKGROUND:

- 4.1 The Town and Country Planning (General Permitted Development) (England) Order 2015 allows certain works (e.g. small household extensions) to be undertaken without the need for planning permission, through what is known as 'Permitted Development Rights'. Technically planning permission is automatically granted for the works which fall within the specified limits identified by the national legislation. An LDO effectively increases the range of development that can be built without having to make an application to the council for planning permission.
- 4.2 The proposed LDO will remove the need to seek a formal planning permission through a planning application for the following types of development:
- a. Erection of single storey rear and side extensions
 - b. Erection of a two storey and first floor rear and side extensions

- c. Single storey extensions to converted dwellings that were previously Offices / Storage and Distribution Units/ Shops / Amusement arcades/ Agricultural Buildings converted under permitted development rights
 - d. Porches
 - e. Thermal Cladding
 - f. Dropped Kerbs on Unclassified Roads
- 4.3 In order to preserve the character of the area the properties in the list below will be excluded from the LDO:
- a. Properties in a Conservation Area and its identified exclusion zone
 - b. Properties in a World Heritage Site and its identified exclusion zone.
 - c. Listed Buildings and development within its curtilage
 - d. Flat or a house in multiple occupation
 - e. Properties within the Area of Outstanding Natural Beauty
 - f. Properties within a Site of Special Scientific Interest
 - g. Properties within Historic Parks and Gardens
 - h. Local Interest Buildings
 - i. If permitted development rights have been removed
- 4.4 The proposed LDO will specify that planning permission under the Order will only be granted where a Certificate of Compliance has been issued by the Council following an application procedure. This means that rather than having to make an application to have the planning merits of the case considered, and in some cases its consideration by Planning Committee and incurring an eight week process, the applicant would make an application to the Council to confirm that the development will legitimately fall within the terms of the Order. The key benefits to householders will be a more efficient application process taking only two weeks, and a cheaper route, allowing residents to commence their home improvements earlier.
- 4.5 If the scheme falls within the limits specified in the LDO and the associated procedures have been complied with, then it is granted planning permission by the Order. The applicant would make an application to the Local Authority to confirm that the development meets the LDO criteria and a Certificate of Compliance would be issued.
- 4.6 In utilising the LDO procedures there would be no consultation e.g. with neighbours, by the Local Planning Authority. Instead a requirement is placed on the applicant to notify the neighbours of the development prior to the submission of the application. Elected Members, Town/Parish Councils would also not be notified by the LPA and would not be able to influence one way or the other, assuming the proposal falls within the parameters of the LDO. Applications being submitted under the LDO would be published on the Councils website, in a similar vein to the prior notification applications.
- CONSULTATION SUMMARY:**
- 4.7 Residents across the Borough were directly notified through the 'Your Voice' Council publication; site notices were displayed locally by Parish Councils; a press notice and the Councils web site advertised the proposed Order. In addition a meeting was held with the Parish Councils to present the proposed Order and directly answer any questions. A total of eleven Town and Parish Councils provided comments; these included concerns of lack of consultation whilst others supported the process or raised no objections. Four comments

from members of the public were received; which were balanced, with both support and objections. From the statutory consultees a total of ten comments were received that raised no objections from the proposed Order, and in some cases expanded informatives to address technical areas.

4.8 A feedback questionnaire was supplied with the consultation pack along with the opportunity to make general comments. This was available to members of the public, parish and town councils etc, and specialist consultees – many of whom had had an input into the LDO prior to its consultation. The questionnaire evidenced that almost all parish and town councils supported the need to speed up the prolonged process for minor and non-controversial householder applications. Some members of the public also commented that the cost and time benefits to the LPA would also be mirrored to the applicant and thus the LDO was welcomed.

4.9 A number of themes emerged from the consultation:

Notification:

Parish and Town Councils will no longer be consulted in the LDO process, although neighbours will be notified via the applicant. Some concerns were expressed regarding the lack of direct neighbour consultation from the Local Authority and the reliance of the applicant to notify the neighbour, which may result in a weakening of neighbour relationships. Although this is acknowledged, this element of the existing process takes a great deal of time and resources and comments or objections made are very often not planning considerations and cannot therefore be addressed through the planning process. Also such small scale applications generally do not warrant refusals or changes to be made on the basis of comments received.

Neighbour consultation is a requirement of the LDO assessment; to ensure this happens effectively, in response to comments, it is proposed to provide a pre-formatted letter to be used by the applicant to notify all neighbours. The removal of Parish & Town Councils from the planning consultation process (along with all consultees) will help free up their time to comment and influence larger applications.

Exclusion Zones:

4.10 Exclusion Zones from the LDO have been identified for all Conservation Areas in the Borough. The Gorge Parish Council requested an extension to the exclusion zone of the Severn Gorge Conservation Area, highlighting the areas for inclusion. However, almost all of the areas are undeveloped therefore the LDO would not apply anyway. Newport Town Council requested an extension to the exclusion zones to the north of the Conservation Area which has been re-assessed and the boundary amended. This reduces the visual impact that may occur from changes made under LDO on properties close to the boundary.

4.11 Kynnersley Parish Council also queried exclusion zones for rural areas due to increased impact on views in comparison to urban areas. However, the right to a view is not a planning consideration, although impact on residential amenity is hence the specific criteria which are built into the LDO. Historic England suggested exclusions zones for Historic Parks & Gardens, of which the borough has 3; however the majority of land surrounding these which constitutes its immediate 'setting' is almost all open countryside, so the impact of the minor development that the LDO would allow would be extremely minimal where there is any built environment.

Enforcement:

- 4.12 Several consultation comments related to ‘policing’ of the LDO. The LDO Notice states that the LPA will investigate any complaints relating to extensions constructed under the Householder Extensions LDO and the LDO cannot be applied retrospectively therefore in some cases a formal planning application may be necessary. The Statement of Reasons sets out that the LDO will also be reviewed after a 3 year period.

Guidance to Applicants (Informatives):

- 4.13 Previous householder applications allowed for a full consultation with all relevant specialist consultees, which would often result in conditions. Under the LDO criteria are set out as advised by specialist consultees meaning development remains closely controlled but without the need for protracted negotiation with individual consultees. In the light of comments from specialist consultees the guidance on what should be considered has been amended to ensure appropriate controls are maintained.

Summary:

- 4.14 The overriding concern from the public was the change in the process to remove the requirement for the Local Planning Authority to consult with neighbours. Existing permitted development rights do not incorporate any neighbour notification. Under this LDO where neighbour consultation by the applicant is a compliance test neighbours would be consulted. A letter template will be provided to the applicant to use in making this notification ensuring consistency. If the applicant does not notify neighbours they will not comply with the criteria of the LDO and the development will not be permitted. Following any Cabinet approval the LDO will subsequently be sealed, and the Secretary of state will be notified. The LDO will be effective from the point of sealing, allowing residents to benefit from this route imminently.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 5.1 None

6. PREVIOUS MINUTES

Full Council 3rd March 2016
Cabinet 15th September 2016

7. BACKGROUND PAPERS

Draft Householder LDO 2017

http://www.telford.gov.uk/info/20170/planning_applications_and_guidance/1201/householder_local_development_order

