

Public Document Pack

LICHFIELD DISTRICT COUNCIL

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Chief Executive
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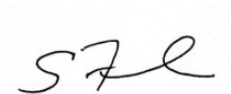
District Council House
Frog Lane
Lichfield
WS13 6YY

20 February 2023

To: Members of the Lichfield District Council

In accordance with Paragraph 4(2) of Part 1 of Schedule 12 to the Local Government Act 1972, you are hereby summoned to attend the meeting of the Lichfield District Council which will be held in the Council Chamber, District Council House, Frog Lane Lichfield on **TUESDAY, 28 FEBRUARY 2023 at 6.00 pm.**

Access to the Council Chamber is via the Members' Entrance.



Chief Executive

A G E N D A

1. Apologies For Absence (If Any)
2. Declarations Of Interest
3. To Approve As A Correct Record The Minutes Of The Previous Meeting 3 - 8
4. Chairman's Announcements
5. Report Of The Leader Of The Council On Cabinet Decisions From The Meetings Held On 14 February 2023 And Cabinet Member Decisions 9 - 14
6. Minutes Of The Overview & Scrutiny Committee 15 - 32
7. Minutes Of The Planning Committee

The Chair of the Planning Committee to move that the proceedings of the meetings held on 9 January and 6 February 2023 be received and where necessary approved and adopted
33 - 40

8. Minutes Of The Audit & Member Standards Committee

The Chair of the Audit & Member Standards Committee to move that the proceedings of the meetings held on 18 January and 2 February 2023 be received and where necessary approved and adopted
41 - 46

9. Minutes Of The Employment Committee

The Chair of the Employment Committee to move that the proceedings of the special meeting held on 24 January 2023 be received and where necessary approved and adopted
47 - 48

10. Medium Term Financial Strategy

To agree the Medium Term Financial Strategy (Revenue and Capital) 2022-2027 and the Council Tax Resolution 2023-2024
49 - 124

11. Proposed New Local Council Tax Support Scheme (LCTS) 125 – 234

To approve the Proposed New Local Council Tax Support Scheme (LCTS)
125-234

12. Political Balance And Appointment To Committees

To endorse the attached Chief Executive decision to amend the political balance and appointment to committees.
235 - 242

13. Pay Policy Statement 2023

To approve the contents of the updated Pay Policy Statement for publication (report attached).

243 - 258

14. Calendar Of Meetings

To approve the Calendar of Meetings for the Municipal Year 2023/24
259 - 260

15. Motion On Notice

A Motion has been proposed by Councillor Robertson (copy attached)
261 - 262

16. Questions

To answer any questions submitted under procedure rule 11.2.

17. Exclusion Of Press and Public

RESOLVED: "That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972"

IN PRIVATE

18. Confidential Minutes Of Overview & Scrutiny Committee 263 - 264

COUNCIL

13 DECEMBER 2022

PRESENT:

Councillors Greateorex (Chair), Anketell, Baker, Ball, Banevicius, Checkland, Cross, Eadie, Eagland, D Ennis, L Ennis, Evans, Grange, Gwilt, Ho, Lax, Leytham, Marshall, Matthews, Norman, Powell, Ray, Robertson, Salter, Silvester-Hall, Smith, Spruce, Taylor, Mrs Tranter, Strachan, Warfield, Westwood, White, M Wilcox, S Wilcox, A Yeates and B Yeates

14 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Barnett, Birch, Cox, D Cross, Humphreys, A Little, E Little, Parton-Hughes, Pullen and Warburton.

15 DECLARATIONS OF INTEREST

No declarations of interest were received.

16 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE PREVIOUS MEETING

The minutes were approved subject to an amendment to the apologies for absence.

17 TO RECEIVE THE RETURNING OFFICER'S CERTIFICATE OF ELECTION OF DISTRICT COUNCILLOR AND REPORT OF DECLARATION OF ACCEPTANCE OF OFFICE

The Returning Officer certified that Paul Taylor had been duly elected District Councillor for Chasetown Ward and had signed his declaration of acceptance of office.

18 CHAIR'S ANNOUNCEMENTS

Remembrance Services

The Chair thanked those who attended and supported the remembrance service held jointly by Lichfield Cathedral, the District Council and City Council in November.

He also drew attention to the service held by the National Arboretum which involved a royal visit from the Duke and Duchess of Gloucester.

Lichfield Carol Service

The Chair commented that there had been a good reaction to the joint carol service attended by Members Lichfield City Council and Lichfield District Council on 6 December 2022.

Easy IT

The Chair informed members that a charity fundraising event would be held on 13 January 2023 for his chosen charity, Easy IT.

19 REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETING HELD ON 6 DECEMBER 2022 (TO FOLLOW) AND CABINET MEMBER DECISIONS.

Councillor Eadie submitted a report on Cabinet Decisions from the meeting held on 6 December 2022 and Cabinet Member Decisions.

Councillor Robertson commended the Cabinet decision on providing additional resources for homelessness prevention. He asked that the Department for Levelling Up, Housing and Communities be requested to review the policy of freezing local housing allowance considering the increasing interest rates and housing costs.

Councillor Ball reminded Council that he had requested that the council's trading company provide social housing for rent, which was much needed in the district.

20 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

Councillor M Wilcox submitted the Minutes of the Overview and Scrutiny Committee held on 17 November 2022.

Councillor Norman shared concerns on the item on dual stream recycling and commented that a better communication plan was needed including information on the council's website and social media. Councillor M Wilcox agreed that going forward this would need to be improved.

Councillor Ray asked council for better commitment to task groups. He said there was insufficient involvement and suggestions raised were not being implemented.

Councillor Robertson recalled that a request had been for the Leader to ensure his cabinet members attended Overview and Scrutiny to provide information and be challenged.

Councillor Wilcox agreed that task groups needed to be utilised effectively.

Councillor Ray commented on the on the Medium Term Financial Strategy and asked that council be sensitive when setting the level of council tax due to the cost-of-living crisis that was facing residents.

Councillor Strachan responded that council had to be fiscally responsible, but would do everything it could to make things as easy as possible for residents who were struggling. He noted that a new council tax support scheme would be brought to council for consideration by the end of the council year.

21 MINUTES OF THE EMPLOYMENT COMMITTEE

It was proposed by Councillor Matthews, seconded by Councillor S Wilcox and

RESOLVED: That the Minutes of the meeting held on 18 October 2022 be approved and adopted.

22 MINUTES OF THE PLANNING COMMITTEE

It was proposed by Councillor Marshall, seconded by Councillor Baker and

RESOLVED: That the Minutes of the Meetings of the Planning Committee held on 31 October and 5 December 2022 be approved and adopted.

23 MINUTES OF THE AUDIT AND MEMBER STANDARDS COMMITTEE

It was proposed by Councillor Spruce, seconded by Councillor Silvester-Hall and

RESOLVED: That the Minutes of the meeting held on 30 November 2022 be approved and adopted.

24 ALLOCATION OF SEATS AND APPOINTMENTS TO COMMITTEES

It was proposed by Councillor Eadie and seconded by Councillor Powell “that the Membership of Cabinet, Committees and Panels including the allocation of seats and appointments by Political Groups as submitted be approved.”

RESOLVED: (1) That the political allocation of seats on Committees and Panels be approved.

(2) That the list of appointments to the Cabinet, committees and panels be approved.

25 QUESTIONS

Questions under Procedure Rule 11.2 for Council

Q1. Question from Councillor Norman to the Leader of the Council

“Under The Elections Bill, the Government is changing voting rules which will apply to the District Council elections in May next year and will mean many voters having to reapply for postal votes and all voters to provide photo ID at Polling Stations in order to exercise their right to vote in person so can I ask the Leader how many cases of personation there have been in Lichfield District since its creation in 1974?”

Response from the Leader of the Council

“Our records date back to 2004, during which time we have 0 recorded cases”.

Supplementary Question from Councillor Norman to the Leader of the Council

“In 2019 there were no impersonations in Staffordshire or anywhere in the UK. Does the Leader/Deputy Leader agree with me that photo ID is not needed, and the conservatives can still comply with their manifesto commitment by having a requirement for ID but no photo ID.”

Response from the Deputy Leader of the Council

“As I understand it this council will look to implement the rules that are handed down to it and I will look to the Chief Executive and the electoral team to understand how we do that best.”

Q2. Question from Councillor Norman to the Leader of the Council

“As he has publicly accepted responsibility for the poor publicity and advice given to residents around the introduction of the dual-stream recycling system earlier this year, can he tell me what action he has taken since the meeting of the Overview and Scrutiny Committee held on the 17th of November that considered the problems surrounding its implementation?”

Response from the Leader of the Council

“As Leader of the Council, I take the principle of accountability incredibly seriously. Since November, my Cabinet colleague Cllr Little and our Assistant Director Sharna Quirke have been working to rectify the issues that O&S highlighted, and are making good progress in doing so.”

Supplementary Question from Councillor Norman to the Leader of the Council

“The Deputy Leader heard me earlier when I sought support from the Chair of Overview and Scrutiny Committee for improving communications with the dual-stream recycling service. Can he give me any example of progress in this in regard to publicity or advice since that meeting on the 17th November?”

Response from the Deputy Leader of the Council

“I cannot personally stand here and do that so I will take the matter away in conjunction with the Chief Executive, the Leader and the relevant portfolio holder.”

Q3. Question from Councillor Gwilt to the Cabinet Member for Engagement

“What is the council doing to warn it’s residents about the current crime wave that is happening in the district regarding thefts?”

Response from the Cabinet Member for Engagement

“While Lichfield District has low crime levels relative to nearby conurbations, there has been a noticeable increase in vehicle thefts across our communities. Our new Community Safety lead, Yvonne James, is taking a highly-visible, proactive approach to this, and has already undertaken several Community Safety events across the district. These events are taking place in various locations and include the Community Safety Team, Police, Fire Service and Lichfield Crime Prevention panel. At these events we are advising the public how best to keep themselves safe, ways of reducing the likelihood of becoming a victim of crime and how to keep your vehicle secure. We have secured funding from the Office of the Police, Fire and Crime Commissioner and have purchased large numbers of Faraday pouches along with property marking kits, purse bells and information packs - and have secured discounts for residents with Halfords and Lichfield Lock and Key on security purchases. We have already done events in Elford, Clifton Campville, Hallam Park, Roman Heights, Market Square, Tesco and Waitrose this year, and are in the process of arranging events across Burntwood, Armitage and Handsacre, and other villages in the New Year. The Community Safety Partnership is all about looking at current trends and taking action in order to help the public, prevent and reduce crime and Anti-Social Behaviour.”

Supplementary Question from Councillor

“I have just been a victim of crime which has impacted my business, when I posted this on Facebook I had messages from people who have had these issues happen throughout the district. Is there something more that we can do as a council to help people in the district? When

I spoke to the commander, he said that we have a problem and would need help and support from the council.”

Response from the Deputy Leader of the Council

“I hope that the answers he has been given provides him with reassurance that work is ongoing with this council, connecting with all the outside agencies as well, to do what we can to support those who are victims of crime.”

26 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: “That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972”

IN PRIVATE

27 CONFIDENTIAL MINUTES OF OVERVIEW & SCRUTINY COMMITTEE

Councillor M Wilcox submitted the confidential Minutes of the Overview and Scrutiny Committee held on 17 November 2022.

(The Meeting closed at 6.35pm)

CHAIRMAN

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REPORT OF THE LEADER OF THE COUNCIL

CABINET DECISIONS – 14 February 2023

1 Money Matters 2022/23 : Review of the Financial Performance against the Financial Strategy

The Cabinet:

- 1.1 Noted the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 1.2 Delegated to the Cabinet Member for Waste and Recycling and the Assistant Director for Operations, Regulation and Enforcement authority to agree and implement a two year extension to the vehicle contract with SFS Ltd subject to the cost being within Approved Budgets.
- 1.3 Delegated to the Cabinet Member for Finance and Commissioning and the Assistant Director for Operations, Regulation and Enforcement authority to continue final negotiations and award the contract when all negotiations have been finalised with the preferred bidder subject to the cost being within Approved Budgets

2 Medium Term Financial Strategy (Revenue and Capital) 2023-27

The Cabinet recommended to Council for approval:

- 2.1 The 2023/24 Revenue Budget of £13,815,000, the Council Tax Requirement of £7,614,000 and a District Council proposed Band D equivalent level of Council Tax for 2023/24 of £187.85 (no increase on 2022/23).
- 2.2 The MTFS 2022-27 Revenue Budgets and the 25 year revenue financial planning model at APPENDIX A of the Cabinet report.
- 2.3 The MTFS 2022-27 Capital Strategy including the 25 year capital investment model and the Capital Programme shown in APPENDICES B & C of the Cabinet report.
- 2.4 The increase in the Minimum Level of General Reserves from £1,600,000 to £1,900,000 based on the current economic climate.
- 2.5 A cost of living contingency budget of £50,000 in 2023/24 and also provisionally for 2024/25.
- 2.6 An in-year growth/contingency budget of £100,000 in 2023/24 and also provisionally for 2024/25.
- 2.7 The transfer of 'windfall' income from the Provisional Finance Settlement estimated at £2,433,000 for 2023/24 and projected at £1,889,000 for 2024/25 to the strategic priorities reserve.

- 2.8 The Minimum Revenue Provision Statement for 2023/24, at APPENDIX D of the Cabinet report, which sets out the Council's policy of using the asset life method for making prudent provision for debt redemption.
- 2.9 Treasury Management Strategy Statement for 2023/24 (with no changes to limits) shown at APPENDIX E of the Cabinet report.
- 2.10 The Investment Strategy Report (APPENDIX F of the Cabinet report) including the proposed limits for 2023/24.
- 2.11 The Capital and Treasury Prudential Indicators for 2022-27 in the financial implications section of the Cabinet report.
- 2.12 The Authorised Limit Prudential Indicator shown within the financial implications section of the Cabinet report.
- 2.13 The award of up to £50 of Council Tax Support Funding to eligible claimants and to delegate authority to the Cabinet Member for Finance and Commissioning and the Assistant Director – Customer, Residents and Business to design and implement a scheme to allocate the remaining funding.
- 2.14 To delegate to the Cabinet Member for Finance and Commissioning and the Assistant Director – Customer, Resident and Business Services to award Retail Discount and Supporting Small Business Relief to businesses which are eligible during 2023/24.

Cabinet noted:

- 2.15 The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in APPENDIX G of the Cabinet report.
- 2.16 The results of the Budget Consultation summarised at APPENDIX H of the Cabinet report.

3 Local Council Tax Support Scheme

The Cabinet recommended to Council:

- 3.1 The approval of a new income banded Local Council Tax Support Scheme (LCTS) for working age claimants that will come into effect on 1 April 2023 in line with the proposed regulations (detailed in Appendix 1 of the Cabinet report).
- 3.2 The retention of extended payments within the new scheme which will better support residents who gain employment (see 3.25 of the Cabinet report). This is a change to the scheme that was consulted on and was fully supported by Overview & Scrutiny on 17 November 2022.
- 3.3 That the new scheme will disregard the Disabled Child Element of Universal Credit, the Severely Disabled Child Element of Universal Credit and the Carers Element of Universal Credit as income. This is also a change to the scheme that was originally

consulted on and is proposed following a detailed Equality Impact Assessment (see 3.25).

The Cabinet:

- 3.4 Noted that a review of the scheme will be brought back to O&S and Cabinet within twelve months of its launch to consider its benefits and any negative impacts, so it can be tailored in future years to offer the best support possible to residents.

4 Revised Housing Allocations Scheme

The Cabinet:

- 4.1 Approved the revised Allocations Scheme at Appendix A of the Cabinet report. A version of the proposed Allocations Scheme showing tracked change is included at Appendix B of the Cabinet report.
- 4.2 Delegated authority to the Cabinet Member for Housing, Ecology and Climate Change to approve future minor amendments of the Allocations Scheme.

5 Community Infrastructure Levy (CIL) Allocation

The Cabinet:

- 5.1 Approved the allocation of up to £1.45m of the Community Infrastructure Levy (CIL) funds to the highest scoring bid from Lichfield District Council to develop 7 projects, identified through community engagement, to extend sport and leisure activities and facilities across the district.
- 5.2 Approved the allocation of £100,000 of the CIL funds to Chasetown Football Club for the development of a 3/4G football Turf Pitch, in line with the findings of the Sport England's Strategic Outcome Planning Model.
- 5.3 Agreed to retain the remaining CIL monies for a future bidding round.
- 5.4 Recommended to Council an update to the Medium-Term Financial Strategy (MTFS) based on the capital and revenue implications included within the financial implications section of this Cabinet report.

6 Future of the Communications Function

The Cabinet:

- 6.1 Approved transfer of the provision of communications functions to the Council's wholly owned trading company (Lichfield West Midlands Traded Services) for the period 2023–2028.
- 6.2 Delegated to the Chief Operating Officer the ability to make minor changes to the scope of Communications services provided by the Company subject to any changes being funded from Approved Budgets.

7 New Leisure Facility - Stychbrook Park

The Cabinet:

- 7.1 Approved the principle of funding a new, purpose-built leisure centre at Stychbrook Park, in Lichfield based on £10m of funding provided by the Council.
- 7.2 Cabinet recommended that Council approve the Capital Financing Requirement (Borrowing Need) of £5m being initially funded by Internal Borrowing.
- 7.3 Cabinet recommended to Council an update to the Medium-Term Financial Strategy based on the financial implications section of this report. In the event increases in Approved Budgets become necessary then the changes will be subject to further approval by Council prior to contracts being completed in line with Contract and Financial Procedure Rules.
- 7.4 Delegated authority to the Leader and Chief Executive in consultation with the Monitoring Officer and the Section 151 Officer to complete all contracts and funding agreements necessary to successfully deliver the new leisure centre subject to the financial implications being within Approved Budgets

8 In-sourcing Leisure Provision

The Cabinet:

- 8.1 Approved and recommended to full Council a mutually agreed termination of the Leisure Operating Contract with Freedom Leisure.
- 8.2 Approved the transfer of the management, budget, and operation of the council's leisure portfolio (comprising Burntwood Leisure Centre and Friary Grange Leisure Centre) to the Council's wholly owned company / new organisational structure as appropriate with the Company assuming responsibility for paying the contract commercial bid and contracted indexing to the Council from 1 April 2023 to 31 December 2027 as detailed in the financial implications section.
- 8.3 Approved and recommended to full Council that the payment received from Freedom Leisure (as set out in paragraph 2.3 of the confidential report) be set aside in an earmarked reserve held by the Council to cover additional costs of energy supply in 2023/24 and 2024/25 within the wholly owned company / new organisational structure and thereafter revert to General Reserves.
- 8.4 Delegated authority to the Cabinet Member for Parks and Leisure and the Chief Executive in consultation with the Monitoring Officer to negotiate and agree any agreements necessary to complete the transfer subject to them being within Approved Budgets.

CABINET MEMBER DECISIONS

9 LWMTS Business Plan

The Cabinet Member for Finance and Commissioning and the Cabinet Member for Leisure and Parks agreed the LWM Traded Services Business Plan (APPENDIX A of the Cabinet Member report).

10 Incubator Space Phase 3

The Leader of the Council awarded the contract to Lawlors as the highest scoring bidder (overall quality & price).

11 Appointment of LATCo Board Member

The Cabinet Member for Leisure and Parks approved the appointment of Kerry Dove as Director of LWM Traded Services Ltd, to be effective from Monday 30 January 2023.

12 Fuel Supply Framework Contract Award

- 12.1 The Cabinet Member for Waste & Recycling awarded the Framework to the following Suppliers (in ranking order) for 36 months with 12-month optional extension:

BWOC	1st – 86%
Certas Energy UK Ltd	2nd – 85.3%
Rix Petroleum (Hull) Ltd	3rd – 82.4%
New Era Fuels Ltd	4th – 73.8%

13 Contract Award for Insurance

The Cabinet Member finance and Commissioning awarded the contract to Zurich Municipal for 36 months with 2 optional extensions of 24 months.

CHIEF EXECUTIVE DECISIONS

14 Allocation of Seats and Appointments to Committees

The chief executive agreed the updated political allocation of seats on committees and panels until the meeting of Full Council.

15 Housing Benefit Assurance Contract Award

The Chief Executive awarded a 5-year contract to Azets Audit Services Limited.

**Cllr Doug Pullen
Leader of the Council**

OVERVIEW & SCRUTINY COMMITTEE

15 DECEMBER 2022

PRESENT:

Councillors M Wilcox (Chair), Norman (Vice-Chair), Eagland, Evans, Leytham, Robertson, Silvester-Hall and Tranter

23 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Cross, Grange, A Little, A Yeates and Councillor Strachan, the Cabinet Member for Finance & Commissioning

(In accordance with Council Procedure Rule No.17 Councillor Pullen attended the meeting)

24 DECLARATIONS OF INTERESTS

There were no declarations of interests.

25 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting held on 17 November 2022 were agreed as a correct record. The Chair advised the committee that he had received an update from the SCC Health and Care Overview and Scrutiny committee who had met on 28 November 2022 and they had agreed to put an item on their work programme for early in the new year relating to post pandemic impacts of COVID on young people in relation to mental health and childrens' welfare. This was welcomed. The Chair said they were also trying to develop a healthier communities' strategy and had asked that each Borough and District look at putting together a health & wellbeing plan which could feed into the same agenda to ensure all residents are being looked after. The Chair said he would be talking to the Leader about this and it would be coming to a future O&S meeting for discussion as it could be formulated in to our local plan. The Leader confirmed he would welcome this as LDC had looked at a Health in All policy previously and it would be good to revisit this and proceed.

26 MEDIUM TERM FINANCIAL STRATEGY (MTFS)

The Assistant Director - Finance & Commissioning, Mr Thomas, gave a brief update via a presentation on the policy statement received from the government yesterday and explained that the settlement was due to be released w/c 19 December now looking likely to be 21 December. However, he felt this policy statement was helpful and covered 2 years giving firm figures for 2023/24 and the principles for 2024/25.

The key elements of the Policy Statement were explained:-

- Funding reforms have been pushed back to 2025/26 at earliest;
- New Homes Bonus will be retained for at least 1 year and a further consultation will take place;
- A New Funding guarantee – gives each council at least 3% increase for two years excluding any decisions on council tax increases and use of reserves – additional grant;
- Business Rates pools will continue into 2023/24 and in to 2024/25 as well;

- Ministers have “noted” that local authority reserves have increased significantly in recent years and want local authorities to apply these to funding pressures;
- In 2024-25, the introduction of the Extended Producer Responsibility for packaging (pEPR) scheme will have an impact on both local authority revenues and potentially costs as well. Ministers will consider whether these should be factored into the settlement in 2024-25.

Mr Thomas said the good news was that the assumptions used in the draft MTFS were consistent with the announcements in the policy statement and graphs were presented showing the Pre Settlement MTFS central scenario Total Funding compared to Approved Budget and Pre Settlement MTFS central scenario Funding (Surplus) or Gap. It was noted that the Council was due to get £3.6m & £3m more in funding which is positive and gave options to fund priorities for the council and meant no budget gap for 2023/24 & 2024/25.

The Chair explained that the purpose of this meeting was to discuss and get a better understanding of what the council was trying to do with the budget and discuss the priorities members felt were important to the residents of the Lichfield District. The Chair had also invited members to have a look at the new budget simulator ([Lichfield District Council - Budget Simulator \(lichfielddc.gov.uk\)](https://lichfielddc.gov.uk)) which had been trialled this year for members of the public to look at and set their own budgets and list their priorities. It was envisaged the committee could look at this together after the MTFS discussions and offer any solutions going forward to generate more income rather than relying on the council tax base.

Questions/comments were discussed:-

- 1) 6% increase in funding from government – how is this calculated?
- 2) On Extended Producer Responsibility – if this comes in, would the result be fewer recycling credits?
- 3) It was noted in respect of reserves, members have never found it non-transparent at LDC so not an issue for this council - always been very clear.
- 4) In respect of the changes for recycling because of our shared waste service – will we expect all councils to be involved in the consultation as we cannot be the only shared service.
- 5) Business Rates figures – differences revealed in figures now state that the revenue remains revenue neutral, would it be wise to quote sector as impact on increase revenues.
- 6) How much is housing stock impacting the figures?
- 7) Predicted council tax base figures were discussed and debated and Mr Thomas said he would share the calculation with members of the committee and pass on to Cabinet also as anything we can do this year would help not put the additional costs pressure on to residents at the worst possible time.
- 8) Autumn Statement – grant funding growth was queried.
- 9) One-off services grants and lower tier services grants were discussed and explained by Mr Thomas.
- 10) Improvement Relief 2024 – The affect of this for LDC was clarified.
- 11) Capital Investment and Levelling up fund – still awaiting result of this – did we consult with other boroughs and discuss with MPs – if we were unsuccessful, what then?
- 12) An explanation of the extra cost for borrowing in the MTFS reflects the original £5m the council committed to support a leisure centre.
- 13) Budget lines – assumption we will get a dividend from Latco approximately £100,00 per year; cinema in budget on neutral line and being assessed by consultant that this is a true reflection.
- 14) With the government now saying that housing numbers will not be mandatory but advisory – what potential difference could that make to LDC?

The Committee then looked at the new budget simulator ([Lichfield District Council - Budget Simulator \(lichfielddc.gov.uk\)](https://lichfielddc.gov.uk)) together. The Leader thanked Anthony Thomas, Tracy Cross and all the teams who were involved in devising this tool as a lot of hard work had gone in to

producing it so quickly which formed part of the budget consultation process this year. It was felt to be a very useful exercise to see where residents want more investment or less investment. The fact that the budget consultation had taken place in advance of several government announcements was discussed and a tolerance in the figures was used to demonstrate the simulator. It was raised that the outcome column only showed one result, i.e. what it would mean when that clearly was not the case. This was noted, but it was agreed the simulator had meant there had been greater engagement with residents as approximately 1000 responses had been received to date with the closing date being tomorrow (approximately 200 responses was usual). It was noted that the 5% increments was limited but it was felt it did give an indication of what the affects of increasing and decreasing budgets would be. It was agreed this was a tool to be used together with members knowledge/experience and opinions and could be improved and built upon next year. It was noted that a summary of the results would be provided in an evaluation of the simulator and would be available at January's O&S meeting and Cabinet and Council meetings thereafter. It would also be shared with residents. It was noted that approximately 60-70% of the budget was providing statutory services.

The Committee considered the options in the MTFs to reduce the funding gap but felt a lot more data was needed before any firm decisions could be made. The potential for freezing the Council Tax again was made; the increase in the garden waste collection prices +2024 was discussed but it was felt this needed to be looked at very carefully as there was a danger that the black bins would be used by residents causing a lot more fees to the council on the tipping gates. A staggered increase was suggested but a lot of data was needed as no one knew what the environment would be like at that time. It was agreed this needed to be addressed before the window opens for 2024/25 collections and it was asked if we could learn from other councils.

Members discussed the potential windfall monies (£3m) from the beneficial settlement re: this year and next years funding settlements. It was suggested this money should be earmarked for the new Leisure Centre project to reduce the amount of external borrowing as interest rates would need to be considered. It was noted this is what the residents of Lichfield district wanted and had waited for and the other alternative projects were not dependent on this funding and members agreed that whatever saved the most money and took pressure off other projects would be beneficial. The Leader said the results of the levelling-up bid were expected this year and he was hopeful but gave his assurance that even if this bid was not successful the new Leisure Centre would be happening; it would just mean another way of funding would have to be sought.

The Committee thanked Mr Thomas for the specific updates and it was agreed that further discussion would take place at January's meeting when more data was available and the simulator summary had been received.

RECOMMENDED:-

- (1) The Committee noted the latest Revenue Budget projections and scenarios pending the Provisional Local Government Finance Settlement;
and
- (2) The Committee provided views on the options identified in the report.

27 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt

information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

IN PRIVATE

28 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

The Confidential Minutes of the previous meeting held on 17 November 2022 were agreed as a correct record.

(The Meeting closed at 7.35 pm)

CHAIR

OVERVIEW & SCRUTINY COMMITTEE

19 JANUARY 2023

PRESENT:

Councillors M Wilcox (Chair), Norman (Vice-Chair), Cross, Eagland, Evans, Grange, Leytham, Ho, A Little, Robertson, Silvester-Hall, Mrs Tranter and A Yeates

(In accordance with Council Procedure Rule No.17 Councillors Pullen and Strachan attended the meeting).

29 APOLOGIES FOR ABSENCE

There were no apologies for absence. Councillor Eagland arrived late at 7pm.

30 DECLARATIONS OF INTERESTS

There were no declarations of interests.

31 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting held on 15 December 2022 were agreed as a correct record.

32 HEALTH MATTERS

The Chair, Councillor Wilcox, emphasised the notes following the previous Staffordshire County Council's Health & Care Overview and Scrutiny Committee meeting on 28 November 2022 in the agenda pack. It was also noted that the next meeting on Monday 13 February did have agenda items – Draft Mental Health Strategy and Mental Health Support Teams in Schools Update which this committee had pushed to see on their agenda. He said he would ask the Chair beforehand for specific data on the Lichfield district and report back. Members were extremely glad that this item was, at last, being heard as it was very important for all ages now not just children.

It was noted that looking ahead at the Work Programme for 2023/24 an agenda item had been suggested on Social Prescribing. It was known that a couple of groups in the district were receiving referrals for social prescribing but with no funding. The Chair was asked if he could achieve more detail at the necessary time to see if there was any way the funding options could be explored.

The Chair, Councillor Wilcox, advised members that he had also attended the Corporate Overview & Scrutiny County Council meeting recently on behalf of this committee where a presentation from the Stoke and Staffordshire LEP had been received together with their annual report. He said it was quite apparent from that meeting that there was an emphasis on the north of Staffordshire projects being funded so those on the south had asked whether the SSLEP would consider doing a presentation to members of Local Authorities in the south of the area (Stafford, Cannock, East Staffs, Lichfield & Tamworth) which they have said they would be happy to do. He said he would arrange this for after the Elections in May as following the LEP review by Government, those Authorities who are presently in two LEP's will need to move into one single LEP in the spring which in our case will be Staffordshire, and therefore we will remain in Stoke & Staffordshire LEP.

RESOLVED: That the information given be noted.

33 MEDIUM TERM FINANCIAL STRATEGY

Councillor Strachan, Cabinet Member for Finance & Commissioning advised the committee that following the health matters notes previously discussed on health benefits and planning for healthy communities carried out at shire district level, this element had been alluded to in our consultation response to the provisional government finance settlement as it supplements the direct provision made by Staffordshire County Council. It had been highlighted what good work we at shire district level do and that the Council could do more if there was a little bit more provision, funding, and a little more space to work in that sector.

He introduced the Medium Term Financial Strategy report and appendices for the final time to overview and scrutiny before Cabinet and Full Council (substantive document) and Audit & Member Standards (treasury management) next.

The Assistant Director - Finance & Commissioning, Mr Thomas, gave a presentation on the provisional local government settlement key points as there was quite a change in approach on a positive side. He said the Government now recognised the pressures local government were facing and wanted to provide stability and increase funding to provide services in communities and had therefore introduced a new Funding Guarantee which ensured every local authority would see a minimum 3% increase in their core spending power in 2023/24 before taking any decisions to increase council tax rates.

The government priorities, the change in core spending power, the change in settlement funding assessment and band d increases were illustrated and it was agreed to forward the presentation to all members for further examination.

In summary Mr Thomas advised:-

- Better-than-expected settlement (big increases in funding announced in the Autumn Statement 2022);
- Increases focused on social care (both grant increases and Adult Social Care precept);
- Some attempt to balance grant allocations for non-social care authorities (3% Funding Guarantee, £5 fire authority increase);
- Distribution is still very short term (no numbers for 2024-25, cliff-edge in 2025-26).

Councillor Strachan agreed that having to plan a 4 year MTFS with only very short-term certainty for 2023/24 and the principles only known for 2024/25 was not helpful for financial planning purposes. The remaining 2 years of MTFS after the guideline figures will remain uncertain until central government can come up with a multi-year settlement which we have constantly been asking for. However, the provisional settlement had some considerable benefits for Lichfield District Council, particularly re: the windfalls/retained business rate income as there was £2.1m unforeseen income for 2023&24 and projected £1.8m the following year. It was noted that it was proposed to use this for the wider strategic projects and place in the strategic priority reserve pending approval for its allocations.

Councillor Strachan advised members that Lichfield District Council will freeze its element of Council Tax in the forthcoming financial year recognising the unprecedented financial difficulty for our residents and due to our own better than expected situation. This was welcomed by members that cabinet have listened and was the caring thing to do.

It was noted under the capital programme that we had been unsuccessful with the second Levelling up funding bid, which was disappointing but not entirely unexpected as even £5m from central government would have assisted. Councillor Strachan advised there were still sources of funding that can be accessed, and Lichfield District could fund it from our own

resources. The Leader of the Council had also announced today that this council will still deliver the replacement leisure centre so many residents wanted at an 8-figure sum.

It was noted that Mr Thomas had reviewed what minimum reserves were required and these had been increased from £1.6m to £1.9m which had been driven by the current economic climate and the specific risks, but this would be regularly reviewed and amended if necessary.

Members made the following comments/observations:-

- Why was our settlement less than the average shire district?
The Cabinet member could not confirm this as a central government decision.
- The Budget Consultation was responded to by over 1130 people – a reduction in council tax was suggested, why was this not an option?
The Cabinet member said the consultation had come so close to the MTFS that some things may be implemented this year, and some may be in future years. A reduction in council tax had never been stated as there was still a funding gap for this council and so to freeze council tax this year and consider subsequent years is the correct thing to do.
- What was the cost of developing and presenting the LUF bid to government?
The Cabinet member confirmed that the bid was resourced by internal officers and using feedback from the first round bid so no additional capital costs only officer time; figures for revenue costs not known. The outcome is extremely disappointing, and we were given to understand that our bid was a strong one but there was a large number of bids and only a certain amount of money. It was felt the comments recorded externally were not factually correct. A formal response outlining the rejection reasons will be forthcoming.
- The demographics of the budget consultation respondents should be requested as this response rate is not representative of the Lichfield district. It is still less than 1% of the population so is this still valuable – qualitative consultation needed to give us themes rather than a quantitative approach. More engagement is a good start moving forward. Perhaps the first four digits of post codes would help?
The Cabinet member agreed and defended the value of the consultation as it had increased so much since last time and agreed with a qualitative approach and agreed to speak to the Cabinet Member for Community Engagement and improve this for next year.
- Inconsistency between two years approaches – last year and this year to council tax rates – why?
The Cabinet member said a detailed review of monies had been carried out to create the strategic reserves and gave us more confidence together with the windfall settlement which are the key drivers for the change in approaches.
- Funding gap – can we start to nurture a culture of innovation/entrepreneurship and change to a more commercial mind but thinking of public sector ethos?
The Cabinet Member said the recent recruitment of new commercially minded officers under the Chief Executive had given him and cabinet more confidence in the executive arm of the council now to aid this culture.
- Moving forward, can we do a heavy lobby campaign for multi-year financing, can we write to MP Michael Fabricant and ask him to speak to Harriet Baldwin (Chair of local governments finance committee) or the Minister who is looking for ideas for reform of local governments?
The Cabinet Member confirmed that the district council network and LGA are already lobbying but he agreed to seek further contact as stated.
- As interest rates only going one way, how does the change to fund a new leisure centre affect the projected funding gap and can any comments be made on current figures or is future clarity needed.
The Cabinet member confirmed that the detailed planning of what the cost will be are not yet available, but Mr Thomas had details which would be forwarded for scrutiny as soon as possible. Internal borrowing is an option as will be at a lower cost and can be repaid if future windfalls received.

- Cost of Living contingency budget is good but are the figures appropriate?
The Cabinet Member said yes, he felt so given the modelling and the pressures from the local council tax support scheme – money to be taken from the unexpected windfall monies.
- What is the lifespan of a new Leisure Centre likely to be?
The Cabinet member could not answer but the Leader said it would be at least 25 years and the loan would not exceed the lifetime of the building.
(Cllr Norman said the LGA suggested the average lifespan was 38 years).

It was agreed that a multi-year settlement would give us more certainty and that the budget principles were sound and overall, we are well run, and thanks were given to the Cabinet Member and Anthony Thomas and his team for all their hard work.

RESOLVED:

The Committee scrutinised the MTFS and provided feedback to Cabinet in relation to:

- The 2023/24 Revenue Budget of **£13,815,000**, the Council Tax Requirement of **£7,614,000** and a District Council proposed Band D equivalent level of Council Tax for 2023/24 of **£187.85** (no increase on 2022/23).
- The MTFS 2022-27 Revenue Budgets set out in **APPENDIX A**.
- The MTFS 2022-27 Capital Strategy including the 25 year capital investment model and the Capital Programme shown in **APPENDICES B & C**.
- The recommended increase in the Minimum Level of General Reserves from **£1,600,000** to **£1,900,000** based on the current economic climate.
- The recommended inclusion of a cost of living contingency budget of **£50,000** in 2023/24 and also provisionally for 2024/25.
- The recommended inclusion of an in-year growth/contingency budget of **£100,000** in 2023/24 and also provisionally for 2024/25.
- The recommended transfer of 'windfall' income from the Provisional Finance Settlement estimated at **£2,433,000** for 2023/24 and projected at **£1,889,000** for 2024/25 to the strategic priorities reserve.
- The 25 year revenue financial planning model shown at **APPENDIX E**.
- The results of the Budget Consultation summarised at **APPENDIX F**.

The Committee noted:

- The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in **APPENDIX A**.
- Members agreed to set up a MTFS Task Group from the new Council who could work alongside the Cabinet Member and Finance so members can have more of an understanding of the development of the MTFS and the Leader asked if the scope could be widened to include the continuing improvement of engagement with members of the public. This was fully supported with a suggestion of bimonthly meetings and quarterly reports being provided to the Overview & Scrutiny Committee.

34 ELECTIONS ACT INCLUDING VOTER IDENTITY

Christie Tims, Assistant Director of Operations, Regulation & Enforcement and Deputy Returning Officer delivered a presentation further to the recent briefing note delivered to members on the changes to the Elections Act including Voter Identity. She said that information and updated guidance was being received daily from the Government Change team, the Association of Electoral Administrators and the Electoral Commission and processes were being written and updated on a regular basis. Ms Tims explained that there were a number of actions within the Elections Act to be undertaken in the next 18 months but

the most immediate activity concerns the District and Parish Election on 4 May 2023 which required all voters to show photo ID at polling stations before a ballot paper can be issued and to extend election accessibility to support voters with a disability in the polling stations. The acceptable forms of ID were discussed and if the voter does not have a photo ID that looks like them, they could apply for a free voter identification document from the government portal which went live on Monday 16 January. She confirmed that postal vote handling was not included in this phase and had been delayed after the May elections, until August 2023. She said even a proxy voter must provide a photo ID of themselves even though they were voting for another.

The process of getting the voter identification document from the government portal was explained and it was noted it did need to include an up to date photograph as well as a NI number. Ms Tims explained that if residents did not have a NI number and/or photograph, they could come into the council office and the customer services team would be able to assist with the process and take a suitable photograph on their service I-pads. It was clarified that all applications had to be made by 25 April 2023 as this would allow for the government office to post it on in time for the election day. Specimens were illustrated and the presentation would be forwarded on to all with the deadline dates and links within for information purposes.

Ms Tims said the national campaign had begun with television adverts and so had our local awareness campaign from today. She said there were scheduled posts to be delivered on social media/through newsletters and posters and all the poll cards would be marked very clearly with the need for photo ID when attending to vote. Concerns were made about getting the message out to older people and those who did not have computers and Ms Tims appealed for any ideas to increase the publicity. An idea of a tag on the bin had already been received which would be explored and members were asked to assist in any way at all. The local communications plan was in compliment with the national campaign and would be ongoing now until late April. It was confirmed that all Elections staff would be fully trained to observe the documents and do the appropriate checks on polling day with additional Polling Supervisors being put in place to support anyone wanting to vote. Ms Tims, the Governance team and Elections Manager had attended training to date and would be attending more in February as updates were received. It was noted that it was a requirement of the act to also record how many voters are turned away on the polling day.

It was agreed that it was paramount that everyone who wants to vote has an opportunity to do so. Members said it was good to see the disabled support and suggested contact be made to voluntary groups and organisations so that no one would be disadvantaged in any way. Ms Tims advised that some mobiles would have to be used but these had been reviewed over the past few years to ensure they are at a minimum. She said we would be engaging with groups so they can be accommodated and listening to the experience of presiding officers and members said they would also be able to offer support if alternative venues were sought in key locations across the district.

Members asked the following questions and made the following observations:-

- How many voter ID applications had been received to date?
The Deputy Returning Officer advised that the Voter ID applications were steadily coming in as the national campaign had only just begun – 3 or 4 a day at the moment being received on the portal. Testing in other areas had illustrated that the expectation was likely to be 2-3% of the electorate. LDC's current electorate being 81,000.
- How has £20k been calculated to cover the burden of the extra duties and is it felt to be enough?
The Deputy Returning Officer confirmed that this had been done on a national calculation but advised that we do have the opportunity each April to make further requests for any additional costs incurred. As we do not have a separate elections team it would mean we will need to ask for additional short-term resources to cover the governance team and customer services and to help run the elections, so it is felt we do have a strong business case for this.

- If this new system leads to a fall in numbers voting, what figure would worry officers if this council had not reached it?
The Deputy Returning Officer could not comment as this would be a matter for the Electoral Commission.
- Will there be a mechanism at polling stations to record how many voters get turned away?
The Deputy Returning Officer advised that this is a requirement of the Act, and the full details were not yet known but the training for this aspect would be in February and those attending will need to train when recruiting to presiding officer posts and poll clerks who will need to help with this. It was envisaged additional support from polling station supervisors would be required. Ms Tims said it was known that this will be subject to a review at the end of the process as there were some staged reviews to see how the system of Voter ID had impacted at these local elections so lessons can be learnt.
- It is known there is a national shortage of accessible mobiles, can we pre-order now?
The Deputy Returning Officer confirmed that over the last number of years a review of mobiles had been done and checks were being done in line with the project plan about the accessible mobiles now. She confirmed the venues would be risk-assessed and consultation with presiding officers and supervisors will take place as they have the local knowledge of the areas within which they have worked before.
- Is there an officer to signpost residents to who may have difficulty with the Voter ID process?
All the Customer Services team can assist residents in-house or on the telephone.
- Are there enough resources to accommodate this challenge? Is team flexible and multi-functional? To ensure delivery, governance team must get what they want as election must not fail and no one to lose their right to vote in May.
The Deputy Returning Officer said a lot of planning and cross-working on previous bi-elections had been done by the governance team and with additional temporary resources it was achievable.
- We must connect with everyone wanting to vote, can we liaise with Nursing Homes and Care Homes/Mosques/worship groups in addition to the usual communications plan? The geography for people in rural areas also needs to be given attention.
- Have the additional materials in poll stations been ordered if residents need to remove facial coverings?
The Deputy Returning Officer said, yes, the preparatory orders had been done and will be delivered in time. She confirmed there had been some moderation in what is expected as initially we had been told everything must be removed meaning a privacy screen would be required at all stations, but this has since changed meaning only the removal of facial coverings is required. Luckily, a lot of the polling station environments had privacy spaces within them.
- Have we had any engagement with neighbouring authorities to share good practice?
The Deputy Returning Officer said, yes, all the project team had attended the National Conference when the findings had first been presented and a lot of work done had been done with our neighbours especially in Tamworth and the Electoral manager meets neighbouring authorities regularly to ensure things are being done similarly.
- Simon Fletcher, as Returning Officer for the district elections was asked directly if he would ensure that resources, finance and staff, would be provided to ensure the voters were not deterred to vote.
Mr Fletcher assured members that this would be provided.
- Thanks were given for delivering briefing and presentation in such a short turnaround time and member support was offered to assist.

RESOLVED: That the views of the Committee be noted and a verbal update be given at the next meeting in March.

35 WORK PROGRAMME

The Committee asked that the Work Programme be updated as some Officer Leads specified had now left Lichfield District Council. This was noted and would be amended.

Additional items for discussion in March were:-

Update on Election changes;

Outcomes of the Procurement process;

Communications – how does this Council engage and how could it be improved?;

LEP membership discussion.

RESOLVED: That the work programme be noted. The Chair advised that the next meeting for this committee was 16 March 2023 before the Elections were held in May.

36 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

IN PRIVATE

37 NOTES FROM TASK GROUPS

The Chair from the Masterplan Task Group, Councillor Ball, and the Chair from the New Leisure Centre Task Group, Councillor Baker, updated the committee on the progress made to date.

RESOLVED: That the notes be received.

(The Meeting closed at 8.05 pm)

CHAIR

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OVERVIEW & SCRUTINY COMMITTEE

8 FEBRUARY 2023

PRESENT:

Councillors M Wilcox (Chair), Norman (Vice-Chair), Eagland, Evans, Ho, Robertson, Silvester-Hall, Tranter and A Yeates

(In accordance with Paragraph 16 of the Overview and Scrutiny Procedure Rules Councillor Eadie and Councillor Spruce attended the meeting)

38 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors R Cross, Grange, Leytham, A Little and Ray.

The Leader, Councillor Pullen and Cabinet Member for Leisure and Parks, Councillor Smith also sent their apologies.

39 DECLARATIONS OF INTERESTS

Councillor Wilcox declared a personal interest in Minute no. 42 CIL allocation 2022 as he had encouraged the bid from Staffs County Council - Burntwood Improvements Scheme.

Councillor Ho declared a personal interest as he is a member of Burntwood Leisure Centre.

40 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting held on 19 January 2023 were agreed as a correct record.

41 FUTURE OF THE COMMUNICATIONS FUNCTION

Councillor Eadie, Deputy Leader and Cabinet Member for Economic Growth and Development introduced the Future of Communications report. It was noted that currently interim members of staff were being utilised to help carry out the current communications function and the council were looking at a way of retaining staff with the relevant skills to ensure the council communicates appropriately. It was proposed that Cabinet approve the transfer of the provision of communications functions to the Council's wholly owned trading company (Lichfield West Midlands Traded Services) for the period 2023 – 2028 to be able to shape the recruitment packages and give more flexibility, however, the function remaining an in-house function still retaining a portfolio holder.

Members made the following comments/observations:-

- Members welcomed anything to improve the communications which were vital as a lot of problems had been incurred in the last year.
- Members raised concerns that there is an element of the districts' residents who are not digital and did not want to be. It was agreed that this council must communicate to these residents as well. A print medium that reaches all of the district was needed.