8. APPENDICES:

1. Householder LDO January 2017

**Report prepared by Valerie Hulme, Planning Delivery Group Manager
Telephone: 01952 384130**



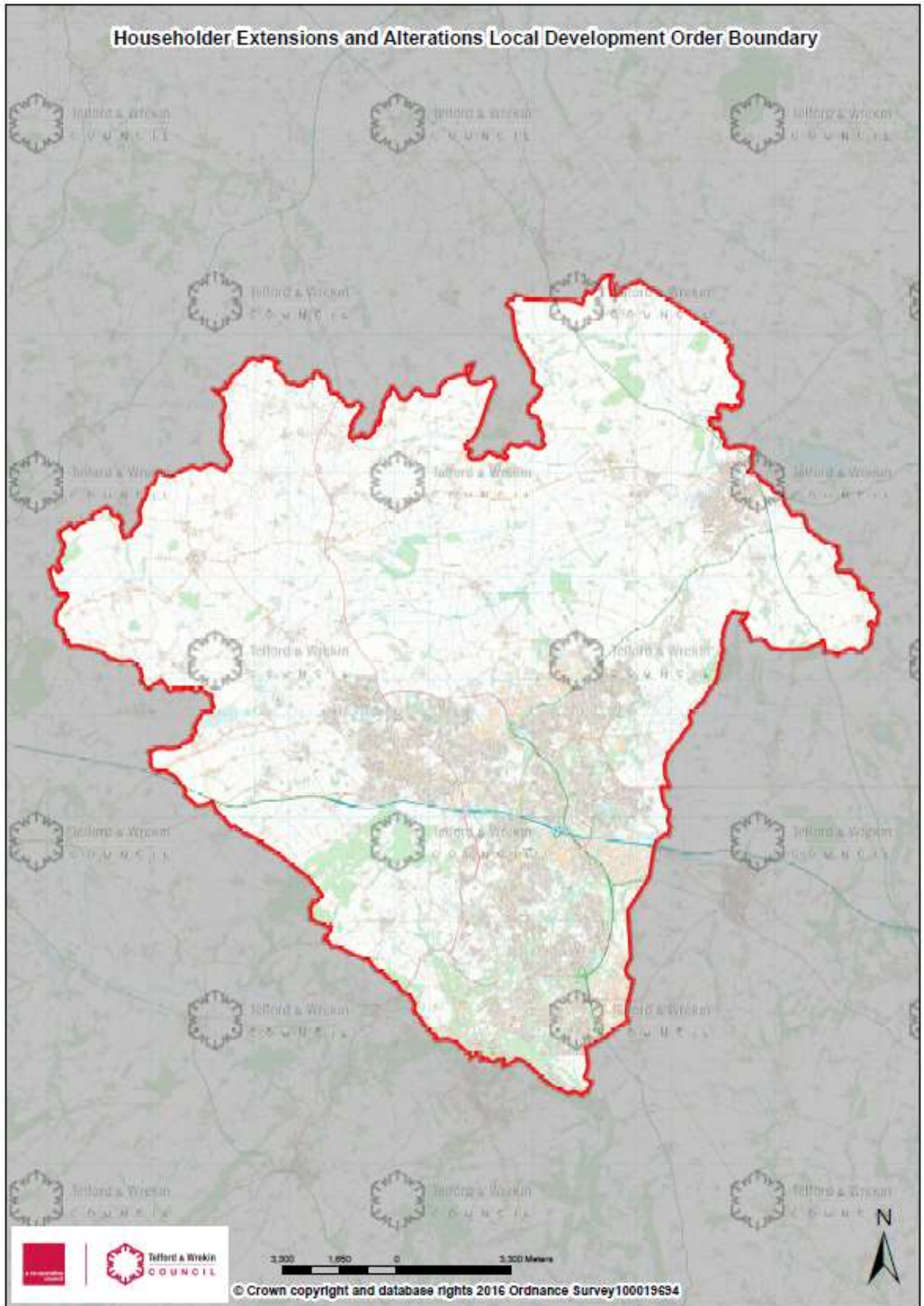
BOROUGH OF TELFORD & WREKIN
Telford & Wrekin Council Householder Local Development Order 2017

**The Town and Country Planning Act 1990 & Town and Country Planning
(Development Management Procedure) (England) Order 2015**

1. This Order is made by Borough of Telford & Wrekin (the 'Council') under the powers conferred on the Council as Local Planning Authority by sections 61A-61D and Schedule 4A of the Town and Country Planning Act 1990 (as amended) and pursuant to The Town and Country Planning (Development Management Procedure) (England) Order 2015 (as amended), and shall be known as the Telford & Wrekin Council Householder Development Order 2017 (the 'Order').
2. The Order applies to the whole of the land (the 'Area') in the Council's administrative area, shaded red and depicted on the plan at Schedule 1 but does not apply to the land properties and buildings described in paragraph 2.3 of Schedule 2 to this Order.
3. The Order will be operative for a period of three years following the day of its adoption or until it is formally revoked by the Council.
4. All permission granted under the Order will expire upon the third anniversary of the adoption of the Order or upon revocation and any development which has started at that time cannot be further implemented unless the development has reached a stage of development as specified in Schedule 3 **AND** if the development has reached a stage as specified in Schedule 3 it will be allowed to be completed as granted.
5. This Order grants planning permission for the types of development set out in paragraph 2.2 Schedule 2 subject to:
 - (a) the definitions, limitations and restrictions in that Schedule;
 - (b) compliance with Schedule 3.
6. The definitions in Schedule 4 of this Order apply in the interpretation of this Order.
7. The Schedules form part of this Order and the words in the Schedules have the same meanings as provided in the body of this Order unless expressly stated otherwise.
8. The address for submission of all communications in relation to operation of this Order is: Development Management Team Leader, Telford & Wrekin Council, PO Box 457, 1st Floor, Wellington Civic Offices, Telford, TF2 2FH

Date:

Schedule 1



Schedule 2

1. Introduction

- 1.1 The Telford & Wrekin Householder Local Development Order 2017 (“the Order”) applies to householder extensions and alterations which normally require planning applications that are deemed to be straight forward and low impact and in compliance with the Council’s house extensions planning guidance. The Order extends Permitted Development rights for qualifying alterations to dwellings. The Order does not remove any of the nationally set “Permitted Development” rights.

2. What does the Order permit?

- 2.1 The Order allows certain extensions to be built without planning permission. The criteria used are over and above the national Permitted Development rights set down by the Town and Country Planning (General Permitted Development) Order 2015 as amended, which still apply to all dwelling houses within the District unless otherwise specified.

- 2.2 Subject to the provisions of paragraph 2.3 and 2.4 of this Schedule this Order permits the following types of development subject to the Design Criteria specified in paragraph 3 below:

- a. Erection of single storey rear and side extensions to dwellinghouses that are not dwellinghouses converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015
- b. Erection of a two storey and first floor rear and side extensions to dwellinghouses that are not dwellinghouses converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015
- c. Single storey extensions to converted dwellinghouses that were previously Offices / Storage and Distribution Units/ Shops / Amusement arcades/ Agricultural Buildings converted under Permitted Development rights
- d. Porches outside any external door of a dwellinghouse that is not a dwellinghouse converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015
- e. Thermal Cladding to a dwellinghouse that is not a dwellinghouse converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015
- f. Dropped Kerbs on Unclassified Roads relating to a dwellinghouse access point

- 2.3 Development is not permitted under the Order for the following types of properties:

- a. land, properties and buildings in a Conservation Area and its Identified Exclusion Zone as shown on plans attached at Schedule 5
- b. land, properties and buildings in the World Heritage Site and its Identified Exclusion Zone as shown Schedule 5.
- c. listed Buildings and development within its curtilage
- d. flat or a House in Multiple Occupation
- e. properties within the Area of Outstanding Natural Beauty
- f. properties within a Site of Special Scientific Interest
- g. properties within Historic Parks and Gardens
- h. Local Interest Buildings

- i. land, property or buildings where Permitted Development Rights have been removed
- 2.4 Planning Permission is not granted under this Order unless before Commencement of development
 - (a) an application for a Certificate of Compliance has been made to the Council and;
 - (b) the Council has issued a written Certificate of Compliance
- 2.5 No planning permission granted under the Order enables any works to be done to trees which are subject to a Tree Preservation Order under the Town and Country Planning Act 1990 or for such protected trees to be lopped, pruned or felled in any way.

3 Design Criteria

3.1 Criteria applicable to all alterations under the Order

- a. No part of the development referred to in subparagraphs a, b and c of paragraph 2.2 of this Schedule extends beyond the front wall of the original dwelling house.
- b. The highest part of the development referred to in subparagraphs a, b, c and d of paragraph 2.2 of this Schedule is no higher than the highest part of the roof of the existing dwelling
- c. The eave height of the development referred to in subparagraphs a, b, c and d of paragraph 2.2 of this Schedule is no higher than the eave height of the existing dwelling
- d. The exterior materials and brick bonding used must be of a similar appearance to match those in the original dwellinghouse. Except only for the materials used in constructing a conservatory, due to the substantial glazing; any base brick should match that of the original dwelling.
- e. No part of the proposed building encroaches upon or overhangs any neighbouring land or property
- f. Where the original rear wall of a dwellinghouse is stepped, then each of these walls will form 'the rear wall of the original dwellinghouse'
- g. The development referred to in subparagraph a, b and c paragraph 2.2 of this Schedule does not include Balconies, Verandas, or Raised Platforms which are not permitted.
- h. The total area of ground covered by extensions (including previous extensions and other buildings within the property curtilage) must not be greater than 50% of the total area of the 'curtilage', excluding the ground area of the original dwelling house.
- i. The proposal will not result in any alteration to the roof.

Part 1

The criteria listed below at paragraphs 3.2 to 3.5.1 (inclusive) apply to all dwellings that are **not** dwellings converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015.

3.2 Single storey side and single storey rear extensions

Under the Order a single storey side and rear extension can be added to the property subject to the following criteria:

3.2.1 Detached dwellings:

- a. The length of the proposed extension is no more than 8 m from the rear wall of the original property
- b. The width of the proposed single storey side extension cannot be greater than half the width of the original dwelling house plus 1m.