The Chief Executive, Simon Fletcher, agreed to look at the Communications Plan and investigate how the council can communicate with those residents not IT literate in the future.

- Members agreed that the Recycled bin stickers were an effective way to communicate and should be looked at more.
- Members feared that the transfer to LWMTS would take the communications service further away from members who are the community links to the residents. Members would then lose control as to what was going on.
- Members asked for a further report if the proposal is accepted on the progress and processes. It was noted this could be alongside the effective communications going into the community.
- The KPI factors were discussed and it was agreed there was also significant scope to look at these again if this proposal is accepted by Cabinet.
- Members suggested that the new team meet with the Ward Members as they know their residents and how best to communicate with them.

RESOLVED: The comments and observations be noted by Cabinet when considering the report.

42 COMMUNITY INFRASTRUCTURE LEVY (CIL) ALLOCATION 2022

Councillor Eadie, Deputy Leader and Cabinet Member for Economic Growth and Development introduced the Community Infrastructure Levy (CIL) Allocation 2022 report which was a proposal for the allocation of this round of CIL funding (September 2022). The amount of money available, the bidding process and details of the bids from community groups and other organisations were detailed. The ranking based on criteria and the three top-scoring proposals were discussed. It was proposed that the CIL funds be allocated to the specific projects that support delivery of a new leisure centre at Stychbrook Park in Lichfield City and to Chasetown Football Club for the development of a 3/4G football turf pitch and members were asked for their views.

Members made the following comments/observations:-

- It was noted that all of the leisure activities had scored high – and The Oak Community pub in Burntwood had not. The scoring was queried.

It was confirmed that the scoring is done by Officers so no political interference; some of the criteria was deliverability/reliant on other funders/how many people will use the particular facility and evaluated accordingly. The LDC leisure bid was a whole package and it was known that The Oak Community pub had specific funding allocated in the UKSPF bid.

- It was noted that no monies to major improvements had been allocated to Burntwood even though many houses had been built and no infrastructure provided. More balance when allocating the future CIL monies was requested.
- The committee requested a copy of the criteria and scoring matrix so members could help and support future bidders. It was noted that SCC and LDC scored higher than any community groups/organisations.

The Cabinet Member said this was available on the Council's website and the Chief Executive was asked to distribute it to all members together with the scoring matrix.

- It was agreed that the top priorities for residents was "access to GP services" and should be considered. Members required more involvement in the CIL allocations going forward and suggested the resurrection of the cross-member group that worked with officers in evaluating the bids.
- It was requested that all members be notified of CIL "Expressions of Interest" within their wards.

RESOLVED: The comments and observations be noted by Cabinet when considering the report.

43 NEW LEISURE FACILITY - STYCHBROOK PARK

Councillor Eadie, Deputy Leader and Cabinet Member for Economic Growth and Development introduced the New Leisure Facility – Stychbrook Park report which seeks support to fund a new, purpose-built leisure centre to replace the Friary Grange Leisure Centre to encourage more people in the district to live healthy and active lives. Members were asked for views.

Members made the following comments/observations:-

- It was agreed that this new Leisure Centre is needed as it was promised to all Lichfield residents who have been waiting three years.
- It was noted the delegated authority is strong, but the agreement needs to have it stated very clearly who is responsible for what as regards to maintenance and the council must put aside a sinking fund to cover any maintenance costs.
- An updated MTFS is required.
- Communication of the whole project needs to be done in a timely and correct manner.

Members asked the following questions:-

- A query was received about the longevity of the build.
The Cabinet member confirmed that it is predicted at 25 years but it was known that many centres go on a lot longer and the LGA state an average is 38 years.
- With the pool above the ground level, it was asked how does this affect the energy costs?
The Cabinet member confirmed that it is more economical as less heat is lost.
- It was asked if the council were still looking for the funding for the 4G pitch from elsewhere i.e. Football Foundation, HS2, Sport England?

The Cabinet member said yes, some of CIL allocation could be used (as per previous report) and the council would be looking to the Football Foundation.

RESOLVED: The comments and observations be noted by Cabinet when considering the report.

44 IN-SOURCING LEISURE PROVISION

Councillor Eadie, Deputy Leader and Cabinet Member for Economic Growth and Development introduced a report – In-sourcing Leisure Provision. He informed the committee that because of the increasing energy costs, most leisure operators were finding themselves in a challenging financial position. He said Freedom Leisure, who currently manage and operate the council's leisure portfolio at Burntwood Leisure Centre and Friary Grange Leisure Centre, had approached the council to agree a termination of the contract with them on 1 April 2023. He stated it was proposed to Cabinet to transfer this in-house to Lichfield West Midlands Traded Services (LWMTS) and asked for comments/questions.

Members made the following comments and asked questions:-

- Had the Council offered to help Freedom Leisure as it was known that other local authorities had subsidised them?
The Cabinet member confirmed - yes, the council had already given subsidy to Freedom Leisure to support but now it had come to a point to consider further subsidising or returning to an in-house service.
- As the activities had not reached pre-covid levels, does this not raise concerns?
The Cabinet member advised that if this proposal was approved, then the council must encourage residents to want to use our facilities by communicating effectively and getting the pricing right, offering flexibility also.
- Members reported that it was known there were instances of anti-social behaviour at the Burntwood Leisure Centre and the safety of users as well as affordability must be paramount.
- As the staff transferred were possibly of a younger age, members asked for confidence in the legal stance if transferred to LWMTS.
The Cabinet member said legal advice had been sought and staff will be TUPE'd with protected terms and conditions.
- Would the correct remuneration packages be offered?
The Cabinet member said, yes and LWMTS employees would be reviewed.

RESOLVED: The comments and observations be noted by Cabinet when considering the report.

45 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

IN PRIVATE

46 NEW LEISURE FACILITY - STYCHBROOK PARK - FULL REPORT

The Committee discussed the confidential financial elements of the Cabinet report.

47 IN-SOURCING LEISURE PROVISION - FULL REPORT

The Committee discussed the confidential financial elements of the Cabinet report.

(The Meeting closed at 8.35 pm)

CHAIR

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PLANNING COMMITTEE

9 JANUARY 2023

PRESENT:

Councillors Marshall (Chair), Baker (Vice-Chair), Anketell, Barnett, Birch, Checkland, Evans, Humphreys, Leytham, Matthews, Powell, Ray, Salter and S Wilcox

32 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cross.

33 DECLARATIONS OF INTEREST

In the interest of transparency, Councillor Ray declared a non-pecuniary interest in application no. 22/01423/FUH as he had met with the neighbours after the previous application had been withdrawn. However, he advised that he was not predetermined.

Councillor Salter declared a non-pecuniary interest in application no. 22/01533/FUH as he is Chairman of Shenstone Parish Council who have raised objections and also the objectors are known to him; he did not participate in the debate or the vote.

34 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting held on 5 December 2022 previously circulated were taken as read, approved as a correct record and signed by the Chair.

35 PLANNING APPLICATIONS

Applications for permission for development were considered with the recommendations of the Chief Executive and any letters of representation and petitions of observations/representations received together with the supplementary report of observations/representations received since the publication of the agenda in association with Planning Applications 22/00476/COU, 22/01423/FUH, 22/01533/FUH and 22/01560/FUL

22/00476/COU - Change of use from agricultural building to dwellinghouse (Use Class C3), demolition of existing northern lean-to and associated works
Priory Farm, Uttoxeter Road, Blithbury, Rugeley
FOR: Mr L Lukasz

RESOLVED:- That this planning application be approved, subject to the prior completion of a S106 TCPA 1990 Unilateral Undertaking relating to the payment for recreational mitigation for the Cannock Chase SAC and the conditions contained in the report of the Chief Executive.

(Prior to consideration of the application, representations were made by Charlotte El Hakiem from CT Planning (Applicant's Agent)).

22/01423/FUH - Partial demolition and erection of two storey front side and rear extensions and new roof
96 Gaia Lane, Lichfield, Staffordshire, WS13 7LS
FOR: Mr & Mrs K Bhopal

RESOLVED:- That this planning application be approved subject to the conditions contained in the report of the Chief Executive and two additional conditions:-

- (1) The extensions hereby approved shall not be brought into use until wall on the south western elevation, facing 94 Gaia Lane, has been painted, or rendered, in a white finish.

Reason:

In the interest of providing reflected light to the Velux windows serving the bedroom at the neighbouring property at 94 Gaia Lane in accordance with Policy BE1 of the Lichfield District Local Plan and paragraph 130(f) of the National Planning Policy Framework.

- (2) Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 2015 (as amended), (or any Order revoking and re-enacting the Order with or without modification) no development contained in Class(es) A, B, C, D, E, F and G of Schedule 2 (Part 1) of the Order shall be carried out without the prior written permission, on application, to the Local Planning Authority.

Reason:

In the interests of the character and appearance of the area and residential amenity, in accordance with Policies BE1 and CP3 of the Local Plan Strategy and the National Planning Policy Framework.

(Prior to consideration of the application, representations were made by Councillor Joanne Grange (Ward Councillor) and Richard Bolland MCIAT (Applicant's Agent)).

22/01533/FUH - Erection of detached double garage (part retrospective)
9 Foden Close Shenstone Lichfield Staffordshire WS14 0LE
FOR: Mr Tom Smith

RESOLVED: That this planning application be approved, subject to the conditions contained in the report of the Chief Executive.

(Prior to consideration of the application, representations were made by Parish Councillor David Thompson (Objector) and Tom Smith (Applicant)).

22/01560/FUL - Demolition of existing dormer bungalow and erection of replacement dwelling and associated works
Little Meadows, St Chads Road, Lichfield, Staffordshire. WS13 7LZ
FOR: Miss Olivia Massey

RESOLVED:- That this planning application be approved subject to the conditions contained in the report of the Chief Executive and the additional

landscaping condition contained in the supplementary report relating to impact on the tree.

Also, Reason for Condition 4 amended to read as follows:

Reason: In the interests of highway safety and to protect neighbouring residential amenity, in accordance with the aims of Policies CP3, BE1 and ST2 of the Lichfield Local Plan Strategy, the Sustainable Design SPD and the National Planning Policy Framework.

(Prior to consideration of the application, representations were made by Councillor Colin Ball (non-Committee Ward Member).

36 EXCLUSION OF PUBLIC AND PRESS

RESOLVED:- That, as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted the public and press be excluded from the meeting for the following item of business which would involve the likely disclosure of exempt information as defined in Paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended.

IN PRIVATE

37 CONFIDENTIAL MINUTES OF PREVIOUS MEETING

The Confidential Minutes of the meeting held on 5 December 2022 previously circulated were taken as read, approved as a correct record and signed by the Chair.

(The Meeting closed at 8.20 pm)

CHAIR

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PLANNING COMMITTEE

6 FEBRUARY 2023

PRESENT:

Councillors Marshall (Chair), Baker (Vice-Chair), Anketell, Barnett, Checkland, Cross, Evans, Humphreys, Matthews, Powell, Ray and Salter

38 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Birch, Leytham and S Wilcox. Councillor Powell arrived late at 6.15pm and did not participate in application no. 22/01533/FUH.

39 DECLARATIONS OF INTEREST

Councillor Checkland declared a personal interest in application no. 21/01956/OUTFLM as he is a member at Lichfield City Council who have raised objections and also a personal interest in application no. 21/01595/FULM as the Applicant's Agent, Christopher Timothy from CT Planning is known to him.

Councillor Matthews declared a personal interest in application no. 21/01956/OUTFLM as he has a close relative living in the adjacent site. He did not participate in the debate and left the room.

Councillor Salter declared a non-pecuniary interest in application no. 22/01533/FUH as he is Chairman of Shenstone Parish Council who have raised objections and he spoke in objection to this application as Ward Councillor. He did not participate in the debate or the vote. He also declared a personal interest in application no. 22/00242/FUL as his wife was the objector speaking as the Clerk of Wall Parish Council.

40 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting held on 9 January 2023 previously circulated were taken as read, approved as a correct record and signed by the Chair.

41 PLANNING APPLICATIONS

Applications for permission for development were considered with the recommendations of the Chief Executive and any letters of representation and petitions of observations/representations received together with the supplementary report of observations/representations received since the publication of the agenda in association with Planning Applications 22/01533/FUH, 18/00840/OUTMEI, 21/01595/FULM, 21/01956/OUTFLM, 22/00242/FUL and 22/01179/FUL

22/01533/FUH - Erection of detached double garage (part retrospective)
9 Foden Close, Shenstone, Lichfield, Staffordshire. WS14 0LE
For: Mr Tom Smith

Following a short adjournment for officers to consider and advise Members on points raised in the public speaking by Mrs R Bews (Objector), legal advice was given that Members could proceed to determine the Application.

RESOLVED:- (1) To rescind the resolution of Planning Committee on the 9th January 2023 to grant planning permission, subject to conditions; and
(2) That this planning application be approved subject to the conditions contained in the report of the Chief Executive.

(Prior to consideration of the application, representations were made by Mrs Rebecca Bews (Objector), Cllr David Salter (Ward Member) and Mr Tom Smith (Applicant)).

18/00840/OUTMEI - Outline application for up to 210 dwellings, public open space, landscaping, sustainable urban drainage, access, and associated infrastructure. (All matters reserved except access).
Land North of Browns Lane, Tamworth, Staffordshire.
For: Summix BLT Developments Ltd

RESOLVED:- That this planning application be deferred to allow consideration of late submissions.

21/01595/FULM - Erection of 30 No. dwellings with access, attenuation basin and associated garaging and works
Land at Burton Road, Streethay, Lichfield.
For: Mr A Maine

RESOLVED:- That this planning application be approved subject to the conditions contained in the report of the Chief Executive and

(1) Subject to the owners/applicants first entering into a S106 to secure the following:

- i. Education Contribution of £420,513.76 (Index Linked to March 2022);
- ii. Offsite Biodiversity Units Contribution of £109,200;
- iii. Provision of affordable housing on site;
- iv. Off-site highway works;
- v. Management and maintenance company for the private internal roads and shared parking areas, public amenity areas and communal areas and drainage system;
- vi. Healthcare Contribution of £18,610 (Index linked to March 2022);
- vii. Cannock Chase SAC- financial contributions towards mitigation of additional visitors to Cannock Chase SAC of £3,195.38 for 11 dwellings (remaining contributions to be collected via CIL).

(2) If the S106 legal agreement is not signed/completed by 9th April 2023 or the expiration of any further agreed extension of time, then powers to be delegated to officers to refuse planning permission, based on the unacceptability of the

development, without the required contributions and undertakings, as outlined in the report.

(Prior to consideration of the application, representations were made by Cllr Harry Warburton (Ward Member) and Mr Christopher Timothy of CT Planning (Applicant's Agent)).

21/01956/OUTFLM - Full application for the construction of 500 dwellings, access via Lichfield Southern Bypass, footpaths, cycleways, public open space, play areas, sports pitches, landscaping, district park including biodiversity enhancement area, drainage and development infrastructure (part retrospective); and OUTLINE application (all matters reserved) for a primary school (F1a), a mixed use community hub to include commercial development (Ea, Eb, Ec, Sui Generis hot food takeaways and drinking establishments with expanded food provision) and a community building (F2b). (Amended description to reflect reduced number of residential properties proposed and incorporating 169 dwellings (phase 2A) approved and built under 19/00478/REMM).

Land South of Shortbutts Lane, Lichfield, Staffordshire
For: Persimmon Homes West Midlands

During discussions, the Chair recited standing orders regarding the duration of the meeting and members agreed to continue with the meeting.

The Planning officer presented the report and officers responded to questions and comments from Members.

A motion to refuse the Application based on the overall number of dwellings proposed, the density/design and layout of the development, overall parking provision for the residential development especially where internal garages are provided in phase 2C and the level of parking provision for the sports pitches was lost.

However, Members expressed concerns and sought clarifications on other issues including the following: the impact on 'Berry Hill House', potential flooding in respect to Marsh Lane, adequate space for school drop offs, trigger point for school handover, biodiversity and ecology and management of landscape.

RESOLVED:- That this planning application be deferred and a report be brought back for officers to respond to the concerns and issues raised by Members.

(Prior to consideration of the application, representations were made by Mr Alastair Stewart of Persimmon Homes West Midlands (Applicant)).

22/00242/FUL - Retention of 2 No. doors and juliet balconies to the western elevation of the building

The Trooper Inn, Watling Street, Wall Village, Lichfield
For: Mr C Chance

RESOLVED:- Due to the lateness, this planning application was deferred.

22/01179/FUL - Erection of 1 No. bungalow
121 Highfields Road, Chasetown, Burntwood, Staffordshire
For: Mr A Humphreys

RESOLVED:- Due to the lateness, this planning application was deferred.

(The Meeting closed at 9.58 pm)

CHAIR

AUDIT AND MEMBER STANDARDS COMMITTEE

18 JANUARY 2023

PRESENT:

Councillors Spruce (Chair), Cross, Grange, Norman, Robertson, Silvester-Hall, White and M Wilcox

Officers in Attendance: Laura Brentnall, Will Stevenson, Anthony Thomas,

Also Present: Kirsty Lees (External Auditor)

28 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Ho and relevant Cabinet member Councillor Strachan.

29 DECLARATIONS OF INTEREST

No declarations of interest were received.

30 STATEMENT OF ACCOUNTS

Mr Anthony Thomas (Assistant Director Finance & Commissioning) presented the Statement of Accounts to the committee. Mr Thomas confirmed that the accounts had been published in line with the CIPFA code of practice and signed by himself on July 1st, 2022. He noted that during this period, the council had changed finance systems which naturally created additional work. The team responsible had also lost team members and were ultimately faced with limited officer resources. Mr Thomas praised the team, giving them credit for completing this task well in advance of the deadline despite these drawbacks. It was highlighted that to complete the accounts, one of the recommendations sought delegation to the committee Chair to approve any non-material changes required after the meeting. Anything substantial amendments would have to be approved by the committee. Mr Thomas highlighted the significant impact of the annual assessment of the pension fund long term liability, its material impact on the accounts including the Balance Sheet and the volatile nature of the assessment from year to year.

In response to questions from members, Mr Thomas agreed to seek further information on whether the city centre masterplan was currently on target. He also confirmed that the authority has taken a much more robust approach relating to SR7 and failure to complete multi-factor authentication would result in users having access removed from digital systems.

Members also raised the use of multiple acronyms within the report that did not feature in the glossary. They noted that this along with more information concerning related party transactions could ultimately improve the level of transparency.

Members asked for further details regarding the level of short-term creditor borrowing rising from roughly £19 million in 2020/21 to £23.5 million in 2021/22. Mr Thomas stated that in many cases, these swings are the result of repayments to be made to central government, showing up in the statement of accounts as a creditor. Examples given include Covid-19 grants that had not been distributed and required repaying or council tax and business rates collected in excess of initial estimates.

The committee asked to amend the recommendation approving delegation of authority to the Chair, stipulating that this delegation would only apply to “grammatical issues, narrative issues, spelling, typos, rounding and syntax mistakes.”

RESOLVED: The committee approved the Letter of Representation at APPENDIX A in the report.

The committee approved the Councils Statement of Accounts for 2021/22, attached at APPENDIX B.

The committee approved the delegation of authority to the Chair of Audit and Member Standards Committee to approve any non-material changes relating to grammatical issues; narrative issues; spelling; typos; rounding and syntax mistakes, to enable the completion of the Statement of Accounts.

31 AUDIT FINDINGS REPORT FOR LICHFIELD DISTRICT COUNCIL 2021/22

Kirsty Lees (External Auditors) presented the report to the committee. She confirmed that the external auditors anticipate issuing an unmodified opinion following the meeting. She stated that the only issue noted from testing was a journal deleted from the system by the system provider, not the council. Ms Lees confirmed that they were satisfied this was an isolated incident and had been the result of a misunderstanding between the council and system provider, in which a request to reverse posting the ledger led to its deletion. In relation to the new ledger, IT audit colleagues have been involved and their report included as an appendix. Ms Lees highlighted that there had been a few controls where assurance could not be gained because the evidence necessary was not available. It was also noted that the increased assessment of the risk to the IT environment meant that the external auditors had to test more ledgers than usual. She also confirmed that there were no adjusted or unadjusted misstatements.

Following on from questions from members about pensions, Ms Lees clarified that the narrative in the report is illustrative. Had the actuaries report fallen anywhere within the upper or lower bounds of this range then that would have been satisfactory. It however up to actuary to make those prior decisions.

Mr Thomas added that consultants have advanced access to the system. What this process has highlighted, is that the length of time between the council no longer using the system and the relevant audit taking place is quite lengthy. He confirmed that this system is used by 80+ councils and there have been several meetings to discuss the number of quality controls they are externally assessed on. Mr Thomas stated his view that it cannot be efficient for suppliers and auditors to be doing 80 different sets of engagements. He stated that change in this area would require pressure from all partners who use the system, coming together and making a case for that change. This could be done via the user group.

Mr Thomas confirmed that admin responsibility has been removed from all but 2 members of staff. Members queried what safeguards could prevent the 2 authorised individuals from cooperating and suggested the addition of a third individual with admin responsibility to improve the level of checks and balances. Mr Thomas agreed to consider this proposal. The Chair requested an update on this to be added to the work programme.

The Chair also requested that the external auditors upcoming VFM report is presented to both the Audit & Member Standards Committee and then Full Council.

RESOLVED: The committee noted the External Auditor's Audit Findings Report.

(The Meeting closed at 7.02 pm)

CHAIR

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AUDIT AND MEMBER STANDARDS COMMITTEE

2 FEBRUARY 2023

PRESENT:

Councillors Spruce (Chair), Ho (Vice-Chair), Cross, Norman, Robertson, Silvester-Hall and M Wilcox

Officers in Attendance: Laura Brentnall, Christie Tims, Will Stevenson, Anthony Thomas, Andrew Wood

Also Present: Councillor Rob Strachan (Cabinet Member for Finance and Commissioning)

32 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Grange and Councillor White.

33 DECLARATIONS OF INTEREST

There were no declarations of interest.

34 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 30 November 2022, previously circulated, were taken as read and approved as a correct record.

35 TREASURY MANAGEMENT STATEMENT AND PRUDENTIAL INDICATORS

Mr Anthony Thomas (Assistant Director Finance & Commissioning) presented the report to the committee. He confirmed that there were no significant changes of approach compared to the report approved for 2022/23. However, Mr Thomas highlighted that the report does not include the impact of upcoming Community Infrastructure Levy (CIL) allocations and work on the leisure centre. These impacts will be reviewed at an upcoming Overview & Scrutiny committee. The spending in question is recommended to be funded by reserves, Section 106 and windfall from the finance settlement. As a result, this does not increase the borrowing requirement set out. It was noted that the version of this report taken to council on February 28th will pick up any amendments that need to be made to prudential indicators and Treasury Management Statement. The committee were asked if they wished to raise anything in the report before it goes to Cabinet on February 14th.

Members enquired whether it would be worthwhile using existing investments to clear the projected external borrowing. Mr Thomas noted that in context to current interest rates, the rate on the loan is relatively low and more was earned on investment income than currently lost through debt interest.

Regarding the Municipal Bonds Agency, it was clarified that Arlingclose are currently not advising to use the agency in lieu of externally borrowing from other sources such as the Public Works Loans Board (PWLb).

Mr Thomas stated that external environment factors such as the war in Ukraine and current economic situation, all raised the level of risk. The strategy has been to try and increase the level of reserves in response to this. However, it was noted that the risk appetite in cabinet and among members appears to have increased - reflected by the approval to use earmarked

reserves for place shaping and the leisure centre for example. Mr Thomas confirmed the council is at the lower end of most of the CIPFA resilience index indicators, and these strong foundations mean the council can deal with slightly more risk in the circumstances.

Members were informed that the housing loans set out in appendix E of the report, were the remains from a partnership arrangement with Birmingham City Council that ended several years ago.

RESOLVED: Members considered the Treasury Management Strategy Statement and highlighted any changes or recommendations to Cabinet in relation to:

2.1 The Capital Strategy and Capital Programme, outlined in APPENDICES A & B.

2.2 The Minimum Revenue Provision Statement for 2023/24, at APPENDIX C, which set out the Council's policy of using the asset life method for making prudent provision for debt redemption.

2.3 Treasury Management Strategy Statement for 2023/24 APPENDIX D.

2.4 The Investment Strategy Report (APPENDIX E) where no changes were recommended for 2023/24.

2.5 The Capital and Treasury Prudential Indicators for 2022-27 in the financial implications section.

2.6 The Authorised Limit Prudential Indicator shown within the financial implications section.

36 INTERNAL AUDIT PROGRESS REPORT

The report was presented to the committee by Andrew Wood (Audit Manager) who confirmed that 45% of the audit plan had been completed against a profile completion of 85%. Mr Wood confirmed these details have been shared with leadership team. The arrangements with BDO and E-Tec services have been reviewed and the contract with E-Tec extended. The NHS framework agreement with BDO into 2023/2024 is currently being reviewed. Mr Wood outlined the outstanding high priority recommendations, noting that out of 8 outstanding recommendations, 2 relating to IT system security are not overdue. He confirmed significant progress has been made on GDPR recommendations.

Mr Wood stated he was confident completion of the plan would be achieved, confirming BDO will put significant resources in to complete their planned audits. He also reassured members that audit priority profiles were kept in regular review and was happy to include extra details regarding customer satisfaction ratings.

In response to questions on GDPR, Mr Wood confirmed that GDPR compliance was previously part of an outsourced arrangement, whereas the council now has an internal GDPR officer to assist with questions and queries.

RESOLVED: Members noted Internal Audit's Quarterly Progress Report, including results for the quarter to 31 December 2022.

37 RISK MANAGEMENT UPDATE

Andrew Wood presented the Risk Management Update to the committee. It was confirmed that the Strategic Risk (SR) Register was last reviewed on January 18th by Leadership Team. All changes since the November 2022 Audit & Member Standards Committee are highlighted within the report. SR 1, relating to pressures on finance has been reduced from 9 to 3

following confirmation of the financial settlement 2023/24 and principles being set for 2024/25. SR 2, relating to resilience of teams, has been lowered from 6 to 3 due to the ongoing resilience framework and business continuity arrangements. SR 7, relating to the threat to IT systems, remains a high priority SR for the committee. Horizon scanning additions include pEPR implications around systems for recycling packaging and compensatory affects; the implications of an increase in fuel duties from 1 April 2023; planning application fees; LATCO review of governance arrangements and structures; arrangements for legislative changes following Brexit and blanket withdrawal in December 2023.

Members commended the work undertaken to ensure there were no strategic risks in the red zone and praised officers on this. Members were assured that SR 1 relates mainly to external environment factors and has previously been heightened by 1-year financial settlements, the Covid-19 pandemic and ongoing economic situation.

Members asked if the impact of rising interest rates and the potential effect that may have on levels of homelessness has been considered. Mr Thomas confirmed that a cost of living allowance has been built into the budget in order to potentially mitigate the impact of this over the next 2 years. In addition, he noted the council tax support fund announced by central government alongside local council tax support schemes.

Mr Wood confirmed that he has the full support of the Chief Executive and Leadership Team, including regular full and frank conversations concerning the strategic risks.

RESOLVED: Members noted the risk management update and received assurance on actions taking place to manage the Council's most significant risks.

38 GDPR/DATA PROTECTION POLICY UPDATE

Laura Brentnall (Compliance and Data Protection Officer) presented the GDPR/Data Protection Update to the committee. She confirmed that this would create a strong foundation on which the council will build a system of best practice. The impact of the Local Elections 2023 on officer resources between February and June was highlighted to members. It was confirmed the project plan would start by examining HR and work outwards from that point, before finally coming to committee for review. She assured members that there is a fundamental shift in dynamic within the council about how to perceive GDPR and data protection. Anyone who has not completed GDPR and cyber security training by April 1st, 2023 will be frozen out of system until they undertake training on site. Those on maternity or long-term sick will be subject to extenuating circumstances. GDPR training will form part of the induction process for new starters, with an escalation if they have not completed the training after 2 weeks.

Members praised Laura Brentnall for the work undertaken on this and reiterated their appreciation of quarterly reports on the matter until the action plan is completed.

RESOLVED: The committee note the updates to the action plan.

39 TAXI LICENSING UPDATE

Christie Tims (Assistant Director of Operations, Regulation and Enforcement) presented the Taxi Licensing Update to the committee. The update was brought forward following concerns raised by members at the November 2022 meeting regarding the presence of non-LDC registered taxis operating in the district. Ms Tims confirmed this as legal and normal practice, on the condition that the vehicles concerned are booked from their licenced operating areas. Only hackney carriages licenced by LDC can stand on the city taxi ranks. It was noted that all drivers go through roughly the same licensing process, with the main difference being that other authorities allow the use of older vehicles, up to 11 and a half years. More than 90% of

drivers operating in the district are not Lichfield or Burntwood residents, instead travelling into the district to carry out their work.

Members were informed that awareness and poster campaigns are being planned this year, informing the public to use the appropriate liveried taxis; book through a reputable private hire company; check the price to be charged, and other such information. Ms Tims also highlighted the Safer Streets Campaign to be discussed at the Community Safety Partnership the following week. A policy consultation being put to the Regulatory & Licensing committee will be developed into a robust policy, designed to encourage sustainable taxi operations in the current environment.

Members queried if electric vehicles could be encouraged through the policy.

Ms Tims confirmed the recruitment of a new Regulation & Enforcement Manager from March 1st who would be tasked with forming partnerships and engaging with operators to create a sustainable business model.

Members were informed that residents are encouraged to report unlicensed taxis at taxi ranks to Lichfield.gov.uk and was happy to discuss further marshalling work that could be undertaken by community groups. Members commended the work of the Late Night Listeners who operate near the city centre taxi rank and suggested engagement with them and potentially the RMT.

RESOLVED: Members noted the taxi licensing update.

40 WORK PROGRAMME

The Committee were informed of the intention to bring the following two items forward from the April 19th meeting to the March 23rd meeting:

- Internal Audit Plan, Charter & Protocol 2023/24
- Review of the Effectiveness of the Audit & Member Standards Committee

In addition, an Internal Audit Item on 'Public Sector Internal Audit Standards and External Quality Assessment' would also be brought to the March meeting.

(The Meeting closed at 7.25 pm)

CHAIR

SPECIAL EMPLOYMENT COMMITTEE

24 JANUARY 2023

PRESENT:

Councillors Matthews (Chair), S Wilcox (Vice-Chair), Banevicius, Birch, Robertson and Warfield

12 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Gwilt and Councillor Powell.

13 DECLARATIONS OF INTEREST

There were no declarations of interests.

14 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting were agreed as a correct record.

15 PAY POLICY STATEMENT 2023

The Committee considered the Pay Policy Statement 2022. The Pay Policy Statement set out Lichfield District Council's approach to its pay, terms and conditions and other related matters in accordance with the requirements of S38 of the Localism Act. It was noted that the Pay Policy Statement was updated on an annual basis and ratified at Full Council. Its purpose was to be open and transparent about the distribution of pay to Officers and was a public document. The committee were advised that the council had undergone change over the last 12 months due to the implementation of the Target Operating Model and the Being a Better Council principles and members attention was drawn to the adjustments in the statement compared to previous years.

An observation was made about the wages of members of staff at Grades A, B & C as it was noted they were being paid below a real living wage as set by the Living Wage Foundation (£10.90 per hour rather than National Living Wage which is currently £9.50 rising to £10.42 on 1 April 2023)).

Ms Tims stated that this was noted and rectified last year for staff affected and subsequently succeeded by the 2022 Pay Settlement by removing the lowest bands. However the Living Wage Foundation rate had not been formally adopted to be included in the ongoing pay policy structure. Members requested and voted that this be an additional recommendation to make this a continuous issue as it was important to recognise and remunerate all staff properly in line with the Living Wage Trust rate.

It was noted that the current Pay Policy Statement version was incorrect on the website and needed updating.

RESOLVED:- (1) The committee approved the contents of the updated Pay Policy Statement as set out in **Appendix A** and recommended the policy for approval by Full Council on 28 February 2023.

(2) The committee delegate authority to the Assistant Director - Operations, Regulation

& Enforcement in consultation with the Chair of this committee, to update and republish the pay policy in respect of the pay spine set out at Appendix 1 and any ratios once the national pay negotiations for 2023 are concluded.

(3) That the benchmark for the living wage foundation rate to be built into the ongoing pay policy structure to ensure that level of pay is always met for all Grades.

16 EXCLUSION OF PRESS AND PUBLIC

RESOLVED:- That, as publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted the public and press be excluded from the meeting for the following items of business which would involve the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended.

IN PRIVATE

17 RESTRUCTURE OF SERVICE

The Committee were introduced to a proposal to move the Communications function into the Council's trading company Lichfield West Midlands Traded Services (LWM Traded Services). The Committee asked for further details on TUPE and Pension implications which were given at the meeting.

RESOLVED:- That the commencement of a formal consultation regarding the proposed transfer of function be noted.

18 POTENTIAL CHANGE TO SERVICE

The Committee were introduced to a proposal to consider the in-source leisure services back to the Council into the trading company Lichfield West Midlands Traded Services (LWM Traded Services) from Freedom Leisure. Staffing implications were discussed at length.

RESOLVED:- That the potential change in service for Leisure provision be noted.

(The Meeting closed at 6.50 pm)

CHAIR

Medium Term Financial Strategy

Report of the Cabinet Member for Finance and Commissioning

Date: 28 February 2023
 Agenda Item: 10
 Contact Officer: Simon Fletcher / Anthony Thomas
 Tel Number: 01543 308001 / 01543 308012
 Email: Simon.fletcher@lichfielddc.gov.uk
Anthony.thomas@lichfielddc.gov.uk
 Key Decision? YES
 Local Ward Full Council
 Members



Council

1. Executive Summary

- 1.1 The ability to deliver the outcomes set out in the **Lichfield District Council Strategic Plan**, and beyond, is dependent on the resources available in the MTFS.
- 1.2 The MTFS was approved by Council on 22 February 2022 and this is refreshed each year to:
 - Remove the previous financial year and in this MTFS this is 2021/22
 - Formally add the new financial year and in this MTFS this is 2026/27 and
 - Refresh and update assumptions to reflect the latest information available
- 1.3 The MTFS is the overall budget framework and consists of the Revenue Budget, Capital Strategy and Capital Programme, Earmarked Reserves and General Reserves.
- 1.4 There have been reports to Cabinet and Council that have updated the MTFS since its initial approval.
- 1.5 The Treasury Management Strategy Statement and Annual Investment Strategy are also important components of the MTFS and **are** considered by the Audit and Member Standards Committee.
- 1.6 The figures provided in this report will in a number of cases differ from previous versions due to more up to date information and Cabinet Reports with additional financial implications.
- 1.7 The timetable for consideration of the MTFS development is summarised below:

Date	Meeting	Topics
Budget Consultation (June to December)	05/07/2022	Cabinet
	15/09/2022	Overview and Scrutiny Committee
	04/10/2022	Cabinet
	17/11/2022	Overview and Scrutiny Committee
	06/12/2022	Cabinet
	NEW 15/12/2022	Overview and Scrutiny Committee
		Special Meeting to consider Budget Proposals
	19/01/2023	Overview and Scrutiny Committee
	02/02/2023	Audit and Member Standards Committee
	14/02/2023	Cabinet
	28/02/2023	Council

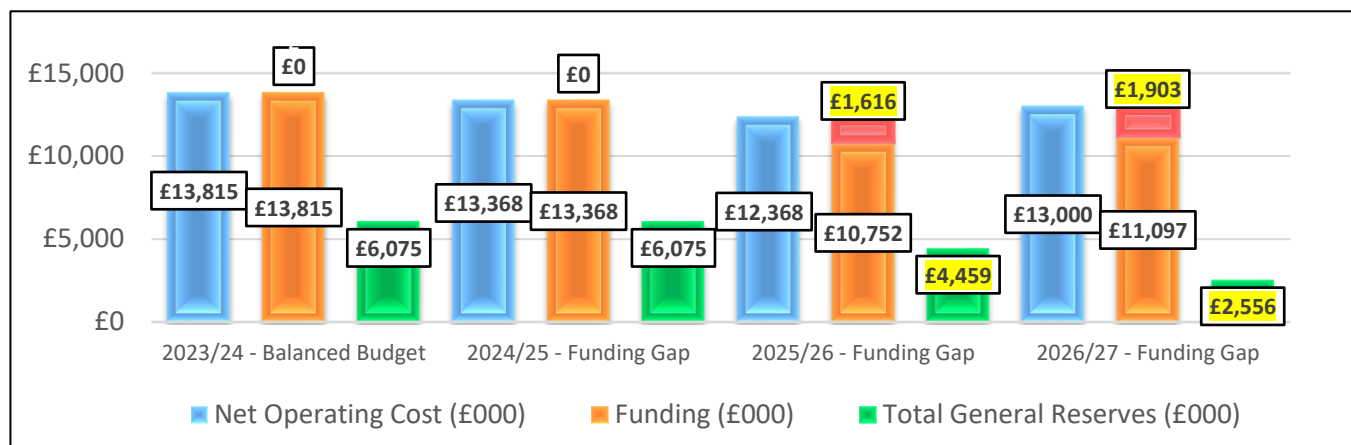
- 1.8 There remains an inherently high level of uncertainty surrounding the Local Government Finance Regime with the residual impact of the COVID-19 pandemic, the cost of living and wider economic crisis and other potential Government Policy changes.

1.9 The Council has a statutory duty to undertake budget consultation, set a balanced budget and calculate the level of Council Tax for its area.

1.10 The MTFS considered by Cabinet on 14 February 2023, has been updated for the Final Settlement and recommendations contained in the reports at the same meeting related to the new Leisure Centre, leisure insourcing and CIL. Where figures or text has been updated, these are shaded in yellow.

The Revenue Budget

1.11 The Revenue Budget (in £000) with balanced budgets in 2023/24 and 2024/25 and Funding Gaps (shown in red in the graph below) in later years is shown in detail at **APPENDIX A** and in summary below:



1.12 The Original Budget approved on 22 February 2022 budgeted no transfer to or from General Reserves.

1.13 A Report related to financial performance in 2022/23 is elsewhere on the agenda. Based on latest in year performance, a contribution from General Reserves of **£1,050,250** is projected.

1.14 The MTFS from 2023/24 onwards has been prepared in the context of unprecedented volatility and uncertainty and whilst estimates have been made on the potential impact, there remains significant uncertainty in 2022/23 and subsequent years.

1.15 The Council is legally required to balance the budget in the first year of 2023/24 and to set out its proposals to balance the further financial years. In 2023/24 a 'balanced budget' is recommended.

1.16 In later years, it is assumed that the Review of Needs and Resources (Fair Funding Review), Business Rates Reform and a new housing incentive scheme will be implemented from 2025/26. It is projected that District Councils including Lichfield DC will be detrimentally impacted by these changes through lower funding and therefore at this stage Funding Gaps are projected.

1.17 At the end of 2023/24, the Council is projected to have **£6,075,000** of total general reserves (£4,175,000 after taking account of the Minimum Level of Reserves of £1,900,000) to assist with balancing the budget.

1.18 General Reserves, based on current projections, are sufficient to balance the budget until 2026/27. However, this is not a sustainable approach, and the Council will need to identify potential options to close the Funding Gap.

The Capital Strategy, the Capital Programme and Treasury Management

1.19 The Capital Strategy, the Capital Programme and Treasury Management related items are outlined in **APPENDICES B,C,D, E and F**.

The CFO's Report on the Robustness of the Budget and the Adequacy of Reserves

1.20 In accordance with the Local Government Act 2003 (Sections 25-27) and to comply with CIPFA Guidance on Local Authority Reserves and Balances, the CFO is required to formally report to Members on the robustness of the Budget and the adequacy of Reserves (**APPENDIX G**).

Budget Consultation

1.21 The results of the Budget Consultation for 2023/24 are summarised in the consultation section and the comments are provided at **APPENDIX H**.

2. Recommendations

That Council approves:

- 2.1 The 2023/24 Revenue Budget of **£13,815,000**, the Council Tax Requirement of **£7,614,000** and a District Council proposed Band D equivalent level of Council Tax for 2023/24 of **£187.85** (no increase on 2022/23).
- 2.2 The MTFS 2022-27 Revenue Budgets and the 25 year revenue financial planning model at **APPENDIX A**.
- 2.3 The MTFS 2022-27 Capital Strategy including the 25 year capital investment model and the Capital Programme shown in **APPENDICES B & C**.
- 2.4 The increase in the Minimum Level of General Reserves from **£1,600,000** to **£1,900,000** based on the current economic climate.
- 2.5 A cost of living contingency budget of **£50,000** in 2023/24 and also provisionally for 2024/25.
- 2.6 An in-year growth/contingency budget of **£100,000** in 2023/24 and also provisionally for 2024/25.
- 2.7 The transfer of 'windfall' income from the Provisional Finance Settlement estimated at **£2,433,000** for 2023/24 and projected at **£1,889,000** for 2024/25 to the strategic priorities reserve.
- 2.8 The Minimum Revenue Provision Statement for 2023/24, at **APPENDIX D**, which sets out the Council's policy of using the asset life method for making prudent provision for debt redemption.
- 2.9 Treasury Management Strategy Statement for 2023/24 (with no changes to limits) shown at **APPENDIX E**.
- 2.10 The Investment Strategy Report (**APPENDIX F**) including the proposed limits for 2023/24.
- 2.11 The Capital and Treasury Prudential Indicators for 2022-27 in the financial implications section.
- 2.12 The Authorised Limit Prudential Indicator shown within the financial implications section.
- 2.13 The award of up to £50 of Council Tax Support Funding to eligible claimants and to delegate authority to the Cabinet Member for Finance and Commissioning and the Assistant Director – Customer, Residents and Business to design and implement a scheme to allocate the remaining funding.
- 2.14 To delegate to the Cabinet Member for Finance and Commissioning and the Assistant Director – Customer, Resident and Business Services to award Retail Discount and Supporting Small Business Relief to businesses which are eligible during 2023/24.
- 2.15 The payment received from Freedom Leisure be set aside in an earmarked reserve held by the Council to cover additional costs of energy supply in 2023/24 and 2024/25 within the wholly owned company / new organisational structure and thereafter revert to General Reserves.

Council notes:

- 2.16 The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in **APPENDIX G**.
- 2.17 The results of the Budget Consultation summarised at **APPENDIX H**.

3. Background

MTFS Budget Principles

- 3.1. To assist in preparing the Medium Term Financial Strategy, in common with a number of Councils, a set of principles were established to guide the preparation and management of the MTFS.
- 3.2. Council, on 15 October 2019, approved the budget principles identified below:
- Council will consider the medium term outlook when setting the level of Council Tax to ensure that a sustainable budget position is maintained;
 - Council will prioritise funding for statutory and regulatory responsibilities to ensure these are delivered in a way that meets our legal requirements and customer needs;
 - Council will continue to seek continuous improvement to enable further savings, efficiencies and income gains and provide budgets that are appropriate to service needs;
 - Council will ensure that all growth in the staffing establishment will be fully understood through robust business cases in order to ensure our resources match service and customer needs. Growth will usually be allowed where costs are offset by external funding, savings or additional income.
 - Council will not add to other ongoing revenue budgets unless these are unavoidable costs or corresponding savings are identified elsewhere.
 - Council will use robust business cases to prioritise capital funding so that we have a sustainable Capital Programme that meets statutory responsibilities, benefits the Council's overall revenue budget position, and ensures that existing assets are properly maintained.
 - Council will maintain an overall level of revenue reserves that are appropriate for the overall level of risks that the organisation faces, in order to overcome any foreseeable financial impact.

The Provisional and Final Local Government Finance Settlement for 2023/24

Introduction

- 3.3. The Provisional Local Government Settlement was announced on 19 December 2022 (earlier than forecast), the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), Rt. Hon. Michael Gove MP, released a written statement to Parliament on the provisional local government finance settlement 2023-24. The final settlement was announced on 6 February 2023.
- 3.4. The 2023-24 local government finance settlement is for one year only and is based on the Spending Review 2021 (SR21) funding levels, updated for the 2022 Autumn Statement announcements.
- 3.5. The main points impacting this Council are set out below:
- **Council Tax** – As previously announced, the council tax referendum limit will be 2.99% for local authorities. The provisional and Final settlement confirmed that districts will be allowed to apply the higher of the referendum limit or £5.
 - **Business Rates Retention** – As previously announced, the government has changed the inflation measure used to increase the local government funding amount within the Settlement Funding Amount (SFA). CPI (September increase of 10.1%) has been used, instead of RPI (September increase of 12.6%).
 - **Revenue Support Grant** – For those authorities still receiving RSG, this has been increased by 10.1%, in line with what would have been the increase to the multiplier; there have also been existing grants worth £78m rolled into the RSG amounts.

- **Top Up/Tariff Adjustments (Negative RSG)** – As in previous years, the government has decided to eliminate the negative RSG amounts.
- **Local Government Funding Reform** – As per the previously published Policy Statement, the Review of Relative Needs and Resources ('Fair Funding Review') and a reset of Business Rates growth will not be implemented in the next two years.

Specific Grants

- **Reduced: Services Grant (Previously the 2022/23 Services Grant)** – This grant has been reduced from £822m to £464m. This reduction is due to the cancellation of the increase in National Insurance Contributions and to move funding to the Supporting Families programme. The methodology for the grant remains unchanged.
- **Reduced: New Homes Bonus** - The 2023/24 allocations have been announced at £291m; a reduction of £265m on 2022/23. There have been no changes to the design of the scheme for 2023/24, with a single year's new allocation. The large reduction in funding from the scheme is due to all prior years' legacy payments having now been paid.
- **Abolished: Lower Tier Services Grant** – This grant (worth £111m in 2022/23) has been removed and replaced by the Minimum Funding Guarantee of 3% for 2023/24.
- **New: Funding Guarantee** – This £136m grant replaces the Lower Tier Services Grant. This grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% (before assumptions on council tax rate increases but includes those on Council Tax base).

Government Core Spending Power Analysis

- 3.6. The Government analyses Local Government Funding using its preferred measure of Core Spending Power. There are several key points to make in relation to this measure:
- It excludes any Business Rate Growth above the Government Set Baseline.
 - It assumes average Council Tax base growth and that all Councils will utilise the maximum available Council Tax increase – for this Council in 2023/24 it is 3% (2.99% for modelling purposes).
 - It excludes any other local income sources such as the benefits of Business Rate Pooling and previous year Collection Fund surpluses or deficits.
- 3.7. The Council's Core Spending Power increase to other comparators is shown at **APPENDIX A**.
- 3.8. The comparison of the Core Spending Power from the Final Settlement in 2022/23 to the Provisional and **Final Settlement** in 2023/24 is shown below:

	Core Spending Power Final 2022/23	Core Spending Power Provisional 2023/24	Variance	Core Spending Power Final 2023/24	Variance
Retained Business Rates - Baseline	£2,117,089	£2,195,837	£78,748	£2,195,965	£78,876
Assumed Council Tax	£7,456,725	£7,797,528	£340,803	£7,797,528	£340,803
Other Grants inc. Funding Guarantee Grant	£564,601	£1,123,621	£559,019	£1,123,492	£558,891
New Homes Bonus	£1,401,106	£992,453	(£408,653)	£992,453	(£408,653)
Core Spending Power Elements	£11,539,521	£12,109,439	£569,918	£12,109,438	£569,917
% Increase in Core Spending Power			4.9%		4.9%

- 3.9. The Provisional Settlement is subject to the outcome of consultation and the Council responded to this consultation on 10 January 2023 in advance of the deadline of 16 January 2023. **The Final Settlement was published on 6 February 2023 with no major changes to the Provisional Settlement.**
- 3.10. The Provisional **and Final** Settlement is in line with the assumptions used in the MTFs. This means that the level of uncertainty for 2023/24 and provisionally for 2024/25 can now be reduced to **Medium**.
- 3.11. However, the financial benefits at this stage, impact on 2023/24 and provisionally for 2024/25. The majority of key income streams (Business Rates, Review of Needs and Resources/Fair Funding and New Homes Bonus) will be reviewed for implementation potentially in 2025/26. Therefore, the level of uncertainty from **2025/26** remains as **High**.

Council Tax Support Fund

- 3.12. The Government have recently announced a Council Tax Support Fund and associated guidance. The funding is to be used to assist those on local council tax support with their 2023/24 bills.
- 3.13. The Council has been awarded **£130,851** and the guidance states that it is expected we award £25 per claimant and notify them on the annual bills and the remainder can be used on a discretionary basis.
- 3.14. We have utilised the modelling for the new Local Council Tax Support (LCTS) scheme to establish how many will still have a charge to pay on their council tax in 2023/24. We estimate this to be 1,751 claimants (working age and pensioners). If we allocate £25 this would total **£42,259** and £50 each would total **£85,133**.
- 3.15. The recommendation is to award up to £50 of support initially. We can then determine how to spend the balance of **£45,718** and this could be used to support those who have limited capability at work in their Universal Credit and this is consistent with the proposed banded scheme because it will be targeted at those that receive less support.
- 3.16. The guidance indicates that awards should not be through an application process and following annual billing we will have a clearer idea where to utilise the remaining support.

Retail Discount and Supporting Small Business Relief

- 3.16a In the autumn budget, the Chancellor announced the extension of the business rates Retail Discount scheme for 2023/2024. This delivers a 75% business rates relief up to £110,000 per business and the extension to the Supporting Small Business relief to ensure no small business faces a bill increase greater than £50.00 per month in 2023/2024 as a result of losing some or all of their small business rate relief or rural rate relief due to an increase in rateable value following a revaluation on 1 April 2023. Confirmation of the schemes was issued 18 November 2022, with further guidance regarding the administration, and funding on the 21 December 2022.
- 3.16b Business rates may be reduced where a property is eligible for business rate relief. There are different types of relief that may be awarded based on criteria laid down in the Local Government Finance Act (LGFA) 1988 and subsequent statutory instruments. In addition to mandatory reliefs, the Local Authority has the discretion to award additional relief, using discretionary powers under section 47 of the LGFA. Where new temporary reliefs are introduced by the government, they will use section 47 to apply them wherever it is appropriate to do so, rather than introducing new legislation.
- 3.16c The government will fully reimburse councils using grants paid via Section 31 of the Local Government Act 2003.
- 3.16d The recommendation is to award both reliefs from 1st April 2023 to all businesses that satisfy the relevant criteria. We estimate that 412 businesses will benefit from **£3,168,250** Retail Discount and 138 businesses will benefit from **£433,040** Supporting Small Business Relief. The government expects local authorities to notify those eligible ratepayers on their annual bills for 2023/24.

The Revenue Budget

3.17. The Draft Revenue Budget has been updated to reflect:

- The inclusion of updated projections from the 8 month Money Matters Report.
- The inclusion of financial implications from any further Approved Reports.
- The Provisional **and Final** Local Government Finance Settlement with the 'windfall' benefit recommended to be transferred to the Strategic Priorities earmarked reserve.
- Any significant inflationary or other changes identified from the detailed review of base budgets.

3.18. As in previous years, three funding scenarios have been prepared based on the following assumptions:

Funding Stream	Key Assumptions
Business Rates & Grants	
Business Rates Baseline Funding Level	Projected by expert with Finance Reform from 2025/26
Business Rates Growth	Council Business Rate income projections
Services Grant, Funding Guarantee Grant and Transitional Grants	From 2025/26 there will be different levels of transitional grant funding to mitigate the impact of Finance Reform
New Homes Bonus	
Central	Retained until 2025/26, central housing growth and then abolished
More Optimistic	Retained in its current format with higher levels of housing growth
More Pessimistic	Retained until 2025/26, lower housing growth and then abolished
Council Tax	
Central	Projected housing growth, 0% in 23/24, 1.99% in 24/25 then 1.99% annual Council Tax increases
More Optimistic	Higher housing growth and annual 2.99% Council Tax increases
More Pessimistic	Lower housing growth and annual Council Tax freeze

3.19. The estimated inflation and budget variations for all scenarios (with additional income or savings enclosed by brackets) compared to the approved Medium Term Financial Strategy are shown below:

Updated Expenditure Projections	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Updated inflation pressures		0	0	0	0
Additional cost of £5m borrowing for the leisure centre		0	153	147	141
Underwriting rent for former Debenhams		12	0	0	0
External Audit projected fee increase		86	86	86	86
Transitional protection related to the TOM		20	10	0	0
Budget pressures including lower rents less savings		41	66	254	154
Inclusion of a cost of living contingency budget		50	50	0	0
Inclusion of an in year contingency/growth budget		100	100	0	0
Business Rate Revaluation Savings		(30)	(30)	(30)	(30)
One year delay in borrowing £5m for the leisure centre		0	(447)	10	10
Sub Total		279	(12)	467	361

3.20. The central scenario funding changes (with additional income enclosed by brackets) compared to the approved Medium Term Financial Strategy are shown below:

Updated Central Scenario Funding Projections	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Retained Business Rates Baseline Funding		(397)	(533)	(18)	1
Retained Business Rates Growth Allowance		(726)	(478)	765	781
Rolled in Grants		(106)	(114)	0	0
Business Rates Cap Grant		(680)	(671)	0	0
Services Grant		(82)	(82)	0	0
Funding Guarantee Grant		(561)	(582)	0	0
Transitional Funding		0	0	(747)	(782)
New Homes Bonus		(992)	(570)	0	0
Collection Fund (Surplus)/Deficit		(368)	0	0	0
Council Tax Income		79	77	66	(9)
Sub Total		(3,833)	(2,953)	66	(9)

Modelled Changes and their Impact on the Revenue Budget and the Funding Gap

- 3.21. The Revenue Budget central scenario modelled changes and their impact on the Funding Gap together with scenarios based on more optimistic and more pessimistic funding assumptions are shown in detail at **APPENDIX A** and in summary below:

Updated Central Scenario Funding Projections				
Approved Funding Gap	2022/23	2023/24	2024/25	2025/26
Updated Expenditure Projections	£000	£000	£000	£000
Updated Central Scenario Funding Projections				
New Leisure Centre & Community Infrastructure Levy				
Updated Central Scenario Budget Funding Gap				
Transfer settlement 'windfall' to Strategic Priorities Reserve				
Projected Central Scenario Impact on General Reserves				
	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000
Included in Approved Budget	1,121	1,076	1,122	1,783
	279	(12)	467	361
	(3,833)	(2,953)	66	(9)
	0	0	(39)	(232)
	(2,433)	(1,889)	1,616	1,903
	2,433	1,889	0	0
	0	0	1,616	1,903
More Optimistic Scenario Impact on General Reserves	0	0	(39)	139
More Pessimistic Scenario Impact on General Reserves	0	0	2,952	3,485

- 3.22. The key features of the proposed central scenario Revenue Budget are:

- The inclusion of capital financing costs based on current interest rates for **£5,000,000** of internal borrowing to finance the replacement leisure centre from 2025/26 onwards (a year later than previously estimated), leisure centre operating and lifecycle costs, savings and CIL income.
- The inclusion of additional budgets to address budget pressures related to external audit fees, property rentals and salary transitional protection for changes resulting from the implementation of the Target Operating Model.
- The inclusion of Business Rate savings for Council owned properties as a result of the Business Rate Revaluation from 1 April 2023.
- The proposed inclusion of a specific cost of living contingency budget of **£50,000** in 2023/24 and provisionally in 2024/25.
- The proposed inclusion of an in year more general contingency/growth budget of **£100,000** in 2023/24 and provisionally in 2024/25.
- In line with the approach applied in the last financial year, the proposed transfer of the 'windfall' income from the Provisional **and Final** Local Government Settlement to the Strategic Priorities Reserve of **£2,433,000** in 2023/24 and **£1,889,000** provisionally in 2024/25.
- A **Council Tax Freeze** for 2023/24 and modelled increases of **1.99%** for 2024/25 and then **1.99%** for each subsequent year. The impact over the four years of this approach compared to the Approved Budget and a maximum **2.99%** increase in 2023/24 and 2024/25 and then annual **1.99%** increases is shown below (income or additional income is enclosed by brackets):

Approved Council Tax Income (modelled @ 1.50%)				
Total	2023/24	2024/25	2025/26	2026/27
£000	£000	£000	£000	£000
(£32,225)	(£7,693)	(£7,935)	(£8,190)	(£8,407)
Approved / Modelled Increase	0.00%	1.99%	1.99%	1.99%
Council Tax Band D	£187.85	£191.59	£195.40	£199.29
Approved Council Taxbase	40,534	41,016	41,579	42,233
Modelled MTFs Council Tax Income	(£32,014)	(£7,614)	(£7,858)	(£8,125)
Change to Approved Budget	£212	£79	£66	(£10)
Council Tax Income @ 2.99% 23/24 and 24/25	(£33,217)	(£7,842)	(£8,172)	(£8,450)
Change to Approved Budget	(£992)	(£149)	(£237)	(£346)

The Capital Strategy

3.23. The Capital Strategy is shown at **APPENDIX B** and sets out the Council's framework for managing the Capital Programme including:

- **Capital expenditure**, including the approval process, long-term financing strategy, asset management, maintenance requirements, planned disposals and funding restrictions.
- **Debt and borrowing and treasury management**, including projections for the level of borrowing, capital financing requirement and liability benchmark, provision for the repayment of debt, the authorised limit and operational boundary for the coming year and the authority's approach to treasury management.
- **Commercial activities**, including due diligence processes, the authority's risk appetite, proportionality in respect of overall resources, requirements for independent and expert advice and scrutiny arrangements.
- **Other long-term liabilities**, such as financial guarantees.
- **Knowledge and skills**, including a summary of that available to the authority and its link to the authority's risk appetite.

3.24. As the Council's Chief Financial Officer, I have assessed the current overall risk as **Tolerable (green)**.

The Capital Programme

3.25. The Draft Capital Programme has been updated to reflect:

- The inclusion of updated projections from the 8 month Money Matters Reports.
- The inclusion of financial implications from any further Approved Reports.
- Any other changes identified from review of the Approved Budget.

3.26. The additional capital investment projections included in the Capital Programme are:

Details	Source	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
IT Hardware	25 year model					175
Property Maintenance	25 year model					230
Bin Purchases	25 year model					150
Vehicles	25 year model					165
Disabled Facilities Grants	25 year model					914
Home Repair Assistance	25 year model					25
Building a Better Council IT Provision	Virement	(175)				
Removal of Grant from Coach Park	Update		(500)			
Waste Fleet Replacement	Update		(2,818)		6,000	
Vehicle Replacement Programme	Update		79	117	67	(165)
Leisure Centre	Cabinet	(100)	253	4,547	(100)	
February 2023 CIL Allocations	Cabinet		750	800		

Projected Capital Spend	(275)	(2,236)	5,464	5,967	1,494
External Funding	(7)	2,447	(933)	(6,000)	(939)
Existing Revenue Budgets					(150)
Council Funding	258	(2,612)	(2,106)	33	(405)
Total Funding	251	(165)	(3,039)	(5,967)	(1,494)
Shortfall in Funding & Borrowing Need	24	2,401	(2,425)	0	0

3.27. A number of projects contained in the Approved Capital Programme have revenue implications such as operating costs, the cost of debt repayment, revenue funding or savings.

- 3.28. The Capital Programme revenue implications contained in the Approved Budget (at the 8 month's stage of 2022/23) and the revenue implications of additional capital spend are shown below:

Revenue Implications	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Interest on Loan to the LA Company	0	(2)	(2)	(2)	(2)
Friary Grange - Refurbishment	135	135	135	0	0
Coach Park Operation Costs	0	50	50	50	50
Leisure Centre Capital Financing Costs	0	0	0	373	366
Leisure Centre Operating Costs, savings & CIL				35	(161)
Revenue Budget - Bin Replacement	150	150	150	150	0
Revenue Budget - Corporate	0	238	100	565	0
Sub Total - Approved Budget	285	571	433	1,171	253
Revenue Budget - Corporate	0	0	0	0	183
Revenue Budget - Bin Replacement	0	0	0	0	150
Sub Total - Service and Financial Planning	0	0	0	0	333
Capital Programme Total	285	571	433	1,171	586

- 3.29. The Capital Programme is summarised below and is shown in detail at **APPENDIX C**:

Strategic Priority	Capital Programme					
	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000	Budget £000	Budget £000	Budget £000	Projection £000
LEVEL OF UNCERTAINTY / RISK	HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
Enabling People	4,792	1,585	9,222	6,672	939	959
Shaping Place	421	864	819	397	6,367	150
Developing Prosperity	1,676	1,405	4,931	2,329	0	10
Good Council	1,064	896	448	240	365	405
Grand Total	7,953	4,750	15,420	9,728	7,671	1,524
Capital Funding	5,604	4,724	13,087	7,303	7,671	1,524
Borrowing Need	2,349	26	2,333	2,425	0	0

General Capital Receipts	(368)	(1,751)	(481)	(166)	(196)	(2)
Housing Capital Receipts	(694)	(1,023)	(663)	(663)	(663)	(663)
Total Capital Receipts	(1,062)	(2,774)	(1,144)	(829)	(859)	(665)

Treasury Management

3.30. CIPFA has defined Treasury Management as:

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

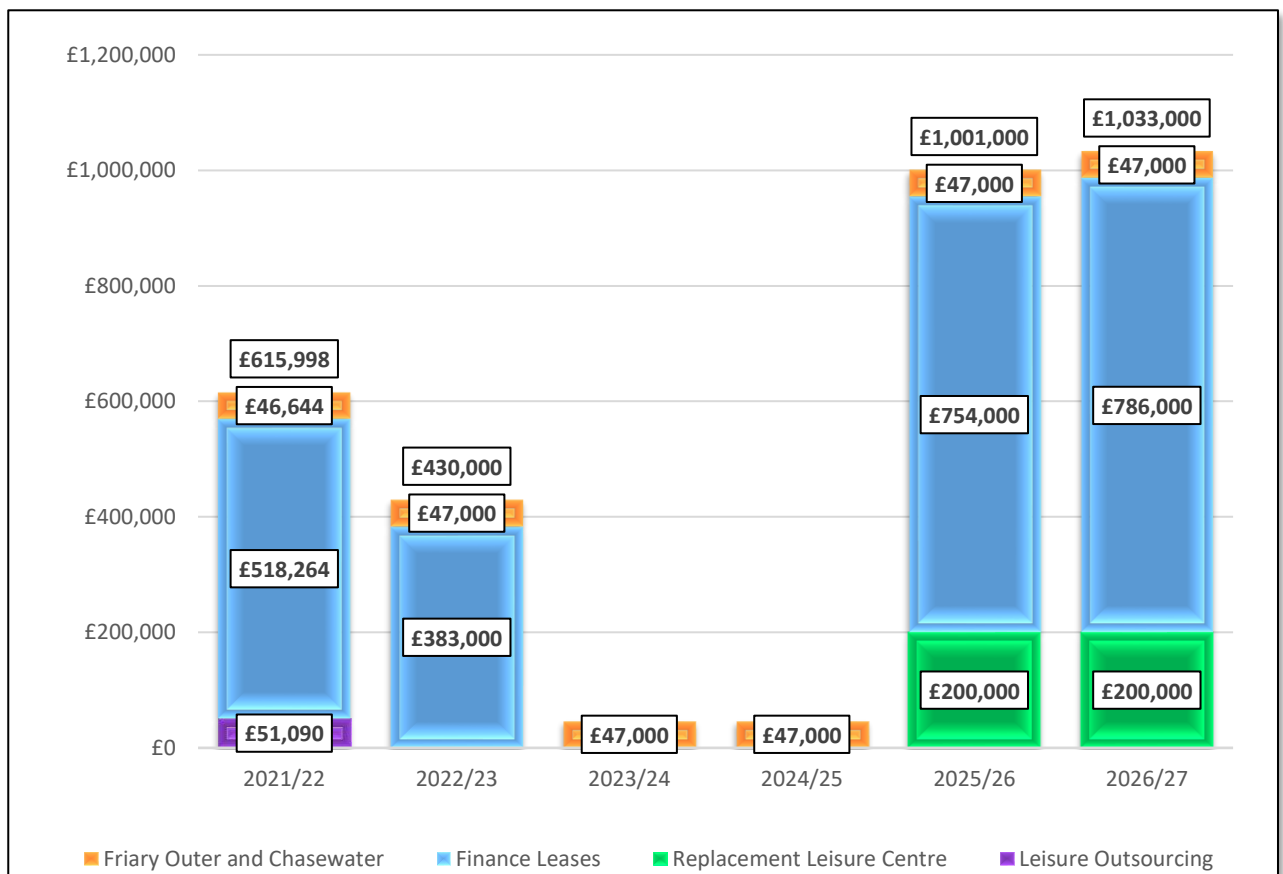
3.31. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are an important and integral element of its treasury management activities. The main risks to the Council’s treasury activities are:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal and Regulatory Risk

3.32. The Strategy also projects the impact of the Council’s Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators and the outlook for interest rates.

3.33. Minimum Revenue Provision Statement 2023/24

- The Council is required to make prudent provision for debt redemption (known as Minimum Revenue Provision (MRP)) and each year the Council must approve its MRP statement, and this will include an allowance for finance leases that appear on the Council’s Balance Sheet.
- As in previous years, the Council proposes to base its MRP on the estimated life of the asset (**APPENDIX D**). The estimated MRP chargeable during the MTFS is shown below:

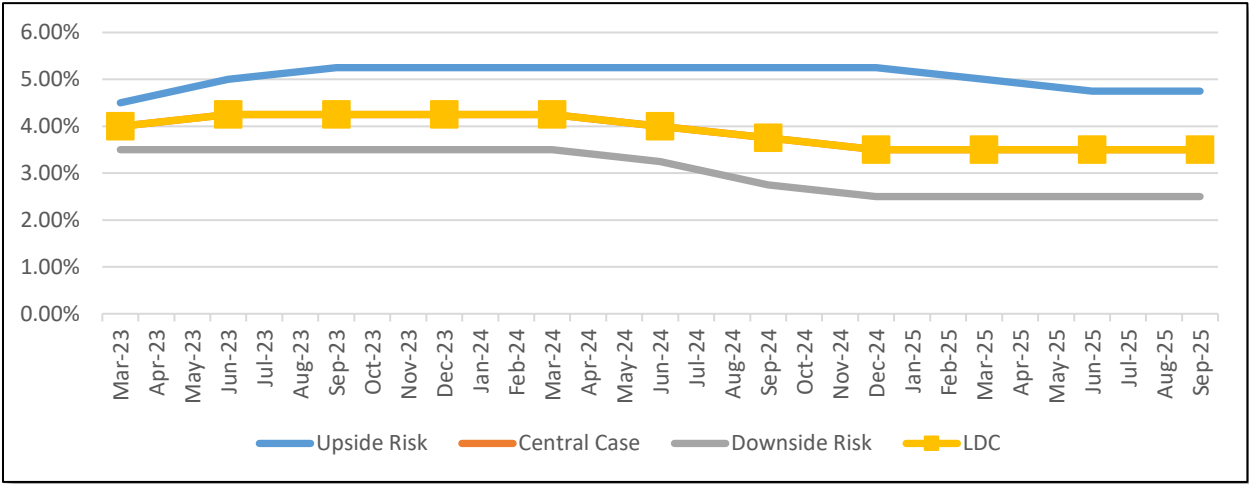


3.34. Balance Sheet Projections

- Integrated Revenue and Capital Programme budgets are prepared. These budgets together with the actual Balance Sheet from the previous financial year are used to prepare Balance Sheet projections.
- These Balance Sheet projections (**APPENDIX E**) are significant in assessing the Council’s Treasury Management Position in terms of borrowing requirement, investment levels and the Investment Strategy.

3.35. Treasury Management Advice and the Expected Movement in Interest Rates

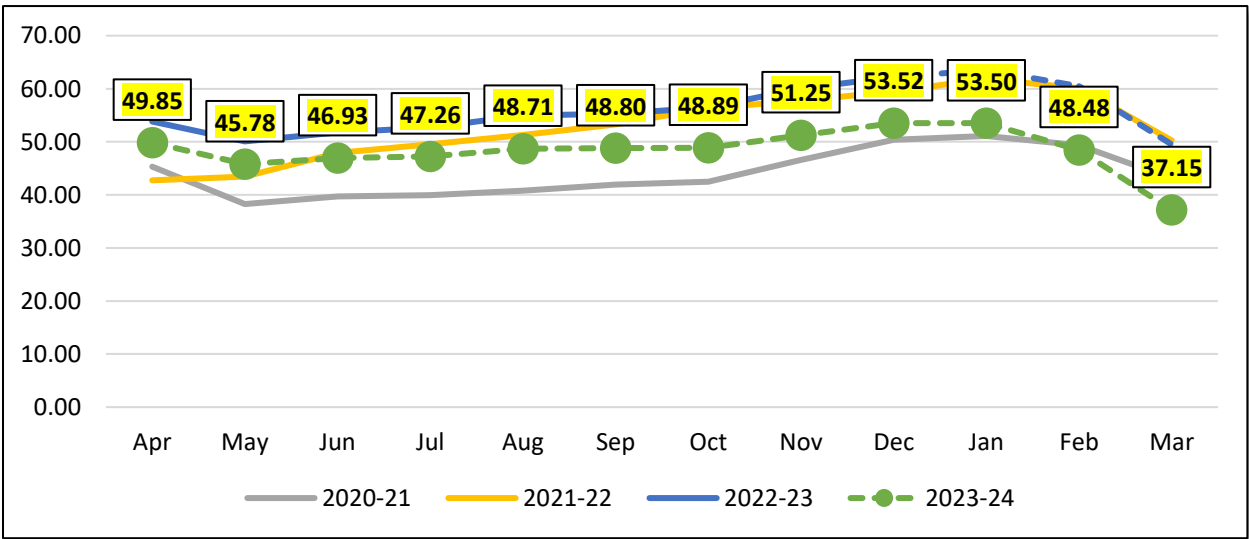
- The Official Bank Rate outlook provided by the Council’s Treasury Advisor, together with the Council’s assumption (also the central case) where interest rates will climb to **4.25%** in June 2023 and then gradually decrease, is shown below:



- The Council assumptions have been used as the basis for preparation of the investment income and borrowing budgets for 2023/24 and future years.

3.36. Cash Flow Forecast

- Treasury Management includes the management of the Council’s cash flows as a key responsibility. The cash flow forecast takes account of the income the Council receives including Housing Benefits Grant, Council Tax and Business Rate income and expenditure such as payments to precepting bodies, employee costs and Housing Benefit Payments.
- The graph below shows average investment levels throughout the financial year with a significant reduction in February and March due to minimal Council Tax income being received.



- The planned monthly cash flow forecast for the 2023/24 financial year has been used to calculate the investment income budget. The key components of this calculation are the average level of investment balances and the rate or yield achieved.
- The Treasury Management estimates for 2023/24 for both investment income and borrowing are shown in the table below:

Treasury Management	2023/24	
	Original Budget	
	Investment Income	Borrowing
Average Balance	£48.76m	£1.08m
Average Rate ¹	4.09%	2.59%
Gross Investment Income	(£1,963,270)	
Property Fund Transfer to Reserves	£22,000	
DIF Transfer to Reserves	£132,000	
Corporate Revenue funding Capital		£238,000
External Interest		£29,000
Internal Interest		£1,000
Minimum Revenue Provision (Exc. Finance Leases)		£47,000
Net Treasury Position	(£1,809,270)	£315,000
	(£1,494,270)	

- The gross investment income been estimated as **(£1,963,270)** and this equates to **14%** of The Council's total funding of **(£13,815,000)** in 2023/24.

3.37. Treasury Management Strategy Statement (TMSS) and the Annual Investment Strategy

- The Treasury Investments and their limits are shown in detail at **APPENDIX E**.

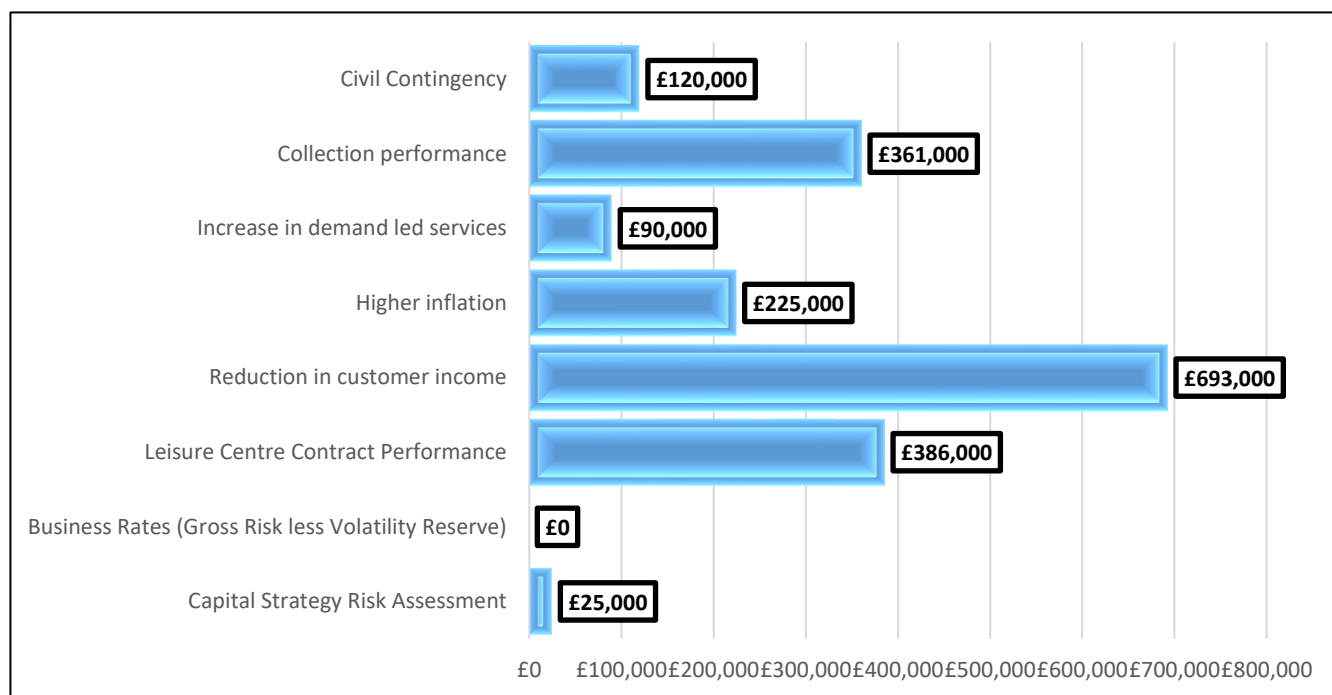
3.38. Investment Strategy Report for 2023/24

- The investment strategy that is shown at **APPENDIX F** meets the requirements of statutory guidance issued by the government in January 2018. It focuses on how the Authority invests its money to support local public services and earns investment income from any commercial investments.

¹ Budgeted average rate for the entire financial year.

Opinion of CFO on the Adequacy of Reserves and the Robustness of the Estimates

- 3.39. The Chartered Institute of Finance and Accountancy (CIPFA) provided the fourth release of its Financial Resilience Index December 2022 (Lichfield DC's information compared to all District Councils and Nearest Neighbours is shown at **APPENDIX G**). The index showed this Council's position on a range of measures associated with financial risk.
- 3.40. This release is still based on backward looking measures rather than the future financial challenges identified in forward looking Medium Term Financial Strategies. However, the significant and ongoing impact of the COVID-19 pandemic and its impact on financial resilience is for the first time included in the measures.
- 3.41. The Resilience Index identified that most of the measures selected, including those related to the level and change in reserves, indicate this Council was at the lower end of the risk spectrum compared to all other District Councils and Nearest Neighbour Authorities.
- 3.42. It remains prudent for the Council to maintain an adequate 'working balance' or Minimum Level that is part of its general reserves. A risk assessment approach in line with Best Practice that has been updated to take account of the challenging economic environment is used to determine the required Minimum Level and the level of general and earmarked reserves.
- 3.43. The main elements of the risk assessment are shown in detail at **APPENDIX G** and below:



- 3.44. The Chief Finance Officer (CFO) has been involved throughout the entire budget process, including revising the MTFs, input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with Members of the Cabinet and Overview and Scrutiny Committee, advising colleagues, the strategic choices activities, challenge and evaluation activities, and scrutiny of the budget.
- 3.45. I am of the opinion for a Council of this size, and with our recent record of prudent spending, effective Risk Management, robust budgeting and effective Budget monitoring and control, a revised General Minimum Reserve level of **£1,900,000** is adequate.
- 3.46. It is important to note that the level for 2023/24 has increased because of the economic climate. This involves changes to specific risks such as leisure centre contract performance and collection performance. In addition, several risks such as Business Rates have specific earmarked reserves and specific budget risk-based reductions related to income streams including sales, fees and charges have been incorporated within the MTFs.

Projected General Reserves

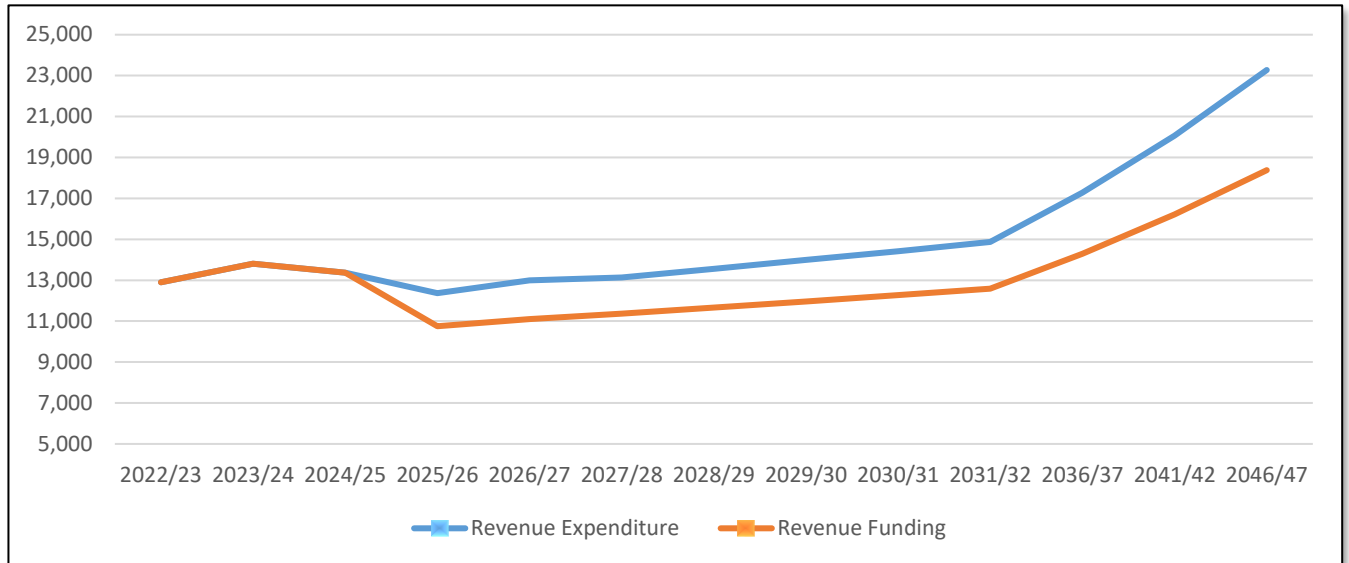
- 3.47. The total projected level of general reserves is shown below using the central scenario together with projections using the more optimistic and pessimistic budget scenarios:

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000	£000	£000	£000	£000
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
Available General Reserves Year Start	5,246	5,246	4,475	4,175	4,175	2,559
Money Matters Quarter 1	0	(1,050)	0	0	0	0
Change in Minimum Level	0	0	(300)	0	0	0
(Funding Gap) / transfer to General Reserves	0	0	0	0	(1,616)	(1,903)
New Homes Bonus in excess of the 'Cap'	280	280	0	0	0	0
Available General Reserves Year End	5,526	4,475	4,175	4,175	2,559	656
Minimum Level	1,600	1,600	1,900	1,900	1,900	1,900
Central Scenario General Reserves	7,126	6,075	6,075	6,075	4,459	2,556
More Optimistic scenario	7,126	6,075	6,075	6,075	6,114	5,975
More Pessimistic scenario	7,126	6,075	6,075	6,075	3,123	(363)

- 3.48. There is currently an unprecedented level of uncertainty in relation to Local Government Finance with several planned reforms. This unprecedented uncertainty has been amplified by the impact of the COVID-19 pandemic and the current economic climate.
- 3.49. Financial planning in these circumstances with any degree of certainty is incredibly difficult especially when it is not clear when or if any of the planned reforms will be implemented.
- 3.50. However, the scenarios in this report provide an indication of the impact on the MTFS from the use of different assumptions. The three scenarios utilised all currently project a funding gap in 2025/26 and up to 2026/27. The projected funding gaps are principally due to:
- The projected impact of the Review of Needs and Resources (formerly the Fair Funding Review) and the review of Business Rate Baselines where resources are likely to be redistributed from District Councils to Upper Tier authorities. These reviews reflect the need for additional funding to address the increasing demographic demands in adult social care and children's services.
 - The additional costs related to delivering existing services such as inflation, pension costs, an increasing population, and more properties.
 - The desire to deliver new or enhanced often discretionary services such as a replacement leisure centre.
- 3.51. A replacement leisure centre costing **£10,000,000** funded by internal borrowing, Section 106 and Earmarked Reserves has been included in the MTFS. The estimated capital financing cost of **£373,000** impacting from 2025/26 onwards (a year later than estimated) for a budgeted period of 25 years has also been included in the Approved Revenue Budget.
- 3.52. The use of internal borrowing is recommended as part of the funding strategy because it is currently lower cost, it can be repaid without penalty, and it reduces credit and counterparty risk because investments are reduced.
- 3.53. It is very important therefore to highlight that funding gaps are projected from 2025/26 onwards based on finance reform being implemented by Government. Therefore, savings and additional income options will still need to be identified and a commitment to their delivery will be required should these projections reflect the actual form and impact of finance reform.

Longer Term Financial Planning

3.54. The updated longer term financial plan is shown in detail at **APPENDIX A** and in the chart below:



3.55. A funding gap is projected from 2025/26 onwards and this will mean that subject to the outcome of the local government finance reforms, the identification of options to deliver further sustainable savings/additional income will remain necessary.

Alternative Options

In the main, the options are focused on the level of resource allocated to Strategic Priorities and the level of Council Tax increase.

Consultation

The budget consultation was launched on 15 November 2022 and was open until 20 December 2022. The primary method of response to the consultation was via an online tool. This tool enabled respondents to alter the Original Budget for 2022/23 of **£12,551,000** that was allocated in the Medium-Term Financial Strategy to service items.

A total of **1,133** people responded to the survey. This represents **1.07%** of the adult population of the district and represents an increase of **869** respondents from the previous budget consultation in 2021.

The outcome of respondent's budget choices (reductions in budgets are enclosed by brackets) is shown below:

Service Item	Average Change %
Planning, Environment and Building Control	(4.73%)
Tourism	(3.57%)
Traffic and Parking	(3.18%)
City Centre Development	(2.99%)
Events and Culture	(2.39%)
Council Tax, Benefits and Business Rates	(1.91%)
Licensing and Public Protection	(1.31%)
Housing Strategy and Homelessness	(1.03%)
Sports and Leisure	(0.93%)
Conservation, Ecology and Woodlands	(0.84%)
Community	(0.03%)
Parks and Open Spaces	0.12%
Street Cleaning, Bins and Recycling	0.37%

The detailed comments also received through the Budget Consultation are included at **APPENDIX H**.

Overview and Scrutiny Committee on 19 December 2023 reviewed the Revenue Budget, Capital Strategy and Capital Programme and provided the views below:

- Support for the cost of living budget.
- The increase in consultation responses was welcomed however a demographic analysis would add further value.
- The comments received provide qualitative information that can be as valuable as quantitative information and can also enable more targeted engagement.
- Support for the proposed freeze in Council Tax for 2023/24 with potentially higher increases in later financial years.
- The need for innovation and entrepreneurship to foster a more commercial approach within the Council to minimise the need for future Council Tax increases.
- To emphasise to government through lobbying involving the MPs the priority for a multi year finance settlement to remove cliff edges and enable financial stability.
- To understand the impact on the budgets from the Council funding the leisure centre at a level higher than included in the Approved Budget.

Overview and Scrutiny Committee on 8 February 2023 reviewed the Community Infrastructure Levy Allocations 2022 and Members made the following comments/observations:

- It was noted that all of the leisure activities had scored high – and The Oak Community pub in Burntwood had not. The scoring was queried.

It was confirmed that the scoring is done by Officers so no political interference; some of the criteria was deliverability/reliant on other funders/how many people will use the particular facility and evaluated accordingly. The LDC leisure bid was a whole package and it was known that The Oak Community pub had specific funding allocated in the UKSPF bid.

- It was noted that no monies to major improvements had been allocated to Burntwood even though many houses had been built and no infrastructure provided. More balance when allocating the future CIL monies was requested.
- The committee requested a copy of the criteria and scoring matrix so members could help and support future bidders. It was noted that SCC and LDC scored higher than any community groups/organisations.

The Cabinet Member said this was available on the Council's website and the Chief Executive was asked to distribute it to all members together with the scoring matrix.

- It was agreed that the top priorities for residents was “access to GP services” and should be considered. Members required more involvement in the CIL allocations going forward.

Overview and Scrutiny Committee on 8 February 2023 reviewed the New Leisure Centre – Stychbrook Park and Members made the following comments/observations:

- It was agreed that this new Leisure Centre is needed as it was promised to all Lichfield residents who have been waiting three years.
- It was noted the delegated authority is strong, but the agreement needs to have it stated very clearly who is responsible for what as regards to maintenance and the council must put aside a sinking fund to cover any maintenance costs.
- An updated MTFS is required.
- Communication of the whole project needs to be done in a timely and correct manner.

Members also asked the following questions:

- A query was received about the longevity of the build.

The Cabinet member confirmed that it is predicted at 25 years, but it was known that many centres go on a lot longer and the LGA state an average is 38 years.

- With the pool above the ground level, it was asked how does this affect the energy costs?

The Cabinet member confirmed that it is more economical as less heat is lost.

- It was asked if the council were still looking for the funding for the 4G pitch from elsewhere i.e. Football Foundation, HS2, Sport England?

The Cabinet member said yes, some of CIL allocation could be used (as per previous report) and the council would be looking to the Football Foundation.

Financial
Implications

Prudential and Local Indicators (PIs)

The Prudential and Local Indicators are shown below (rounding may result in slight differences):

Capital Strategy Indicators							
Prudential Indicators							
Indicators	2021/22 Actual	2022/23 Original	2022/23 Revised	2023/24 Original	2024/25 Original	2025/26 Original	2026/27 Original
Capital Investment							
Capital Expenditure (£m)	£4.741	£7.953	£4.750	£15.420	£9.728	£7.671	£1.524
Capital Financing Requirement (£m)	£2.542	£4.637	£2.163	£4.590	£6.804	£11.803	£10.770
Gross Debt and the Capital Financing Requirement							
Gross Debt	(£1.509)	(£1.863)	(£1.066)	(£1.005)	(£0.944)	(£6.129)	(£5.282)
Borrowing in Advance - Gross Debt in excess of the Capital Financing Requirement	No	No	No	No	No	No	No
Total Debt							
Authorised Limit (£m)	£3.204	£15.238	£19.993	£19.932	£20.521	£25.415	£24.873
Operational Boundary (£m)	£3.204	£6.811	£7.565	£7.505	£7.444	£12.182	£11.922
Proportion of Financing Costs to Net Revenue Stream (%)	5%	4%	4%	1%	1%	12%	11%
Local Indicators							
Indicators	2021/22 Actual	2022/23 Original	2022/23 Revised	2023/24 Original	2024/25 Original	2025/26 Original	2026/27 Original
Replacement of Debt Finance or MRP (£m)	(£0.616)	(£0.459)	(£0.429)	(£0.047)	(£0.047)	(£1.001)	(£1.033)
Repayment of Burntwood Leisure Centre Loan (£m)	(£0.306)	£0	£0	£0	£0	£0	£0
Capital Receipts (£m)	(£0.121)	(£0.010)	(£0.880)	(£0.030)	(£0.030)	(£0.030)	(£0.028)
Housing Capital Receipts (£m)	(£0.395)	£0.000	(£0.194)	£0.000	£0.000	£0.000	£0.000
Liability Benchmark (£m)	£38.242	£19.075	£33.881	£22.437	£17.745	£16.954	£13.515
Treasury Management Investments (£m)	£49.368	£30.936	£44.946	£33.441	£28.688	£27.836	£24.336
Treasury Management Indicators							
Prudential Indicators							
	Lower Limit	Upper Limit	As at 31/03/22	As at 31/12/22			
Refinancing Rate Risk Indicator	0%	100%	5%	6%			
Under 12 months	0%	100%	5%	6%			
12 months and within 24 months	0%	100%	16%	17%			
24 months and within 5 years	0%	100%	27%	29%			
5 years and within 10 years	0%	100%	46%	43%			
10 years and within 20 years	0%	100%	0%	0%			
20 years and within 30 years	0%	100%	0%	0%			
30 years and within 40 years	0%	100%	0%	0%			
40 years and within 50 years	0%	100%	0%	0%			
50 years and above	0%	100%	0%	0%			

Investment Income - Interest Rate Exposure		
	2023/24	2024/25
Investment Income	(£1,963,270)	(£1,597,270)
Budget subject to Interest Rate Exposure	(£1,459,270)	(£1,057,270)
Budget with a 1% fall in interest rates	(£1,615,692)	(£1,318,843)
Budget with a 1% rise in interest rates	(£2,311,000)	(£1,876,000)

External Borrowing - Interest Rate Exposure		
	2023/24	2024/25
External Interest	£29,000	£27,000
Budget subject to Interest Rate Exposure	£0	£0
Budget with a 1% fall in interest rates	£29,000	£27,000
Budget with a 1% rise in interest rates	£29,000	£27,000

Indicators	2021/22 Actual	2022/23 Original	2022/23 Revised	2023/24 Original	2024/25 Original	2025/26 Original	2026/27 Original
Principal Sums invested for periods longer than a year (£m)	£10.000	£15.000	£15.000	£15.000	£15.000	£15.000	£15.000

Local Indicators							
Indicators	2021/22 Actual £m	2022/23 Original £m	2022/23 Revised £m	2023/24 Original £m	2024/25 Original £m	2025/26 Original £m	2026/27 Original £m
Balance Sheet Summary and Forecast							
Borrowing Capital Financing Requirement	£2.160	£4.636	£2.138	£4.425	£6.803	£6.556	£6.310
Internal (over) Borrowing	£1.033	£2.773	£1.073	£3.420	£5.860	£5.674	£5.488
Investments (or New Borrowing)	(£49.368)	(£30.936)	(£44.946)	(£33.441)	(£28.688)	(£27.836)	(£24.336)
Liability Benchmark	(£38.242)	(£19.075)	(£33.881)	(£22.437)	(£17.745)	(£16.954)	(£13.515)

	Target
Security	
Portfolio average credit rating	A-
Liquidity	
Temporary Borrowing undertaken	£0.000
Total Cash Available within 100 days (maximum)	90%

Approved by Section 151

Yes

Legal Implications

No specific legal implications.

The Medium Term Financial Strategy is part of the Budget Framework and will therefore require the approval of Full Council.

Approved by Monitoring Officer

Yes

Contribution to the Delivery of the Strategic Plan

The report directly links to overall performance and especially the delivery of the Strategic Plan.