3.2.2 Linked detached/ Semi-detached / Terrace dwellings:

- a. The length of the proposed extension is no more than 6m from the original rear wall
- b. The width of the proposed single storey side extension cannot be greater than half the width of the original dwelling plus 1m , and
- c. In the case of an end terrace, the greater value is chosen of the following:
 - (i) where the width of the side extension is no more than the width of the original dwelling, up to a maximum of 4m; or
 - (ii) where the width of the side extension is no greater than half the width of the original dwelling house, up to a maximum of half the width of the original dwelling house

3.2.3 Applicable to all single storey extensions:

- a. If a side extension extends beyond the original rear elevation the proposal must meet criteria for both side and rear extensions. i.e. it must not project more than 8m (detached dwellings) / 6m (Linked detached/semidetached/terrace dwellings) beyond the rear elevation
- b. If the proposal is within 2m of any boundary it shall not exceed 4m in height, and any eave height shall not exceed 3m in height
- c. If the proposal is more than 2m from any boundary it shall not exceed 4.5m in height
- d. Any proposed side extension does not extend beyond a wall which fronts a highway or open space

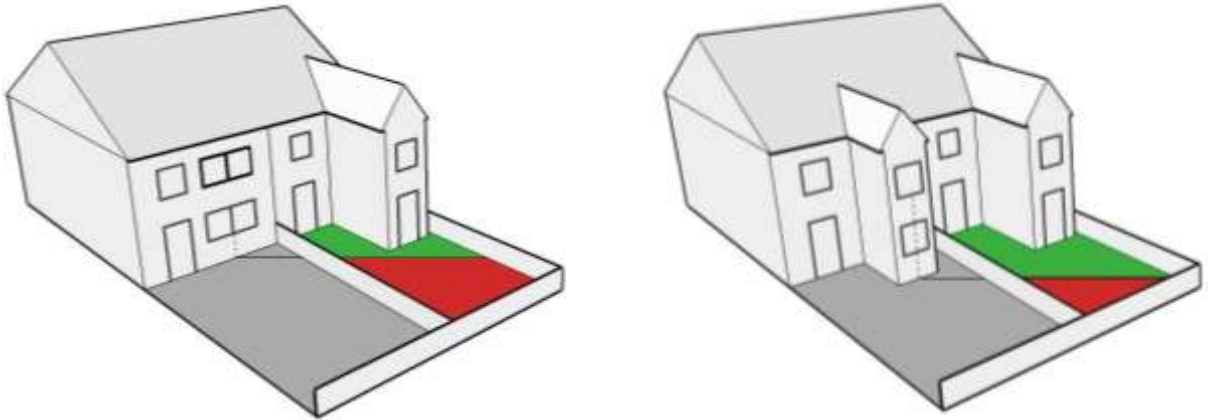
3.3 First floor and Two Storey Extensions

3.3.1 Under the Order a first floor or a two storey extension can be added to the property. A two storey extension can be more detrimental than a single storey, therefore a zone of Permitted Development applies; this is calculated by drawing a 45 degree line from the centre point of the neighbours nearest habitable window.

No part of the development referred to in subparagraph b of paragraph 2.2 of this Schedule can be located outside the zone of Permitted Development for example no such development can take place within the area shaded red in the figures below.

45 Degree Line:

3.3.2 An imaginary line is drawn at a right angle from the nearest window of the neighbouring house that may be effected by the extensions. The window used must be the main source of light to the 'habitable room'. This includes living rooms, bedrooms, kitchens, and conservatories, but does not include rooms such as utility rooms, halls, bathrooms or landings.



Development allowed in this area if authorised



No development in this area

3.3.3 First floor and two storey rear extensions

Development of a first floor rear or a two storey rear extension can only be located within this zone of Permitted Development (for example the land shown shaded green in the figures above) if it meets the following criteria:

- a. The length of the proposed extension is no more than half the length of the original property.
- b. On any side elevation that is less than 10m from any boundary, there are no first floor windows, dormer windows, or any velux windows less than 1.8m above floor level.

3.3.4 First floor and two storey side extensions

Under the Order a first floor or a two storey side extension can be added to the property, subject to the following criteria:

- a. The length of the proposed extension is no wider than half the width of the original property;
- b. The first floor extension shall be set back 1m from the front elevation, and the ridge height reduced accordingly to match the pitch of the original dwelling.
- c. There are no habitable room windows in the first floor side elevation.
- d. There are no dormer windows in the side elevation roof plain.
- e. Any velux windows on a side elevation within 10m of any boundary installed less than 1.8m above floor level shall be obscurely glazed

- f. Any non-habitable room windows formed in the side elevation, within 10m of any boundary shall be permanently fitted with obscure glazing and opening light shall be top hung only.
- g. Any open window should sit within the boundary of the property and not overhang any boundary
- h. Any proposed side extension does not extend beyond a wall which fronts a highway or open space; and

3.3.5 Applicable to all first floor and two storey extensions:

- a. If a side extension extends beyond the original rear elevation the proposal must meet criteria for both side and rear extensions i.e. the rear extension must sit within the zone of Permitted Development. For zone of Permitted Development see paragraphs 3.3.1 and 3.3.1 above
- b. The ridge height is not higher than the highest part of the existing roof it will be attached to.
- c. The roof pitch matches the main roof of the existing roof it will be attached to
- d. The proposed eaves height is not higher than the highest part of the existing roof it will be attached to.
- e. The proposal is not splayed or does not have a contrived design to fall within the zone of Permitted Development
- f. The extension is no closer than 7m to the rear boundary

3.4 Porch Extensions

3.4.1 Under the Order a porch outside any external door of a dwellinghouse can be erected to any elevation of the property subject to the following criteria:

- a. The proposal does not fall within 1m of the boundary of the property
- b. The proposal does not exceed 4m² externally
- c. The proposal does not exceed 3m in height

3.5 External Thermal Cladding

3.5.1 Under the Order thermal cladding can be installed to the external elevations of any residential dwelling subject to the following criteria:

- a. The external appearance of the cladding matches the materials of the existing building or that within the immediate surrounding area.

Part 2

3.6 Single Storey extensions to dwellings converted under Part 3 of the General Permitted Development Order 2015

The criteria listed below in paragraph 3.6.1 relate to **all dwellings that have been converted** from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units. The General Permitted Development Order 2015 specifically excludes dwellings that have been converted under Part 3 of that Schedule; and therefore these dwellings cannot extend without planning permission. This Order allows some small scale single storey extensions without the requirement for a planning application.

3.6.1 Single storey side and rear extensions

- a. The length of the proposed extension is no more than 3m from the rear wall of the original property
- b. The proposed side extension is no more than 3m beyond the original side wall of the original dwelling
- c. A single storey side extension cannot be linked to a rear extension
- d. The proposed eaves height does not exceed 3m in height within 2m of any boundary
- e. The design, form and materials must match the design and form of the original unit, and shall not be substantially glazed; this Order excludes conservatory extensions. Materials, windows including cill and headers, roof pitch, eave details must be the same as the host dwelling

Part 3

3.7 Installation of a dropped kerb on an unclassified highway where it relates to a residential dwellinghouse access point.

3.7.1 The criteria listed below relates to the creation of a dropped kerb on an unclassified road specifically where it relates to a residential dwellinghouse access point. Under the Order a dropped kerb may be installed subject to the following criteria:

- a. Consent is obtained from the Local Highway Authority under S.184 Highways Act 1980
- b. Visibility splays of the following are provided:
 - (i) 22m x 2.4m on a 20mph road
 - (ii) 40m x 2.4m on a 30mph road
 - (iii) 56m x 2.4m on a 40mph road
 - (iv) 160m x 2.4 on a 50mph road
 - (v) 215m x 2.4 on a 60mph road
- c. The gradient of the associated private driveway or hardstanding is no steeper than 1:12

Schedule 3

In accordance with Article 4, the types of development listed in column 1 below must reach the stage of development described in column 2 in order to be allowed to be completed in the event this Order expires or is revoked.