Equality, Diversity and Human Rights Implications	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
Crime & Safety Issues	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
Environmental Impact	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
GDPR/Privacy Impact Assessment	There are no specific implications related to the Medium-Term Financial Strategy

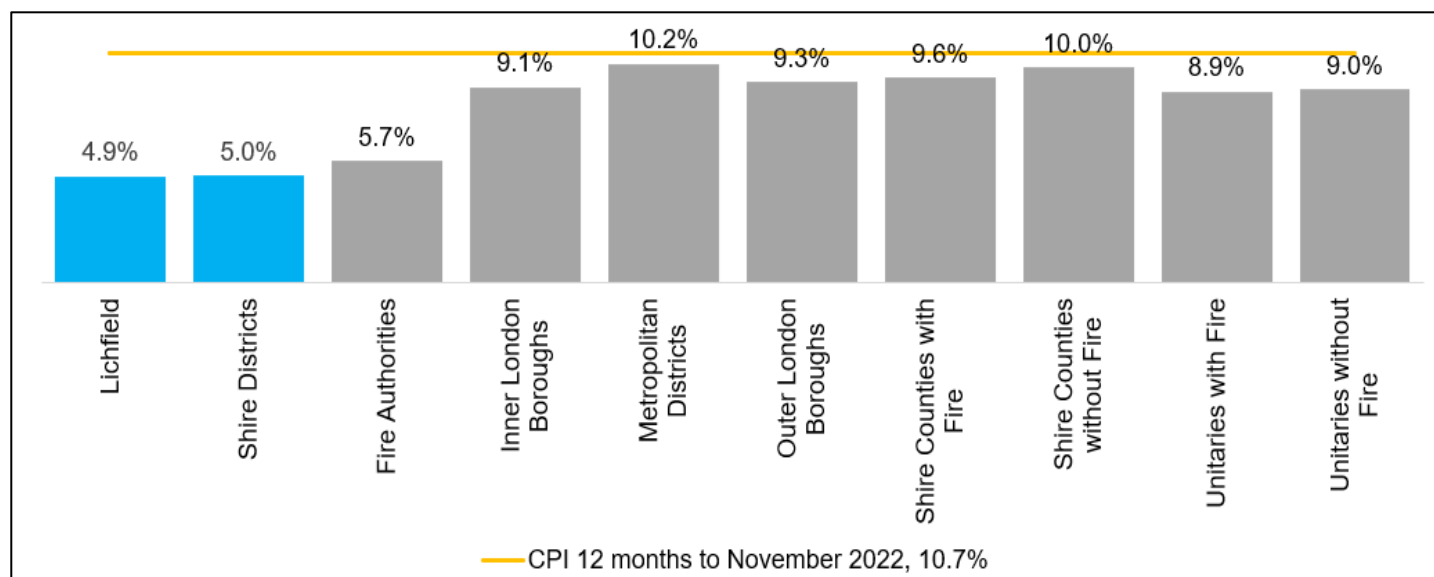
	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance				
A	Council Tax is not set by the Statutory Date of 11 March 2023	Likelihood: Green Impact: Red Severity of Risk: Yellow	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements.	Likelihood: Green Impact: Red Severity of Risk: Yellow
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations	Likelihood: Yellow Impact: Red Severity of Risk: Red	To closely monitor the level of appeals. An allowance for appeals has been included in the Business Rate Estimates.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
C	The review of the New Homes Bonus regime	Likelihood: Red Impact: Red Severity of Risk: Red	The Council responded to the consultation. In the MTFS, no income is assumed beyond 2024/25.	Likelihood: Red Impact: Yellow Severity of Risk: Yellow
D	The increased Localisation of Business Rates and the Review of Needs and Resources	Likelihood: Red Impact: Red Severity of Risk: Red	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Likelihood: Red Impact: Red Severity of Risk: Red
E	The affordability and risk associated with the Capital Strategy	Likelihood: Yellow Impact: Red Severity of Risk: Red	A property team has been recruited via the Company to provide professional expertise and advice in relation to property and to continue to take a prudent approach to budgeting.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
F	Sustained higher levels of inflation in the economy	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	To maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections and where possible ensure income increases are maximised to mitigate any additional cost.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
Strategic Risk SR3: Capacity and capability to deliver / strategic plan to the emerging landscape				
G	The Council cannot achieve its approved Delivery Plan for 2023/24	Likelihood: Yellow Impact: Red Severity of Risk: Red	There will need to be consideration of additional resourcing and/or reprioritisation.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
H	The resources available in the medium to longer term to deliver the Strategic Plan are diminished	Likelihood: Yellow Impact: Red Severity of Risk: Red	The MTFS will be updated through the normal review and approval process.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
I	Government and Regulatory Bodies introduce significant changes to the operating environment	Likelihood: Red Impact: Red Severity of Risk: Red	To review all proposed policy changes and respond to all consultations to influence outcomes in the Council's favour.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
	Background documents <ul style="list-style-type: none"> • Medium Term Financial Strategy (Revenue and Capital) 2021-2026 (MTFS) – Cabinet 8 February 2022 • Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 June 2022 			

- Local Council Tax Support Scheme Review – Cabinet 5 April 2022
- Medium Term Financial Strategy (MTFS) – Cabinet 11 July 2022
- Local Council Tax Support Scheme Permission to Consult – Cabinet 11 July 2022
- Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 6 September 2022
- Money Matters: Review of Reserves – Cabinet 6 September 2022
- Lichfield District Youth Council – Policy Proposal – Cabinet 6 September 2022
- Joint Venture – A cinema for Lichfield District – Cabinet 11 October 2022
- Medium Term Financial Strategy (Revenue and Capital) 2023-27 – Cabinet 11 October 2022
- Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 6 December 2022
- Money Matters: Calculation of Business Rates 2023/24, Council Tax Base for 2023/24 and the projected Collection Fund Surplus / Deficit for 2022/23 – Cabinet 6 December 2022
- Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 14 February 2023
- Medium Term Financial Strategy (Revenue and Capital) 2023-27 and the addendum – Cabinet 14 February 2023
- Insourcing Leisure Provision – Cabinet 14 February 2023
- New Leisure Facility at Stychbrook Park – Cabinet 14 February 2023
- Community Infrastructure Levy (CIL) Allocation – Cabinet 14 February 2023

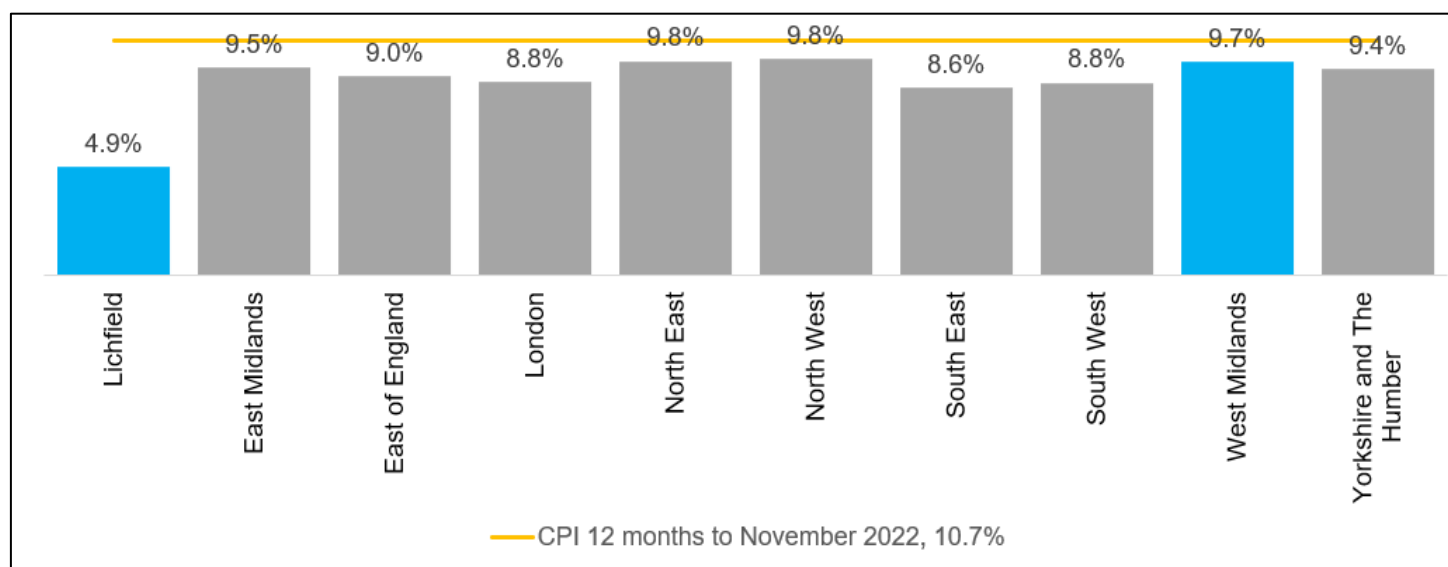
Relevant web links

Core Spending Power Increase Comparators

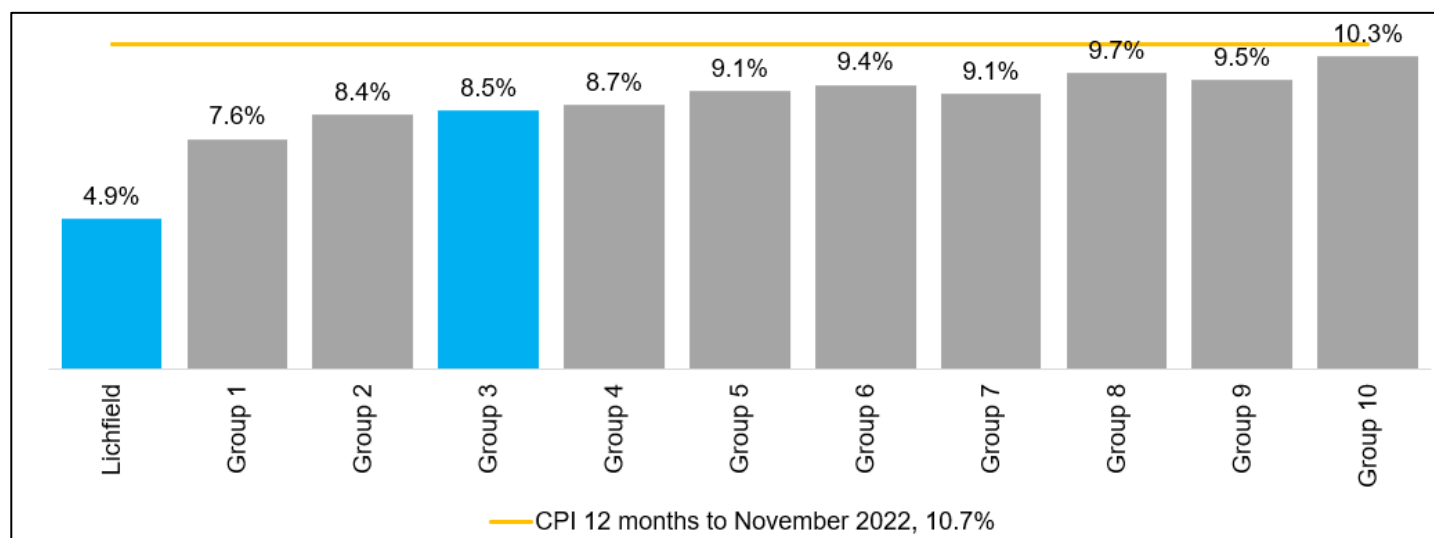
Change in Core Spending Power by Authority Type



Change in Core Spending Power by Region



Change in Core Spending Power by level of Deprivation (IMD deciles)



Revenue Budget 2021/22 to 2025/26

Central Scenario						
	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000	£000	£000	£000	£000
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
Projected Net Operating Cost excluding 'windfall' transfers	12,551	12,902	11,382	11,479	12,407	13,232
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	2,433	1,889	0	0
Projected Net Operating Cost	12,551	12,902	13,815	13,368	12,407	13,232

Retained Business Rates Baseline Funding	(2,117)	(2,117)	(2,196)	(2,359)	(1,881)	(1,899)
Retained Business Rates Growth Allowance	(1,194)	(1,330)	(1,268)	(1,132)	0	0
Rolled in Grants	0	0	(106)	(114)	0	0
Business Rates Cap Grant	(174)	(387)	(680)	(671)	0	0
Lower Tier Services Grant	(95)	(97)	0	0	0	0
Services Grant	(146)	(146)	(82)	(82)	0	0
Funding Guarantee Grant	0	0	(561)	(582)	0	0
Transitional Funding	0	0	0	0	(747)	(782)
New Homes Bonus	(1,401)	(1,401)	(992)	(570)	0	0
Collection Fund (Surplus)/Deficit	32	32	(316)	0	0	0
Council Tax Income	(7,456)	(7,456)	(7,614)	(7,858)	(8,124)	(8,416)
Projected Revenue Funding	(12,551)	(12,902)	(13,815)	(13,368)	(10,752)	(11,097)

Projected Budget Funding Gap	0	0	0	0	1,655	2,135
New Leisure Centre & Community Infrastructure Levy 2022	0	0	0	0	(39)	(232)
Updated Budget Funding Gap	0	0	0	0	1,616	1,903

Business Rates						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	Yes	Yes
New Homes Bonus						
Band D Housing Growth above the Baseline	451	451	558	343	321	402
Affordable Housing growth	132	132	413	107	103	119
Council Tax						
Modelled Council Tax Increase	1.50%	1.50%	0.00%	1.99%	1.99%	1.99%
Band D Housing Growth	501	501	507	489	567	659

APPENDIX A

Reconciliation of Original Funding Gap to Central Scenario Revenue Budget Funding Gap

	Cabinet or Decision Date	2022/23	2023/24	2024/25	2025/26	2026/27
		£000	£000	£000	£000	£000
Original Budget Council 22/02/2022		0	726	765	732	905
Approved Changes						
Pension Contributions	05/04/2022	0	(32)	(151)	(272)	10
Money Matters 3 Months	06/09/2022	1,050	0	0	0	0
Lichfield District Youth Council	06/09/2022	0	20	30	0	0
Transfer from General Reserves	06/09/2022	(1,050)	0	0	0	0
Money Matters 6 Months	06/12/2022	0	407	432	662	868
Money Matters 8 Months	14/02/2023	0	0	0	0	0
Approved Funding Gap		0	1,121	1,076	1,122	1,783

Updated Expenditure Projections
Updated inflation pressures
Additional cost of £5m borrowing for the leisure centre
Underwriting rent for former Debenhams
External Audit projected fee increase
Transitional protection related to the TOM
Budget pressures less savings
Inclusion of a cost of living contingency budget
Inclusion of an in year contingency/growth budget
Business Rate Revaluation Savings
One year delay in borrowing £5m for the leisure centre
Sub Total

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Included in Approved Budget	0	0	0	0	0
	0	153	147	141	
	12	0	0	0	0
	86	86	86	86	86
	20	10	0	0	0
	41	66	254	154	
	50	50	0	0	0
	100	100	0	0	0
	(30)	(30)	(30)	(30)	(30)
	0	(447)	10	10	
	279	(12)	467	361	

Updated Central Scenario Funding Projections
Retained Business Rates Baseline Funding
Retained Business Rates Growth Allowance
Rolled in Grants
Business Rates Cap Grant
Services Grant
Funding Guarantee Grant
Transitional Funding
New Homes Bonus
Collection Fund (Surplus)/Deficit
Council Tax Income
Sub Total

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Included in Approved Budget	(397)	(533)	(18)	1	
	(726)	(478)	765	781	
	(106)	(114)	0	0	0
	(680)	(671)	0	0	0
	(82)	(82)	0	0	0
	(561)	(582)	0	0	0
	0	0	(747)	(782)	
	(992)	(570)	0	0	0
	(368)	0	0	0	0
	79	77	66	(9)	
	(3,833)	(2,953)	66	(9)	

Projected Central Scenario Budget Funding Gap
New Leisure Centre & Community Infrastructure Levy
Updated Central Scenario Budget Funding Gap
Transfer settlement 'windfall' to Strategic Priorities Reserve
Impact on General Reserves

(2,433)	(1,889)	1,655	2,135
0	0	(39)	(232)
(2,433)	(1,889)	1,616	1,903
2,433	1,889	0	0
0	0	1,616	1,903

More Optimistic Scenario

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000	£000	£000	£000	£000
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
Projected Net Operating Cost excluding 'windfall' transfers	12,551	12,902	11,382	11,479	12,407	13,232
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	2,686	2,302	0	0
Projected Net Operating Cost	12,551	12,902	14,068	13,782	12,407	13,232

Retained Business Rates Baseline Funding	(2,117)	(2,117)	(2,196)	(2,359)	(1,881)	(1,899)
Retained Business Rates Growth Allowance	(1,194)	(1,330)	(1,268)	(1,132)	0	0
Rolled in Grants	0	0	(106)	(114)	0	0
Business Rates Cap Grant	(174)	(387)	(680)	(671)	0	0
Lower Tier Services Grant	(95)	(97)	0	0	0	0
Services Grant	(146)	(146)	(82)	(82)	0	0
Funding Guarantee Grant	0	0	(561)	(582)	0	0
Transitional Funding	0	0	0	0	(1,351)	(1,244)
New Homes Bonus	(1,401)	(1,401)	(992)	(611)	(574)	(712)
Collection Fund (Surplus)/Deficit	32	32	(316)	0	0	0
Council Tax Income	(7,456)	(7,456)	(7,867)	(8,231)	(8,601)	(9,006)
Projected Revenue Funding	(12,551)	(12,902)	(14,068)	(13,782)	(12,407)	(12,861)

Projected Budget Funding Gap	0	0	0	0	0	371
New Leisure Centre & Community Infrastructure Levy 2022	0	0	0	0	(39)	(232)
Updated Budget Funding Gap	0	0	0	0	(39)	139

Business Rates						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	Yes	Yes
New Homes Bonus						
Band D Housing Growth above the Baseline	537	537	558	368	345	430
Affordable Housing growth	268	268	413	114	110	127
Council Tax						
Modelled Council Tax Increase	1.50%	1.50%	3.00%	3.00%	3.00%	3.00%
Band D Housing Growth	501	501	541	521	605	703

More Pessimistic Scenario

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000	£000	£000	£000	£000
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
Projected Net Operating Cost excluding 'windfall' transfers	12,551	12,902	11,382	11,479	12,407	13,232
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	2,227	1,198	0	0
Projected Net Operating Cost	12,551	12,902	13,609	12,677	12,407	13,232

Retained Business Rates Baseline Funding	(2,117)	(2,117)	(2,196)	(2,359)	(1,881)	(1,899)
Retained Business Rates Growth Allowance	(1,194)	(1,330)	(1,268)	(1,132)	0	0
Rolled in Grants	0	0	(106)	(114)	0	0
Business Rates Cap Grant	(174)	(387)	(680)	(671)	0	0
Lower Tier Services Grant	(95)	(97)	0	0	0	0
Services Grant	(146)	(146)	(82)	(82)	0	0
Funding Guarantee Grant	0	0	(561)	(582)	0	0
Transitional Funding	0	0	0	0	0	0
New Homes Bonus	(1,401)	(1,401)	(992)	(270)	0	0
Collection Fund (Surplus)/Deficit	32	32	(316)	0	0	0
Council Tax Income	(7,456)	(7,456)	(7,408)	(7,467)	(7,535)	(7,616)
Projected Revenue Funding	(12,551)	(12,902)	(13,609)	(12,677)	(9,416)	(9,515)

Projected Budget Funding Gap	0	0	0	0	2,991	3,717
New Leisure Centre & Community Infrastructure Levy 2022	0	0	0	0	(39)	(232)
Updated Budget Funding Gap	0	0	0	0	2,952	3,485

Business Rates						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	No	No
New Homes Bonus						
Band D Housing Growth above the Baseline	537	537	558	159	145	198
Affordable Housing growth	268	268	413	71	69	80
Council Tax						
Modelled Council Tax Increase	1.50%	1.50%	0.00%	0.00%	0.00%	0.00%
Band D Housing Growth	501	501	338	326	378	439

Revenue Budget – 25 Year Model (1 to 10 years, 15 years, 20 years and 25 years)

Key Assumptions													
Year	2022/23 1	2023/24 2	2024/25 3	2025/26 4	2026/27 5	2027/28 6	2028/29 7	2029/30 8	2030/31 9	2031/32 10	2036/37 15	2041/42 20	2046/47 25
Council Tax Base	39,695	40,534	41,016	41,579	42,233	42,718	42,718	43,047	43,376	43,705	45,350	46,995	48,640
Projected Residential Growth - LHN							329	329	329	329	329	329	329
Projected Council Tax Base							43,047	43,376	43,705	44,034	45,679	47,324	48,969
Council Tax Band D	£188	£188	£192	£195	£199	£203	£207	£211	£216	£220	£243	£268	£296
Modelled Council Tax Increase	1.50%	0.00%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
LG Futures Property Based Unit Cost	£78	£79	£81	£83	£84	£86	£88	£89	£91	£93	£103	£113	£125
Core Budget Inflation Allowance						2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Funding and Pension Inflation Allowance						2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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	Medium Term Financial Strategy					Additional Projections								
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2036/37	2041/42	2046/47	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Year	1	2	3	4	5	6	7	8	9	10	15	20	25	
Modelled Total Expenditure	12,902	13,815	13,368	12,407	13,232	13,000	13,133	13,553	13,992	14,423	16,774	19,481	22,597	
Inflation and Budget Variations														
Provision for Pay and Other Inflation						310	333	337	348	359	418	485	563	
Budget Pressure - Residential Growth						42	29	29	30	31	34	37	41	
Provision for Budget Variations						(16)								
Revenue Implications of Capital Bids						0								
Sub Total	12,902	13,815	13,368	12,407	13,232	13,336	13,495	13,920	14,370	14,813	17,225	20,004	23,201	
Other Projections														
Annual Increase in Past Service Pensions						50	51	52	53	54	60	66	73	
New Leisure Centre & CIL Allocation				(39)	(232)	(253)	7	20						
Total Modelled Expenditure	12,902	13,815	13,368	12,368	13,000	13,133	13,553	13,992	14,423	14,867	17,285	20,070	23,274	

APPENDIX A

	Medium Term Financial Strategy					Additional Projections								
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2036/37	2041/42	2046/47	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Modelled Funding:														
<u>Retained Business Rates</u>														
Baseline Funding Level	(2,117)	(2,196)	(2,359)	(1,881)	(1,899)	(1,917)	(1,955)	(1,994)	(2,034)	(2,075)	(2,291)	(2,529)	(2,793)	
Retained Growth - full & phased resets	(1,330)	(1,268)	(1,132)	0	0	0	0	0	0	0	0	0	0	
<u>New Homes Bonus / Replacement</u>														
New Homes Bonus - total receipt	(1,401)	(992)	(570)											
New Homes Bonus - Replacement				0	0	0	0	0	0	0	0	0	0	
<u>Council Tax and Other Funding</u>														
Collection Fund and one off funding	(598)	(1,745)	(1,449)	(747)	(782)	(764)	(779)	(795)	(811)	(827)	(913)	(1,008)	(1,113)	
Council Tax	(7,456)	(7,614)	(7,858)	(8,124)	(8,416)	(8,682)	(8,924)	(9,171)	(9,424)	(9,684)	(11,086)	(12,674)	(14,473)	
Total Modelled Funding	(12,902)	(13,815)	(13,368)	(10,752)	(11,097)	(11,363)	(11,659)	(11,960)	(12,269)	(12,586)	(14,290)	(16,212)	(18,379)	

Modelled Funding Gap/(General Reserves)	0	0	0	1,616	1,903	1,770	1,894	2,031	2,154	2,281	2,995	3,858	4,895
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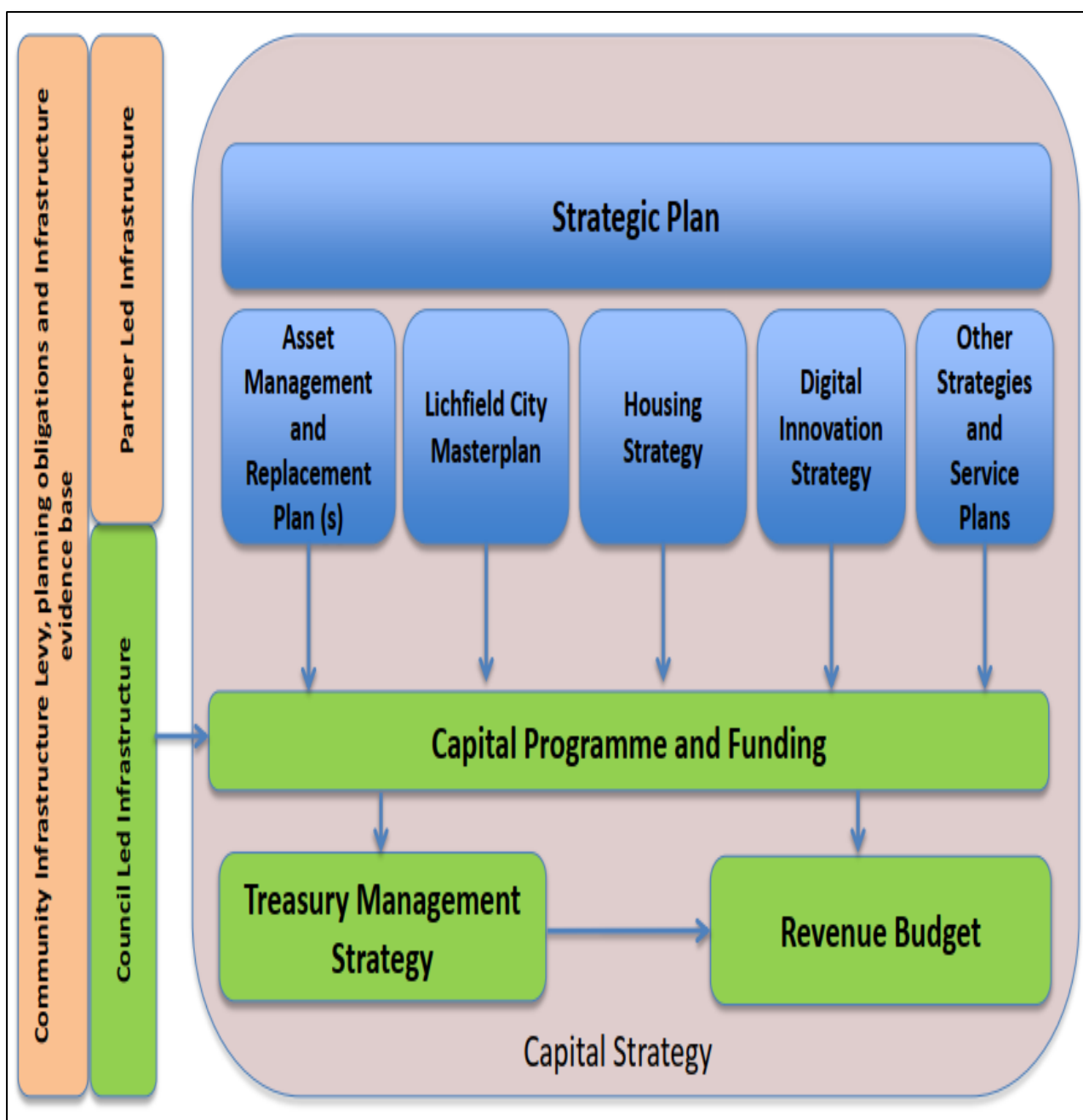
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	Medium Term Financial Strategy					Additional Projections								
General Reserves Year Start	5,246	4,475	4,175	4,175	2,559	656	(1,114)	(3,008)	(5,040)	(7,193)	(19,971)	(36,607)	(57,895)	
Contributions from Revenue Account	(1,050)	0	0	(1,616)	(1,903)	(1,770)	(1,894)	(2,031)	(2,154)	(2,281)	(2,995)	(3,858)	(4,895)	
Change in Minimum Level	0	(300)	0	0	0	0	0	0	0	0	0	0	0	
New Homes Bonus in excess of the 'Cap'	280	0	0	0	0									
Available General Reserves Year End	4,475	4,175	4,175	2,559	656	(1,114)	(3,008)	(5,040)	(7,193)	(9,474)	(22,966)	(40,465)	(62,790)	
Minimum Level	1,600	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900				
Total General Reserves	6,075	6,075	6,075	4,459	2,556	786	(1,108)	(3,140)	(5,293)	(7,574)				

Capital Strategy

1. Introduction

- 1.1. The Prudential Code requires the completion of a Capital Strategy that is approved by Full Council.
- 1.2. The Capital Strategy provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.3. It forms part of the Councils integrated revenue, capital and balance sheet planning. The Council already undertakes elements of the requirements although some areas, such as Asset Management Planning, are subject to ongoing development.
- 1.4. The Prudential Code now requires all of this information to be brought together in a single place as shown below:



2. The Capital Programme

2.1. The financial planning process and its Governance is shown below:

The Financial Planning Timetable and Governance Responsibility				
Service and Financial Planning		July	←	Medium Term Financial Strategy
		August		
	→	September	←	Money Matters as at 30 June
Review Medium Term Financial Strategy	→			
		October	←	Medium Term Financial Strategy
Review Medium Term Financial Strategy	→	November		
Mid Year Treasury Management Report	→			
		December	←	Money Matters as at 30 September
			←	Medium Term Financial Strategy
			←	Set Council Taxbase and approve Collection Fund Projections
Review Medium Term Financial Strategy	→	January		
Review Treasury Management and Capital Strategies	→		←	Money Matters as at 30 November
Approve the Medium Term Financial Strategy and set the Council Tax	→	February	←	Recommend Medium Term Financial Strategy and Council Tax to Council
		March		
		April		
Draft Statement of Accounts	→	May		
		June	←	Money Matters as at 31 March
Annual Treasury Management Report	→	July		
		August		
Statement of Accounts (was 31 July but for 2 years extended to 30 September)	→	September		
Key:				
Pink = internal timelines				
Blue = Cabinet				
Salmon = Cabinet & Overview and Scrutiny Committee				
Amber = Overview and Scrutiny Committee				
Green = Audit & Member Standards Committee				
Purple = Council				

The Capital Programme Process

- 2.2. Given our current financial position, our priorities and responsibilities and as Asset Management Plans are developed, it is probable that capital needs will be identified that exceed resources available thus necessitating a more transparent and robust process to inform Members during the development of the MTFS.
- 2.3. The capital bid process has been incorporated into the service and financial planning process to provide a holistic approach. The capital bid element of the process has been designed to ensure consistency, objectivity, equity and transparency to the prioritisation and allocation of capital funding, while ensuring maximum value for money.
- 2.4. A summary of the process is identified below:
 - Service identifies a budget requirement and consults with the Finance and Procurement Team.
 - Service requests funding by completing and submitting a funding bid form.
 - Service completes a funding bid financial profile form and submits this with their bid.
 - Service completes a funding bid assessment form and submits this with their bid.
 - The Finance and Procurement Team reviews all bids and assessments and requests clarification where required.
 - The Finance and Procurement Team reviews bids using the assessment criteria and ensure the bids are included in the relevant service and financial planning submission.
 - Leadership Team review all service and financial planning submissions before recommending the allocation of funding either through a Cabinet Report or through the MTFS.
 - Finance and Procurement monitor funding allocations and spend, reporting to Leadership Team as part of Money Matters Reports.
 - Where the project budget or annual allocation is **£500,000 or more**, a review of performance is not already separately monitored, and the service completes the work / project outlined within the bid, the service will undertake a review (i.e. post-project review) within 6 months of work being completed, providing this to Finance and Procurement to include in a report to Leadership Team.

Planning Obligations - Section 106 and Community Infrastructure Levy (CIL)

- 2.5. As part of the planning process, financial contributions from planning obligations, including the Community Infrastructure Levy, are received from new developments. The vast majority is spent directly on infrastructure works or will be spent in line with the Infrastructure Delivery Plan (IDP).
- 2.6. In some cases there is an element of discretion on how they are allocated. These contributions towards social and community facilities are linked to the development proposed.
- 2.7. The Council's Capital Programme includes a number of projects that are to be funded by Section 106 and CIL; this is a significant source of funding and there is a significant level of interest from the community in relation to the allocation of sums to projects.

2.8. The **Capital Programme** and its **funding** by Strategic Priority is summarised below:

Strategic Priority	Capital Programme						
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000	Corporate £000
Enabling People	£1,585	£9,222	£6,762	£939	£959	£19,467	£760
Shaping Place	£864	£819	£397	£6,367	£150	£8,597	£295
Developing Prosperity	£1,405	£4,931	£2,329	£0	£10	£8,675	£1,138
Good Council	£896	£448	£240	£365	£405	£2,354	£2,254
Capital Expenditure	£4,750	£15,420	£9,728	£7,671	£1,524	£39,093	£4,447

Funding Source	Capital Programme					
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Receipts	£1,134	£1,300	£345	£0	£222	£3,001
Capital Receipts - Housing	£0	£360	£0	£0	£0	£360
Revenue - Corporate	£0	£238	£100	£565	£183	£1,086
Corporate Council Funding	£1,134	£1,898	£445	£565	£405	£4,447
Grant	£1,523	£2,572	£2,261	£939	£939	£8,234
Section 106	£142	£305	£133	£0	£0	£580
CIL	£44	£1,645	£800	£0	£0	£2,489
Reserves	£1,731	£6,448	£3,514	£17	£30	£11,740
Revenue - Existing Budgets	£150	£150	£150	£150	£150	£750
Sinking Fund	£0	£69	£0	£0	£0	£69
Leases	£0	£0	£0	£6,000	£0	£6,000
Internal Borrowing	£26	£2,333	£2,425	£0	£0	£4,784
Total	£4,750	£15,420	£9,728	£7,671	£1,524	£39,093
External Borrowing	£0	£0	£0	£0	£0	£0
Grand Total	£4,750	£15,420	£9,728	£7,671	£1,524	£39,093

2.9. The Revenue implications of the Capital Programme are shown below:

Revenue Implications	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Interest on Loan to the LA Company	0	(2)	(2)	(2)	(2)
Friary Grange - Refurbishment	135	135	135	0	0
Coach Park Operation Costs	0	50	50	50	50
Replacement Leisure Centre Capital Financing Costs	0	0	0	373	366
New Leisure Centre & Community Infrastructure Levy 2022	0	0	0	35	(161)
Revenue Budget - Bin Replacement	150	150	150	150	0
Revenue Budget - Corporate	0	238	100	565	0
Sub Total - Approved Budget	285	571	433	1,171	253
Revenue Budget - Corporate	0	0	0	0	183
Revenue Budget - Bin Replacement	0	0	0	0	150
Sub Total - Service and Financial Planning	0	0	0	0	333
Capital Programme Total	285	571	433	1,171	586

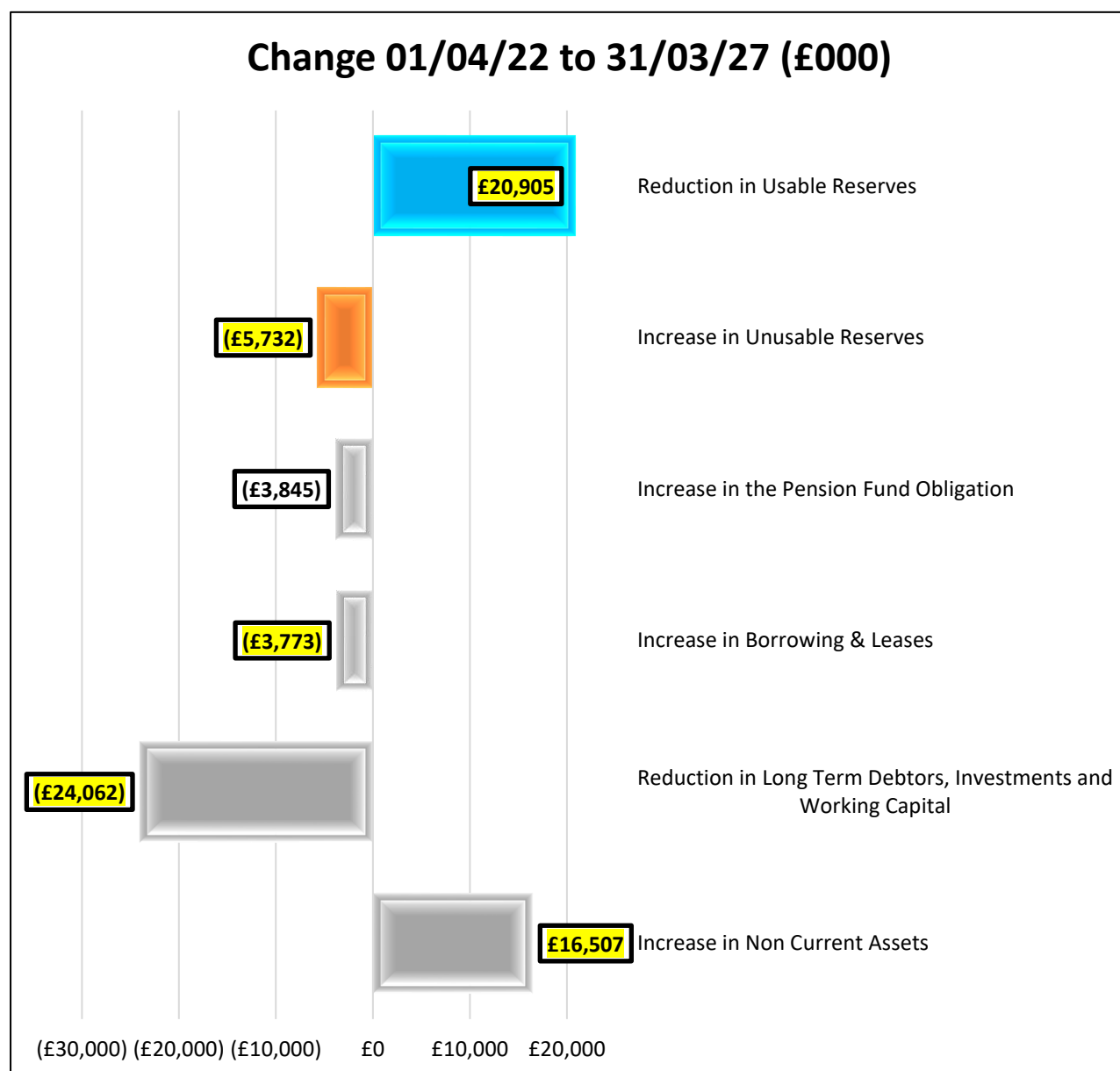
2.10. Projected Capital Receipts are shown in the table below:

General Capital Receipts	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Opening Balance	(2,005)	(1,751)	(481)	(166)	(196)	(2,005)
Sale of Venture House	(850)					(850)
Other Receipts	(30)	(30)	(30)	(30)	(28)	(148)
Utilised in Year	1,134	1,300	345	0	222	3,001
Closing Balance	(1,751)	(481)	(166)	(196)	(2)	(2)

Housing Receipts						
Opening Balance	(829)	(1,023)	(663)	(663)	(663)	(663)
Right to Buy Receipts	(194)					(194)
Utilised in Year	0	360	0	0	0	360
Closing Balance	(1,023)	(663)	(663)	(663)	(663)	(497)

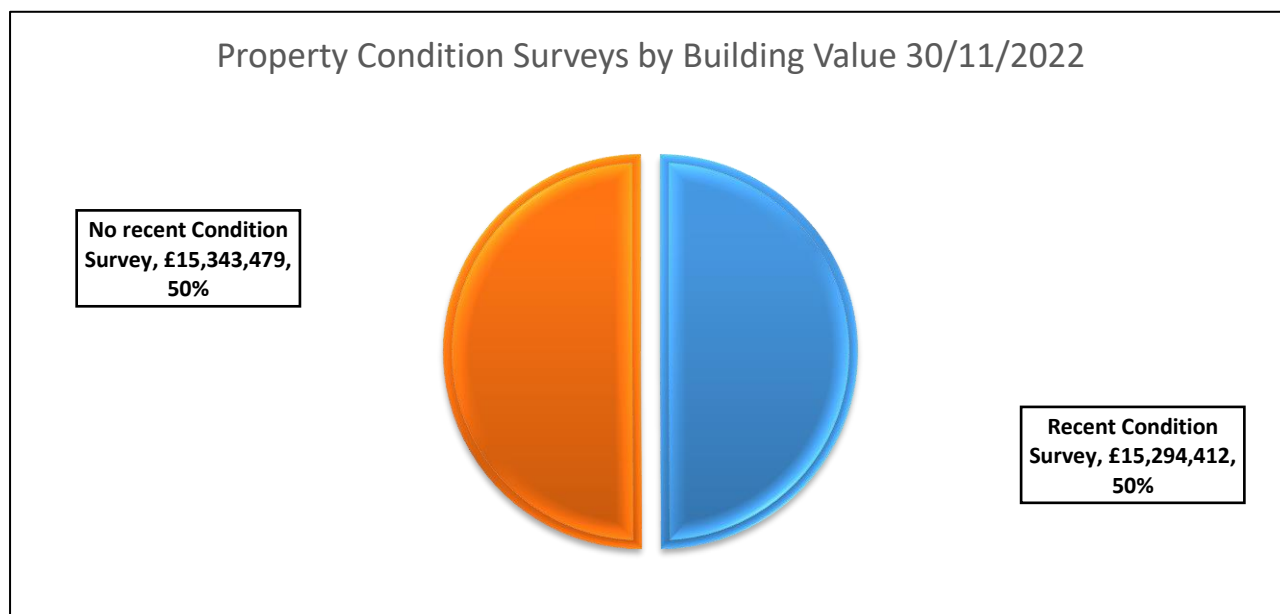
3. The Balance Sheet (in £000s)

3.1. The Revenue Budget, Capital Programme and its funding will impact on the Council's Balance Sheet:

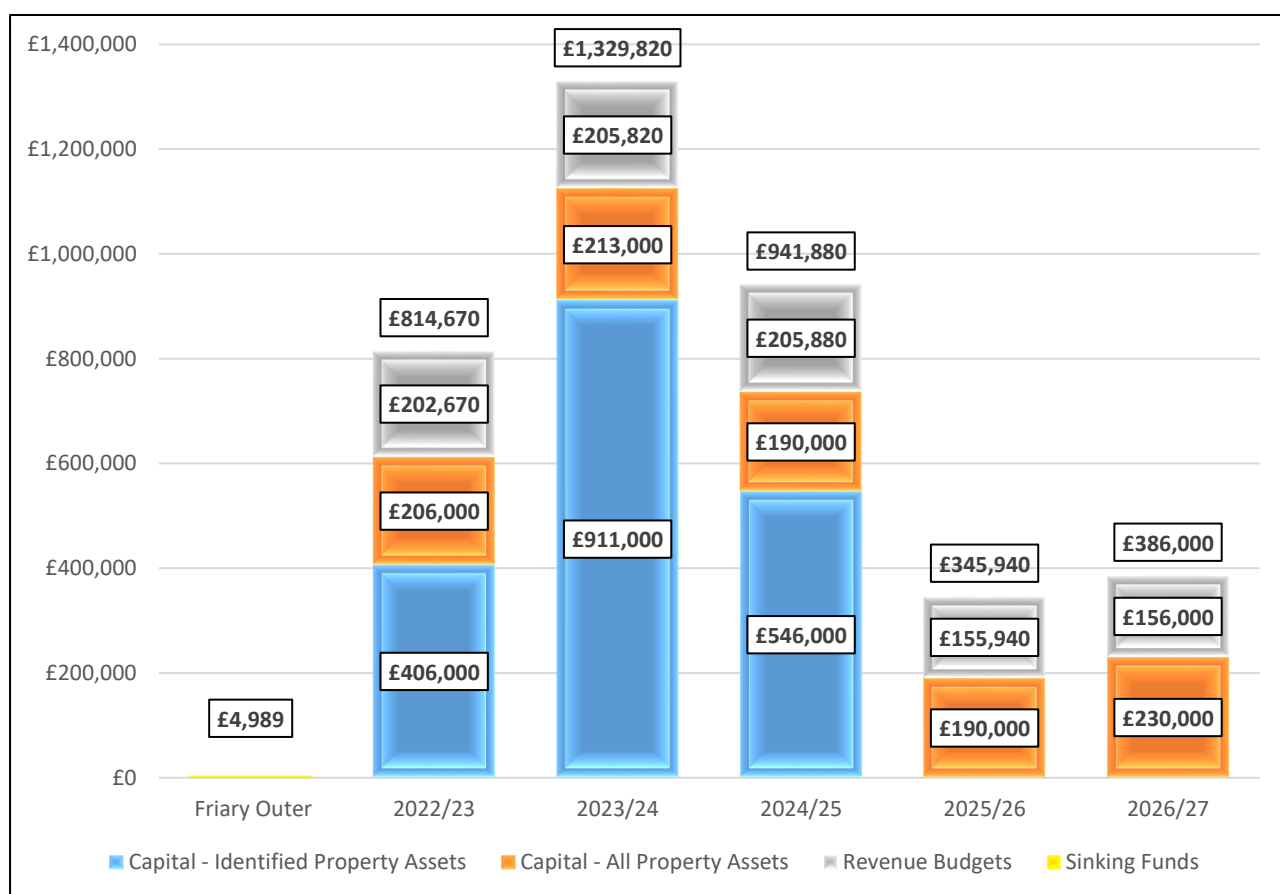


4. Asset Management Planning

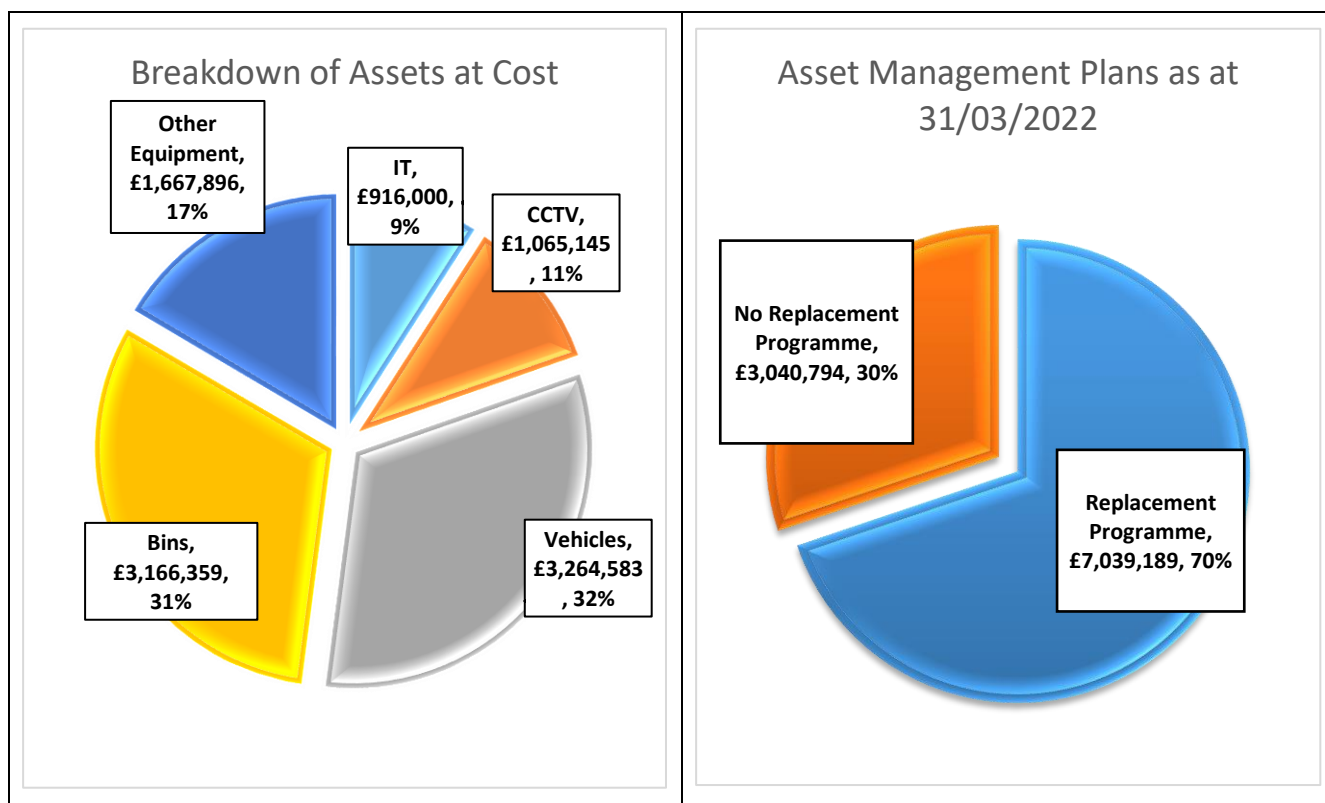
- 4.1. The Property Team is currently in the process of undertaking Property Condition Surveys for Property Assets owned by the Council. Progress to date is shown below:



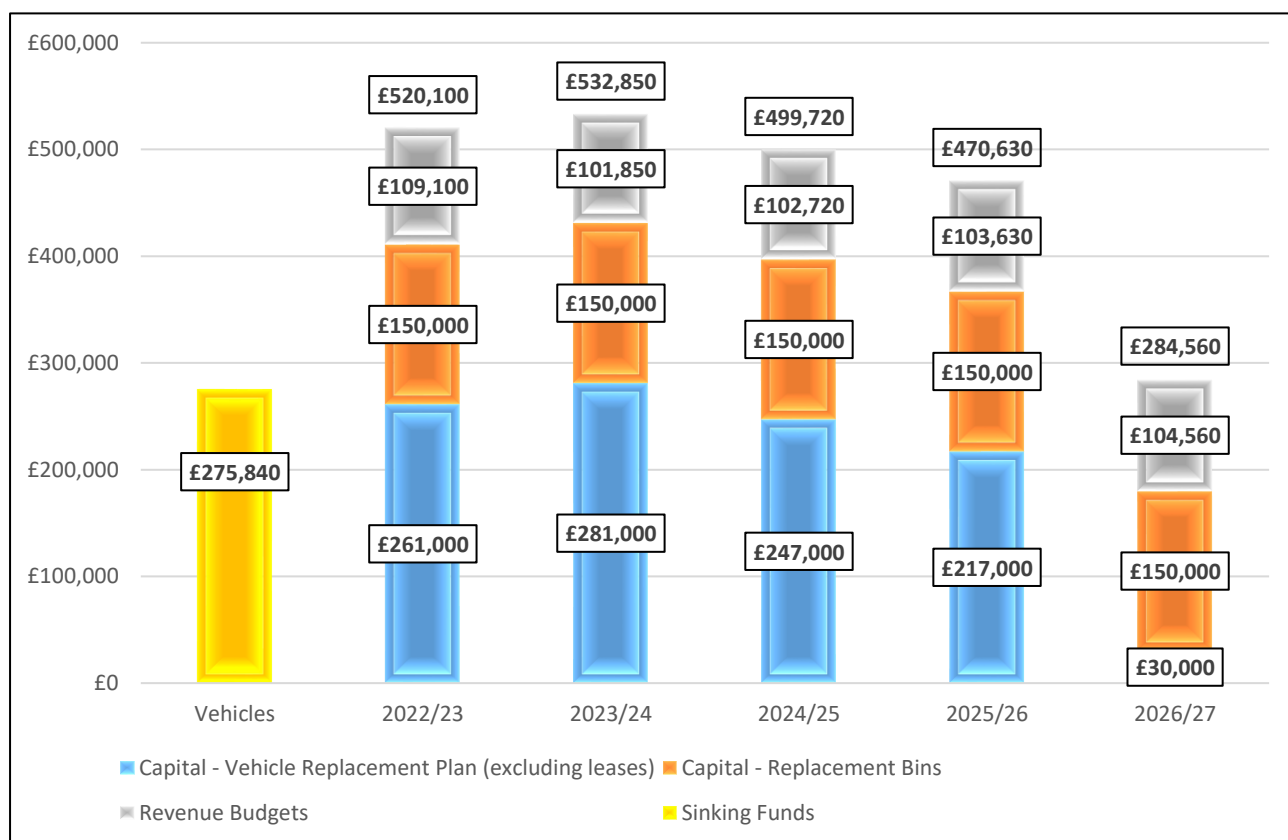
- 4.2. For financial planning purposes, a budget (based on a % of projected asset value) has been included in the Capital Programme and Longer Term Capital Investment Plan.
- 4.3. The resources identified for enhancement and maintenance of property assets are:



4.4. The Asset Management Plans in place for vehicles, plant and equipment assets are:



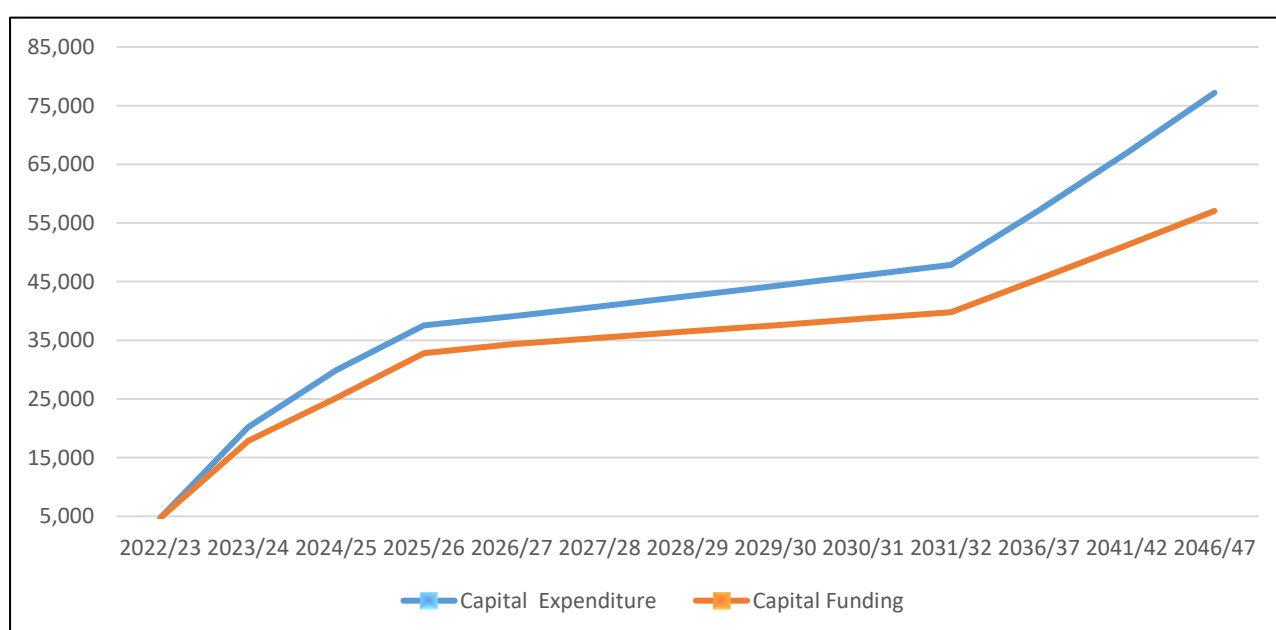
4.5. The resources identified for replacement and maintenance of vehicles, plant and equipment are:



4.6. There is also a proposed Capital Programme budget of **£6,000,000** in 2025/26 for a new fleet of waste vehicles assumed to be funded through a lease type arrangement.

5. Longer Term Capital Investment Planning

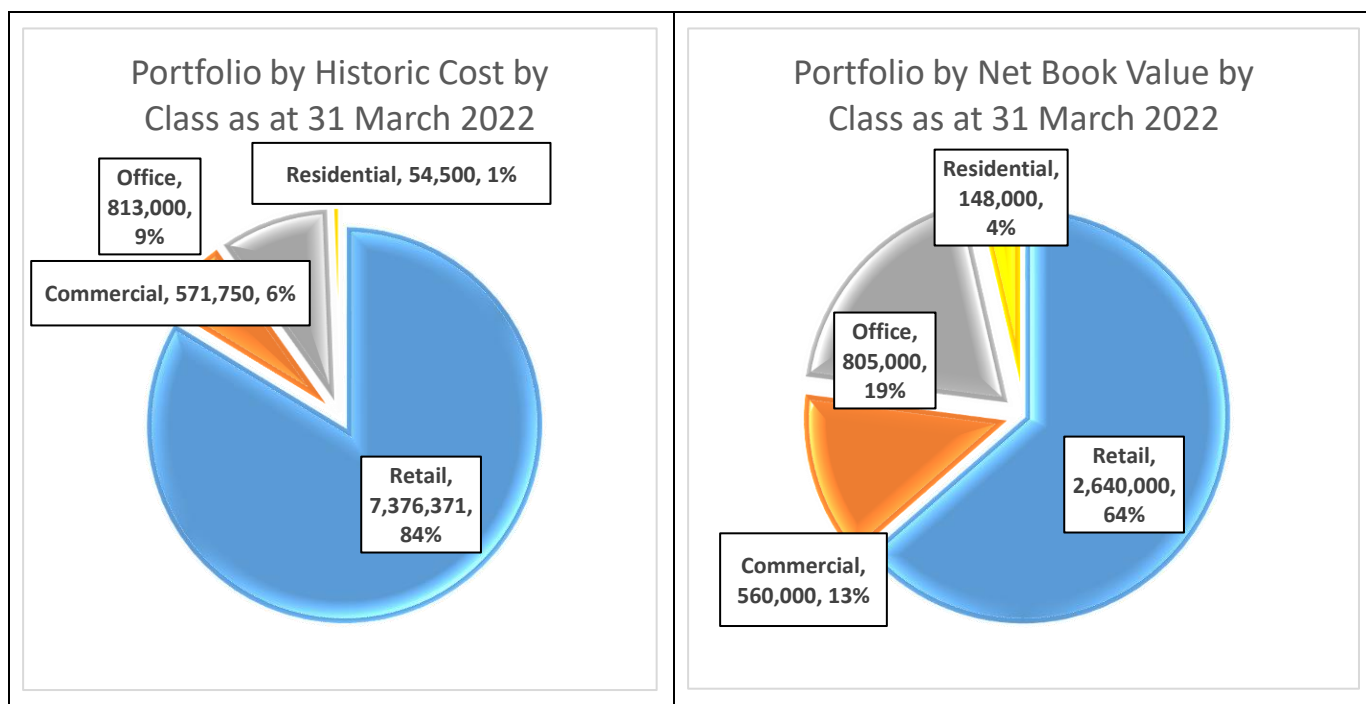
- 5.1. The Medium-Term Financial Strategy covers a relatively short period of time (current financial year plus the next four years) and this short horizon is not reflective of the longer term investment needs associated with asset ownership.
- 5.2. Therefore, it is prudent to also produce financial plans that cover a longer-term financial planning horizon such as 25 years.
- 5.3. The following key assumptions have been utilised in producing the longer-term financial plan:
- Annual core inflation of **2%**.
 - Population in Lichfield District increases by an annual average of **0.33%**.
 - The proportion of the population aged 65 and over increases from **25%** in 2021/22 to **28%** by 2046/47.
 - The value of building assets increases from **£32m** in 2021/22 to **£42m** in 2025/26 with the building of a new Leisure Centre.
 - An assessment of Property Planned Maintenance budgets at a percentage of building value or **£230,000** per annum has been utilised with annual inflationary increases.
 - An assessment of ICT investment using the average level of investment in the last Capital Bid submitted of **£175,000** from 2025/26 has been utilised with annual inflationary increases.
- 5.4. The longer term capital investment plan is shown in detail at **ANNEX 1** and in the chart below:



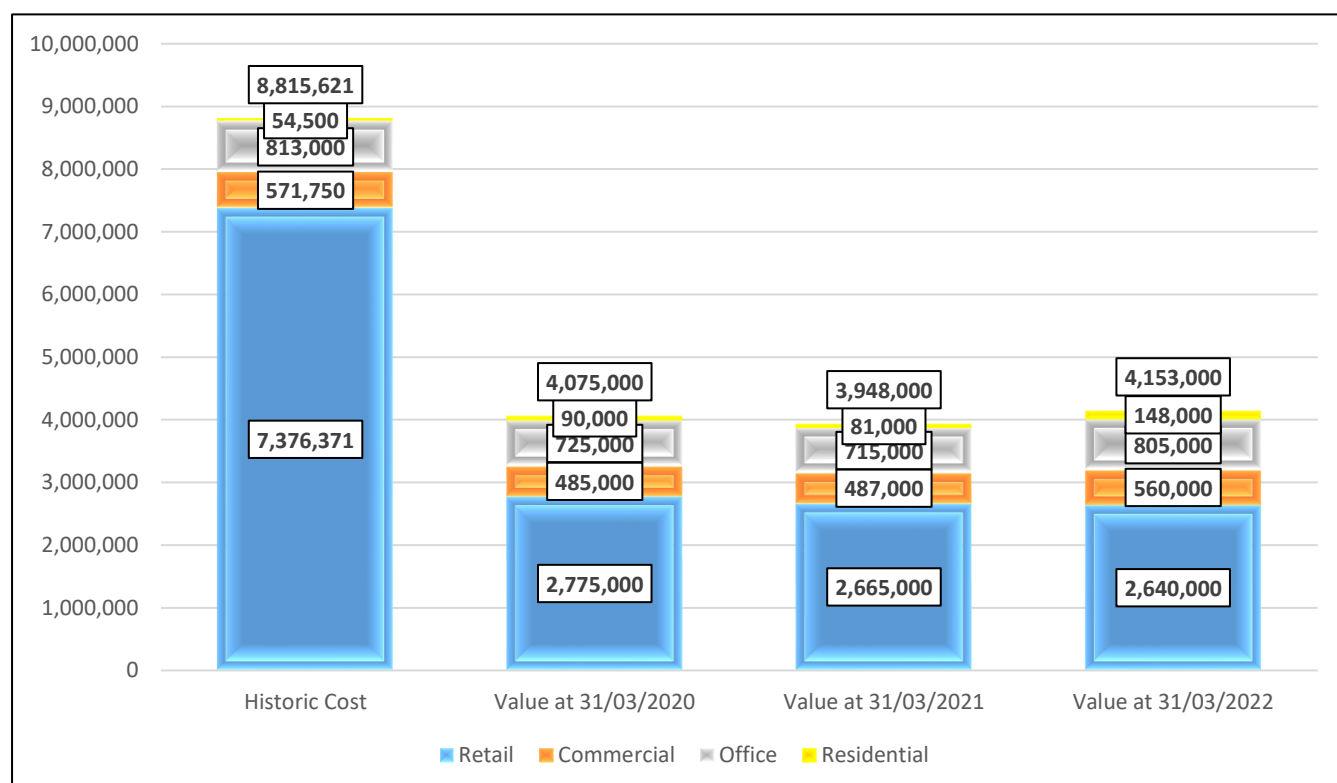
- 5.5. The difference between capital expenditure and funding would result in an increase in the cumulative level of borrowing need of **£20m** (including £5m approved for the new Leisure Centre).
- 5.6. This additional borrowing need would result in additional and increasing debt repayment costs in the revenue budget thereby further increasing the Funding Gap.
- 5.7. However, the borrowing need can be reduced through actions such as the receipt of external funding or sale of assets.

6. Current Investment in Property

- 6.1. The Council also owns a number of properties that provide an income return and the composition of the portfolio on 31 March 2022 is shown below:

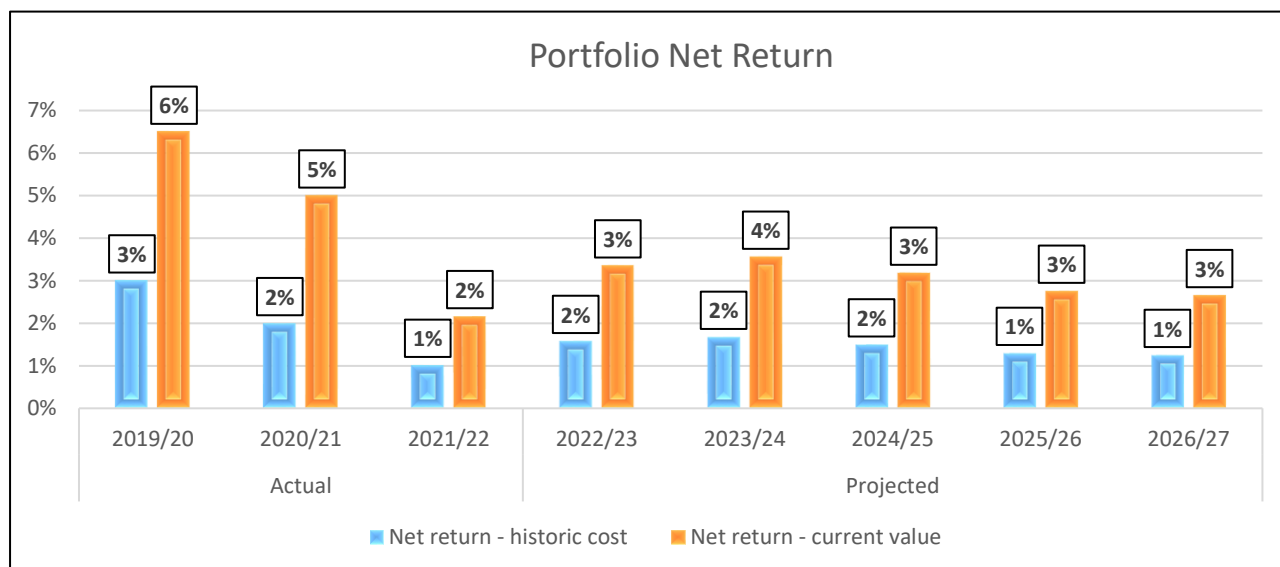


- 6.2. The value of these properties over the last three years is shown below:

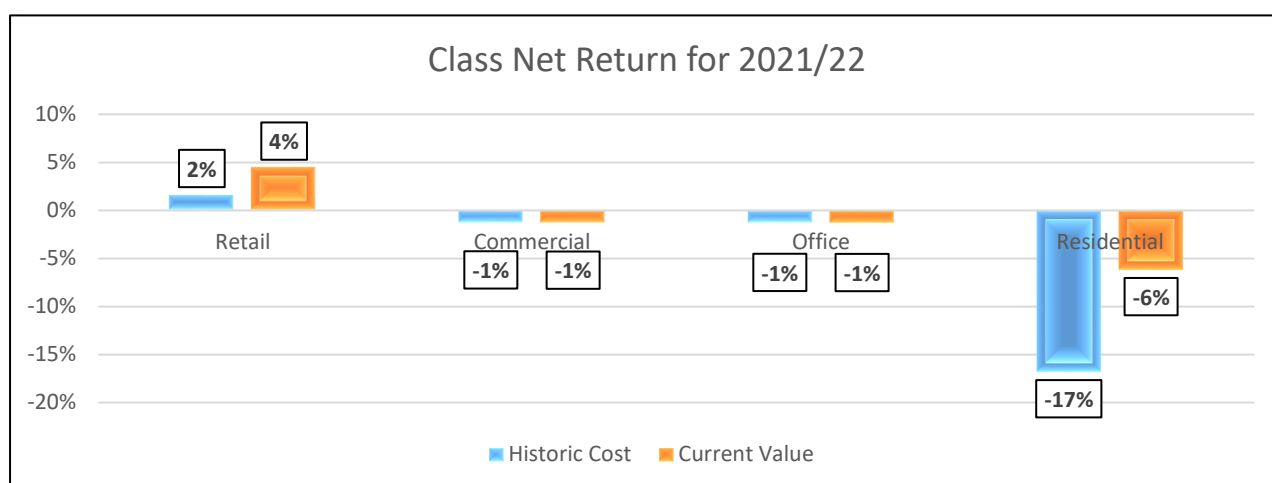


- 6.3. The value of these properties (mainly those classed as retail) have reduced because the value assessed by the external valuer is based on prevailing rental levels.
- 6.4. These properties were acquired without the need for borrowing and therefore the loan to value ratio for the portfolio is **0%**.

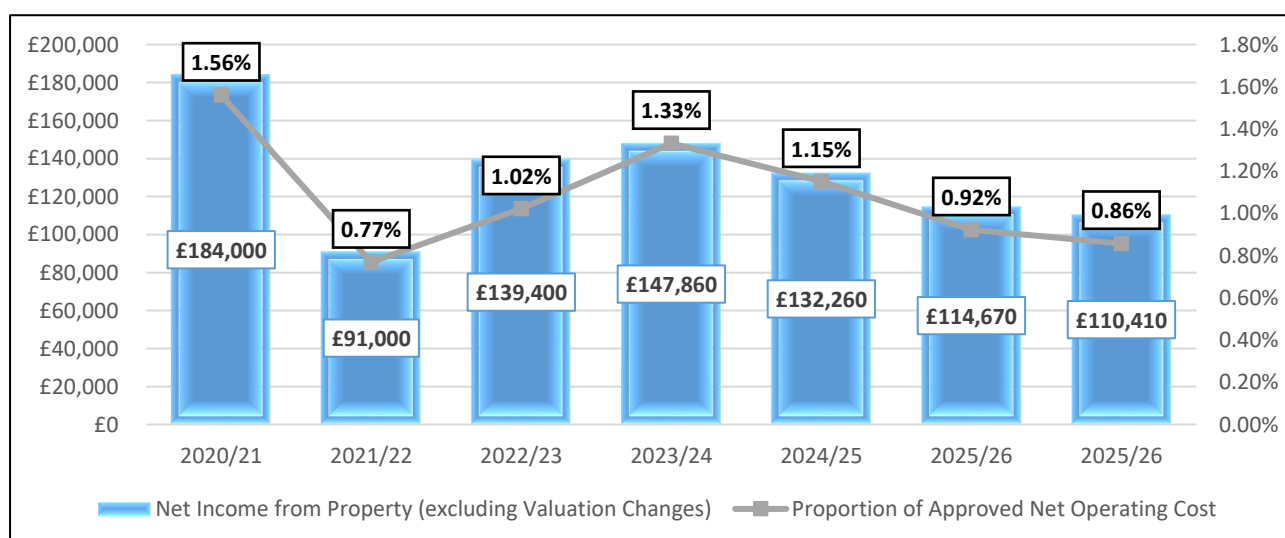
6.5. The portfolio net return based after taking account of management costs using historic asset cost and current value is shown in the chart below:



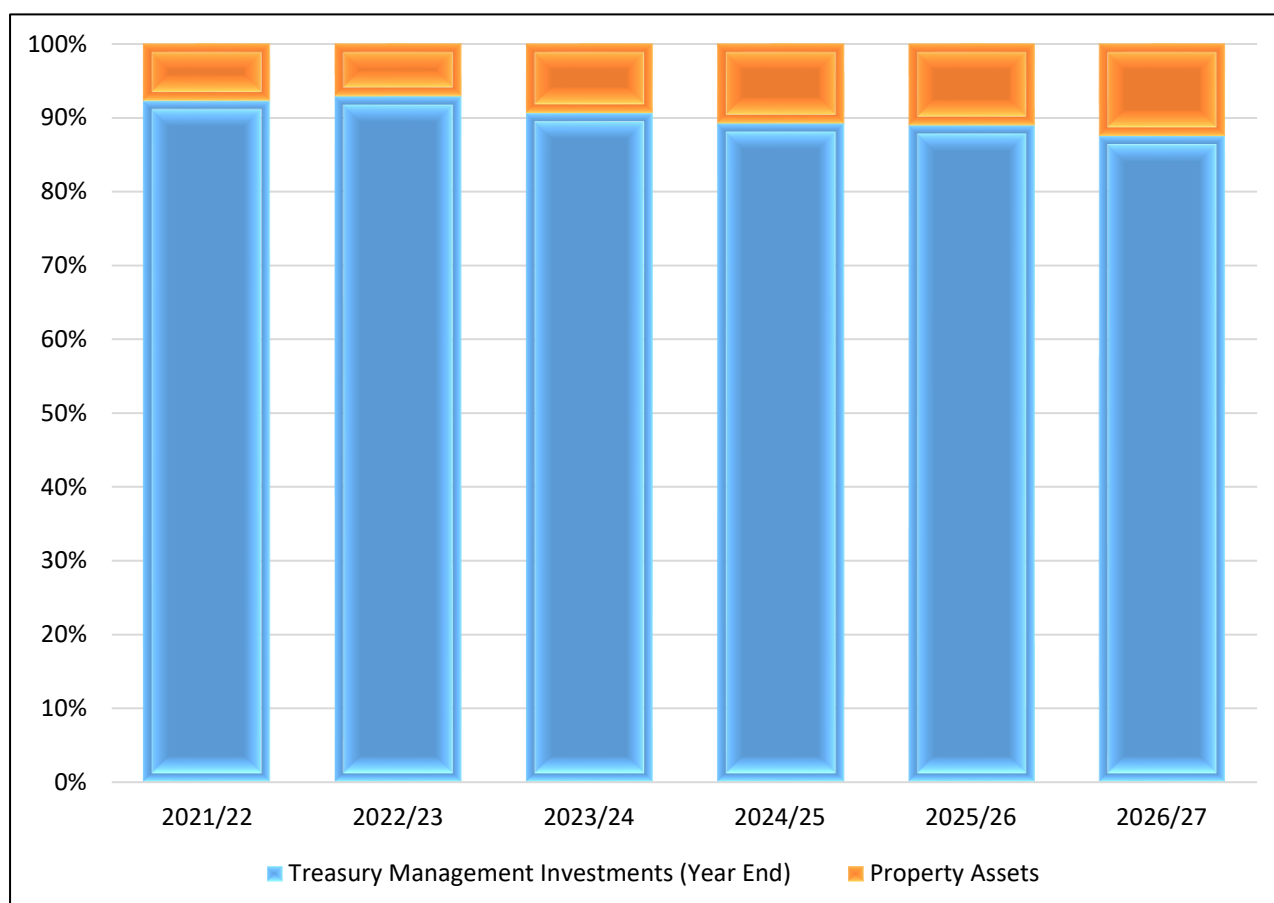
6.6. The net return is further analysed for 2021/22 by class of investment within the portfolio:



6.7. The proportion of the Revenue Budget supported by income from these properties is shown below:



6.8. The ratio of Treasury Management investments to property asset investments is shown below:

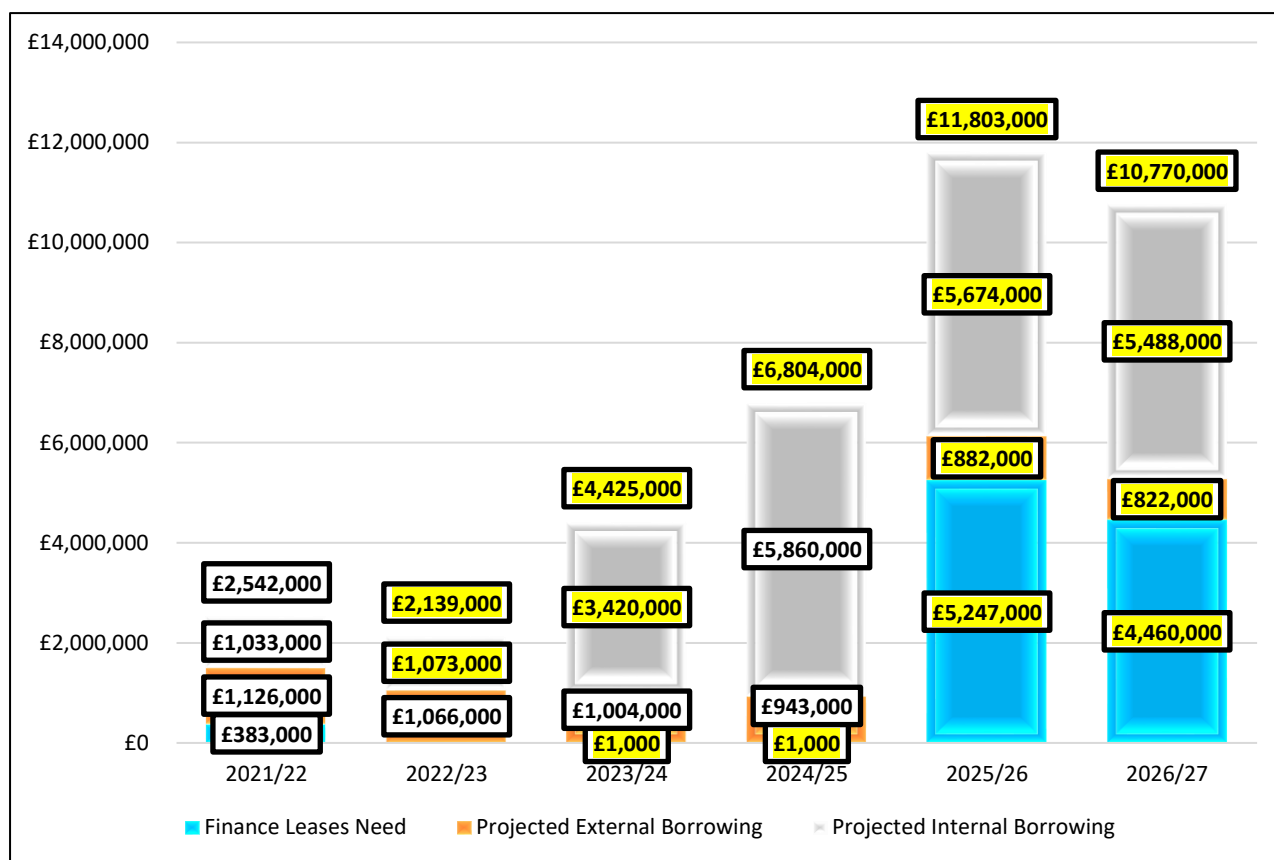


- 6.9. The Council has a Local Authority Trading Company Lichfield West Midlands Trading Services (LWMTS) Limited, which was incorporated in September 2019 with an aim to support local services.
- 6.10. The Council undertook an equity investment of **£225,000** in 2020/21 and plans to advance a loan of up to **£150,000** to LWMTS in 2022/23 for a period of up to **5 years**, to support local services.
- 6.11. The loan to the Company has a budgeted income stream of **4%** from the company (Arlingclose have recently revised the fixed rate based range to between **5.52%** and **5.76%**) the accounting treatment of the loan repayment will need to reflect the loan's purpose in the Company. A budget for dividend income has now been assumed to be received from the Company from 2023/24 onwards.
- 6.12. In addition, Council has approved a capital loan of **£5,349,000** to the Joint Venture to deliver the Cinema development in Lichfield City.

7. Debt Management

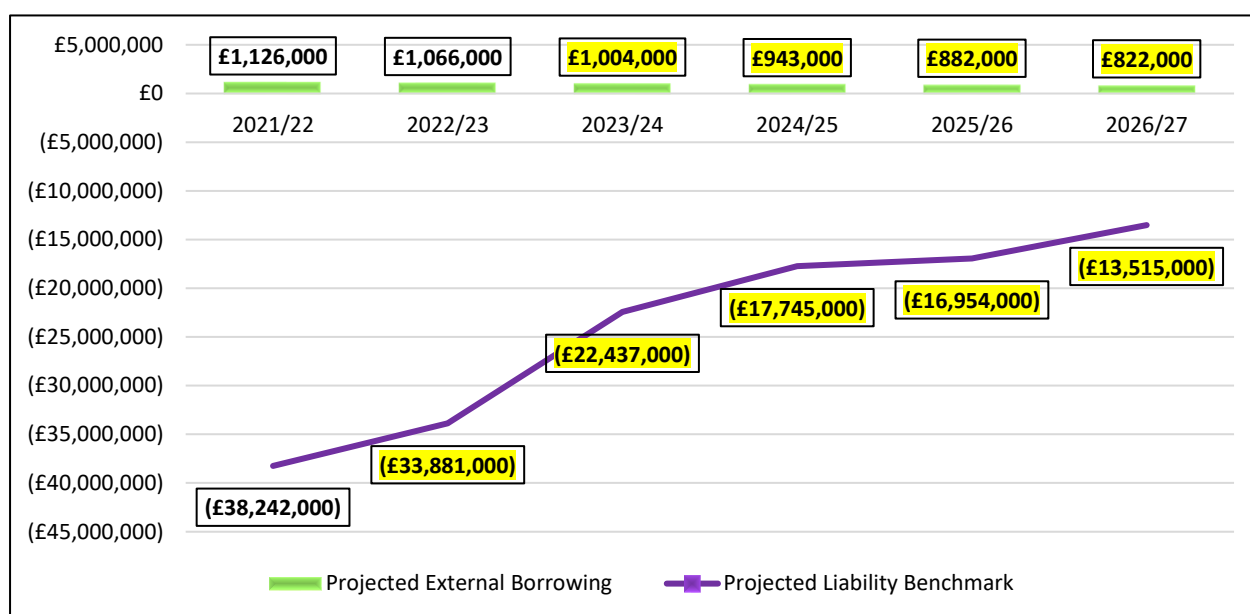
- 7.1. The Capital Programme is funded from a variety of sources. A number of these sources such as capital receipts, the revenue budget, grants, contributions and reserves utilise resources that are immediately available or are receivable. However, when capital expenditure is approved, and these resources are not available, then a **Capital Financing Requirement (CFR)** or borrowing need results.
- 7.2. The CFR is managed through the approval by Council of the Medium Term Financial Strategy including the Capital Programme and Prudential Indicators.
- 7.3. The CFR must be financed through borrowing or finance leases (external debt) or by temporarily utilising internal resources (internal borrowing).

- 7.4. At 31 March 2022 the Council had a relatively low level of external debt outstanding of **£1.126m**. The new leisure centre and the renewal of the waste fleet will mean external debt is projected to increase to **£10.77m** by 31 March 2027.
- 7.5. The projected CFR (the total for each column), **external debt** (finance leases and external borrowing) and **internal borrowing** is shown below:

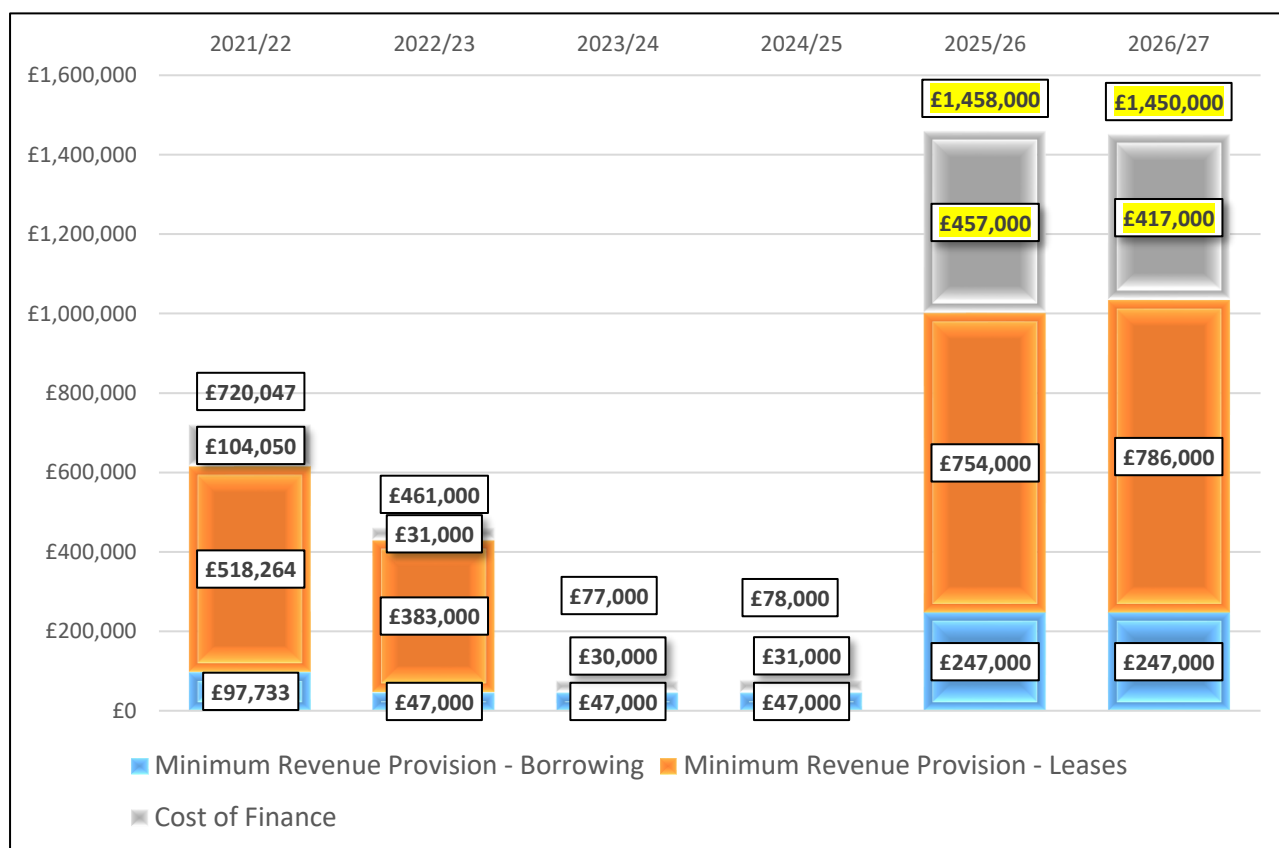


- 7.6. The CFR is related to:
- Historic capital expenditure for the Chasewater Dam, Friary Outer Car Park and vehicles funded by finance leases.
 - Planned capital expenditure for the new Leisure Centre and the renewal of the waste fleet funded by a lease type arrangement.
- 7.7. The Council manages its external debt through setting Prudential Indicators, related to the statutory maximum, known as the **Authorised Limit** and a lower warning level known as the **Operational Boundary**.
- 7.8. The external debt projections are based on the approved Capital Programme however to manage unforeseen events, an element of flexibility or 'headroom' is included in the Prudential Indicators:
- **Operational Boundary** – flexibility is included to enable internal borrowing to be converted to external debt or for example, to ensure accounting changes such as those proposed for all leases to be classed as finance leases, to be incorporated without breaching the limit.
 - **Authorised Limit** – this provides additional flexibility to manage unusual cash flows that necessitate temporary borrowing such as Government Grants not being paid.

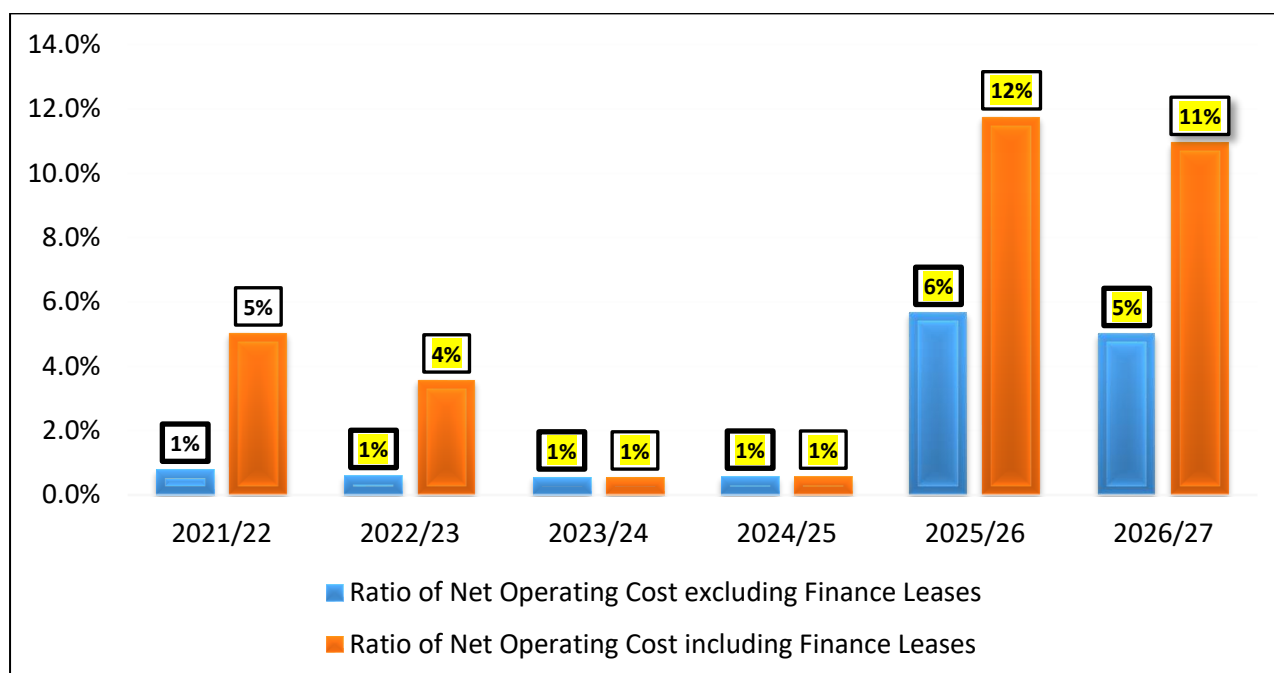
- 7.9. The **liability benchmark** is the lowest risk level of external borrowing by keeping cash and investments to a minimum of **£10m** at each year end to maintain liquidity but minimise credit risk.
- 7.10. The projected level of external borrowing, together with the projected liability benchmark is:



- 7.11. The chart above indicates that based on current Balance Sheet projections where usable reserves are reducing, the Council has sufficient resources to fund additional internal borrowing.
- 7.12. The cost of debt servicing includes the cost of finance and Minimum Revenue Provision (MRP). Debt is only a temporary source of finance since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as MRP:



7.13. The proportion of the net budget allocated to financing costs is:



7.14. The Minimum Revenue Provision and therefore the financing costs ratio increases in 2025/26 due to the inclusion of the **capital financing** costs for the new leisure centre and the new waste fleet assumed to be funded through a contract hire arrangement.

8. Financial Guarantees

8.1. In addition to the debt projections shown above, in relation to external borrowing and finance leases, the Council also acts as a guarantor for an admitted body that delivers services on behalf of the Council.

8.2. If it is probable that these guarantees will be required a financial provision is created to mitigate the risk. The guarantee identified in the Statement of Accounts under the Contingent Liabilities note is:

- On 1 February 2018, **Freedom Leisure** took over the management of the **Council's Leisure Centres**. 96 staff were transferred by TUPE via a pass through agreement. An assessment has been carried out by management of the risk and potential financial consequences should the Council be called to settle these liabilities. For 2021/22, the risk is assessed as low, between **1% or £22,455** and **5% or £112,274**. This is based on the operating environment nationally, the overall financial position of Freedom Leisure, the contract between Freedom and the Council, and the support provided both by the Government and Lichfield District Council.

8.3. This guarantee is assessed throughout the year, in terms of the financial viability of the organisations for which the guarantee is provided, to determine whether a financial provision will need to be created.

9. The Authority's Risk Appetite, Knowledge and Skills

- 9.1. The Council's risk appetite, along with the majority of Local Government, is increasing due to the need to offset funding reductions from Central Government with income from alternative sources.
- 9.2. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Assistant Director - Finance and Commissioning is a qualified accountant with 30 years' experience, the Council uses the Property Team that forms part of the services provided by the Company to the Council to optimise the management of existing property. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA and the Association of Accounting Technicians.
- 9.3. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and has access to property professionals through the Estates Team. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 9.4. The Council plans to utilise the flexible use of capital receipts for transformation projects such as the Being a Better Council Programme.

10. Prudential and Local Indicators

- 10.1. The Prudential and Local Indicators in relation to the Capital Strategy are included in the Treasury Management Strategy Statement.

11. Chief Finance Officer Assessment of the Capital Strategy

- 11.1. I have assessed the current overall risk as **25** out of **64** based on the following factors:

	Likelihood	Impact	2023/24	2022/23
Minimum			0	0
<u>Capital Strategy</u>				
Slippage Occurs in the Capital Spend	4	2	8	8
Planned Capital Receipts are not received	2	2	4	4
The Capital Programme does include investment to realise all of the Council's Strategic aims	3	3	9	16
Actual Cashflows differ from planned Cashflows	2	2	4	4
Assessed Level of Risk			25	32
Maximum			64	64

- 11.2. Therefore, I believe the level of risk is Tolerable (Green).