Column 1 Type of Development	Column 2 Required stage of Development
Development under paragraph 2.2 (a) Erection of single storey rear and side extensions to dwellinghouses that are not dwellinghouses converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015	Up to and including all elevations to eave height must be substantially completed. If brick built this can still have window and door voids which are incomplete. If substantially glazed (more than 50%) then the elevations should be completed in their entirety. For the avoidance of doubt the roofing does not need to have commenced.
Erection of a two storey and first floor rear and side extensions to dwellinghouses that are not dwellinghouses converted from Offices / Storage and Distribution Units/ Shops / Amusement arcades / Agricultural units under the Town and Country Planning (General Permitted Development) Order 2015	Up to and including all elevations to eave height must be substantially completed. If brick built this can still have window and door voids which are incomplete. If substantially glazed (more than 50%) then the elevations should be completed in their entirety. For the avoidance of doubt the roofing does not need to have commenced.
Development under paragraph 2.2 (c) Single storey extensions to converted dwellinghouses that were previously Offices / Storage and Distribution Units/ Shops / Amusement arcades/ Agricultural Buildings converted under Permitted Development Rights	Up to and including all elevations to eave height must be substantially completed. If brick built this can still have window and door voids which are incomplete. If substantially glazed (more than 50%) then the elevations should be completed in their entirety. For the avoidance of doubt the roofing does not need to have commenced.
Development under paragraph 2.2 (d) Porches outside any external door of a dwellinghouse	Up to and including all elevations to eave height must be substantially completed. If brick built this can still have window and door voids which are incomplete. If substantially glazed (more than 50%) then the elevations should be completed in their entirety. For the avoidance of doubt the roofing does not need to have commenced.
Development under paragraph 2.2 (e) Thermal Cladding to a dwellinghouse	More than 50% of the elevations being covered should have been completed
Development under paragraph 2.2 (f) Dropped Kerbs on Unclassified Roads relating to a dwellinghouse access point	The Dropped Kerb should be wholly in place.

Schedule 4

Definitions

45 degree line measured from centre of window	this means the centre of the total extent of the window, not the nearest 'light/opening part'.
Adjoining neighbours -	any property adjoining any boundary to the property where the house is to be extended, to the side or rear, including any property separated from it by pedestrian-only access.
Article 1(5) land -	this is land within a National Park, the Broads, an area of outstanding natural beauty, an area designated as a conservation area, and land within World Heritage Sites.
Balcony	is a platform with a rail, balustrade or parapet projecting outside an upper storey of a building. A 'Juliet' balcony, where there is no platform and therefore no external access would normally be Permitted Development and comply with the Order criteria.
Certificate of Compliance	Means a written certificate issued by the Council confirming that the development meets the criteria as specified within this Order.
Commencement	The earliest point in time where a material operation in relation to the development has been carried out. Material operation includes the construction, demolition, digging of foundations etc,
Dwellinghouse	does not include buildings containing one or more flats or a single flat contained within a building. Note, however, that for the purposes of this guidance, the word 'house' or "dwelling" is a 'dwellinghouse'.
Eaves	the part of a roof that meets or overhangs the walls of a building.
Elevation	this is the term used to describe a side of the property on view, eg the front elevation is the side of the house that faces the nearest road.
Existing	means a building as it existed immediately before any proposed Permitted Development (eg a house extension) is undertaken. The existing house will include previous development to the house, whether undertaken as Permitted Development or as development resulting from a planning permission from the local authority.
Front or front wall of the dwellinghouse	that elevation which originally contained the front entrance door to the house
Habitable Room	lounge/ sitting room, dining room, and kitchen incorporating a dining area, study, bedroom. It does not include hallways, landings, kitchens where no dining area is incorporated, bathrooms, wc and utilities.
Height	references to height (for example, the heights of the eaves on a house extension) is the height measured from ground level. Ground level is the surface of the ground immediately adjacent to the building in question. Where ground level is not uniform (e.g. if the ground is sloping), then the ground level is the highest part of the surface of the ground next to the building. This will be the level of the natural ground and would not include any addition laid on top of the natural ground such as a patio.
House in Multiple Occupation (HMO)	a property that is shared by three or more tenants who are not living together as a family and who share basic amenities such as a kitchen, bathroom or toilet facilities but have separate bedrooms
Informatives	The informatives set out at Schedule 4
Linked Detached	is where a property is physically linked to another property by a side garage or

	structure
Locally Interest Building	A building recognised for its local importance and contribution to the historic environment as identified and included on the List of Buildings of Local Interest (Local List) prepared by Telford & Wrekin Council.
Matching Materials	Where the structure has differing materials for example brick and render, it should match that of the host elevations; and where there are different windows types – UPVC / Timber / Metal, the frames should match that which there are most of, or form part of a replacement for the whole property.
Original	means a building as it existed on 1 July 1948 where it was built before that date, and as it was built when built after that date.
PD – or Permitted Development	the extent to which properties may be changed without planning permission.
Principle Elevation	In most cases, the principal elevation will be that part of the house which fronts (directly or at an angle) the main highway serving the house (the main highway will be the one that sets the postcode for the house concerned). It will usually contain the main architectural features such as main bay windows or a porch serving the main entrance to the house. Usually, but not exclusively, the principal elevation will be what is understood to be the front of the house.
Properties in a Conservation Area and its Identified Exclusion Zone	Means the land, properties and buildings located within the areas shown on the plans attached at Schedule 5 to this Order
Properties in World Heritage Site and its Identified Exclusion Zone	Means the land, properties and buildings located within the area shown on the plan attached at Schedule 5 to this Order
Raised platform	is any platform with a height greater than 300 millimetres and will include roof terraces.
Ridge height	Chimneys, firewalls, parapet walls and other protrusions above the main roof ridge line should not be taken into account when considering the ridge height of the original or existing house
Veranda	is a gallery, platform, or balcony, usually roofed and often partly enclosed, extending along the outside of a building at ground level.

Schedule 5

Plans attached showing properties in Conservation areas and World Heritage Site and their identified exclusion zones:

1. Edmond
2. High Ercall
3. Horsehay & Spring Village
4. Severn Gorge
5. Newport
6. Wellington
7. Wrockwardine

Informatives

The following informatives apply to development which are granted planning permission under the Order.

1. Building Regulations

1.1 Consent under the Building Regulations is likely to be required in most cases.

2. Party Wall Act

2.1 The applicant's attention is drawn to the provisions of the Party Wall etc Act 1996. The approval under the Householder Extensions Order does not remove the need to comply with the Act where it is applicable.

3. Information and amendments

3.1 A Certificate of Compliance issued under this Order is based on the information submitted by the application. If this information is subsequently found to be incorrect, the proposal would no longer be permitted under the Order and any Certificate of Compliance given would be null and void. A further Certificate of Compliance would be required, however if the development does not meet the criteria of the Order a full planning application would then be required to regularise the development.

3.2 Where a development requires a non-material minor amendment (for example the relocation of a window etc) after the issue of a Certificate of Compliance, amendment to the Certificate of Compliance can be applied for through the submission of a formal application with amended plan(s) and a fee. Anything more significant would require a new Order Certificate of Compliance or a formal planning application where the proposal does not meet this criteria.

3.3 The Council will investigate any complaints relating to extensions constructed under the Order. The Order cannot be applied to retrospective development where no Order Certificate of Compliance has been sought at the outset.

4. Consultation

4.1 To promote early engagement and consultation between the applicant and neighbours, prior to submitting plans to the Council, the applicant will be required, under the Council's application process, to 'serve notice' on all adjoining neighbours in addition to providing them with copies of detailed drawings of the proposal. The Council's application process together with copies of submissions and representations in respect of the application will be published in the Council's website.

5 Protected Trees:

5.1 The Council's separate consent would be required before works on trees the subject of Tree Preservation Order could be carried out. The approval under the Householder Extensions LDO does not override this requirement.

5.2 If any works are situated within the canopy of a tree that is outside of the boundary of the dwelling, the applicant is advised to notify the owner before any works commence to clear the site. If the land is under Council ownership the applicant shall notify the Councils Environmental Maintenance giving at least 2 weeks' notice.