Construction Inflation Contingency													
Public Conveniences	147												
Sub Total	1,309	1,809	736	190	230	230	235	239	244	249	275	303	335
<u>Vehicles, Plant and Equipment</u>													
Bin Purchases/Dual Stream Recycling	417	150	150	150	150	150	151	152	153	155	160	166	172
Vehicles - Waste	0	0	0	6,000	0					0			
Vehicles - Other	261	281	247	217	30	207	211	216	220	224	248	273	302
ICT Investment	115	235	50	175	175	175	179	182	186	190	209	231	255
Building a Better Council	490												
Car Park Strategy	376	220											
Committee Audio-Visual Hybrid Meeting Platform	85												
Sub Total	1,744	886	447	6,542	355	532	541	550	559	569	617	671	729
<u>Other Capital Investment</u>													
Disabled Facilities Grants	1,000	1,615	1,272	914	914	914	924	935	944	953	984	992	1,005
Home Repair Assistance / Energy Insulation	0	22	22	25	25	25	25	25	25	25	25	25	25
Other Projects	536	5,348	2,583	0	0								
Sub Total	1,536	6,985	3,877	939	939	939	949	960	969	978	1,009	1,017	1,030
Total Modelled Expenditure	4,750	15,420	9,728	7,671	1,524	1,701	1,725	1,749	1,773	1,796	1,902	1,992	2,094

Key Assumptions	Medium Term Financial Strategy					Additional Projections							
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2036/37	2041/42	2046/47
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Corporate Funding</u>													
Capital Receipts	(1,134)	(1,300)	(345)	0	(222)								
Capital Receipts - Housing	0	(360)	0	0	0								
Revenue - Corporate	0	(238)	(100)	(565)	(183)								
<u>Other Funding</u>	0	0	0	0	0								
Disabled Facilities Grant - New	(914)	(914)	(914)	(914)	(914)	(914)	(924)	(935)	(944)	(953)	(984)	(992)	(1,005)
Disabled Facilities Grant - Existing	(86)	(701)	(358)	0	0								
Home Repair Assistance / Energy Insulation	0	(22)	(22)	(25)	(25)								
Other Grants	(523)	(935)	(967)	0	0								
Section 106	(142)	(305)	(133)	0	0								

Annual Borrowing Need	26	2,293	2,425	0	0	637	650	662	675	688	757	833	917
Cumulative Borrowing Need	26	2,319	4,744	4,744	4,744	5,381	6,031	6,693	7,368	8,056	11,700	15,710	20,125

[illegible][illegible]

Capital Programme

Project		Capital Programme (R=>500k, A=250k to 500k and G=<250k)						
		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000	Corporate
New Build Parish Office/Community Hub	R	62	30	0	0	0	92	0
Burntwood Leisure Centre Sinking Fund	A	0	69	0	0	0	69	0
Friary Grange - Short Term Refurbishment	R	158	0	0	0	0	158	0
Replacement Leisure Centre	A	50	5,087	4,647	0	0	9,784	400
Burntwood Leisure Centre - Decarbonisation	A	18	0	0	0	0	18	0
Accessible Homes (Disabled Facilities Grants)	R	1,000	1,615	1,272	914	914	5,715	0
Decent Homes Standard	R	0	97	0	0	0	97	0
Energy Insulation Programme	R	0	22	22	25	25	94	0
Affordable Housing Monies	A	4	260	21	0	0	285	0
Vehicle Replacement Programme - Env Health	A	0	0	0	0	20	20	0
Burntwood Park Play Equipment	A	75	0	0	0	0	75	0
Conversion of 36a Bore Street	A	34	542	0	0	0	576	360
Streethay Community Centre	R	0	600	0	0	0	600	0
Changing Places Fund	A	94	0	0	0	0	94	0
Zip Wire in Burntwood	A	30	0	0	0	0	30	0
Burntwood Community Hub	R	0	250	0	0	0	250	0
Play Equipment at Chase Terrace Park	A	25	0	0	0	0	25	0
Climbing Wall at Burntwood Leisure Centre	A	0	50	50	0	0	100	0
Soft play facility at Burntwood Leisure Centre	A	0	50	50	0	0	100	0
Adventure Golf at Beacon Park	A	0	150	150	0	0	300	0
Obstacle Course at Beacon Park	A	0	0	150	0	0	150	0
Paddle Tennis courts	A	0	200	200	0	0	400	0
New 3G Pitch in Lichfield	A	0	200	200	0	0	400	0
Play Area at Burntwood Leisure Centre	A	35	0	0	0	0	35	0
Enabling People Total		1,585	9,222	6,762	939	959	19,467	760
Loan to Council Dev Co.	A	57	93	0	0	0	150	0
Lichfield St Johns Community Link	R	0	35	0	0	0	35	0
Staffordshire Countryside Explorer	R	44	0	0	0	0	44	0
Lichfield Public Conveniences	A	40	0	0	0	0	40	40
Vehicle Replacement Programme (Waste)	A	0	0	0	6,000	0	6,000	0
Bin Purchase	A	150	150	150	150	150	750	0
Dual Stream Recycling	A	267	0	0	0	0	267	0
Vehicle Replacement Programme (Other)	A	261	281	247	217	0	1,006	255
Burntwood Public Conveniences	A	45	0	0	0	0	45	0
Falkland Road Fosseyway Canal Walk	R	0	260	0	0	0	260	0
Shaping Place Total		864	819	397	6,367	150	8,597	295
Vehicle Replacement Programme (Car Parks)	A	0	0	0	0	10	10	0
Coach Park	A	50	300	0	0	0	350	288
Car Parks Variable Message Signing	A	150	0	0	0	0	150	0
Pay on Exit System at Friary Multi Storey	A	93	0	0	0	0	93	0
Card Payment in All Car Parks	A	123	0	0	0	0	123	0
Pay on Exit System at Lombard Street	A	0	150	0	0	0	150	0
Electric Vehicle Charge Points	A	10	70	0	0	0	80	0
BRS Enabling Works	A	385	685	0	0	0	1,070	0
Cinema Development	R	240	3,326	1,783	0	0	5,349	850
New 3G Pitch at Chasetown Football Club	R	0	100	0	0	0	100	0
Incubator Space	A	354	300	546	0	0	1,200	0
Developing Prosperity Total		1,405	4,931	2,329	0	10	8,675	1,138
Property Planned Maintenance	A	206	213	190	190	230	1,029	1029
IT Infrastructure	A	115	235	50	0	175	575	475
ICT Hardware	A	0	0	0	175	0	175	175
Building a Better Council	A	490	0	0	0	0	490	490
Committee Audio-Visual Meeting Platform	A	85	0	0	0	0	85	85
Good Council Total		896	448	240	365	405	2,354	2,254
Capital Programme		4,750	15,420	9,728	7,671	1,524	39,093	4,447

A = Asset related R = Statutory based

Funding Source	Capital Programme					
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Receipts	1,134	1,300	345	0	222	3,001
Capital Receipts - Housing	0	360	0	0	0	360
Revenue - Corporate	0	238	100	565	183	1,086
Corporate Council Funding	1,134	1,898	445	565	405	4,447
Grant	1,523	2,572	2,261	939	939	8,234
Section 106	142	305	133	0	0	580
CIL	44	1,645	800	0	0	2,489
Reserves	1,731	6,448	3,514	17	30	11,740
Revenue - Existing Budgets	150	150	150	150	150	750
Sinking Fund	0	69	0	0	0	69
Leases	0	0	0	6,000	0	6,000
Internal Borrowing	26	2,333	2,425	0	0	4,784
Total	4,750	15,420	9,728	7,671	1,524	39,093
External Borrowing	0	0	0	0	0	0
Capital Programme	4,750	15,420	9,728	7,671	1,524	39,093

Reconciliation of Original Capital Programme to this Capital Programme

	Cabinet or Decision Date	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Original Budget Council 22/02/2022		7,953	7,247	1,926	1,745	0	18,871
Approved Changes							
Slippage from 2021/22	07/06/2022	1,650					1,650
Allocation of CIL Monies	08/02/2022	860					860
36A Bore Street Briefing note	20/12/2021	360					360
MTFS	05/07/2022	(37)	50	50			63
Burntwood Zip Line	25/07/2022	30					30
Money Matters Qtr 1	06/09/2022	548	532	905	(41)		1,944
Updated Projections	06/09/2022	(50)					(50)
Money Matters Review of Reserves	06/09/2022	77	1,000				1,077
Play Equipment Chase Terrace Park	06/10/2022	25					25
A Cinema for Lichfield District	11/10/2022	427	2,209	1,383			4,019
Play Area Burntwood Leisure Centre	27/10/2022	35					35
Money Matters Qtr 2	06/12/2022	(271)	23			30	(218)
Money Matters Period 8	14/02/2022	(6,582)	6,595				13
Projections							
Long Term Model	22/02/2022					1,659	1,659
Building a Better Council IT Provision	This meeting	(175)					(175)
Leisure Centre		(100)	253	4,547	(100)		4,600
Removal of Grant from Coach Park			(500)				(500)
New CIL Allocations			750	800			1,550
Waste Fleet Replacement			(2,818)		6,000		3,182
Vehicle Replacement Programme			79	117	67	(165)	98
Capital Programme		4,750	15,420	9,728	7,671	1,524	39,093

Minimum Revenue Provision Statement 2023/24

Where the Council finances capital expenditure by debt (finance leases, internal and external borrowing), it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Although there has been no statutory minimum since 2008. The Local Government Act 2003 requires this Council to have regard to the Department of Levelling Up, Housing and Communities (DLUHC) guidance on MRP most recently issued in 2018.

The broad aim of the DLUHC Guidance is to ensure that capital expenditure is financed over the period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The DLUHC Guidance requires the Council to approve an annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

- For capital expenditure incurred after 1 April 2008 where no financial support is provided by the Government through the Finance Settlement, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments starting in the year after the asset becomes operational. MRP on purchases of **freehold land** will be charged over a maximum of **50 years**. MRP on expenditure not related to assets but that has been **capitalised by regulation or direction** (Revenue Expenditure Funded by Capital under Statute or REFCUS) will be charged over a maximum of **20 years**.
- For assets acquired by **leases**, MRP will be determined as being equal to the **element of the rent or charge that is used to write down the Balance Sheet liability**.
- Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- For **capital expenditure loans to third parties that are repaid** in annual or more frequent instalments of principal, the Council will make **nil MRP**, but instead apply the capital receipts arising to reduce the Capital Financing Requirement or Borrowing Need. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate delaying the MRP until the year after the assets become operational.

Capital expenditure funded by debt incurred during 2023/24 will not be subject to a MRP charge until 2024/25 or later.

Based on the Authority's latest estimate of its Capital Financing Requirement (CFR) on 31 March 2023, the budget for MRP has been set as follows:

	Estimated CFR 31/03/2023 £000	Estimated MRP 2023/24 £000
Capital Expenditure after 31/03/2008	2,139	47
Leases	0	0
Total	2,139	47

Treasury Management

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2018 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

As part of the MTFs, we prepare integrated Revenue Budgets and a Capital Programme. These budgets, together with the actual Balance Sheet from the previous financial year, are used to also prepare Balance Sheet projections. These Balance Sheet Projections are shown on the next page.

These Balance Sheet projections are significant in assessing the Council's Treasury Management Position in terms of borrowing requirement (including comparison to a **Liability Benchmark** explained below), investment levels and our Investment Policy and Strategy.

A Liability benchmark compares the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as used in the Balance Sheet projections, but that cash and investment balances are kept to a minimum level (**£10m**) to maintain sufficient liquidity but minimise credit risk through the use of Internal Borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast Capital Financing Requirement (CFR) or Borrowing Need over the next three years. The table shows that the Council expects to comply with this recommendation.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Capital Financing Requirement (Borrowing)	2,158	2,139	4,425	6,804	6,557	6,310
Capital Financing Requirement (Finance Leases)	384	0	0	0	5,246	4,460
Total	2,542	2,139	4,425	6,804	11,803	10,770

External Borrowing	1,126	1,066	1,005	944	883	822
Finance Leases	384	0	0	0	5,246	4,460
Total	1,509	1,066	1,005	944	6,129	5,282

Liability Benchmark	38,242	33,881	22,437	17,745	16,954	13,515
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Balance Sheet Projections 2022-27

(Rounding may result in slight differences in figures in the wider Report)

	Type	2021/22 Actual £000s	2022/23 Budget £000s	2023/24 Budget £000s	2024/25 Budget £000s	2025/26 Budget £000s	2026/27 Budget £000s	2021/27 Change £000s
Non-Current Assets	ASSET	48,033	48,720	55,927	60,793	65,740	64,540	16,507
Equity Investment in Local Authority Company	ASSET	225	225	225	225	225	225	0
Long Term Debtors	CRED	143	143	143	143	143	143	0
Long Term Investment (Company Loan)	LOAN	0	57	150	150	150	150	150
Investments	INV	49,367	44,946	33,441	28,688	27,836	24,336	(25,031)
Borrowing	BOLE	(1,126)	(1,065)	(1,004)	(943)	(882)	(822)	304
Finance Leases	BOLE	(383)	(0)	(0)	(0)	(5,246)	(4,460)	(4,077)
Working Capital	CRED	(23,176)	(23,100)	(22,434)	(22,170)	(22,356)	(22,356)	820
Pensions	CRED	(24,799)	(25,523)	(26,090)	(27,633)	(29,220)	(28,644)	(3,845)
TOTAL ASSETS LESS LIABILITIES		48,284	44,403	40,357	39,251	36,389	33,112	(15,172)

Unusable Reserves								
Revaluation Reserve	REV	(11,897)	(11,897)	(11,897)	(11,897)	(11,897)	(11,897)	0
Capital Adjustment Account	CAP	(33,819)	(34,966)	(39,980)	(42,467)	(42,415)	(42,248)	(8,429)
Deferred Credits	CRED	(47)	(47)	(47)	(47)	(47)	(47)	0
Pension Scheme	CRED	25,962	26,741	27,543	28,369	29,220	30,097	4,135
Benefits Payable During Employment Adjustment Account	CRED	409	409	409	409	409	409	0
Collection Fund	CRED	2,863	(305)	0	0	0	0	(2,863)
Available for Sale Financial Instruments Reserve	CRED	(228)	1,197	1,197	1,197	1,197	1,197	1,425
Usable Reserves								
Unapplied Grants and Contributions	UGER	(4,057)	(4,353)	(2,397)	(1,763)	(1,988)	(2,213)	1,844
Usable Capital Receipts	UGER	(2,859)	(2,799)	(1,169)	(854)	(884)	(690)	2,169
Burntwood Leisure Centre Sinking Fund	UGER	(69)	(69)	0	0	0	0	69
Earmarked Reserves - Unrestricted	UGER	(12,653)	(7,951)	(3,999)	(2,308)	(1,851)	(1,808)	10,845
Earmarked Reserves - Restricted	UGER	(5,043)	(4,287)	(3,942)	(3,816)	(3,713)	(3,627)	1,415
General Fund Balance	GEN	(6,846)	(6,075)	(6,075)	(6,075)	(4,420)	(2,285)	4,561
TOTAL EQUITY		(48,284)	(44,403)	(40,357)	(39,251)	(36,389)	(33,112)	15,172

Reserves Available to cover Investment Losses		(19,499)	(14,026)	(10,074)	(8,383)	(6,271)	(4,093)	15,406
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Summary								
Capital Funding	CAP	(33,819)	(34,966)	(39,980)	(42,467)	(42,415)	(42,248)	(8,429)
Revaluation Reserve	REV	(11,897)	(11,897)	(11,897)	(11,897)	(11,897)	(11,897)	0
Borrowing and Leasing	BOLE	(1,509)	(1,066)	(1,005)	(944)	(6,129)	(5,282)	(3,773)
Non-Current Assets	ASSET	48,258	48,945	56,152	61,018	65,965	64,765	16,507
Investments	INV	49,367	44,946	33,441	28,688	27,836	24,336	(25,031)
Unapplied Grants & Earmarked Reserves	UGER	(24,681)	(19,460)	(11,508)	(8,740)	(8,436)	(8,338)	16,343
General Reserve	GEN	(6,846)	(6,075)	(6,075)	(6,075)	(4,420)	(2,285)	4,561
Long Term Debtors	DEBT	143	143	143	143	143	143	0
Long Term Investment (Company Loan)	LOAN	0	57	150	150	150	150	150
Working Capital & Pensions	CRED	(19,016)	(20,628)	(19,422)	(19,875)	(20,797)	(19,344)	(328)
Total		0	0	0	0	0	0	0
Internal Borrowing		1,033	1,073	3,420	5,860	5,674	5,488	4,455

Liability Benchmark								
Capital Financing Requirement (Borrowing)		2,158	2,138	4,425	6,803	6,556	6,310	4,152
Working Capital, Pensions & Long Term Debtors		(18,873)	(20,485)	(19,279)	(19,732)	(20,654)	(19,201)	(328)
Usable Reserves		(31,527)	(25,535)	(17,583)	(14,815)	(12,856)	(10,623)	20,904
Minimum Level of Investments		10,000	10,000	10,000	10,000	10,000	10,000	0
Total		(38,242)	(33,881)	(22,437)	(17,745)	(16,954)	(13,515)	24,727

Borrowing Strategy

The Council currently projects **£1.065 million** of loans outstanding at the 31 March 2023, a decrease of **£0.061 million** on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast on the previous page shows that the Council does not expect to need to borrow in 2023/24. The Council may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of **£19.932 million**.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Staffordshire County Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Treasury Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between **£46.32 million and £67.21 million** and similar levels are expected in the forthcoming year.

Objectives: The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2023/24. This is especially the case for the estimated £15m that is available for longer-term investment. A reducing proportion of the Council's surplus cash remains invested in short-term unsecured bank deposits and money market funds. This diversification will represent a continuation of the strategy adopted in 2019.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing. At present the Authority's investment approach does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. Therefore, when investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the limits shown (recommended changes are in red).

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£2m	Unlimited
Secured investments *	25 years	£2m	Unlimited
Banks (unsecured) *	13 months	£1m	Unlimited
Building societies (unsecured) *	13 months	£1m	£2m
Registered providers (unsecured) *	5 years	£1m	£5m
Money market funds *	n/a	£4m	Unlimited
Strategic pooled funds	n/a	£5m	£15m
Real estate investment trusts	n/a	£1m	£5m
Other investments *	5 years	£0.5m	£2m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than **A-**. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of **£500,000 per counterparty** as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below **£500,000 per bank**. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Council's revenue reserves available to cover investment losses are forecast to be **£14.026 million** on 31st March 2023. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and pooled funds) will be **£2 million**. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than **£500,000** in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment limits

	Cash limit
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£12m per broker
Foreign countries	£2m per country

Liquidity management: The Council uses an excel spreadsheet for cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over a number of providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Assistant Director - Finance and Commissioning believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2023/24 is **£1.963 million**, based on an average investment portfolio of **£48.76 million** at an interest rate of **4.09%**. The budget for external debt interest paid in 2023/24 is **£0.029 million**, based on an average external debt portfolio of **£1.08 million** at an average interest rate of **2.59%**. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then yield in excess of **3.6%** of the revenue savings will be transferred to treasury management volatility reserves to cover the risk of capital losses or lower interest rates payable in future years.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Assistant Director - Finance and Commissioning, having consulted the Cabinet Member for Finance and Commissioning, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Investment Strategy Report 2023/24

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between **£37.15 million and £53.52 million** during the 2023/24 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council's policies and its plan for 2023/24 for treasury management investments are covered in a separate document in this report, the treasury management strategy.

Service Investments: Loans

Contribution: The Council lends money to its employees for car loans, inherited housing loans from Birmingham City Council, makes loans to individuals to reduce the risk of homelessness and will lend to its subsidiary and the joint venture.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. To limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Category of borrower	31.3.2022 actual			2022/23	2023/24
	Balance owing	Loss allowance	Net figure in accounts	Projection	Proposed Limit
Subsidiaries	£0	£0	£0	£57,000	£150,000
Employees – car loans	£0	£0	£0	£0	£100,000
Housing Loans - secured	£44,320	£0	£44,320	£44,320	£45,000
Housing Loans - unsecured	£2,771	£0	£2,771	£2,771	£3,000
Homelessness Loans	£12,708	(£12,708)	£0	£0	£50,000
Joint Venture – Cinema Development	£0	£0	£0	£240,000	£5,349,000
TOTAL	£59,799	(£12,708)	£47,091	£344,091	£5,697,000

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent including placing charges on properties for housing loans (secured) and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The most significant loans for service purposes are:

- The **£150,000** loan for up to **5 years** to the Council Company. The Board of Directors of the Company will initially include Council employees and therefore the Council will be able to manage the repayment risk through project due diligence and the monitoring of selected projects.
- The **£5,349,000** loan to the Joint Venture for the cinema development. The Council will have directors on the board of the joint venture and therefore the Council will be able to monitor and manage the repayment risk through the Business Plan.

Service Investments: Shares

Contribution: The Council has invested **£225,000** in shares of its Company to support local services.

Security: One of the risks of investing in shares is that they fall in value, meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Category of borrower	31.3.2022 actual			2022/23	2023/24
	Amount Invested	Gains or Losses	Value in accounts	Projection	Proposed Limit
Subsidiaries	225,000	0	225,000	225,000	225,000
Joint Venture ²	0	0	0	1	1
TOTAL	225,000	0	225,000	225,001	225,001

² The level of equity investment is still to be agreed.

Risk Assessment: The Council assesses the risk of loss before entering into and whilst holding shares by regular approval of the Business Plan and review of the Annual Report.

Liquidity: The equity investment has no time limit and will be monitored through approval of the Business Plan.

Non Specified Investments: Shares are the only investment type the Council has identified that meets the definition of a non-specified investment in the government guidance, The limits on share investments above are also therefore the upper limits on non-specified investments.

Commercial Investments: Property

See the Capital Strategy at **APPENDIX B**.

Loan Commitments and Financial Guarantees

See the Capital Strategy at **APPENDIX B**.

Proportionality

See the Capital Strategy at **APPENDIX B**.

Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. The Council does not currently plan to undertake this type of activity.

Capacity, Skills and Culture

See the Capital Strategy at **APPENDIX B**.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Total Investment Exposure	31/03/22 Actual £000	31/03/23 Forecast £000	31/03/24 Forecast £000	31/03/25 Forecast £000	31/03/26 Forecast £000	31/03/27 Forecast £000
Treasury Management Investments	£49,367	£44,946	£33,441	£28,688	£27,836	£24,336
Service Investments - Loans	£0	£0	£0	£0	£0	£0
Service Investments - shares	£225	£225	£225	£225	£225	£225
Commercial Investments: Property	£4,153	£3,468	£3,468	£3,468	£3,468	£3,468
TOTAL INVESTMENTS	£53,745	£48,639	£37,134	£32,381	£31,529	£28,029
Loan to the Council owned Company	£0	£57	£150	£150	£150	£150
Joint Venture Capital Advance	£0	£240	£3,566	£5,349	£5,349	£5,349
TOTAL EXPOSURE	£53,745	£48,936	£40,850	£37,880	£37,028	£33,528

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the Council does not currently intend purchasing any service or commercial type investments. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Investment rate of return (net of all costs)

Investments Net Rate of Return	31/03/22 Actual %	31/03/23 Forecast %	31/03/24 Forecast %	31/03/25 Forecast %	31/03/26 Forecast %	31/03/27 Forecast %
Treasury Management Investments	0.80%	2.55%	4.09%	3.69%	3.50%	3.50%
Service Investments - Loans						
Service Investments - shares						
Loan to Council Owned Company ³	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Joint Venture Capital Advance ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ALL INVESTMENTS	0.80%	2.55%	4.09%	3.69%	3.50%	3.50%

Other Investment Indicators	31/03/22 Actual %	31/03/23 Forecast %	31/03/24 Forecast %	31/03/25 Forecast %	31/03/26 Forecast %	31/03/27 Forecast %
Investment Property Income as a proportion of Net Operating Cost	0.77%	1.02%	1.33%	1.15%	0.92%	0.86%

See the Capital Strategy at **APPENDIX B**.

³ Gross figure budgeted to be 4% less investment income foregone.

⁴ To be agreed and in compliance with Subsidy Control Requirements.

CFO Report on Robustness of the Budget and Adequacy of Reserves – Supporting Information

Context

In accordance with the Local Government Act 2003 (Sections 25-27) and to comply with CIPFA Guidance on Local Authority Reserves and Balances, the CFO is required to formally report to Members on the robustness of the Budget and the adequacy of Reserves. The CFO is appropriately qualified under the terms of Section 113 of the Local Government Finance Act 1988.

Adequacy of Reserves

The CFO assesses and determines the appropriate level of Reserves and Provisions using a variety of mechanisms, including:

- Being significantly involved in the Budget setting process, the annual financial cycle and engaged in the strategic leadership of the organisation as a member of the Leadership Team including wider corporate roles beyond that of finance;
- Leading and writing on the annual revision of the MTFS;
- Challenging the budget at various stages of preparation, including the reasonableness of the key budget assumptions and sensitivities such as estimates for inflation and corporate financial pressures, realism of income targets and the extent to which known trends and liabilities are provided for:
 - Meetings with specific colleagues to examine particular areas or issues;
 - An in-depth review of the financial risks assessment;
 - Review of the movements, trends (including a comparison to the level at other Councils) and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
 - The use of professional experience and best professional judgement;
 - The use of appropriate professional, technical guidance and local frameworks;
 - Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
 - Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements. This is undertaken in consultation with relevant colleagues and Members of the Cabinet.

It is prudent for Councils to maintain an adequate 'working balance', that is part of General Reserves. A Risk Assessment approach is used to determine the required level of General Reserves and Provisions.

The Council's aim is to have a prudent level of General Reserves available for unforeseen financial risks. The Council projects available general reserves of **£4,175,000** at 31 March 2023 and at 31 March 2024. This is **30%** of the amount to be met from Government Grants and Local Taxpayers in 2023/24 of **£13,815,000**.

The minimum level of Reserves for 2023/24 onwards is **£1,900,000** and has been determined by Risk Assessment.

In recommending an adequate level of Reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of Reserves and Balances and compares these to the benefits accrued from having such Reserves. The opportunity cost of maintaining a specific level of Reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements.

In assessing this, it is important to consider that Reserves can only be used once and are therefore potentially only "one off" sources of funding. Therefore, any use of General Reserves above the lower minimum threshold is only ever used on one-off items of expenditure.

Expenditure - the level of Reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust "safety net" that adequately protects the Council against potential unbudgeted costs.

Use of General Revenue Reserves

The above assessment demonstrates that General Revenue Reserves are at an appropriate level as determined in accordance with the MTFs and the CFO's professional advice. The MTFs allows any Reserves above the level required by the Strategy to be used to fund one-off items of expenditure. No General Revenue Reserves below the minimum threshold are being used to support the 2023/24 budget and beyond.

CIPFA provides guidance for determining the minimum level of Reserves. The Council uses the method based on risk assessment. The approach to the risk assessment of Reserves has taken into account CIPFA guidance (LAAP 99) (Guidance note on Local Authority Reserves and Balances).

The table below shows the financial risk assessment made for **2023/24** with increases in the level of risk shown as positive numbers (red) and reductions in the level of risk enclosed in brackets (green):

Explanation of Risk / Justification of Balances	Severity of Risk	2023/24 Reserve Amounts	2022/23 Reserve Amounts	Change
		£	£	£
Capital Strategy Risk Assessment	Material	£25,000	£5,000	£20,000
Business Rates	Severe	£0	£0	£0
Leisure Centre Contract Performance	Material	£386,000	£153,000	£233,000
Reduction in customer income	Severe	£693,000	£794,000	(£101,000)
Higher inflation	Severe	£225,000	£288,000	(£63,000)
Increase in demand led services	Material	£90,000	£90,000	£0
Collection performance	Material	£361,000	£135,000	£226,000
Civil Contingency	Tolerable	£127,000	£127,000	£0
Other small risks	Tolerable	(£7,000)	£8,000	(£15,000)
		£1,900,000	£1,600,000	£300,000

Other Reserves (in addition to General Reserves)

A review of the level of Earmarked Reserves was undertaken, reported to Cabinet on 6 September 2022 and Council approved on 20 October 2022 the release of **£5,169,000** of earmarked reserves.

The projected levels of earmarked reserves are included as part of the Balance Sheet projections in the Treasury management Strategy Statement. Ongoing review of Earmarked Reserves takes place as part of the Money Matters Reports in line with the approved earmarked reserves policy to ensure we are only holding funds for known and essential purposes.

The Council also holds other Unusable Reserves that arise out of the interaction of legislation and proper accounting practice and the Balance Sheet projections are also included as part of the Balance Sheet projections in the Treasury management Strategy Statement.

The **CFO** has been involved throughout the entire budget process, including revising the MTFS, input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with Members of the Cabinet and Overview and Scrutiny Committees, advising colleagues, the strategic choices activities, challenge and evaluation activities, and scrutiny of the budget. The following sections of this statement outline particular activities and documents.

Process - a robust budget process has been used within the overall context of the MTFS.

Timetable - the process started in July 2022 and the draft budget was completed in December 2022 prior to the Provisional **and Final** Financial Settlement for Local Government 2023/24. This enabled formal scrutiny of the budget making process in January 2023. The final budget is due to be set at Council on 28 February 2023, well within the statutory deadline.⁵

Member involvement and Scrutiny (including budget monitoring) - formal Member involvement has been extensive, particularly through the Cabinet in conjunction with Leadership Team, Strategic Overview & Scrutiny Committee and Audit and Member Standards Committee, which has fed upwards to Cabinet.

Consultation – from 15 November 2022 to 20 December 2022, we carried out a budget consultation to find out what people who live in the District think about the services we provide.

Challenge - there are various points of challenge at various stages of the Budget, meetings of Leadership Team, Cabinet and the Scrutiny process itself.

Localism Act - Right to approve or veto excessive Council Tax rises - The Secretary of State has determined a **3% or £5.00** (whichever is the higher) limit for Council Tax increases for 2023/24. If an Authority proposes to raise taxes above the limit they will have to hold a referendum to get approval for this from the local voters who will be asked to approve or veto the rises.

Ownership and accountability - the budget has progressed through the Service and Financial Planning process including review by management within services and Leadership Team. Budget holders were sent copies of budget estimate working papers for their respective areas of service responsibility.

Current financial position - the budget is a statement of financial intent, reflecting The Council's vision, plans and priorities. It also sets the financial spending parameters for each financial year and as such, the CFO assessment of the adequacy of Reserves, also includes the risk of services overspending and/or under-spending their budgets and the impact of this on the financial health of the Council and its level of Reserves. The current financial position has been reported throughout the year.

Key assumptions - The pay and prices used in the budget are derived from current intelligence, are considered appropriate and compare with those used by other Councils (the minimum level of general reserves has also been increased). Fees and charges have been reviewed and changes are reflected in the overall budget. The Capital Receipts to be used for the Capital Programme are based on estimates of both timing and value.

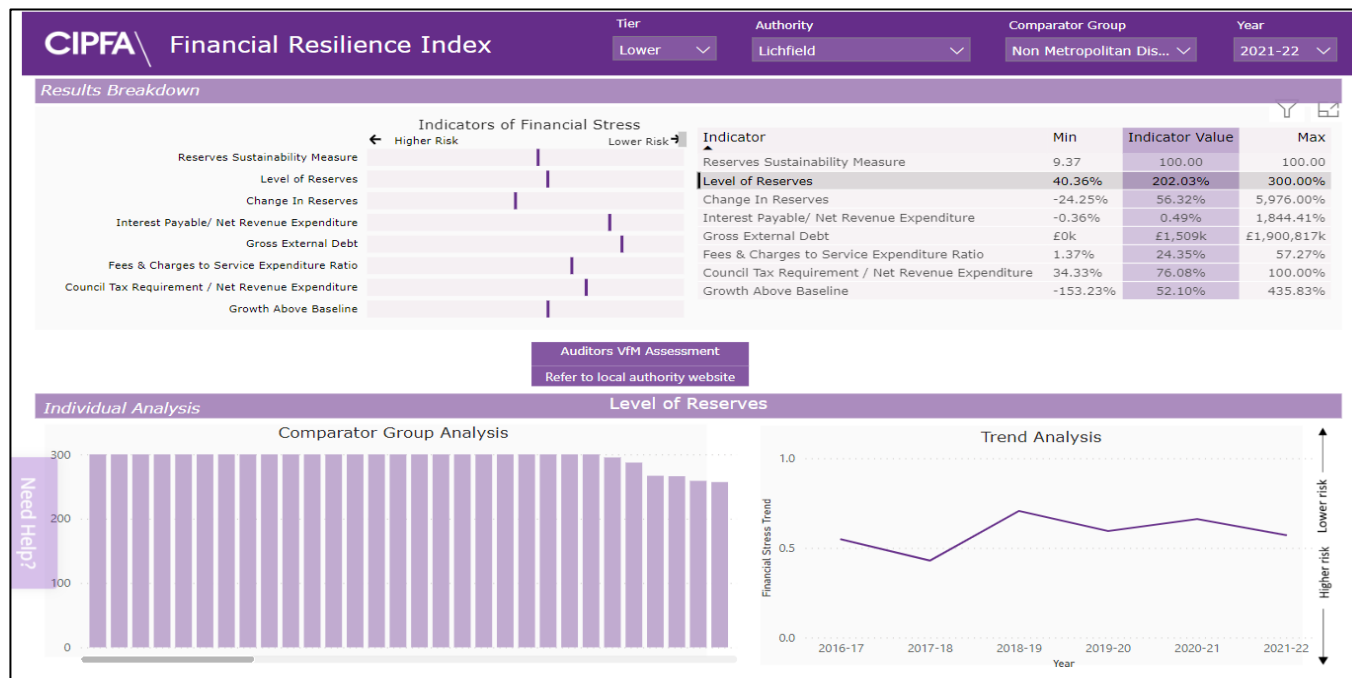
Financial risks – The Council continues to use an embedded good practice Risk Assessment approach both when setting the Budget and in validating estimated outturns. This continues for the 2022/23 outturn and 2023/24 plus Budget. The minimum level of General Reserves is considered to be adequate to cover all but the most unusual and serious combination of risks.

⁵ Statutory deadline date for setting Council Tax is by 11 March 2023.

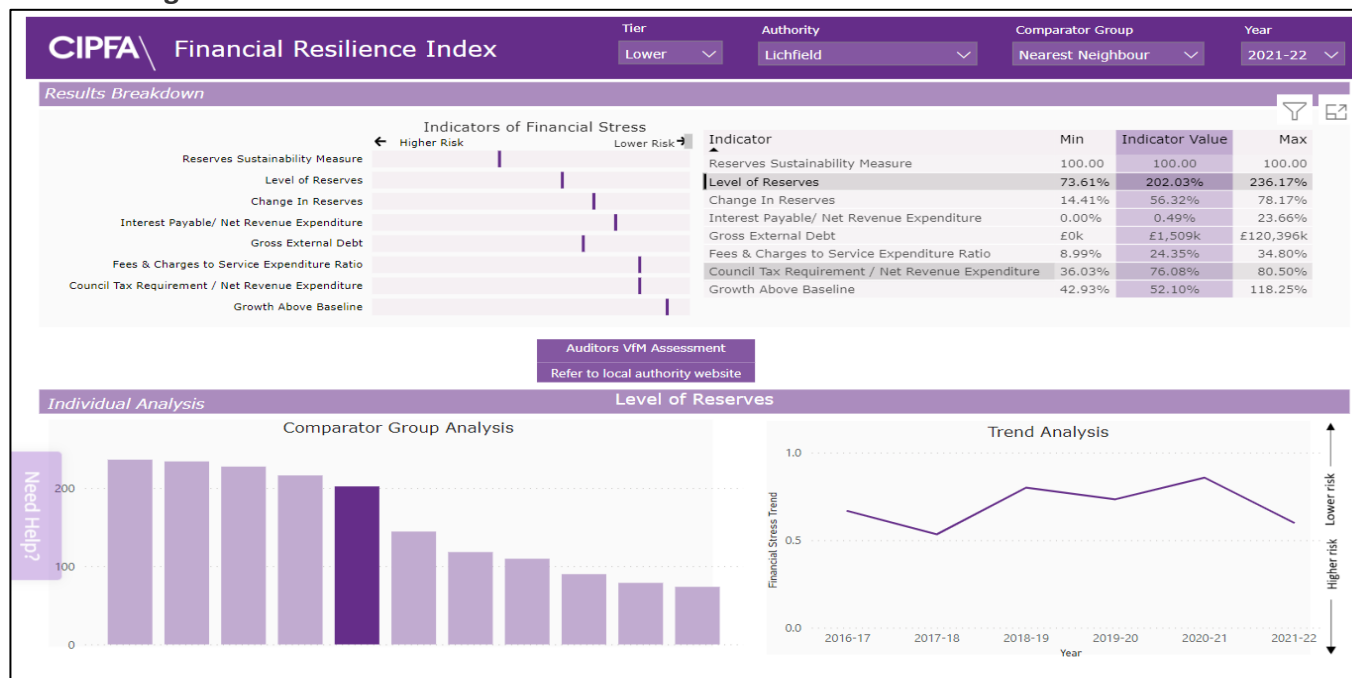
The CIPFA Resilience Index

The Chartered Institute of Finance and Accountancy (CIPFA) provided the fourth release of its Financial Resilience Index in December 2021. Lichfield DC's information compared to all District Councils and Nearest Neighbours using a range of measures associated with financial risk is shown below.

District Councils



Nearest Neighbours



Summary - Opinion of CFO on the Adequacy of Reserves and the Robustness of the Estimates

I am of the opinion that in the current economic climate for a Council of this size and with our recent record of prudent spending, effective Risk Management, robust budgeting and effective Budget monitoring and control, an increased General Minimum Reserve level of **£1,900,000** is adequate.

Priorities and Budget Consultation Feedback report

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January 2023

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
Every business is cutting costs and driving out inefficient processes and waste in the economic downturn. The council should be making savings in exactly the same manner	35 - 44	Male	Yes
Please for christ sake do something with burntwood. We've been promised so so so much. The kids are running riot.... we're all falling into a spiral of depression cause there's nothing to do!! Other then have an Indian and get your hair done. It's disgusting	25 - 34	Female	Yes
need to find efficiencies, these are the lower impact areas	55 - 64	Male	Yes
THE COUNCIL SHOULD BE ASHAMED OF THEMSELVES OVER THE FRIASGATE PROJECT.HOW LONG HAS IT BEEN GOING ON,TWENTY OR SO YEARS AND NOTHING HAS BEEN DONE APART FROM RESURFACING THE BUS STATION.YOU JUST CONCENTRATE ON BUILDING OLD PEOPLES APPARTMENTS TO MAKE AS MUCH MONEY AS YOU CAN PLUNDER. DISGRACEFUL.	65 - 80	Male	Yes
please don't go woke	55 - 64	Male	Yes
not enough spent on road maintenance. not enough spent on after care for the elderly to live in their own homes (nationwide problem) .	81+	Male	No
I would be prepared to pay higher tax if public transport and city centre amenities and services would be improved.	45 - 54	Male	No
Reduce the frequency of black bin collections to every month, as so little goes in there these days. Increase car parking charges by more than inflation to create a fund to help support improved public transport, to start to encourage modal shift.	55 - 64	Male	Yes
There needs to be more active policing in the area.	65 - 80	Female	Yes
no mention of road repairs and maintenance	81+	Male	No
Money needs to be prioritised on important stuff and not wishy washy tat.	25 - 34	Male	Yes

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
From what I have heard and read the impression I get is that there are employees in the council and certain councillors who are not 'up to the job' they are doing. Some appear to be receiving remuneration and expenses that are disproportionate. Questionable decisions are being made about things such as organisation, role and furnishing of the offices. Certain areas in the district are so neglected. I accept that this 'tone' is being set by central government but I am unable to accept that the council does not challenge this.	65 - 80		Yes
No council tax rises please	35 - 44	Male	Yes
Letting grass grow could be beneficial; removing all support for Friary Leisure centre would save money and private enterprise could take over while being incentivised to offer discounts to low income people.	55 - 64	Female	Yes
This is very hard to do Im not sure I have done it justice I have picked areas that I think need improvement	65 - 80	Male	Yes
This whole exercise will mostly be ignored unless the council want to blame the people for their constant failure for the whole community. A little bit of inspirational thinking and ownership would be rather refreshing!	45 - 54	Male	Yes
i think too much is said about about the leisure centre situation in Litchfield. If we are properly invested in the leisure centre we had already maybe we wouldn't need to spend all our budget on a new one. I don't think there's any necessity to overly increase housing in Litchfield as we don't have the resources to make the city any bigger, to be honest I think the new housing estates aren't necessary and just makes it a bit more overcrowded.	18 - 24	Male	Yes
the city is blighted by patches of tarmac amongst the cobble and pavers making the city looked uncared for and reflects badly on the council	65 - 80	Male	Yes
The continued success is about bring money and visitors into the city. Stop opening 2nd hand shop they are making the place look less attractive and impacting growth of younger / middle age people.	35 - 44	Female	Yes
Save £5.7 million by scrapping plans for a cinema. It will never pay its way and will become a burden for taxpayers through subsidies. Footfall in Lichfield is bucking the trend. Promote the old Debenhams store to the likes of Primark etc.	65 - 80	Male	Yes
Great idea to see the implications spelled out well done 🙌	45 - 54	Male	Yes
A leisure Centre is NEEDED.	65 - 80	Male	Yes

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
Scrap the bower it is under appreciated and creates more expensive policing and clean up. Reduced the budget for migrants living in hotels. At a cost of 1.3bn annually this money could be better spent on home problems such as repairing the state of our roads.	45 - 54	Male	Yes
Stop building bloody houses everywhere	55 - 64	Male	Yes
Council taxes are very high and rising rapidly.	65 - 80	Male	Yes
Lichfield District Council seems to lavish expenditure on Lichfield itself, but villages such as Harlaston seem to be ignored. The lanes around our villages are not maintained, and while I realise this is a matter for Staffordshire County Council, surely you as our local council could petition them to improve response times when potholes are reported. It is a tiresome procedure to report, especially because a separate report has to be filed for each pothole regardless of how close to one another they are, and takes months before they are marked for attention and many more before anything is actually done.	65 - 80	Female	Yes
In the current financial climate and pressures on those who are less well off or vulnerable needs to influencing Council policies, services and its overall costs. Provision of warm spaces is commendable but what else is the District doing in conjunction with SCC, parishes and the voluntary sector to help those in need of support or financial assistance?	65 - 80	Male	Yes
Three Spires car park needs complete overhaul - the stairwells are disgusting and the operator issues fines when people are legitimately parked and have paid.	45 - 54	Female	Yes

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
<p>Parking is a big issue for Lichfield, that would attract more visitors to the area, hence the lack of finding for events. Planning permission has always been slow anyway!</p> <p>Spending more on local parks and wildlife would also creat a healthy and safe environment for the community to utilize for their fitness needs as well as social activities.</p> <p>I can't comment on the housing strategy.</p> <p>Sports activities would be effected by the cut in funding but again creating a better park/open space environment would assist this.</p> <p>Personally with my grandparents living in Lichfield for many years including myself and a family member owning a business here for 40+ years, Lichfield always attracts people due to the atmosphere, how nice the city looks and the eatery's, cafes and small pubs/bars we have. I would not be worried about this.</p>	25 - 34	Male	No
<p>Stop wasting money on schemes which come to nothing. Long term planning would be welcome. Put some pressure on central government for more powers locally and more funding. I know highways are county council but the road conditions are very poor. Push them to do more.</p>	65 - 80	Male	Yes
<p>I'm finding the questions and categories limited and do not always provide the choices that I would want to see when allocating local priorities</p>	65 - 80	Female	Yes
<p>A greener festival city full of events drawing in tourists will give us more income. Lichfield is lucky to have many attractions already. Play to your strengths</p>	35 - 44	Male	Yes
<p>Where's social care budget snd nursery budget??</p>	35 - 44	Male	Yes

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
It is possible to balance the budget and going forward to increase incomes by looking at more events and community support across the whole council not just the city centre. To change the way you look at planning to be more open to changes and new scheme, to offer help and not negative hurdles. Parks need more funding to create bright and open areas that people will want to use. Town centres need to be vibrant for younger people and needs afternoon/evening entertainment. Developments have taken place, but little thought to more shops, restaurants and doctors surgeries all of which would bring in more money for the area. Mere green have done a lot to revamp the area and this could be done in other places around lichfield.	35 - 44	Male	Yes
A delay to planning decisions is a small price to pay for improving homelessness at the moment. You can shift the balance back in the future when the economic outlook is better	45 - 54	Female	Yes
Cost to create car park former Kennings site near traffic lights opposite city station . Annual revenue from completed project?	81+	Male	Yes
How much did you waste on this idea?	35 - 44	Male	Yes
More investment should be considered outside the city to the smaller communities to help them develop, and become more self-sustaining. There are far too many empty buildings/ shops/units that can help rebuild an infrastructure. Smaller rent costs could encourage small business owners to utilise these spaces, rather than them being empty and falling into disrepair and not bringing in an income. Having these occupied would bring in more revenue all round, and would therefore not be wasted. Specifically, Burntwood "shopping centre", could be redeveloped to have many additional facilities/shops/units, bringing in more revenue for the community.	35 - 44	Female	Yes
We all have to accept that because of terrible mismanagement by our government we are in a parlous financial position. The council needs our support to deliver as good a service as they can. Good luck to all who have to manage this over the coming year.	65 - 80	Male	Yes
I don't see the point in this survey/consultation if the only thing you can do is kept the levels at what they currently are because the truth of the matter is that services need a lot more investment as currently alot of then fall below satisfactory levels and there in no investment been made to improve the city in a way that shows that it is looking forward to the future and making plans now to make the changes that will not only benefit businesses and tourism in the city but will also benefit the people living in the city. But as usual it is stuck in time and not willing to move forward.	35 - 44	Male	Yes
City centre development inappropriate during a time of huge retail uncertainty	65 - 80	Male	Yes

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
<p>I think it is good to try and gain the public viewpoint however, I feel this is a fruitless exercise because the public are not aware of the intricacies of how each budget is spent and how any efficiencies and savings could be made and what any increased budget would be spent on.</p> <p>I appreciate the Council is forced to spend a large portion of budget conforming to regulations and legislation so this dictates a certain amount of expenditure and that apportioning the remaining budget is very complex.</p> <p>Gaining the views of the public is important but in my opinion it would be better to gauge what is most important to people and then try and apportion your budget to meet those wishes. I appreciate that would also be a difficult task and somehow you would need to feedback how the budget would need decreased and increased to meet those wishes and then you would need to get views on what the public would want to do once they had that feedback, as I say, a fruitless task, so in summary, don't bother asking the public how to spend budgets, just ask them what is most important to them and then try and do your best to meet those wishes!</p>	55 - 64	Male	Yes
<p>It really is a case of Hobson's choice- damned if you do and damned if you don't. I've fiddled with the sliders but I think the theoretical negative risks outweigh the possibility of improvements elsewhere. That being the case it may be preferable to maintain the status quo but explore where efficiencies could be made in administration and operations.</p>	65 - 80	Male	Yes
<p>Nature based solutions are the key to a healthier, more inclusive environment for everyone, including investors and tourism.</p>	45 - 54	Female	Yes
<p>There is nothing in here for more cycle lanes. In such a small city, we need to make it safe for cyclists and pedestrians and get around, taking local car traffic off the roads. At the moment, there are so few cycle lanes, and they are generally used for cars to park in e.g. Walsall road</p>	25 - 34	Female	Yes
<p>It is a difficult budget to balance but an increase in the Council Tax on the higher bands of domestic property should bring in extra funding.</p>	65 - 80	Male	
<p>Road repairs please</p>	55 - 64	Male	Yes
<p>There really isn't anything that can readily have its budget reduced so it's a question of cutting some aspects that maybe will have less impact on people's lives. Feel it's important to maintain parks and green spaces for mental health support. Bin collection and street cleaning essential, the latter helping keep drains clear to reduce flooding.</p>	65 - 80	Female	Yes

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?
seeing how lichfield is supposed to be a historic city i feel that it does not be as attractive as other cities perhaps you could make it more welcoming	65 - 80	Male	Yes
LDC needs modernisation. It does not meet the needs of the district by miles. More compassion more expertise more democracy needed	65 - 80	Male	Yes
There is a lot that needs to change and the efficient use of the budget to be managed locally , with extra funding t I pick up the mess from planning that has been left	45 - 54	Female	Yes
We need a better swimming pool & leisure centre	45 - 54	Male	Yes
Everyone will have different views but with the massive increase in crime this last year and GPs getting worse, those are where I would focus my budget over the next 2 years. Stop building plans, stop bringing more people to an area that you cannot control at its current size. Slow down and work everything else out before you start trying to grow your population numbers	35 - 44	Male	Yes

COUNCIL TAX RESOLUTION 2023/24

1. PURPOSE OF REPORT

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2023/24. The Formal Council Tax Resolution is at **Appendix A**.