6 Drainage and Floodrisk:

- 6.1 The applicant's attention is drawn to the following advice from the Environment Agency:
- a. For extensions within Flood Zones 2 or 3 floor levels be set no lower than existing levels and flood proofing incorporated where possible, or floor levels be set 600mm above the known or modelling 1% river flood level, including climate change allowance.
 - b. Any works in, under, over or within 8 metres of the top of a main river may require a permit from us under the Environmental Permitting (England and Wales) Regulations 2010. This would have formerly been called a Flood Defence Consent. For more advice to confirm whether a permit is required, what type, and exemptions go to: <https://www.gov.uk/guidance/flood-risk-activities-environmental-permits>
- 6.2 After October 2011 any existing sewer serving more than a single property automatically became classified as a public sewer. As a result any pipework running through your site serving a neighbouring property will now be the responsibility of Severn Trent Water. Where there is a Severn Trent Water foul or surface water sewer crossing the site this may need to be diverted at the applicant's expense, or amendments may be necessary to the proposed development so that the sewer can be retained or built over. Unrestricted access must be made available at all times for maintenance and repair. Applicants will be advised to find out if their property is constrained in this manner by contacting Severn Trent Water direct.
- 6.3 Where a Telford & Wrekin Council highway drain crosses the site this may need to be diverted at the applicant's expense. Unrestricted access must be made available at all times for maintenance and repair. Applicants will be advised to submit any plans of a diverted highway drain to Telford & Wrekin Council's Drainage team for approval prior to undertaking any works on site.
- 6.4 Where there is a Severn Trent Water main crossing the site this may need to be diverted at the applicant's expense, or amendments may be necessary to the proposed development so that the main can be retained. Unrestricted access must be made available at all times for maintenance and repair. Applicants will be advised to find out if their property is constrained in this manner by contacting Severn Trent Water direct.
- 6.5 Where a watercourse or other water body is located within the site boundary, any feature should remain in open channel with a minimum offset distance of 3m. Should the proposals require the modification of any ordinary watercourse channel the applicant is advised to contact Telford & Wrekin Council to apply for Ordinary Watercourse Consent.
- 6.6 Where soakaway drainage is utilised as part of the design any soakaway structure should be located no less than 5m from any building or property boundary.
- 6.7 When installing a dropped kerb, the applicant should take existing highway drainage regimes into consideration and consider where water will flow post-development. Surface water produced by the Public Highway will run along a kerb line until it can drain into a highway gully. If the kerb line is interrupted by a dropped kerb it is possible that these flows will then enter private property.
- 6.8 TWC cannot be held responsible for any flooding to property caused as a result of the installation of an inappropriate dropped kerb. Special care should be taken in areas at risk of surface water flooding. The applicant should consult with the [Environment Agency's Surface Water Flood Maps](#) to see if they are in an area identified as at risk.

6.9 Installation of a dropped kerb should not result in private property draining towards the Public Highway. Where this is unavoidable the applicant will be responsible for installing a private drainage system to intercept surface water before it enters the Public Highway. No private drainage connections to the highway drainage system are permitted.

7 Highway safety:

7.1 When creating a new access, there should generally be 6 metres of available space for parking between your property and the rear of the public footway

7.2 The applicant is liable for the cost of the work to any existing street furniture (Street lights, bollards, street nameplates etc) which require repositioning

7.3 Any associated gates are located 5 metres into the site from the rear of the public highway and are hinged to open only inwards towards the property.

7.4 If there is any loss of driveway or hardstanding area then the remaining parking levels should generally be in line with those recommended in Appendix E of the Telford & Wrekin Local Plan:

Number of bedrooms per dwelling	No. Parking spaces:		
	Central Areas	Sub Urban Areas	Rural Areas
1	1.3	1.3	1.4
2	1.4	1.6	2.3
3	1.6	2.3	2.6
4	2.4	2.6	4
5	2.5	3.8	4.2

8 Land Stability

8.1 The developer shall be aware of the policies set out in the NPPF with regard to potential land instability. Prior to commencement of the works, the developer should be satisfied that the proposed extension/building is not subject to instability and does not adversely affect the stability of adjacent structures and/or land. This includes the potential influence of (and influence on) mineworkings, mine-entries, slopes (existing and proposed), existing retaining structures, bearing soils & lithology, vegetation, soil chemistry (e.g. Sulphates), existing services and utilities and in the case of an extension, the existing structure.

8.2 To ensure that the proposals meet the above criteria, the developer should seek advice from a suitably qualified geotechnical Consultant.

9 Land contamination

9.1 Prior to commencement of the works, the developer should be satisfied that the proposed development does not comprise contamination and/or ground gases which can adversely affect but is not limited to:

- a. Human Health
- b. Structures (e.g. concrete)
- c. Groundwater / Aquifer
- d. Ecology

9.2 To ensure that the proposals meet the above criteria, the developer should seek advice from a suitably qualified geo-chemist or geo-environmental Consultant.

10 Ecology:

- 10.1 There is potential for bats, great crested newts and nesting birds to be found in and around occupied properties and to be affected by works covered by this Order.

Bats

- 10.2 All species of bats in the UK are fully protected. It is against the law to kill or injure a bat, to damage or destroy its resting place or roost. Homeowners may not be aware of the bats which are roosting in their property but the legal responsibility for protecting bats falls upon any individual carrying out works on their home.
- 10.3 Bats can roost in houses, even those without loft spaces, and can be negatively affected by works to repair, extend or alter roof structures, eaves, soffits and chimneys. While opportunities for bat roosts are more common in houses built before 1960 even modern dwellings can provide support significant roosts. If you think bats may be present in your house then it is your responsibility to carry out reasonable checks before commencing extension or repair works.
- 10.4 Householders can seek guidance relating to the bats from the Natural England and Bat Conservation Trust who operate a roost visitor service. BCT can be contacted on 0345 1300 228 or at: http://www.bats.org.uk/pages/natural_england_roost_visits.html

Great Crested Newts

- 10.5 Great crested newts are fully protected and it is against the law to kill or injure a great crested newt or to damage or destroy its resting place including ponds and terrestrial habitat. Great crested newts are widespread in Telford & Wrekin and can be present considerable distances from ponds (up to 500m in some cases).
- 10.6 Extension works permitted under this Order have the potential to impact upon great crested newts which may be present in domestic gardens even when no obvious ponds are present. Great crested newts can become trapped in open pipes and excavations, can hibernate in loosely stacked building materials and can be killed when garden hedges, compost heaps and ponds are removed.
- 10.7 If you think you have found a great crested newt on your site, or you think they may be present, then you should seek advice from an appropriately licensed and experienced ecologist who will be able to help you find a way to proceed with your development without impacting upon great crested newts or breaking the law.

Nesting Wild Birds

- 10.8 Nesting wild birds can be present in domestic gardens and within or on domestic properties. The active nests of all wild bird species are protected and an active nest is one being built, containing eggs or chicks or on which fledged chicks still rely.
- 10.9 The simplest way to avoid impacting upon nesting birds is to avoid commencing works in the bird nesting season which runs from March and September inclusive. If this is not possible then an inspection for active nests should be undertaken prior to starting works. If all areas cannot be seen to be clear then an experienced ecologist should be employed to conduct a thorough inspection before works commence.

Telford & Wrekin Ecologists

- 10.10 If you require further advice relating to protected species please contact Telford & Wrekin Council's Ecology & Green Infrastructure Specialist by calling 01952 384221 or emailing biodiversity@Telford.gov.uk .