Members are also reminded that in accordance with Section 106 of the Local Government Finance Act 1992, any Member in council tax arrears is unable to participate in the debate and decision making in relation to the budget and council tax setting.

2. BACKGROUND

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992. It now requires the billing authority to calculate a Council Tax requirement for the year.

Since the meeting of the Cabinet, the precept levels of other precepting bodies have been received or drafted. These are detailed below:

City, Town and Parish Councils

The City, Town and Parish Councils Precepts for 2023/24 are detailed in **Appendix C** and total **£2,183,312**. The increase in the average Band D Council Tax for City, Town and Parish Councils is **0.56%** and results in an average Band D Council Tax figure of **£53.86** for 2023/24.

Staffordshire County Council

Staffordshire County Council met on 9 February 2023 and set their precept at **£59,635,425.31** adjusted by a Collection Fund contribution of **£366,738** (a total payable of **£60,002,163.31**). This results in a Band D Council Tax of **£1,471.23**.

Staffordshire Commissioner – Police and Crime

The Staffordshire Commissioner – Police and Crime set their precept on 6 February 2023 at **£10,562,048.61** adjusted by a Collection Fund contribution of **£65,054** (a total amount payable of **£10,627,102.61**). This results in a Band D Council Tax of **£260.57**.

Staffordshire Commissioner – Fire and Rescue

The Staffordshire Commissioner – Fire and Rescue set their precept on 13 February 2023 at **£3,415,023.20** adjusted by a Collection Fund contribution of **£21,029** (a total amount payable of **£3,436,052.20**). This results in a Band D Council Tax of **£84.25**.

3. Recommendation

The recommendations are set out in the formal Council Tax Resolution at **Appendix A**.

If the formal Council Tax Resolution at **Appendix A** is approved, the total Band D Council Tax will be as follows¹:

	2022/23 £	2023/24 £	Increase £	Increase %
Lichfield District Council	£187.85	£187.85	£0.00	0.00%
Staffordshire County Council	£1,401.30	£1,471.23	£69.93	4.99%
Staffordshire Commissioner - Police & Crime	£248.57	£260.57	£12.00	4.83%
Staffordshire Commissioner - Fire & Rescue	£80.35	£84.25	£3.90	4.85%
Sub Total	£1,918.07	£2,003.90	£85.83	4.47%
City, Town and Parish Councils (average)	£53.56	£53.86	£0.30	0.56%
Total	£1,971.63	£2,057.76	£86.13	4.37%

Authorisation of Officers to collect and recover Council Tax, National Non Domestic (Business) Rates and Business Improvement Districts (BIDS):

A Thomas, Assistant Director – Finance and Commissioning (Section 151 Officer); L Barton, Assistant Director – Customer, Resident and Business Services; N Begley, Revenues, Benefits and Corporate Debt Recovery Service Manager; J Irving, Senior Business Advisor; R Hughes, Business Advisor; R Miller, Revenues & Benefits Manager; V Fenton, Revenues and Benefits Manager, or any other person specifically authorised by the Section 151 Officer, appointed by the said offices under Section 112 of the Local Government Act 1972, be hereby authorised:-

- a) To demand, collect and recover any Council Tax, National Non-Domestic Rate or Business Improvement District (BID) made by the Council under the Local Government Finance Acts 1988 and 1992;
- b) To demand, collect and recover any penalties under schedules 3 and 4 to the Local Government Acts 1988 and 1992;
- c) Under Section 223 of the Local Government Act 1972 and all other powers enabling them to prosecute and to appear on behalf of the Council at the hearing of legal proceedings in connection with the demand, collection and recovery of any Council Tax, National Non-Domestic Rate, Community Charge, Business Improvement Districts (BIDS) and General Rates made by the Council and/or any penalties imposed under the Local Government Finance Acts 1988 and 1992; and
- d) To make such amendments to the Council Tax and National Non-Domestic Rate as are authorised by the Local Government Finance Acts 1988 and 1992 and other legislation in force from time to time. Further, the Head of Finance and Procurement be authorised to impose penalties in accordance with Schedule 3 to the Local Government Act 1992, with regard to the supply of information for Council Tax purposes.

¹ The percentage increases are to two decimal places.

COUNCIL TAX RESOLUTION 2023/24

1. That the recommendations contained in the Medium Term Financial Strategy (Revenue and Capital) 2022/27 relating to the Revenue and Capital Estimates 2022/27 be approved with the follow amended recommendation:
 - 2.15 The payment received from Freedom leisure be set aside in an earmarked reserve held by the Council to cover **implementation/transition costs and the** additional costs of energy supply in 2023/24 and 2024/25 within the wholly owned company / new organisational structure and thereafter revert to General Reserves.
2. That the Cabinet recommendation (Agenda Item 4 of 6 December 2022 refers) in respect of calculating the Council Tax Base 2023/24 as follows be approved:
 - a) for the whole Council area as **40,534.40** (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")); and
 - b) for dwellings in those parts of its area which a Parish precept relates as in the attached **Appendix B**.
3. That, as a preliminary step the Council Tax requirement for the Council's own purposes for 2023/24 (excluding Parish precepts) is calculated as **£7,614,387 (40,534.40 x £187.85)**.
4. That the following amounts be calculated for the year 2023/24 in accordance with Sections 30 and 36 of the Act:

a	being the aggregate amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils. (Gross expenditure including Parish precepts and special expenses)	£59,646,632
b	being the aggregate of the amounts which the Council estimates for the items, set out in Section 31A(3) of the Act. (Income)	£49,848,933
c	being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31B of the Act). (Council Tax requirement for the year including Parish precepts)	£9,797,699
d	being the amount at 4 (c) above (item R), all divided by item T(2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).	£241.71
e	being the aggregate of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per attached Appendix C).	£2,183,312
f	being the amount at 4 (d) above less the results given by dividing the amount at 4 (e) above by item T (2(a) above), calculated by the Council, in accordance with section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.	£187.85

That it be noted that for the year 2023/24 Staffordshire County Council, The Staffordshire Commissioner – Police and Crime and the Staffordshire Commissioner – Fire and Rescue have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Valuation Bands							
A (6/9)	B (7/9)	C (8/9)	D 1	E (11/9)	F (13/9)	G (15/9)	H 2
Lichfield District Council							
£125.23	£146.11	£166.98	£187.85	£229.59	£271.34	£313.08	£375.70
Staffordshire County Council							
£980.82	£1,144.29	£1,307.76	£1,471.23	£1,798.17	£2,125.11	£2,452.05	£2,942.46
Staffordshire Commissioner - Police & Crime							
£173.71	£202.67	£231.62	£260.57	£318.47	£376.38	£434.28	£521.14
Staffordshire Commissioner - Fire & Rescue							
£56.17	£65.53	£74.89	£84.25	£102.97	£121.69	£140.42	£168.50
Aggregate of all Council Tax Requirements							
£1,335.93	£1,558.59	£1,781.25	£2,003.90	£2,449.21	£2,894.52	£3,339.83	£4,007.80

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts set out in **Appendix B** as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.
6. The Council has determined that its relevant basic amount of Council tax for 2023/24 is **not** excessive in accordance with the principles approved under section 52ZB Local Government Act 1992.
7. As the billing authority, the Council has **not** been notified by a major precepting authority that its basic amount of Council Tax for 2023/24 is excessive and that the billing authority is not required to hold a referendum in accordance with section 52ZK Local Government Act 1992.

APPENDIX B

Council Tax Schedule for 2023/24

Parts of the Council's Area	Valuation Bands							
	A (6/9) £	B (7/9) £	C (8/9) £	D 1 £	E (11/9) £	F (13/9) £	G (15/9) £	H 2 £
Lichfield District Council	£125.23	£146.11	£166.98	£187.85	£229.59	£271.34	£313.08	£375.70
Staffordshire County Council	£980.82	£1,144.29	£1,307.76	£1,471.23	£1,798.17	£2,125.11	£2,452.05	£2,942.46
Staffordshire Commissioner - Police & Crime	£173.71	£202.67	£231.62	£260.57	£318.47	£376.38	£434.28	£521.14
Staffordshire Commissioner - Fire & Rescue	£56.17	£65.53	£74.89	£84.25	£102.97	£121.69	£140.42	£168.50
Alrewas Parish Council (a)	£20.87	£24.35	£27.82	£31.30	£38.26	£45.21	£52.17	£62.60
Parish and District (b)	£146.10	£170.46	£194.80	£219.15	£267.85	£316.55	£365.25	£438.30
Total (c)	£1,356.80	£1,582.94	£1,809.07	£2,035.20	£2,487.47	£2,939.73	£3,392.00	£4,070.40
Armitage-with-Handsacre (a)	£35.32	£41.21	£47.10	£52.99	£64.76	£76.54	£88.31	£105.97
Parish and District (b)	£160.55	£187.32	£214.08	£240.84	£294.35	£347.88	£401.39	£481.67
Total (c)	£1,371.25	£1,599.80	£1,828.35	£2,056.89	£2,513.97	£2,971.06	£3,428.14	£4,113.77
Burntwood (a)	£28.56	£33.32	£38.08	£42.85	£52.37	£61.89	£71.41	£85.69
Parish and District (b)	£153.79	£179.43	£205.06	£230.70	£281.96	£333.23	£384.49	£461.39
Total (c)	£1,364.49	£1,591.91	£1,819.33	£2,046.75	£2,501.58	£2,956.41	£3,411.24	£4,093.49
Clifton Campville with Thorpe Constantine* (a)	£33.13	£38.65	£44.18	£49.70	£60.74	£71.79	£82.83	£99.39
Parish and District (b)	£158.36	£184.76	£211.16	£237.55	£290.33	£343.13	£395.91	£475.09
Total (c)	£1,369.06	£1,597.24	£1,825.43	£2,053.60	£2,509.95	£2,966.31	£3,422.66	£4,107.19
Colton (a)	£26.97	£31.47	£35.96	£40.46	£49.45	£58.44	£67.43	£80.91
Parish and District (b)	£152.20	£177.58	£202.94	£228.31	£279.04	£329.78	£380.51	£456.61
Total (c)	£1,362.90	£1,590.06	£1,817.21	£2,044.36	£2,498.66	£2,952.96	£3,407.26	£4,088.71
Curborough & Elmhurst and Farewell & Chorley* (a)	£25.73	£30.02	£34.31	£38.59	£47.17	£55.75	£64.32	£77.19
Parish and District (b)	£150.96	£176.13	£201.29	£226.44	£276.76	£327.09	£377.40	£452.89
Total (c)	£1,361.66	£1,588.61	£1,815.56	£2,042.49	£2,496.38	£2,950.27	£3,404.15	£4,084.99
Drayton Bassett (a)	£37.85	£44.16	£50.47	£56.78	£69.39	£82.01	£94.63	£113.55
Parish and District (b)	£163.08	£190.27	£217.45	£244.63	£298.98	£353.35	£407.71	£489.25
Total (c)	£1,373.78	£1,602.75	£1,831.72	£2,060.68	£2,518.60	£2,976.53	£3,434.46	£4,121.35
Edingale (a)	£37.02	£43.19	£49.37	£55.54	£67.88	£80.22	£92.56	£111.07
Parish and District (b)	£162.25	£189.30	£216.35	£243.39	£297.47	£351.56	£405.64	£486.77
Total (c)	£1,372.95	£1,601.78	£1,830.62	£2,059.44	£2,517.09	£2,974.74	£3,432.39	£4,118.87
Elford (a)	£41.18	£48.04	£54.91	£61.77	£75.49	£89.22	£102.95	£123.54
Parish and District (b)	£166.41	£194.15	£221.89	£249.62	£305.08	£360.56	£416.03	£499.24
Total (c)	£1,377.11	£1,606.63	£1,836.16	£2,065.67	£2,524.70	£2,983.74	£3,442.78	£4,131.34
Fazeley (a)	£35.94	£41.93	£47.92	£53.91	£65.88	£77.86	£89.84	£107.81
Parish and District (b)	£161.17	£188.04	£214.90	£241.76	£295.47	£349.20	£402.92	£483.51
Total (c)	£1,371.87	£1,600.52	£1,829.17	£2,057.81	£2,515.09	£2,972.38	£3,429.67	£4,115.61
Fradley (a)	£47.21	£55.08	£62.95	£70.82	£86.56	£102.29	£118.03	£141.64
Parish and District (b)	£172.44	£201.19	£229.93	£258.67	£316.15	£373.63	£431.11	£517.34
Total (c)	£1,383.14	£1,613.67	£1,844.20	£2,074.72	£2,535.77	£2,996.81	£3,457.86	£4,149.44
Hammerwich (a)	£12.98	£15.14	£17.30	£19.47	£23.79	£28.12	£32.44	£38.93
Parish and District (b)	£138.21	£161.25	£184.28	£207.32	£253.38	£299.46	£345.52	£414.63
Total (c)	£1,348.91	£1,573.73	£1,798.55	£2,023.37	£2,473.00	£2,922.64	£3,372.27	£4,046.73
Hamstall Ridware (a)	£27.56	£32.15	£36.75	£41.34	£50.52	£59.71	£68.90	£82.68
Parish and District (b)	£152.79	£178.26	£203.73	£229.19	£280.11	£331.05	£381.98	£458.38
Total (c)	£1,363.49	£1,590.74	£1,818.00	£2,045.24	£2,499.73	£2,954.23	£3,408.73	£4,090.48

* = Grouped Parishes

APPENDIX B (Continued)

Parts of the Council's Area -	Valuation Bands							
	A (6/9) £	B (7/9) £	C (8/9) £	D 1 £	E (11/9) £	F (13/9) £	G (15/9) £	H 2 £
Lichfield District Council	£125.23	£146.11	£166.98	£187.85	£229.59	£271.34	£313.08	£375.70
Staffordshire County Council	£980.82	£1,144.29	£1,307.76	£1,471.23	£1,798.17	£2,125.11	£2,452.05	£2,942.46
Staffordshire Commissioner - Police & Crime	£173.71	£202.67	£231.62	£260.57	£318.47	£376.38	£434.28	£521.14
Staffordshire Commissioner - Fire & Rescue	£56.17	£65.53	£74.89	£84.25	£102.97	£121.69	£140.42	£168.50
<u>Harlaston</u> (a)	£37.29	£43.51	£49.72	£55.94	£68.37	£80.80	£93.23	£111.87
Parish and District (b)	£162.52	£189.62	£216.70	£243.79	£297.96	£352.14	£406.31	£487.57
Total (c)	£1,373.22	£1,602.10	£1,830.97	£2,059.84	£2,517.58	£2,975.32	£3,433.06	£4,119.67
<u>Hints and Canwell</u> (a)	£31.86	£37.17	£42.48	£47.78	£58.40	£69.02	£79.64	£95.57
Parish and District (b)	£157.09	£183.28	£209.46	£235.63	£287.99	£340.36	£392.72	£471.27
Total (c)	£1,367.79	£1,595.76	£1,823.73	£2,051.68	£2,507.61	£2,963.54	£3,419.47	£4,103.37
<u>King's Bromley</u> (a)	£20.46	£23.87	£27.28	£30.69	£37.51	£44.33	£51.15	£61.38
Parish and District (b)	£145.69	£169.98	£194.26	£218.54	£267.10	£315.67	£364.23	£437.08
Total (c)	£1,356.39	£1,582.46	£1,808.53	£2,034.59	£2,486.72	£2,938.85	£3,390.98	£4,069.18
<u>Lichfield</u> (a)	£45.84	£53.48	£61.12	£68.76	£84.04	£99.32	£114.60	£137.52
Parish and District (b)	£171.07	£199.59	£228.10	£256.61	£313.63	£370.66	£427.68	£513.22
Total (c)	£1,381.77	£1,612.07	£1,842.37	£2,072.66	£2,533.25	£2,993.84	£3,454.43	£4,145.32
<u>Longdon</u> (a)	£26.17	£30.53	£34.90	£39.26	£47.98	£56.71	£65.43	£78.52
Parish and District (b)	£151.40	£176.64	£201.88	£227.11	£277.57	£328.05	£378.51	£454.22
Total (c)	£1,362.10	£1,589.12	£1,816.15	£2,043.16	£2,497.19	£2,951.23	£3,405.26	£4,086.32
<u>Mavesyn Ridware</u> (a)	£32.77	£38.23	£43.70	£49.16	£60.08	£71.01	£81.93	£98.32
Parish and District (b)	£158.00	£184.34	£210.68	£237.01	£289.67	£342.35	£395.01	£474.02
Total (c)	£1,368.70	£1,596.82	£1,824.95	£2,053.06	£2,509.29	£2,965.53	£3,421.76	£4,106.12
<u>Shenstone</u> (a)	£32.99	£38.49	£43.99	£49.49	£60.49	£71.49	£82.49	£98.98
Parish and District (b)	£158.22	£184.60	£210.97	£237.34	£290.08	£342.83	£395.57	£474.68
Total (c)	£1,368.92	£1,597.08	£1,825.24	£2,053.39	£2,509.70	£2,966.01	£3,422.32	£4,106.78
<u>Streethay</u> (a)	£46.89	£54.71	£62.53	£70.34	£85.97	£101.61	£117.24	£140.68
Parish and District (b)	£172.12	£200.82	£229.51	£258.19	£315.56	£372.95	£430.32	£516.38
Total (c)	£1,382.82	£1,613.30	£1,843.78	£2,074.24	£2,535.18	£2,996.13	£3,457.07	£4,148.48
<u>Swinfen and Packington</u> (a)	£22.17	£25.86	£29.56	£33.25	£40.64	£48.03	£55.42	£66.51
Parish and District (b)	£147.40	£171.97	£196.54	£221.10	£270.23	£319.37	£368.50	£442.21
Total (c)	£1,358.10	£1,584.45	£1,810.81	£2,037.15	£2,489.85	£2,942.55	£3,395.25	£4,074.31
<u>Wall</u> (a)	£36.00	£42.00	£48.00	£54.00	£66.00	£78.00	£90.00	£108.00
Parish and District (b)	£161.23	£188.11	£214.98	£241.85	£295.59	£349.34	£403.08	£483.70
Total (c)	£1,371.93	£1,600.59	£1,829.25	£2,057.90	£2,515.21	£2,972.52	£3,429.83	£4,115.80
<u>Weeford</u> (a)	£10.06	£11.73	£13.41	£15.09	£18.44	£21.79	£25.14	£30.17
Parish and District (b)	£135.29	£157.84	£180.39	£202.94	£248.03	£293.13	£338.22	£405.87
Total (c)	£1,345.99	£1,570.32	£1,794.66	£2,018.99	£2,467.65	£2,916.31	£3,364.97	£4,037.97
<u>Whittington and Fisherwick*</u> (a)	£39.38	£45.94	£52.51	£59.07	£72.20	£85.32	£98.45	£118.14
Parish and District (b)	£164.61	£192.05	£219.49	£246.92	£301.79	£356.66	£411.53	£493.84
Total (c)	£1,375.31	£1,604.53	£1,833.76	£2,062.97	£2,521.41	£2,979.84	£3,438.28	£4,125.94
<u>Wigginton and Hopwas</u> (a)	£32.19	£37.56	£42.93	£48.29	£59.02	£69.75	£80.49	£96.58
Parish and District (b)	£157.42	£183.67	£209.91	£236.14	£288.61	£341.09	£393.57	£472.28
Total (c)	£1,368.12	£1,596.15	£1,824.18	£2,052.19	£2,508.23	£2,964.27	£3,420.32	£4,104.38

* = Grouped Parishes

APPENDIX C

Parish Precepts

Parish Councils	2022/23			2023/24			Increase / (decrease) %
	Tax Base	Precept £	Band D £	Tax Base	Precept £	Band D £	
Alrewas	1,298.7	40,645	31.30	1,330.6	41,650	31.30	0.02%
Armitage with Handsacre	2,136.1	115,714	54.17	2,183.8	115,714	52.99	(2.18%)
Burntwood	8,367.8	358,523	42.85	8,467.2	362,782	42.85	(0.00%)
Clifton Campville with Thorpe Constantine*	379.1	18,890	49.83	380.1	18,890	49.70	(0.26%)
Colton	337.1	12,427	36.86	337.4	13,650	40.46	9.75%
Curborough and Elmhurst and Farewell and Chorley*	257.5	10,000	38.84	269.7	10,409	38.59	(0.63%)
Drayton Bassett	464.9	25,628	55.12	464.7	26,384	56.78	3.00%
Edingale	278.9	15,000	53.78	279.1	15,500	55.54	3.26%
Elford	301.8	17,500	57.99	307.6	19,000	61.77	6.52%
Fazeley	1,435.1	77,937	54.31	1,445.8	77,937	53.91	(0.74%)
Fradley and Streethay*	2,451.3	179,600	73.27				N/A
Fradley				1,626.9	115,214	70.82	N/A
Hammerwich	1,376.1	25,900	18.82	1,387.0	27,000	19.47	3.42%
Hamstall Ridware	164.0	6,825	41.62	165.1	6,825	41.34	(0.69%)
Harlaston	211.4	10,730	50.75	209.7	11,730	55.94	10.22%
Hints and Canwell	192.2	9,000	46.83	200.9	9,600	47.78	2.04%
King's Bromley	585.6	17,247	29.45	590.1	18,109	30.69	4.20%
Lichfield	12,150.2	835,450	68.76	12,516.9	860,670	68.76	0.00%
Longdon	785.7	29,466	37.50	788.1	30,939	39.26	4.68%
Mavesyn Ridware	529.2	26,000	49.13	528.9	26,000	49.16	0.07%
Shenstone	3,658.0	182,000	49.75	3,677.4	182,000	49.49	(0.53%)
Streethay				1,006.6	70,806	70.34	N/A
Swinfen and Packington	160.1	5,500	34.35	165.4	5,500	33.25	(3.19%)
Wall	203.9	11,000	53.96	203.7	11,000	54.00	0.08%
Weeford	103.5	1,685	16.28	111.7	1,685	15.09	(7.34%)
Whittington and Fisherwick*	1,193.7	65,594	54.95	1,210.4	71,498	59.07	7.50%
Wigginton and Hopwas	673.1	27,723	41.19	679.6	32,819	48.29	17.25%
Total /Average	39,695.1	£2,125,984	£53.56	40,534.4	£2,183,312	£53.86	0.56%

* = Grouped Parishes

The Community Governance Review approved Fradley and Streethay becoming two separate Parish Areas.

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Proposed new Local Council Tax Support Scheme (LCTS) & consultation outcome



Cllr Rob Strachan, Cabinet Member for Finance and Commissioning

Date:	28 February 2023
Agenda Item:	11
Contact Officer:	Lizzie Barton, Assistant Director of Customer, Residents and Business
Tel Number:	01543 308060
Email:	lizzie.barton@lichfielddc.gov.uk
Key Decision?	Yes
Local Ward Members	All

**FULL
COUNCIL**

1. Executive Summary

- 1.1 Lichfield District Council has consulted widely on proposed changes to its Local Council Tax Support Scheme (LCTS) for working-age claimants.
- 1.2 The proposed changes include:
1. Introducing an income banded discount scheme.
 2. Allowing residents in all council tax bands to claim council tax support in line with their council tax banding, if eligible.
 3. Not considering Housing Benefit and the housing element, disabled child element, severely disabled child element, and carers' element of Universal Credit when calculating income.
 4. Not considering Personal Independence Payments and Disability Living Allowance when calculating income and providing a further £85 per week disregard where an applicant, their partner or a dependant is in receipt of a disability benefit.
 5. Not considering Carer's Allowance, the support component of the Employment & Support Allowance or Child Benefit when calculating income.
 6. Not considering War Pensions, War Widows/Widower's Pensions or War Disablement Pensions when calculating income.
 7. Altering/awarding a claimant's support based on the date a new claim or change is submitted, rather than weekly.
 8. Introducing a standard £50 per week earnings disregard for all working applicants.
 9. Limiting the number of dependent children within the calculation for council tax support to a maximum of two for all applicants.
 10. Removing non-dependant deductions.
 11. Removing extended payments.
 12. Changing the backdating provisions within the scheme.
- 1.3 The aim of the proposed changes is to make the scheme:
- **Better for claimants** Provide more financial support to residents on the lowest incomes, distribute the support given more fairly to claimants based on their incomes and circumstances, create less paperwork and confusion, provide more financial stability, and deliver greater customer satisfaction. Reduce debt recovery activity carried out with the most financially vulnerable residents.
 - **Better for council taxpayers** Allow the council to streamline administration and reduce unnecessary paperwork and costs.

- 1.4 1,619 residents gave their views over a 12-week period on the proposed changes and all changes were supported by most respondents (see Appendix 1).
- 1.5 The major preceptors, including Police, Fire and Staffordshire County Council, were consulted in relation to the changes and all were supportive of the changes.
- 1.6 The scheme is more generous than the current scheme, and if approved will see approximately £694,051¹ more financial assistance is provided to the community in the form of council tax support by the council and its precepting partners. The true cost of the scheme for 2023/24 will be known when the council's annual billing and annual uprating process completes in March 2023.

2. Recommendations

- 2.1 Following a recommendation to approve by Cabinet on 14 February 2023, Full Council is asked to approve the introduction of a new income banded Local Council Tax Support Scheme (LCTS) for working age claimants that will come into effect on 1 April 2023 in line with the proposed regulations (detailed in Appendix 1), the costs of which form part of the medium-term financial strategy which is being considered elsewhere on the Full Council agenda.
- 2.2 Within this, Full Council is asked to approve the retention of extended payments within the new scheme which will better support residents who gain employment (see 3.25). This is a change to the scheme that was consulted on and was fully supported by Cabinet and Overview & Scrutiny.
- 2.3 Full Council is also asked to approve that the new scheme will disregard the disabled child element, severely disabled child element, and carers' element of Universal Credit as income. This is also a change to the scheme that was originally consulted on and was proposed following a detailed Equality Impact Assessment (see 3.25) and was fully supported by Cabinet.
- 2.4 Full Council is asked to note that a review of the scheme will be brought back to Overview & Scrutiny and Cabinet within twelve months of its launch to consider its benefits and any negative impacts, so it can be tailored in future years to offer the best support possible to residents.

3. Background

- 3.1 Since council tax was introduced in 1993, people on low incomes have been able to claim support to pay their council tax bills. Until 2013, this was through the nationally designed council tax benefit scheme.
- 3.2 On 1 April 2013, the Government transferred responsibility for council tax support to local councils. Since then, local councils have had a duty to design and deliver Local Council Tax Support Schemes (LCTS) for working-age claimants.
- 3.3 Local Council Tax Support Schemes apply to working-age claimants only. Pension-age claimants receive support under the nationally prescribed scheme in line with The Council Tax Support Schemes (Prescribed Requirements) (England) Regulations.

¹ This cost is based on a calculation performed on the council's current caseload mapped until 12 January 2023. The figures may however alter based on the caseload as of 1 April 2023 and may be impacted by the uprated income bands (see 3.16).

- 3.4 The council's current scheme was launched in April 2013. It fundamentally mirrored the outgoing national council tax benefit scheme.
- 3.5 There are many variations of schemes across the country, ranging from more generous schemes that mirror the national scheme, through to those that aim to limit who is eligible and severely restrict the level of help given.
- 3.6 Many councils have simplified their schemes to address changes brought about by welfare reform and Universal Credit, including introducing income-banded schemes for working age claimants. Such schemes are recognised to deliver more financial security/stability to customers, and to reduce the administrative burden on councils administering the schemes.
- 3.7 Nationally there is a strong view that there should be an increase in the level of support provided to those households on the lowest incomes. This view has gained momentum over the past few years and has been reinforced since the COVID-19 crisis, as well as the recent cost of living increase, both of which have had a major effect on incomes generally.
- 3.8 To date, Cabinet has fully supported the consultation on the proposed changes to the scheme and demonstrated an appetite to support the maximum number of claimants possible through the scheme.

Why consider changing the scheme?

- 3.9 The proposed new scheme was developed for several reasons:
- The administration grant the council receives from government is reducing year-on-year, however the cost of administering the scheme is not reducing. This is primarily due to inbuilt complexities in the current scheme – for example every time an applicant's income changes, their case must be reassessed, and their award must be reprofiled.
 - Universal Credit (UC) is undoubtedly a contributing factor to this, especially for claimants who are in employment. Claimants' UC is recalculated every month which can generate new files for the council to process. For claimants receiving fluctuating wages, this means they receive a revised award every month and, therefore, a revised council tax bill, which is costly to administer and deliver.
 - This reprofiling of payments also creates a high level of uncertainty for customers. Payments made by customers can be delayed because of the requirement to give 14 days' notice, meaning customers do not have the opportunity to apportion their remaining council tax payments over as many instalments. On average 40% of UC claimants have between eight and twelve changes in entitlement each year. These changes result in amendments to council tax bills, the re-calculation of instalments, delays, and resetting of recovery arrangements.

- The ability to award 100% support to those on the on very lowest incomes will prevent hundreds of households incurring small amounts of debt, as well as reduce debt recovery related costs. Studies have shown that the collection of a minimum amount of council tax is expensive, with recovery fees often exceeding the debt the customer originally owed (Institute of Fiscal Studies²). Whilst the principle of all working age households paying ‘something’ was initially thought to be a positive approach, the reality is that households on the lowest incomes have been unable to pay this amount, often leading to additional court and enforcement costs and a reduction in customer wellbeing. These charges and costs also often need to be written off as uncollectable.
- Due to the complex nature of assessments, benefit assessor skills are required to process Local Council Tax Support Scheme (LCTS) applications/changes.
- The administration of the current scheme is complex, with staff having to request significant amounts of information/evidence from applicants. This means the timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications. A simplified scheme will allow the possibilities of awards being automated, resulting in a prompt award of support, so meeting customers’ need for real-time changes to their bill according to changes in their circumstances.
- Above all, the cost of administering the scheme remains high, whilst customer satisfaction is compromised as customers are often confused by the nature and regularity of correspondence they receive and are less able to budget/manage their money based on fluctuating awards.
- Equally, future potential savings the council may hope to achieve following the introduction of Universal Credit are being hampered. This is because the council’s unique caseload is relatively constant, as regardless of the type of benefits a resident is claiming, the council’s assessors still need to regularly review each case.

3.10 There are approximately 2,660 working-age claimants of LCTS which costs approximately £2.423 million per annum to deliver, not including administration costs. This cost is accounted for in the Council Tax Collection Fund (a separate account where all income and expenditure associated with council tax is managed), whilst the administration costs (net of government grant) are accounted for in the council’s revenue budget.

The proposed changes

3.11 The consultation proposed the introduction of an income banded scheme and eleven further changes to the existing scheme. These changes are:

Proposed change	Impact on customers
Allowing residents in all council tax bands to claim council tax support in line with their council tax banding, if eligible.	Makes the scheme more equal and ensures residents living in Band E or above properties can claim council tax support in line with their council tax banding. Currently support is capped Band D rates.

² <https://www.ifs.org.uk/publications/13827>

Proposed change	Benefit to the customer
Not considering the housing element of Universal Credit when calculating income.	The housing element of Universal Credit customers receive towards their rent will be disregarded in the calculation.
Not considering Personal Independence Payments and Disability Living Allowance when calculating income and providing a further £85 per week disregard where an applicant, their partner or a dependant is in receipt of a disability benefit.	Provides a higher level of support to disabled customers and will enable them to retain more of their income to support their needs.
Not considering Carer's Allowance, the support component of the Employment and Support Allowance and Child Benefit when calculating income.	Better supports carers, vulnerable customers, and families with young children.
Not considering War Pensions, War Widows/Widower's Pensions and War Disablement Pensions when calculating income.	Better supports War Pensioners and War Widowers.
Altering/awarding a claimant's support based on the date a new claim or change is submitted, rather than weekly.	Ensures that support better matches the date of application or a change in circumstances.
Introducing a standard £50 per week earnings disregard for all working applicants.	Encourages residents to take up work opportunities and increases and unifies the current disregards.
Limiting the number of dependent children within the calculation for council tax support to a maximum of two for all applicants.	Families with two children will receive the same level of council tax support as families with three or more children.
Removing non-dependant deductions.	There will be no reduction to the support given if an applicant has non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward, whilst also protecting low-income families where adult children (for example) remain at home after leaving education or return home for any reason.
Removing extended payments – see 3.25.	Extended payments are provided to people who were not working and then gain employment, for four weeks, as a way of encouraging people into work/to stay in work.
Changing the backdating provisions within the scheme.	Enable the council to back-date claims up to six months if the resident can show they should have been entitled to support, regardless of whether they can show good cause for not having claimed previously it in a timely manner. This will support people who are not familiar with the benefits system and otherwise fall through the gaps.

3.12 Other discounts, exemptions and disregards including single person discount, carers discount, student disregards are not affected by the proposed new scheme and will remain in place. The process currently taken to assist care leavers will remain in place and will not be affected by this change.

The income banded scheme

- 3.13 The council also consulted on introducing an **income banded scheme**. Such schemes can better support claimants whose wages fluctuate regularly as they provide more clarity of the council tax support claimants will receive. If claimant's income fluctuates within a band, their support will not change.
- 3.14 In the proposed new scheme, the council will consider the amount of income a household earns, disregarding:
- Personal Independence Payments and Disability Living Allowance.
 - The housing element of Universal Credit and Housing Benefit payments.
 - Carer's Allowance and the support component of Employment & Support Allowance.
 - Child Benefit.
 - War Pensions, War Widows/Widower's Pensions and War Disablement Pensions.
 - Passported benefits including Income Support, Job Seekers' Allowance Income Based and Employment & Support Allowance (income related) and any income for recipients of these benefits
 - The disabled child element, severely disabled child element and carer's element of Universal Credit (see 3.25).
- 3.15 The council will also disregard £50 per week of earnings if the recipient/their partner in the household is working, and a further £85 per week (of any income) if an applicant, their partner, or a dependant is in receipt of a disability benefit.
- 3.16 Based on the earnings remaining, the council will then place the household into one of the income bands detailed below, and award support based on their household make-up and net weekly income:

Proposed Local Council Tax Support Scheme income bands for 2023/2024 (including 10.1% annual uprating)

Band	Council tax support (% reduction in bill)	Single person – net income per week ³	Single person with one child/young person – net income per week	Single person with two or more children/young persons – net income per week	Couple with no children – net income per week	Couple with one child/young person – net income per week	Couple with two or more children/young persons – net income per week
1*	100%	£0 - £86	£0 - £179	£0 - £252	£0 - £134	£0 - £227	£0 - £301
2	75%	£86.01 - £126	£179.01 - £219	£252.01 - £292	£134.01 - £174	£227.01 - £267	£301.01 - £341
3	50%	£126.01 - £166	£219.01 - £259	£292.01 - £332	£174.01 - £214	£267.01 - £307	£341.01 - £381
4	25%	£166.01 - £206	£259.01 - £299	£332.01 - £372	£214.01 - £254	£307.01 - £347	£381.01 - £421
5	0%	£206.01 or more	£299.01 or more	£372.01 or more	£254.01 or more	£347.01 or more	£421.01 or more

³ The council looks at net weekly income – after tax, National Insurance and half of pension contributions.

- 3.17 When a claimant's earnings fluctuate within a band (for example a single person whose income fluctuates between £86.01 and £126 a week as shown in yellow above), the amount of council tax support they receive will remain at 75%. However, if their earnings increase and they move into a higher band – for example their wages increase to £149 per week (a change from Band 2 to Band 3 – as shown in green above) the amount of council tax support they receive would drop from 75% to 50%.
- 3.18 Whilst the banded scheme offers more stability, there will inevitably be some people who are worse off than on a tapered scheme (as per the council's current scheme). This is because if a resident's income is on the borders of any of the bands, they could receive 25% less council tax support if they earn just a little more, as they could jump into a higher band (that offers less discount), rather than the current tapered reduction which reduces more gradually. This is known as a 'cliff-edge'.
- 3.19 The proposed bands (see 3.16) are loosely based on Universal Credit entitlements, and the modelling the council has carried out has shown that the majority of those who will receive less support are those with higher incomes. The modelling shows that 1,870 claimants will receive more support under the proposed new scheme, and 369 claimants will receive less support. The majority of those who would receive less support, will experience a reduction of £14.99 and under per week (as shown in the table below)⁴.

How residents will be affected by the proposed new bands (based on initial testing)

Amount support affected by (+/-)	Number of residents who will receive more support	Number of residents who will receive less support
Up to 99p	32	50
£1 - £4.99	725	117
£5 - £9.99	716	131
£10 - £14.99	250	41
£15 - £19.99	89	20
Over £20	58	10
Total claimants⁵	1,870	369

- 3.20 The above figures are indicative and cannot be confirmed until the annual billing and annual uprating process for 2023/2024 completes in March 2023. The annual uprating process occurs each year and is when the council uprates the income figures included at table 3.16 to reflect the uprating conducted by the Department for Work and Pensions (DWP). DWP benefits that are linked to inflation will rise by 10.1% in April 2023. By uprating the LCTS scheme accordingly claimants can earn a little more before they move up a band. This will however alter the cost of the overall scheme. Furthermore, as the scheme discounts a percentage of the amount of council tax a customer needs to pay, should the council tax rates be increased significantly by all precepting authorities, the cost of the scheme/amount of council tax revenue forgone will increase accordingly, further pushing up the cost of the proposed scheme (see Financial Implications for further details).

⁴ This cost is based on a calculation performed on the council's current caseload mapped until 12 January 2023. The figures may however alter based on the caseload as of 1 April 2023 and may be impacted by the uprated income bands (see 3.16).

⁵ Total claimants/impact is based on caseload when initial testing took place. Total caseload will always fluctuate as people start to and stop claiming LCTS.

- 3.21 Any residents who are disproportionately affected by the changes and face undue financial pressure will be considered for the Exceptional Hardship Scheme. This approach meets the requirement to have transitional support in place and will ensure individual applicants are dealt with in a fair and equitable manner.
- 3.22 Subject to the new scheme being adopted, thereafter new rates will be agreed each year at Full Council and any negative impact from the previous year can be taken into consideration and addressed as part of this annual review process.

The consultation results

- 3.23 1,619 residents gave their views as part of the consultation that ran for 12 weeks between 25 July 2022 and 16 October 2022. A summary of the results is included at Appendix 1. It is worth noting that the survey only asked for free-form text comments from people who disagreed with any of the proposals. As such, supportive free-form text comments were not gathered have not been captured as part of the consultation exercise, so it is important to view the balance of feedback in this light.

Proposal	Consultation question	Yes	No	Don't know
1	Should the council introduce an income banded discount scheme?	63%	18%	19%
2	Should residents in all council tax bands be able to claim?	69%	13%	18%
3	Should the housing element of Universal Credit not be considered when calculating income?	64%	17%	19%
4	Should Personal Independence Payments and Disability Living Allowance be disregarded and should a further £85 per week disregard be applied if an applicant, their partner or a dependant is in receipt of a disability benefit.	81%	6%	13%
5	Should Carer's Allowance, the support component of the Employment & Support Allowance and Child Benefit not be considered when calculating income?	76%	10%	14%
6	Should War Pensions, War Widows/Widower's Pensions and War Disablement Pensions, not be considered when calculating income?	82%	6%	12%
7	Should a claimant's award/amendment be based on the date it was submitted, rather than weekly?	81%	5%	14%
8	Should the council introduce a standard £50 per week earnings disregard for all working applicants?	66%	11%	23%
9	Should the council limit the number of dependent children within the calculation to a maximum of two?	69%	13%	18%
10	Should the council remove non-dependant deductions?	62%	16%	22%
11	Should the council remove extended payment provision?	68%	11%	21%
12	Should the council change the backdating provisions within the scheme?	80%	6%	14%

Proposals, equality impact assessment and extended payments

- 3.24 Most respondents agreed with all proposed changes, and no significant areas of detailed concern were raised.
- 3.25 Since the consultation however:

- The council has carried out a detailed **Equality Impact Assessment (see 3.29 - 3.31)**. This identified that the scheme design would negatively impact families claiming the disabled child element, the severely disabled child element and the carers' element of Universal Credit. The ability to automatically disregard these payments has become available since the scheme was originally conceived/consulted on. As such, it is proposed that these payments are disregarded as income in the new scheme from 1 April 2023 onwards. Based on initial testing, the estimated cost of disregarding these incomes is approximately £72,436⁶ per annum and the council has written to the County Council, Fire and Police to notify them of the proposed change to the originally consulted on scheme and the council's proposal to consider these changes as part of its approval of the scheme. Statutorily the council does not need to reconsult on these changes provided they form part of the council's decision-making process.
- The council has reviewed the administration of the new scheme in detail and identified that removing **extended payments** for people who move from unemployment into employment does not present a significant administration saving, nor does it represent a large annual spend reduction (approx. £700 per annum). Extended payments are where someone who was unemployed, but gains employment, retains the same council tax support for the first four weeks of their employment, so that they do not face an increased bill as soon as they start working, when their wages may not yet have been paid. The aim of extended payments is to make it as easy as possible for a newly employed person to remain in work. As such, given the new scheme is designed to encourage and support people into and to remain in work, despite the consultation feedback, it is proposed that extended payments are retained in the new scheme.

3.26 Beyond the changes detailed at 3.25, this report proposes that the council adopt the proposed changes that were consulted on in full. These changes are reflected in the proposed regulations (see Appendix 1).

3.27 As with any new scheme, the council will undertake constant monitoring throughout the first year of the scheme's operation to identify any negative impacts on residents. Any exceptional financial hardship will be addressed through the proposed Exceptional Hardship Scheme (see 3.32 – 3.34). Any other impacts will be incorporated into and addressed as part of the annual review of the scheme that will take place each year in advance of the council tax setting proposals being brought to Cabinet and Full Council.

Envisaged benefits of the new scheme

3.28 Overall, the benefits of the proposed new scheme include:

- Residents on the **lowest incomes will receive more support** through the new scheme and could receive up to 100% council tax discount. This means they won't be chased for small amounts of council tax debt they can't pay, potentially ending up deeper in debt when court summons and recovery costs are added to their accounts. Equally the council can focus its debt recovery activity on those who can pay but are avoiding doing so. This will boost the wellbeing of hundreds of residents across the district as well as boost collection rates and reduce debt write-offs.
- The scheme will result in a **simplified claim process** for all claimants.

⁶ This cost has been based on a calculation performed on the council's current caseload mapped until 12 January 2023. The figures may however alter based on the caseload as of 1 April 2023 and may be impacted by the uprated income bands (see 3.16). More recent testing suggests it could reduce to approx. £55,650.

- **Speed of processing will be increased.** The new scheme will lend itself to automation of more processes, with the potential to further speed up claims and changes of circumstances.
- Residents whose circumstances change (where their income goes up or down a band) will need to fill in a **simple online form** to notify the council, so their award amount can be amended. Residents who had a recent claim with the council that went out of payment, due to an increase in income, will need to fill in a **simple online form** to notify the council that they are now eligible for payment, should their income drop.
- The new scheme will avoid constant changes in customer's awards, meaning customers will know month on month what they need to pay towards their council tax, and so help to **maintain the council's current high collection rates**. The increased level of discount will also assist all those applicants on the lowest incomes, again improving the overall collection rate.
- **Resident will better understand where they are in relation to their council tax support and what they need to pay**, and only significant changes in their income will affect the level of council tax support they receive.
- The new scheme is designed to **reflect other council tax discounts and exemptions**, and any changes will be effective from the day of change rather than the Monday of the following week.
- **A wider pool of staff will be able to administer the scheme**, without significant levels of training or expertise, supporting the new team's approach to more generic working.
- The overall **cost of administering the scheme has the potential to reduce over time**.

Equality impact assessment

- 3.29 The council carried out an Equality Impact Assessment (see Appendix 3) on the proposed new scheme that mapped the impacts on any members of our community who have characteristics that are protected under law including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion, sex and sexual orientation. As a result, the council has made the following amendments to its proposed new scheme:
- Disregard the Disabled Child Element of Universal Credit, the Severely Disabled Child Element of Universal Credit and the Carers Element of Universal Credit.
- 3.30 The EIA also highlighted recipients of Limited Capability for Work and Limited Capability for Work Related Elements of Universal Credit may also be affected, as these payments are not disregarded within the proposed new scheme. This proposed new scheme has not be altered based on this outcome of the EIA. This is on the basis that LCW or LCWRA claimants do not always have a protected characteristic (e.g., a disability) and any claimants of LCW or LCWRA with a protected characteristic (long-term physical or mental health condition or disability) can claim Personal Independence Payments (PIP). PIP is disregarded under the proposed new scheme and could see people's income increase by between £97.80 and £627.60 per month (2022/2023 rates). Equally anyone already in receipt of a disability related benefit will have a further £85 disregarded from their income within the proposed new scheme.
- 3.31 In addition, should any claimants of LCW or LCWRA be able to demonstrate they are experiencing exceptional financial hardship because of LCW or LCWRA not being disregarded under the new scheme, and as such cannot afford their proposed council tax payments, they will be encouraged to apply for support under the Exceptional Hardship Scheme. The council will also encourage residents

with long-term health conditions who claim LCW or LCWRA to apply for the relevant disability benefits such as PIP (if applicable).

Transition to the new scheme and the Exceptional Hardship Scheme

- 3.32 Most councils introduce a discretionary hardship approach to support the introduction of the banded scheme that provides financial assistance to anyone who faces undue financial hardship whilst the scheme is embedded. This approach meets the requirement to have transitional support within any change to the scheme, it will also ensure individual applicants are dealt with in a fair and equitable manner.
- 3.33 It is proposed that the council's Exceptional Hardship Scheme will form part of the Local Council Tax Support Scheme and fall to be paid through the Collection Fund, in the same way any debt write offs are also paid through the Collection Fund. Given the proposed scheme is more generous, it is predicted that the demand on this fund will be limited.
- 3.34 A Section 13a policy that will allow the council to give short-term council tax support to those who are disproportionately affected by the new scheme will be considered by Cabinet for approval in March 2023 before the implementation of the scheme. The policy is so named as the powers to reduce council tax come under Section 13A of the Local Government Finance Act.