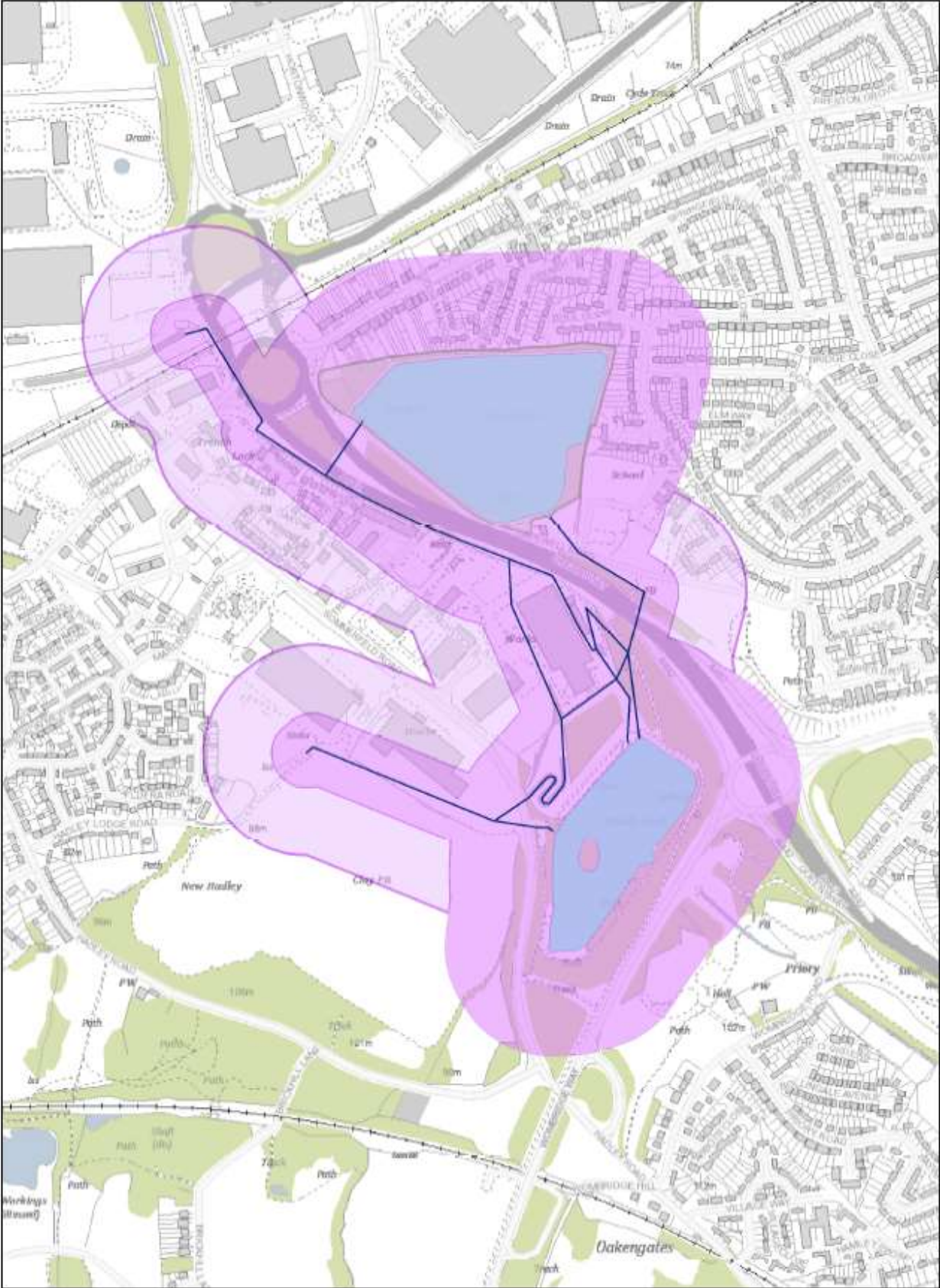
11 Underground Services



- 11.1 In accordance with HSG47 '*Avoiding danger from underground services*' it is the applicant's responsibility to carry out the appropriate service enquiries to confirm that any development will not affect existing buried services. Failure to carry out a comprehensive buried services enquiry could result in the infringement of protected areas associated with any such apparatus. The applicant acknowledges that breaching existing infrastructure can cause serious health and safety, environmental and financial implications to the applicant and/or their delegates'. More information can be found at www.linerearchbeforeudig.co.uk

12 Reservoir and Feeder Channels

- 12.1 The applicant's attention is drawn to the presence of Trench Pool Reservoir and the network of Feeder channels located to the south of the reservoir. Within the area identified on the following page (in purple), the applicant is advised that relevant steps should be taken to ensure that the structural integrity of the reservoir and / or feeder channels is not compromised and flow through the feeders will remain unaffected by any development.
- 12.2 The applicant is advised to contact Canal & River Trust Works Engineering Team on 0303 040 4040 in order to ensure that any necessary consents are obtained and that the works comply with the Canal & River Trust "Code of Practice for Works affecting the Canal & River Trust". A copy of which can be found on the Trust's website, <https://canalrivertrust.org.uk/business-and-trade/undertaking-works-on-our-property-and-our-code-of-practice>

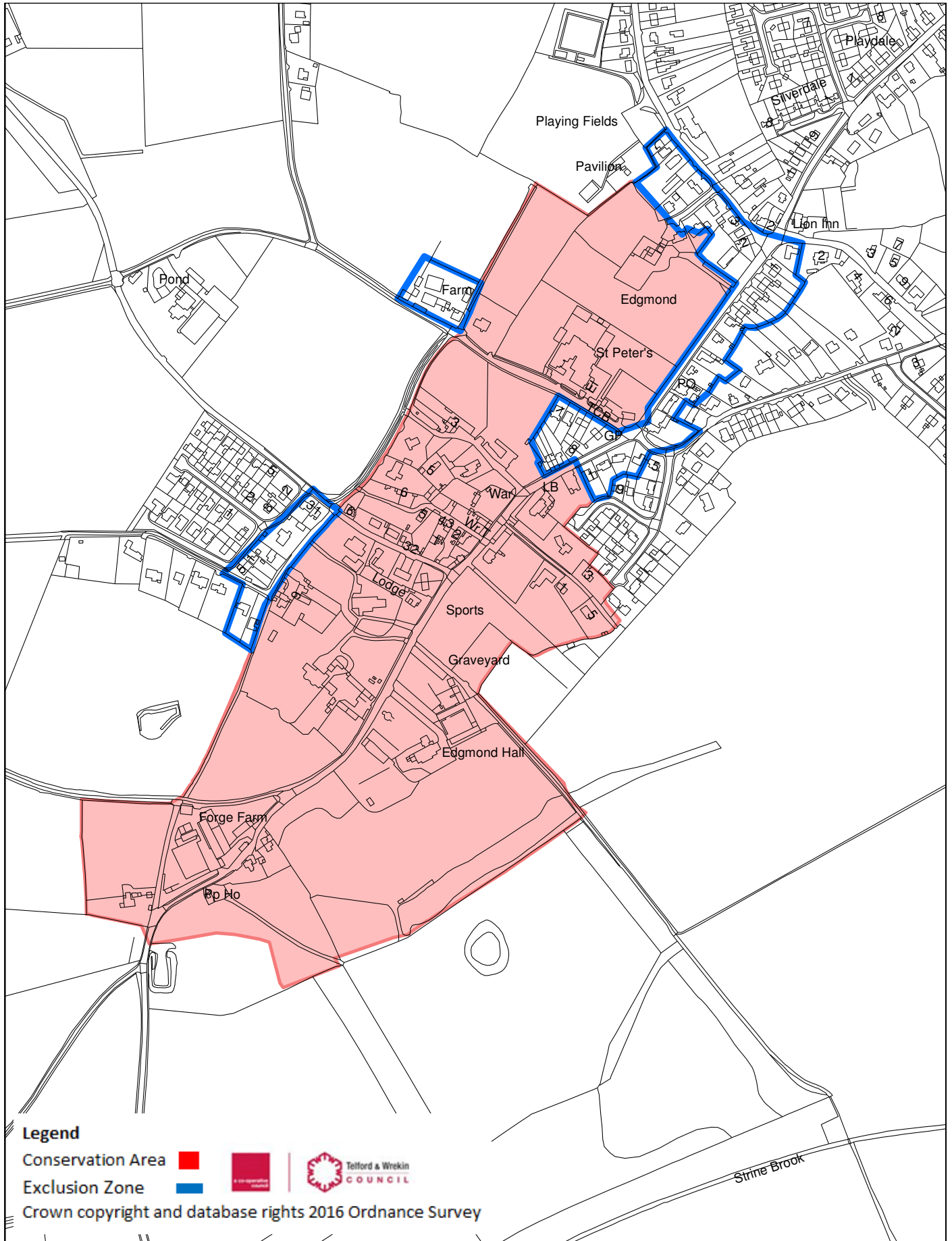
Trench Pool Reservoir – Network & Feeder Channels:



 <p>Canal & River Trust</p>	<p>Produced By: ADeby Date: 02/11/2016 Scale: 1:5,000 Page Size: A3</p>	
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Edgmond Conservation Area & Exclusion Zone



Legend

Conservation Area



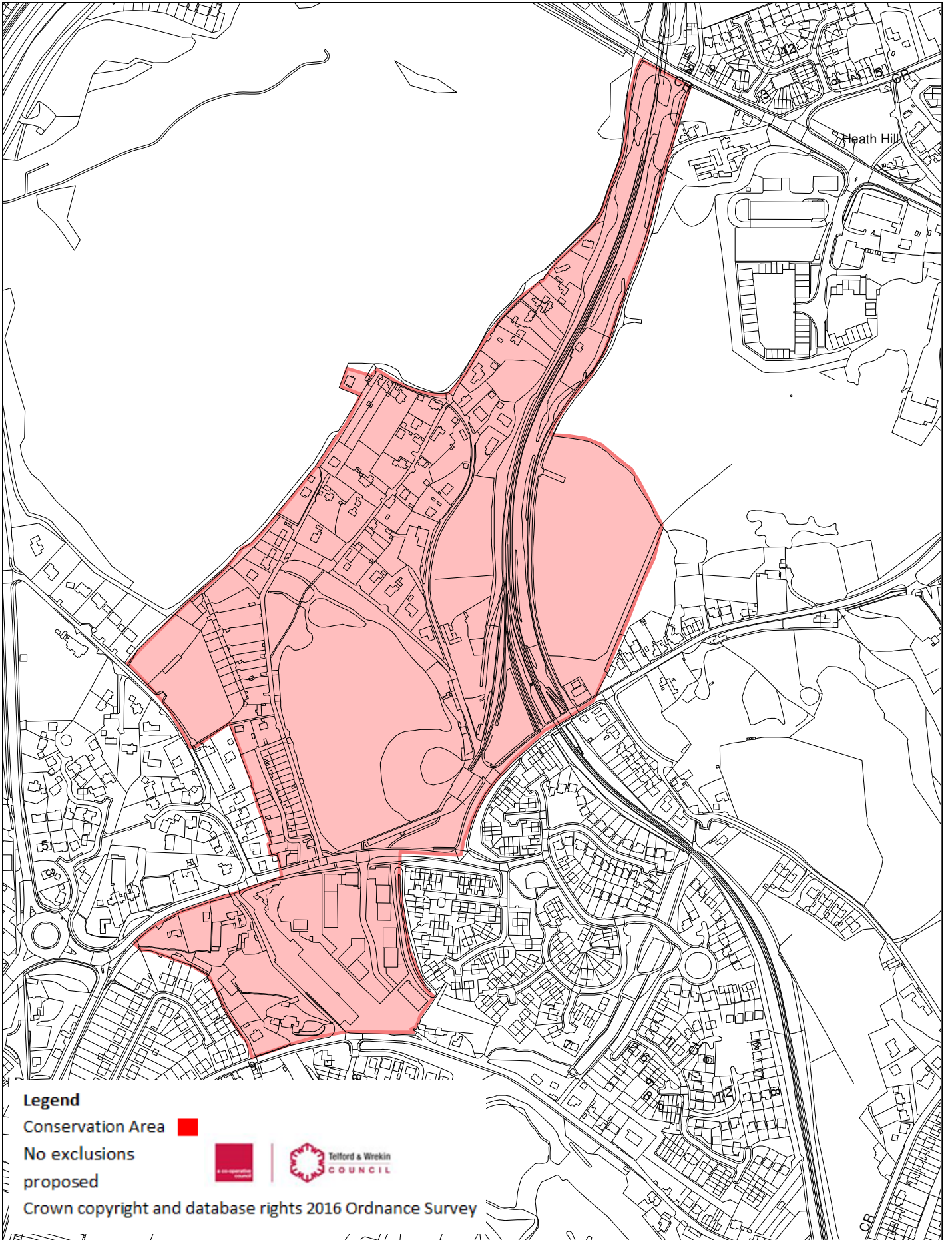
Exclusion Zone




Telford & Wrekin
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Horsehay Conservation Area



Legend

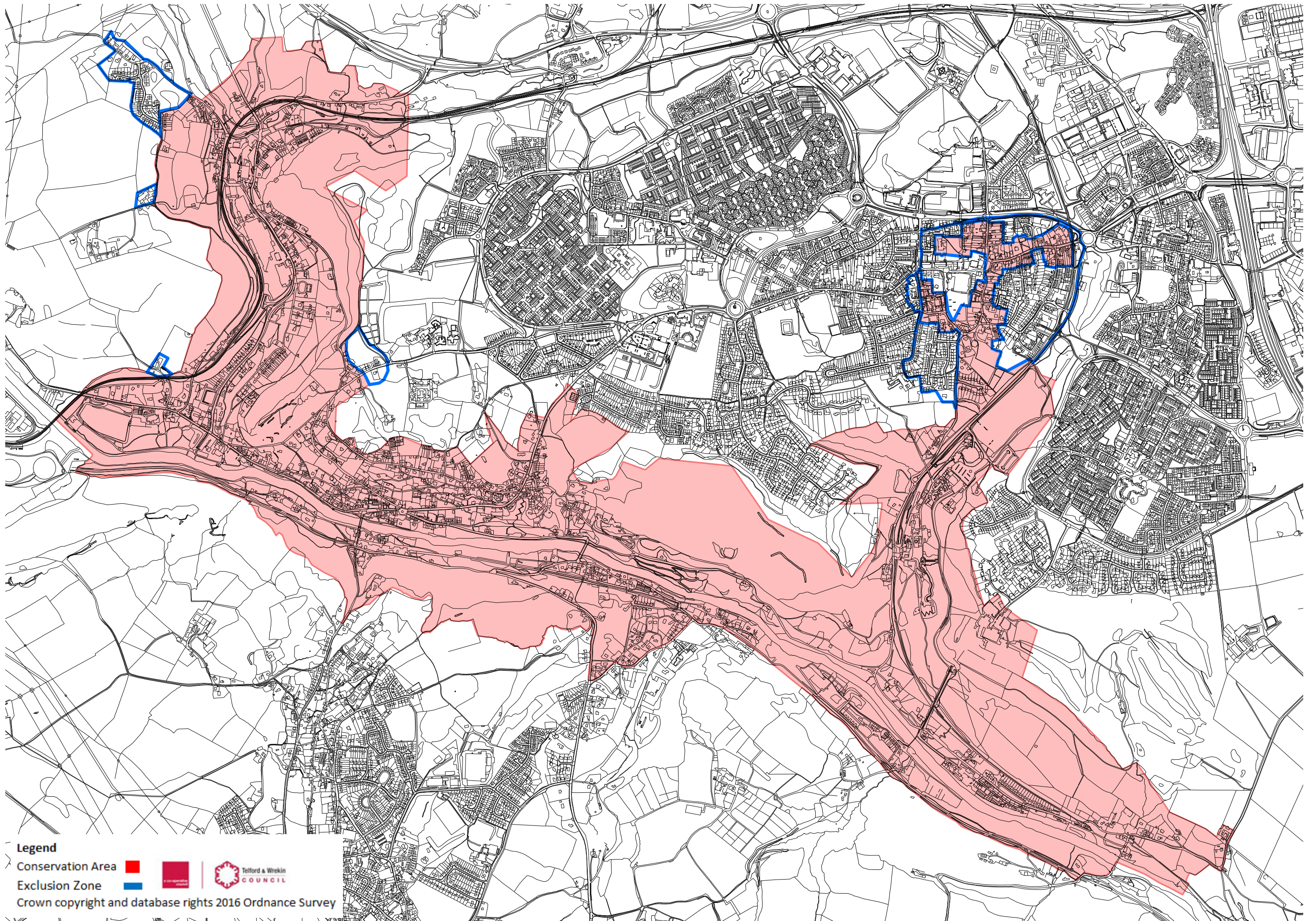
Conservation Area 

No exclusions
proposed



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Ironbridge Conservation Area & Exclusion Zone



Legend

Conservation Area



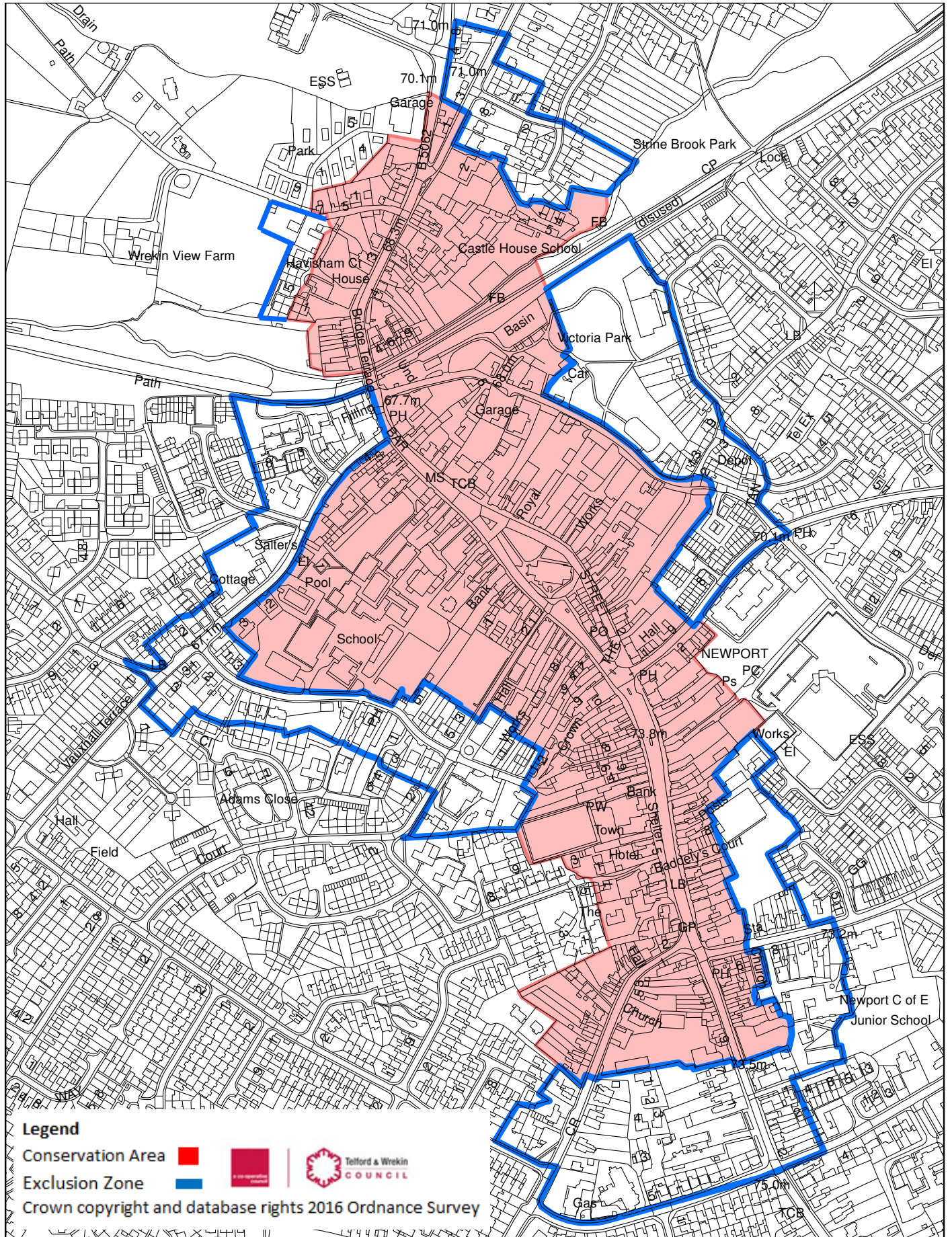
Exclusion Zone



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Newport Conservation Area & Exclusion Zone



Legend

Conservation Area

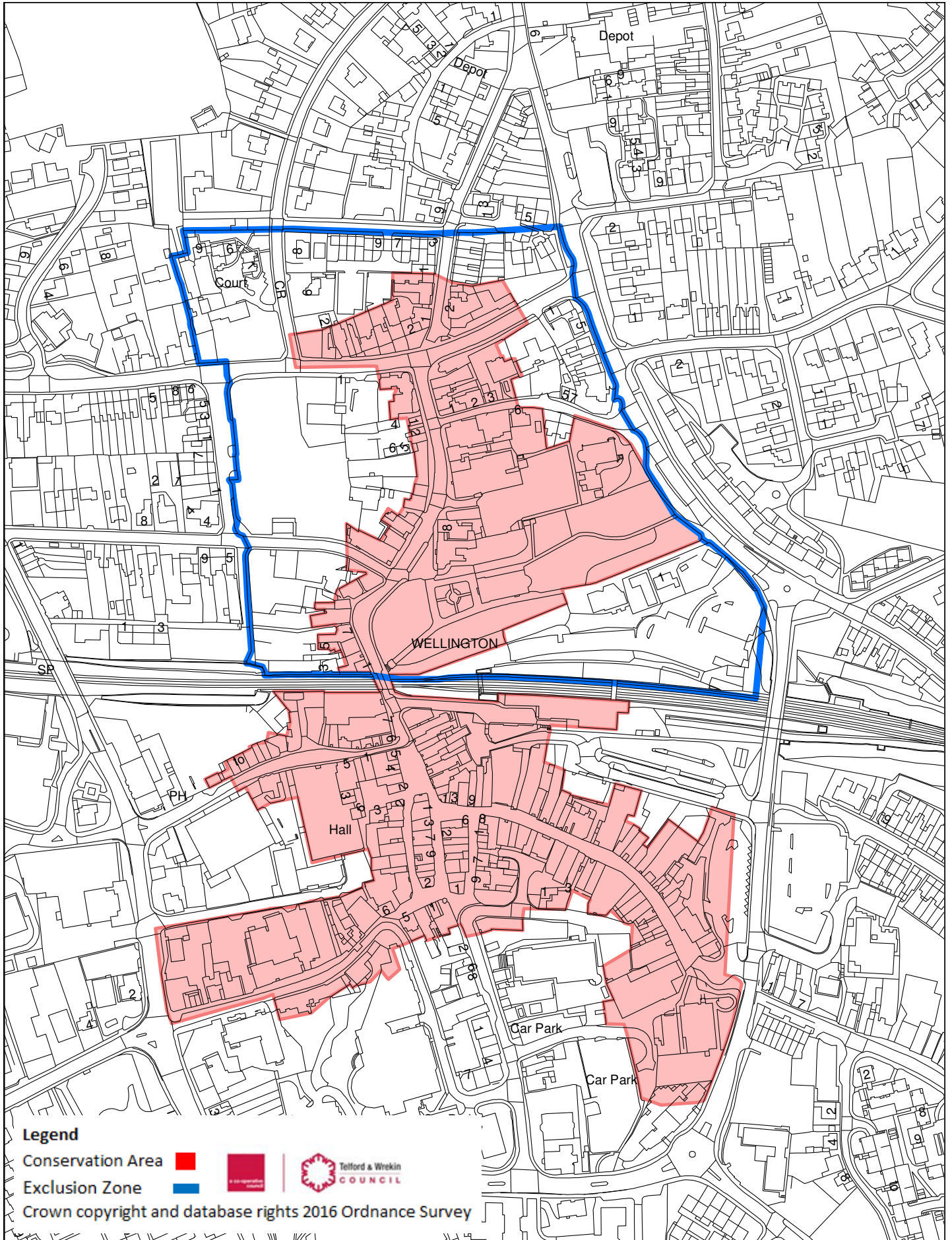


Exclusion Zone



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Wellington Conservation Area & Exclusion Zone



Legend

Conservation Area



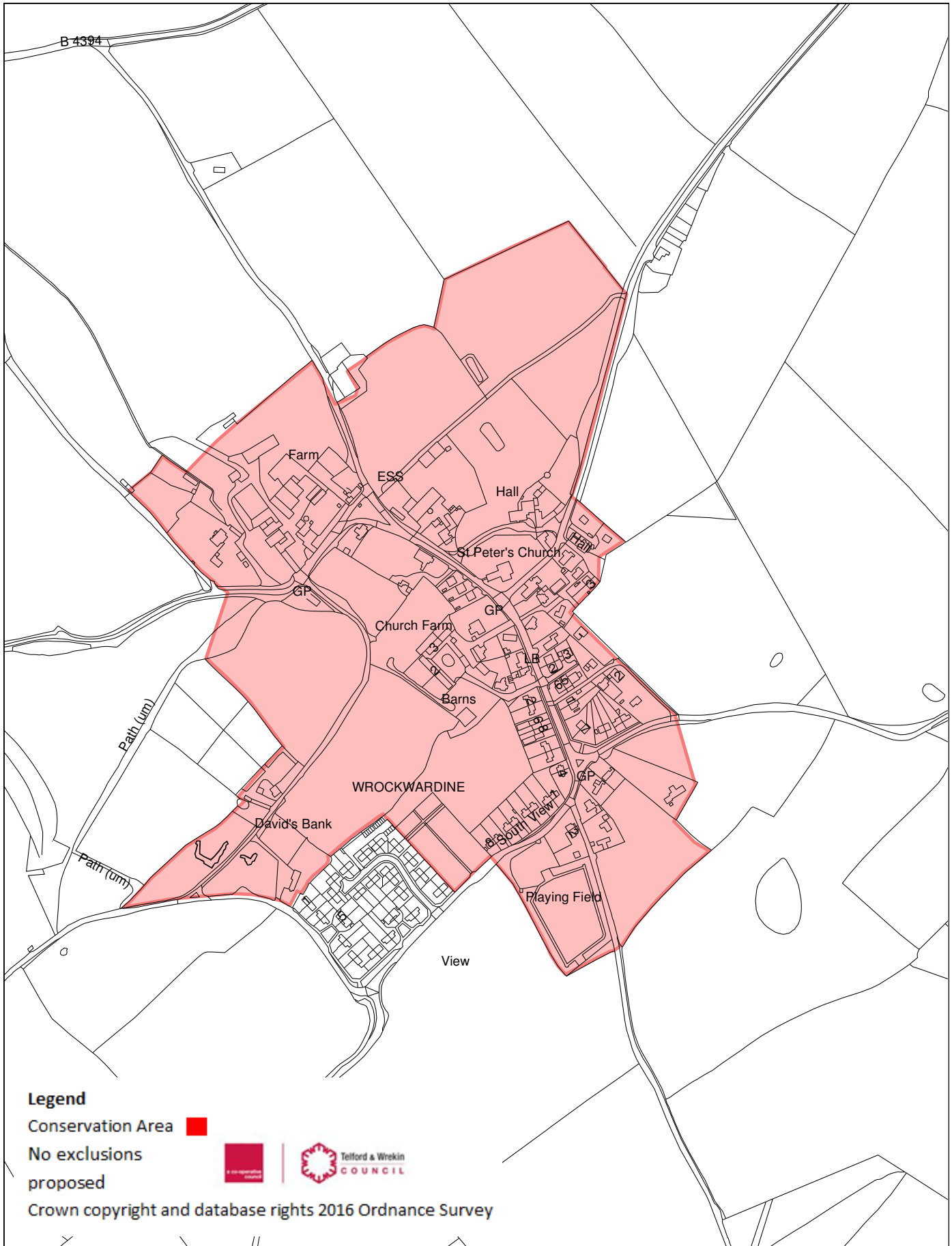
Exclusion Zone




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Wrockwardine Conservation Area



Legend

Conservation Area 

No exclusions
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