Alternative Options	The alternative to introducing a new scheme for Local Council Tax Support Scheme from 2023/2024 is to leave the existing scheme in place. This would be a short-term option, lead to increasing costs of administration and in the longer term, could significantly affect the collection of council tax and the effectiveness of the scheme to support households within the council's area.																																					
Financial Implications	<p>The current Local Council Tax Support Scheme is projected to cost approximately £4.986m (including the pensioner scheme) which is borne by the council's Collection Fund. The budgeted cost is shared between the council and the major precepting authorities based on the council tax resolution on this agenda in the following proportions in 2023/24:</p> <table border="1"> <thead> <tr> <th></th><th>Band D</th><th>%</th></tr> </thead> <tbody> <tr> <td>Staffordshire County Council</td><td>£1,471.23</td><td>71.50%</td></tr> <tr> <td>Staffordshire Commissioner - Police and Crime</td><td>£260.57</td><td>12.66%</td></tr> <tr> <td>Staffordshire Commissioner - Fire & Rescue</td><td>£84.25</td><td>4.09%</td></tr> <tr> <td>Lichfield District Council</td><td>£187.85</td><td>9.13%</td></tr> <tr> <td>Parish Councils (Average)</td><td>£53.86</td><td>2.62%</td></tr> <tr> <td>Total</td><td>£2,057.76</td><td>100.00%</td></tr> </tbody> </table> <p>The council tax base for 2023/24 approved by Cabinet on 7 December 2022 included updated projections to accommodate the projected additional cost of the revised Local Council Tax Support (LCTS) Scheme included in the Collection Fund. The allowances and budgets based on the council tax Resolution for 2023/24 are shown overleaf:</p> <table border="1"> <thead> <tr> <th></th><th>Band D Equivalents</th><th>Total Budget</th></tr> </thead> <tbody> <tr> <td>Base Budget</td><td>(2,517.0)</td><td>(£5,179,398)</td></tr> <tr> <td>Projected LCTS Increase</td><td>(287.5)</td><td>(£591,637)</td></tr> <tr> <td>Approved Local Council Tax Support Budget</td><td>(2,804.5)</td><td>(£5,771,035)</td></tr> <tr> <td>Bad Debts Provision Allowance</td><td>(304.9)</td><td>(£627,419)</td></tr> </tbody> </table>			Band D	%	Staffordshire County Council	£1,471.23	71.50%	Staffordshire Commissioner - Police and Crime	£260.57	12.66%	Staffordshire Commissioner - Fire & Rescue	£84.25	4.09%	Lichfield District Council	£187.85	9.13%	Parish Councils (Average)	£53.86	2.62%	Total	£2,057.76	100.00%		Band D Equivalents	Total Budget	Base Budget	(2,517.0)	(£5,179,398)	Projected LCTS Increase	(287.5)	(£591,637)	Approved Local Council Tax Support Budget	(2,804.5)	(£5,771,035)	Bad Debts Provision Allowance	(304.9)	(£627,419)
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Allowances impacted by a review of LCTS	(3,109.4)	(£6,398,454)
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	Base Budget	Total Projected Cost	Projected LCTS Increase
Staffordshire County Council	(£3,703,097)	(£4,199,321)	(£496,223)
Staffordshire Commissioner - Police and Crime	(£655,857)	(£743,743)	(£87,886)
Staffordshire Commissioner - Fire & Rescue	(£212,058)	(£240,474)	(£28,416)
Lichfield District Council	(£472,820)	(£536,179)	(£63,359)
Parish Councils (Average)	(£135,566)	(£153,732)	(£18,166)
Total	(£5,179,398)	(£5,873,449)	(£694,051)

The total budget potentially impacted by the revised LCTS is **£6,398,454** consisting:

- The LCTS scheme (including pensioners) is £5,771,035.
- The revised scheme will support some claimants with 100% discount and therefore the level of bad-debt provision will also potentially reduce. The bad debt provision budget is £627,419.

Since Cabinet, the test billing exercise has been completed and this suggests the projected cost of the proposed new scheme for 2023/2024 will be **£5,873,449** (Cabinet projected cost was £5,771,681).

It is important to note however, that the above modelling figures do not take into consideration the uprating of Universal Credit claimants' income (occurs in April 2023) which will increase incomes and therefore potentially reduce the costs of the scheme further.

The budgets for the LCTS increase (**£591,637**) and bad debts (**£627,419**) are currently sufficient to accommodate the modelled additional cost of **£694,051**, including any slight movement in costs because of the annual uprating of the revised scheme. The cost of the scheme will however continue to be monitored through council tax collection fund projections contained in Money Matters reports.

Approved by
Section 151 Officer

Yes

Consultation	<p>A full consultation has been undertaken in line with the statutory requirement with:</p> <ul style="list-style-type: none"> • The major preceptors, including Police, Fire and Staffordshire County Council, were consulted in relation to the changes and all were supportive of the changes. They have been notified of the change following the EIA detailed at 3.25. • The public and customers, including the Citizens Advice Bureau who were supportive of the proposed changes. • Overview and Scrutiny and Cabinet have been fully consulted. <p>An analysis of the public consultation is included within Appendix 2.</p> <p>The council will also work closely with partners including the Citizens Advice Bureau in advance of introduction of the scheme, to ensure they can best support their clients in relation to the scheme.</p>
Legal Implications	<p>Schedule 1A (3) of the Local Government Finance Act 1992, states:</p> <p>Before making a scheme, the authority must:</p> <ul style="list-style-type: none"> • consult any major precepting authority which has power to issue a precept to it, • publish a draft scheme in such manner as it thinks fit, and • consult such other persons as it considers are likely to have an interest in the operation of the scheme. <p>In addition, to set a new scheme, the council is obliged to make a resolution by 11 March of the year prior to the scheme coming into place. The council has and will adhere to the above guidance in relation to the proposed redevelopment of its scheme.</p>
Approved by Monitoring Officer	Yes
Equality, Diversity and Human Rights Implications	<p>The move to the new scheme will either have a positive or no impact on most working age claimants. From modelling carried out, approximately 1,870 claimants will receive more support than under the current scheme.</p> <p>As with all changes however, up to approximately 369 claimants may receive less support than under the current scheme. Further support will be made available through the council's Exceptional Hardship Fund should anyone affected experience exceptional financial hardship because of the proposed changes.</p> <p>A full EIA has been completed and is included at Appendix 3.</p>
Contribution to the Delivery of the Strategic Plan	<p>The review of LCTS underpins the council's priority of developing prosperity, encouraging economic growth, and being a good council that is responsive and customer focussed.</p>

Crime & Safety Issues	No specific issues.
Environmental Impact	The reduction in administration together with the removal of notification letters etc. will have a positive environmental impact
GDPR / Privacy Impact Assessment	No specific issues.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	New Score (RYG)
A	The accuracy of the modelling tool data is critical to the financial modelling of the schemes. All significant modelling has been done on 2022/2023 data and rates/precepting amounts for that year. Revenues and Benefits Manager/AD/S151 Officer	Likelihood: Yellow Impact: Yellow Severity: Yellow	Mock testing has suggested the modelling has been accurate. Ongoing monthly monitoring of the modelling to check results will be conducted.	Likelihood: Green Impact: Yellow Severity: Green
B	Current economic situation could result in more claims Revenues and Benefits Manager/AD/S151 Officer	Likelihood: Yellow Impact: Yellow Severity: Yellow	This risk is the same with any scheme, however the more generous the scheme, the higher the potential costs of the overall scheme. This will be monitored throughout year 1 (2023/2024) of the new scheme and any adverse changes will be addressed in revisions put forward for the following year's (2024/2025) scheme.	Likelihood: Yellow Impact: Yellow Severity: Yellow
D	Challenge to the legality of the scheme. Revenues and Benefits Manager/AD/S151 Officer	Likelihood: Green Impact: Yellow Severity: Yellow	Some councils have had the legality of the scheme challenged. The council is confident that it has not however proposed any changes that have previously been challenged. It has also complied with all the legal requirements for implementing a new scheme. This will be monitored ongoing during the first year of the scheme.	Likelihood: Green Impact: Yellow Severity: Yellow

Background documents

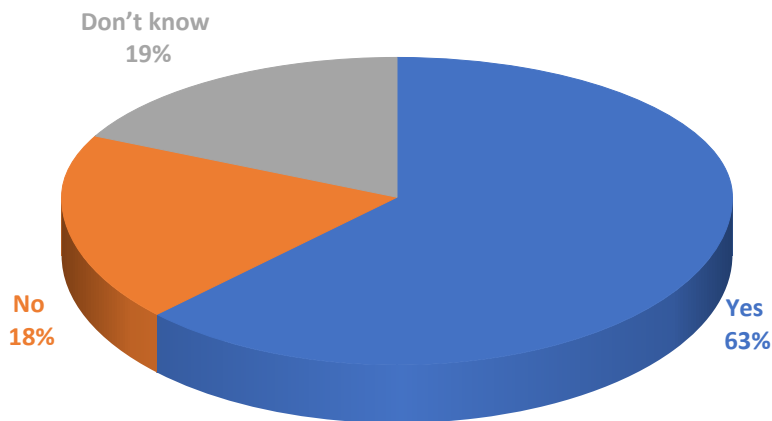
- **Appendix 1** Draft new Local Council Tax Regulations 2023-2024.
- **Appendix 2** Consultation summary.
- **Appendix 3** Equality Impact Assessment.

Relevant web links

- [Local Council Tax Support Scheme Review presented to Cabinet 5 April 2022.](#)
- [Local Council Tax Support Scheme \(LCTSS\) permission to consult presented to Cabinet 11 July 2022.](#)

Appendix 2 Consultation summary

Proposal 1 Should the council introduce an income-based banded discount scheme?

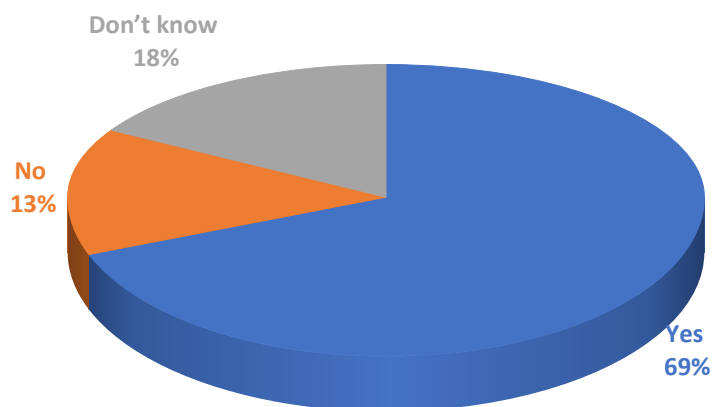


63% of people who responded agreed with this proposal. 705 answered.

What this would mean for claimants: In the current scheme if a claimant's salary alters (for example they work a few more or a few less hours), their council tax support must be reprofiled which can result in a resident receiving an amended award each month. This is costly to administer and confusing to residents, leaving them unclear as to what they need to pay. Introducing a banded scheme means that if a claimant's, or their partner's, income varies within a band, the council tax support they receive will not change, and their council tax bill will not be reprofiled. As such banded schemes can provide greater stability from month-to-month.

Summary of concerns: Concerns this scheme will affect single person discount (it does not and this needs to be clearly communicated to alleviate concerns). Concerns those earning more should not receive less council tax support than those earning less. Concerns the scheme will discourage people to work. Concerns the income bands prevent those families earning just over the maximum threshold to receive any support. Concerns those with two children should not get more support than those with one. Concerns benefits are unfair overall to working people who don't qualify.

Proposal 2 Should residents in all council tax bands be able to claim?

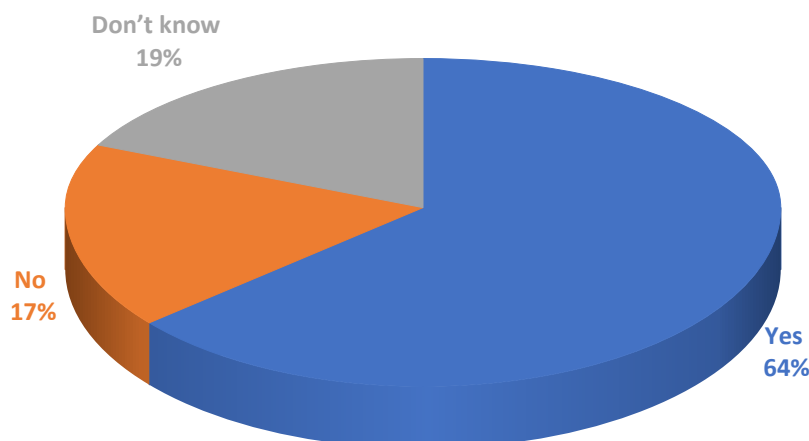


64% of people who responded agreed with this proposal. 512 answered.

What this would mean for claimants: In the current scheme if a resident lives in a band E, F or G property they are unable to claim, regardless of their earnings. Under the proposals anyone will be able to claim if they are eligible based on their income level, regardless of council tax band.

Summary of concerns: Concern that people who live in higher bands should be eligible for support. Agreement that council tax bands are not representative of a family's financial situation. Disagreement that people in higher bands should be able to claim, as they typically have bigger homes in better areas and should move if they cannot afford the higher costs.

Proposal 3 Should the housing element of Universal Credit not be considered when calculating income?

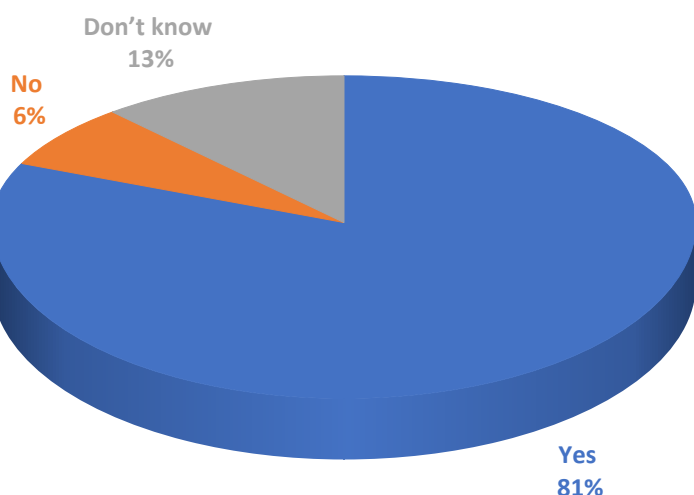


64% of people who responded agreed with this proposal. 559 answered.

What this would mean for claimants: Universal Credit claimants can be awarded a housing element, which goes directly to qualifying housing costs, such as rent or mortgage interest. Housing costs can either be owner-occupier costs (mortgage interest) or rent. This element replaces housing benefit. Under the proposed new scheme, this would not be taken into consideration when calculating a person's income.

Summary of concerns: Concerns that benefits are unfair overall to working people who don't qualify. Concerns all benefits should be taken into consideration as otherwise it is unfair to people who do not claim benefits. Concerns that simplifying the scheme could be detrimental.

Proposal 4 Should Personal Independence Payments and Disability Living Allowance be disregarded and should a further £85 per week disregard be applied if an applicant, their partner or a dependant is in receipt of a disability benefit.

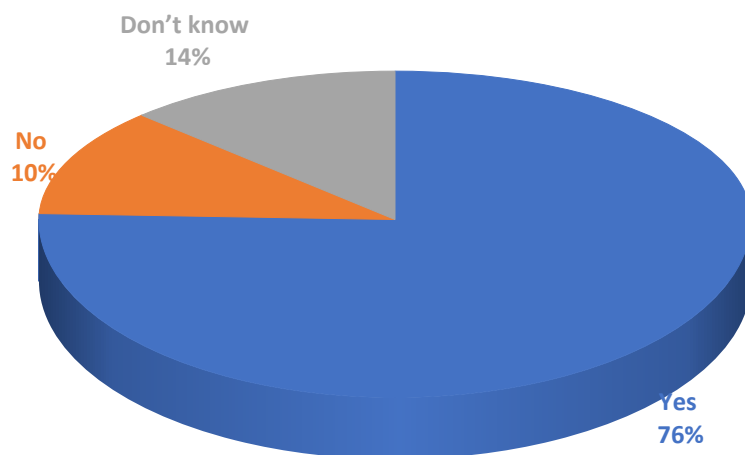


81% of people who responded agreed with this proposal. 474 answered.

What this would mean for claimants: The council will not consider Personal Independent Payments or Disability Living Allowance when calculating excess income and will disregard a further £85 of income if an applicant, their partner or dependent is in receipt of a disability benefit.

Summary of concerns: Concerns that PIP is not means tested. Concerns that some claimants of disability benefits are fit for work. Recognition that such benefits would support people who have extra costs due to a disability, but the measure would disadvantage working families on very low incomes.

Proposal 5 Should Carer's Allowance, the support component of the Employment & Support Allowance and Child Benefit not be considered when calculating income?

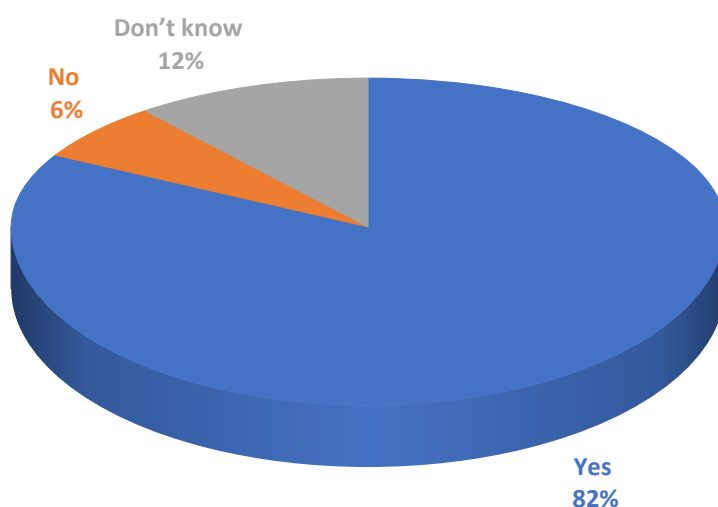


81% of people who responded agreed with this proposal. 470 answered.

What this would mean for claimants: The council will not consider Carer's Allowance, the support component of Employment & Support Allowance or Child Benefit when calculating excess income

Summary of concerns: Concerns people who are not eligible are claiming these benefits. Concerns protecting vulnerable families will disadvantage other families. Concerns benefits are calculated when looking at mortgages, so why are they being disregarded in relation to council tax support. Concerns child benefit should not be disregarded.

Proposal 6 Should War Pensions or War Disablement Pensions⁷ not be considered when calculating income?



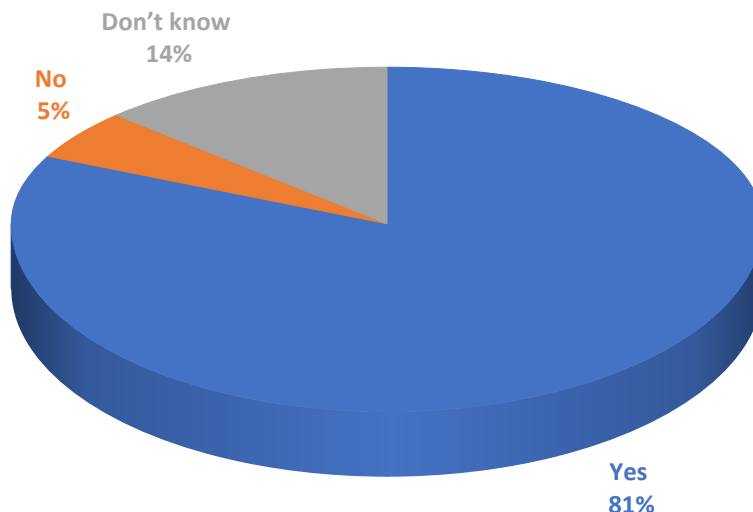
82% of people who responded agreed with this proposal. 468 answered.

What this would mean for claimants: The council will not consider War Pensions, War Widows/Widower's Pensions or War Disablement Pensions when calculating excess income and thereby meets its obligation under the Armed Forces Covenant.

Summary of concerns – full comments can be seen in Appendix 2b: Concerns that it excludes recipients of widow's allowance. Concerns this is not fair to all. Concerns people who chose to go to war understand the consequences, so this is unfair to others.

Proposal 7 Should a claimant's award/amendment be based on the date it was submitted, rather than weekly?

⁷ Please note, individuals can claim War Pensions when they are not of pensionable age and so are still considered under the working-age scheme.

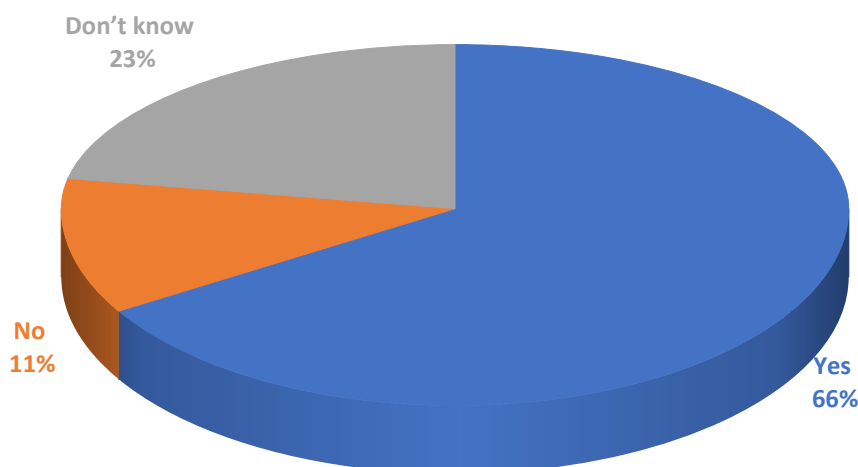


81% of people who responded agreed with this proposal. 485 answered.

What this would mean for claimants: In the current scheme if a new applicant applies, or an applicant has a change in income, the change to council tax support comes into effect from the Monday after the application/change occurs. Under the new proposals, the change would take effect from the date of application/date of change.

Summary of concerns: Concerns this is a change for change's sake. Comments people do not understand the proposed change.

Proposal 8 Should the council introduce a standard £50 per week earnings disregard for all working applicants?

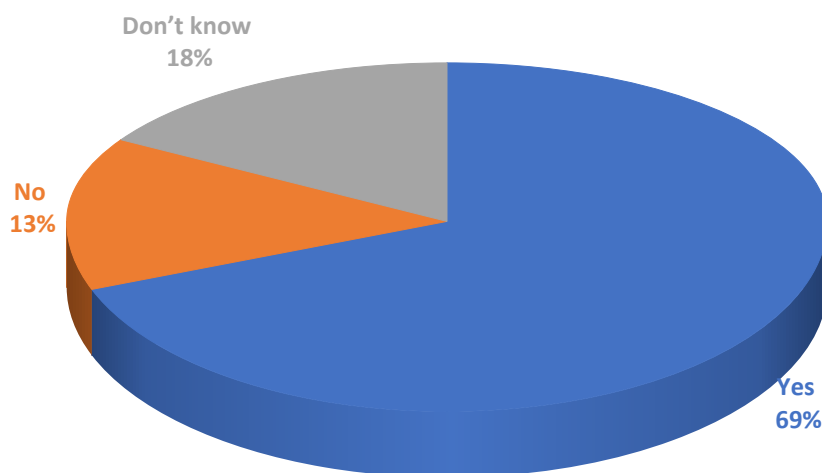


66% of people who responded agreed with this proposal. 528 answered.

What this would mean for claimants: To encourage people into work, the council will ignore £50 of earnings per week. This will replace the current standard disregards and additional earnings disregards.

Summary of concerns: Concerns this will disproportionately affect single parents who cannot work as many hours due to high childcare costs. Concerns anyone working should not receive help. Concerns the £50 level is too high and a lower disregard should be considered. Concerns this scheme will affect single person discount which it will not and this needs to be clearly communicated to alleviate concerns.

Proposal 9 Should the council limit the number of dependent children within the calculation to a maximum of two?

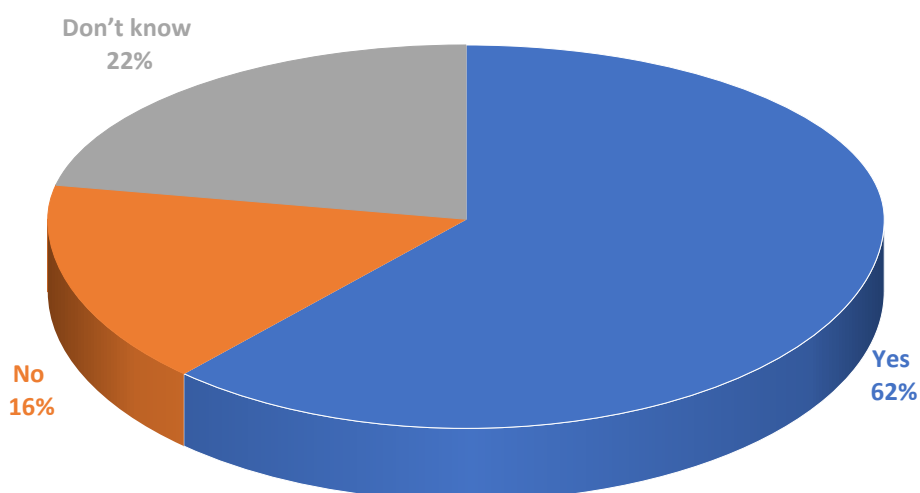


69% of people who responded agreed with this proposal. 636 answered.

What this would mean for claimants: Families with two children will receive the same level of council tax support as families with three or more children, so larger families would not receive greater support based on the number of children they have.

Summary of concerns: Concerns this is unfair to families with a larger number of children who will have higher costs. Views families with larger children should not get more support because they have more children. Concerns benefits are unfair to working people who do not qualify.

Proposal 10 Should the council remove non-dependant deductions?

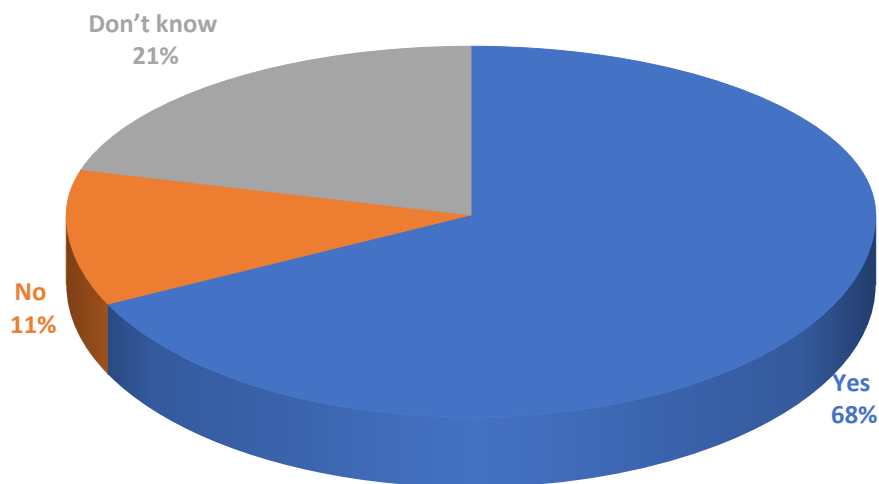


62% of people who responded agreed with this proposal. 581 answered.

What this would mean for claimants: There will be no reduction to the support given if an applicant has non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward, whilst also protecting low-income families where adult sons and daughters for example remain at home after leaving education or return home for any reason.

Summary of concerns: Concerns that non dependents may be paying rent to the liable party and the scheme will not take this into consideration. Concerns benefits are unfair to working people who do not qualify. Support for this approach in relation to young adults (18–25-year-olds). Concerns the whole household income should be considered. Support that more people living in the household will generate higher costs, so claimants should not see a drop in support.

Proposal 11 Should the council remove extended payment provision?

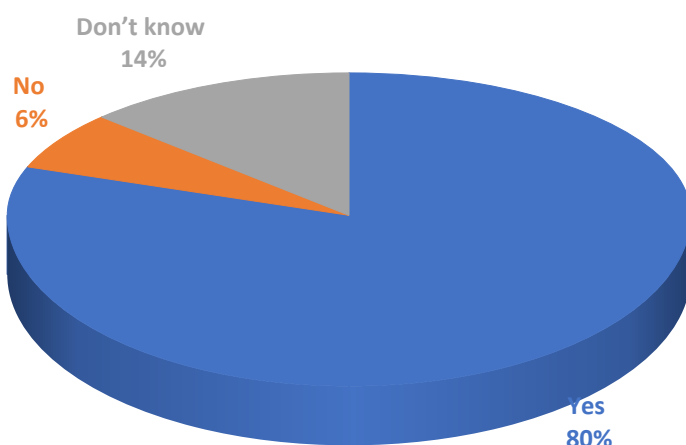


68% of people who responded agreed with this proposal. 496 answered.

What this would mean for claimants: Extended payments are provided to people who were not working and then gain employment, for four weeks, as a way of encouraging people into work/to stay in work.

Summary of concerns: Concerns this should be retained or reduced (in terms of weeks) to keep people in work to support people trying to improve their situation. Concerns this should not be retained, and once people have found work, payments should stop. Concerns benefits are unfair to working people who do not qualify.

Proposal 12 Should the council change the backdating provisions within the scheme?



80% of people who responded agreed with this proposal. 482 answered.

What this would mean for claimants: The council would be able to back-date claims up to six months if the resident can show they should have been entitled to support, regardless of whether they can show good cause for not having claimed previously it in a timely manner.

Summary of concerns: Concerns that six months is excessive. Suggestions the period should be shorter, for example 1, 2 or 3 months. Concerns there is any backdate at all, and people should be awarded it from the day they receive it. Concerns this will open the scheme up to people claiming backdates when they are not eligible.

Appendix 3

Equality impact assessment

Council tax support scheme 2023-2024



Section 1: About the service area

Your name:	Nicola Begley
Your service area:	Customer, Residents and Business
Your assistant director:	Lizzie Barton, Assistant Director, Customer, Residents & Business
Your cabinet member:	Cllr Rob Strachan, Cabinet Member for Finance & Commissioning

Section 2: Overview

Name of service/policy you are assessing:	Local council tax support scheme (LCTS) for working age applicants
Detail of proposed change:	<p>The introduction of a banded scheme local council tax support scheme, with a series of additional changes.</p> <p>Overall, the scheme will increase the level of support for working age applicants, with an additional c£500k being made available to low-income households.</p>
Main users of your service/policy	<p>The change will apply to all claimants (new and existing) for council tax support on or after 1 April 2023.</p> <p>Pension age claimants (where both members of a household are of pension age) will not be affected. Such claimants will claim under the national scheme for pension age customers.</p>

Section 3: About the proposed change

The council is required to review its council tax support scheme for working age each year. The council is keen to consider altering the current scheme for several reasons:

- The administration grant the council receives from government is reducing year-on-year, however the cost of administering the scheme is not reducing. This is primarily due to inbuilt complexities in the current scheme – for example every time an applicant's income changes, their case must be reassessed, and their award must be reprofiled.
- Universal Credit (UC) is undoubtedly a contributing factor to this, especially for claimants who are in employment. Claimants' UC is recalculated every month which can generate new files for the council to process. For claimants receiving fluctuating wages, this means they receive a revised award every month and, therefore, a revised council tax bill, which is costly to administer and deliver.
- This reprofiling of payments also creates a high level of uncertainty for customers. Payments made by customers can be delayed because of the requirement to give 14 days' notice, meaning customers do not have the opportunity to apportion their remaining council tax payments over as many instalments. On average 40% of UC claimants have between eight and twelve changes in entitlement each year. These changes result in amendments to council tax bills, the re-calculation of instalments, delays, and resetting of recovery arrangements.
- The ability to award 100% support to those on the on very low incomes will prevent hundreds of households being chased for small amounts of debt, as well as reduce debt recovery related costs. Studies have shown that the collection of a minimum amount of council tax is expensive, with recovery fees often exceeding the debt the customer originally owed (Institute of Fiscal Studies⁸). Whilst the principle of all working age households paying 'something' was initially thought to be a positive approach, the reality is that households on the lowest incomes have been unable to pay this amount, leading to additional court and enforcement costs and a reduction in customer wellbeing. These charges and costs also often need to be written off as uncollectable.
- Universal Credit claimants often fail to claim council tax support because of the belief that they have claimed it as part of the UC process, leading to a loss of financial support to those most in need.
- Due to the complex nature of assessments, benefit assessor skills are required to process Local Council Tax Support Scheme (LCTS) cases/changes.
- The administration of the current scheme is complex, with staff having to request additional/separate information from applicants. This means the timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications. A simplified scheme will allow the possibilities of awards being automated, resulting in a prompt award of support, so meeting customers' need for real-time changes to their bill according to changes in their circumstances.
- Above all, the cost of administering the scheme remains high, whilst customer satisfaction is reducing as customers are often confused by the nature and regularity of correspondence they receive and are less able to budget/manage their money based on fluctuating awards.
- Equally future potential savings the council may hope to achieve following the introduction of Universal Credit is being hampered. This is because the council's unique caseload is relatively constant, as regardless of the type of benefits a resident is claiming, the council's assessors still regularly review cases.

In view of these issues, it is proposed that an alternative approach adopted from 1 April 2023. The approach has been to fundamentally redesign the scheme to address the issues with the current scheme, in particular:

- The level of support available to the poorest households.
- The customer experience.
- The problems with the introduction of full-service Universal Credit.
- The significant increase in administration costs due to the high level of changes received in respect of Universal Credit.

⁸ <https://www.ifs.org.uk/publications/13827>

Section 4: How will your plans impact on customers with protected characteristics?

Protected characteristic	Positive impact	Negative impact	Mitigating measures
Disability (physical, sensory or learning)	Most disabled applicants will either receive the same or more support through the proposed new scheme.	<p>The proposed new LCTS scheme will not disregard Limited Capacity for Work (LCW) or Limited Capability for Work & Work-Related Activity (LCWRA) elements of Universal Credit. It will treat these benefits as income.</p> <p>Applicants who receive LCW or LCWRA in their Universal Credit payment, and as such fall into a higher income band within the new scheme, could end up receiving less council tax support from 1 April 2023.</p> <ul style="list-style-type: none"> LCW was removed (find out more) as a benefit by the government in 2017 and any new UC claimants are not awarded this benefit. People were awarded LCW by the DWP if they were considered not currently capable for work but may be capable for work some time in future. This could be because they have a health or mental health condition, or because they have a disability. Whilst the benefit has been removed, any UC claimants who have not had a break in their claim since 2017 and are still considered to have limited capability for work, can still receive LCW in their UC payment (max award £132.89 per month). LCWRA is currently awarded to new UC claimants, and it means that during the time people are receiving the benefit, they are not expected to look for work, unlike claimants of other work-related benefits, such as Job Seekers' Allowance (max award £354.28 per month). <p>Any claimants of LCW or LCWRA with a long-term physical or mental health condition or disability can claim Personal Independence Payments (PIP) which is disregarded under the proposed new LCTS scheme and could see people's income increase by between £97.80 and £627.60 per month (2022 rates). Anyone already in receipt of PIP will also benefit from the additional £85 disregard that is a feature of the proposed new scheme.</p> <p>Under the new scheme the most any one claimant could lose in council tax support is up to £25.46 per week. The average is £4.83 per week in council tax support.</p>	<p>The proposed new local council tax support (LCTS) scheme is designed to support those on low incomes by better distributing the financial support the council gives to those on the lowest incomes and allowing those on the very lowest incomes to claim up to 100% council tax support.</p> <p>As such, the scheme assesses income in a fair and consistent manner and is designed to provide support where it is most needed.</p> <p>Where an assessment of income demonstrates that a customer can afford to pay an amount towards their council tax charge (even if that income comes from certain non-disregarded benefits), they will be charged a proportional amount in relation to their financial circumstances.</p> <p>Should any claimants of LCW or LCWRA be able to demonstrate they are experiencing exceptional financial hardship because of LCW or LCWRA not being disregarded under the new scheme, and as such cannot afford their proposed council tax payments, they will be able to apply for support under the Exceptional Hardship scheme.</p> <p>The council will also encourage residents with long-term health conditions who claim LCW or LCWRA to apply for the relevant disability benefits such as PIP (if applicable), which could increase the level of support they receive.</p> <p>All applicants who may potentially lose support, including those claiming LCW and LCWRA, will be contacted (8.35%) prior to the new scheme being implemented to advise of the additional support available and encourage them to apply if needed.</p>

Protected characteristic	Positive impact	Negative impact	Mitigating measures
Age ranges (all working age claimants)	<p>The scheme will now provide for up to 100% support for working age applicants on the lowest incomes, rather than 80% support (as per the current scheme).</p> <p>68% of claimants overall will receive an increase in support, 22% will receive the same level of support and 10% will receive a drop-in support.</p> <p>Households where the claimant and partner are of pensionable age, will not be affected by this revised scheme as they are assessed under a different scheme that remains unchanged.</p>	<p>Some working age applicants will receive less support under the new scheme however this is not related to age, but other circumstances that affect the level of income they receive.</p> <p>The analysis is based on current applicants and values and the final figures may change subject to the level of council tax in 2023/24 and the level of the applicant's income.</p>	
Gender/sex	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Transgender/ gender reassignment	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Race (includes ethnic or national origins, colour or nationality)	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Gypsies and travelers	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Refugees / asylum seekers	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended

Protected characteristic	Positive impact	Negative impact	Mitigating measures
Sexual orientation	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Marriage and civil partnerships	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Religion or belief (includes lack of belief)	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
Pregnancy and maternity	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Some pregnant customers, who are temporarily unable to work due to their maternity, may be in receipt of LCWRA – see above.	See above.
Other (please specify)		None	None recommended

Section 5: Can you justify and evidence, or lessen any impact?

Justification/evidence in relation to the proposed changes:

The changes will provide a modern, more supportive and future proofed scheme that will be significantly simplify the application process for applicants and make the administration of the scheme more straightforward.

The new scheme, unlike the existing scheme, will provide applicants with certainty and significantly reduce changes to council tax liability, especially those who are entitled to Universal Credit

An Exceptional Hardship Fund (EHF) will be included in the scheme for those applicants that can demonstrate financial hardship caused by the new scheme.

For each case, a full review of the income and priority expenditure will be undertaken to establish the affordability of the council tax due. Additional support will be awarded only where the transition to the new scheme has caused financial hardship.

Section 6: Action plan

The new scheme will be implemented with effect from 1 April 2023.

All applicants will be advised of their new support on their council tax annual bill.

Applicants who may lose support will be contacted in February and be offered additional support through the Council's Exceptional Hardship Scheme.

A review of the scheme will be undertaken in 2023/24 to assess its impact on all applicants.

Section 6: Record your actions

Sent this to the Equalities Team for publication on www.lichfielddc.gov.uk	Yes
Date completed:	20/12/2022

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**Lichfield District Council
Council Tax Support Scheme
S13A and Schedule 1a of the
Local Government Finance Act 1992**

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1.0 Introduction to the Council Tax Support Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Support scheme for the period from 1st April 2023.
- 1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2023 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
 - The Council Tax Reduction Schemes (England) (Amendment) Regulations 2017;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
 - The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2022;
 - The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2023; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

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

The three prescribed classes are as follows;

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

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

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

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

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- (c) who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- (d) whose income for the relevant week is greater than his applicable amount calculated in accordance with paragraph 9 and Schedule 2 to the Local Government Finance Act 1992;
- (e) in respect of whom amount A exceeds amount B where;
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount;
- (f) not have capital savings 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 His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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

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

1.6 The adopted scheme for working age applicants is an income band scheme means test, which compares income against a range of discounts available. Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;

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

1.7 The Council has resolved that there will be **one** class of persons who will receive a reduction in

line with adopted scheme. The scheme has qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

- (a) have not attained the qualifying age for state pension credit; 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 Reduction amount can be calculated;
- (g) not have capital savings above £6,000;
- (h) not have income above the levels specified within the scheme;
- (i) 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* is within a range of incomes specified within Schedule 1; and
- (j) has made a valid application for reduction.

Council Tax Support Scheme

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

2.0 Interpretation – an explanation of the terms used within this policy

2.1 In this policy–

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

‘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

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

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

‘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;

‘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).

‘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;

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

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

‘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;

‘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;

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

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

‘couple’ means;

(a) two people who are married to, or civil partners of, each other and are members of the same household; or

(b) a man and a woman who are not married to each other but are living together as if they were a married couple or civil partners;

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

‘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 2000 Act;

‘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;

‘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 14(1)(b) or article 21(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005(b);

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

‘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 same meaning as they have in the Jobseekers Act by virtue of section 1(4) of that Act;

‘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 in section 2(5)(a) and (b) of the Regulation of Care (Scotland) Act 2001;

‘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;

‘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;

‘member of the work-related activity group’ means a claimant who has or is treated as having limited capability for work;

‘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;

‘net earnings’ means such earnings as are calculated in accordance with this scheme;

‘net profit’ means such profit as is calculated in accordance with this scheme;

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

‘new dwelling’ means, for the purposes of the definition of ‘second authority’ and sections 60C,

and 61C the dwelling to which an applicant has moved, or is about to move, in which the applicant is or will be resident;

‘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;

‘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’ means—

- (a) where an applicant is a member of a couple, the other member of that couple; or
- (b) where an applicant is polygamously married to two or more members of his household, any such member to whom he is married;

‘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;

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

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

‘personal pension scheme’ means—

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

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

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

- (a) a person is a husband or wife by virtue of a marriage entered into under 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;

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

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

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

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

'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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

‘water charges’ means;

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

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

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

‘Welfare Reform Act’ means the Welfare Reform Act 2007;

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

2.2 In this policy, 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.

2.3 For the purpose of this policy, a person is on an income-based jobseeker’s allowance on any day in respect of which an income-based jobseeker’s allowance is payable to him and on any day;

(a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker’s allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker’s allowance is not payable); or

(b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;

(c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;

(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).

- 2.4 For the purposes of this policy, 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 policy, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.6 In this policy, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

3.0 Requirement to provide a National Insurance Number

- 3.1 No person shall be entitled to reduction unless the criteria below in 3.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming reduction.
- 3.2 This subsection is satisfied in relation to a person if–
- (a) the claim for reduction is accompanied by;
 - i. a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
 - (b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.
- 3.3 Paragraph 3.2 shall not apply–
- (a) in the case of a child or young person in respect of whom council tax reduction is claimed;
 - (b) to a person who;
 - i. is a person in respect of whom a claim for council tax reduction is made;
 - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act;
 - iii. is a person from abroad for the purposes of this scheme; and
 - iv. has not previously been allocated a national insurance number.

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

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

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

Persons treated as not being in Great Britain

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 5.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
 - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 5.4B Paragraph (4A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
- would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 5.5 A person falls within this paragraph if the person is—
- A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or

- (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
 - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
 - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
 - (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in sub-paragraph (a);
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
 - (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
 - (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
 - (f) a person who has humanitarian protection granted under those rules;
 - (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion, or other removal by compulsion of law from another country to the United Kingdom;
 - (h) in receipt of income support or on an income-related employment and support allowance; or
 - (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4).
- 5.6 A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.
- 5.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
- 5.8 In this regulation—
 "claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
 "Crown servant" means a person holding an office or employment under the Crown;

“EEA Regulations” means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020

“EEA national” has the meaning given in regulation 2(1) of the EEA Regulations;

“family member” has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);

“relevant person of Northern Ireland” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and

“His Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

5.9 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.

5.10 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 5.9

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

6.0 Transitional provision

6.1 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.

6.2 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.

6.3 In this section “the Act” means the Local Government Finance Act 1992.

7.0 Temporary Absence (period of absence)

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

7.2 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 7.1.

7.3 In paragraph 7.2, a ‘period of temporary absence’ means—

- (a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
 - i. the person resides in that accommodation;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period of absence does not form part of a longer period of absence from the

dwelling of more than 52 weeks,
where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

- (b) a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period is unlikely to exceed 13 weeks; and
- (c) a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let;
 - iii. the person is a person to whom paragraph 7.4 applies; and
 - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

7.4 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 7.1, or
 - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
- (b) resident in a hospital or similar institution as a patient;
- (c) undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- (d) following, in the United Kingdom or elsewhere, a training course;
- (e) undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- (f) undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
- (g) in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- (h) a student;
- (i) receiving care provided in residential accommodation other than a person to whom paragraph 7.3a) 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.

7.5 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); and
- (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952.

7.6 Where paragraph 7.5 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 7.3 b) or c), he shall be treated, for the purposes of paragraph 7.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- (b) for the purposes of paragraph 7.4 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

7.7 In this section;

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

8.0 Membership of a family

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

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

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

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

- 8.2 Paragraph 8.1 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
- 8.3 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

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

9.1 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.

9.2 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.

9.3 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.

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

10.1 Subject to paragraphs 10.2 and 10.3, the applicant and any partner and, where the applicant or his partner is treated as responsible 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.

10.2 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 with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002.

10.3 Subject to paragraph (4), paragraph (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).

10.4 The authority shall treat a child or young person to whom paragraph (3a) 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.

10.5 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 as amended.

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

11.1 The income and capital of an applicant's partner within this scheme and for the purposes of claiming council tax reduction is to be treated as income and capital of the applicant and shall be calculated or estimated 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 his partner.

11.2 Where an applicant or the partner of is married polygamously to two or more members of his household—

- (a) the applicant shall be treated as possessing capital and income belonging to each such member; and
- (b) the income and capital of that member shall be calculated in accordance with the following provisions of this scheme in like manner as for the applicant.

11.3 The income and capital of a child or young person shall not be treated as the income and capital of the applicant.

12.0 Calculation of income and capital: persons who have an award of universal credit

12.1 Any universal credit data or notification received by the authority may be used as a claim for reduction or in the assessment of council tax reduction including data received from the Secretary of State where the applicant no longer qualifies for a universal credit award

12.2 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 may 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. The authority may use any other assessment based on the information provided by the Secretary of State.

12.3 The authority may adjust the amount referred to in sub-paragraph (2) to take account of

- (a) income consisting of the award of universal credit;
- (b) any sum to be disregarded in the calculation of earnings;
- (c) any sum to be disregarded in the calculation of income other than earnings; and
- (d) any sum which may be disregarded as housing costs;

12.4 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.

12.5 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

13.0 Calculation of income on a weekly basis

- 13.1 For the purposes of this scheme the income of an applicant shall be calculated on a weekly basis by estimating the amount which is likely to be his average weekly income.

14.0 Average weekly earnings of employed earners

- 14.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by the authority by reference to his actual earnings over a period determined by the authority as reasonable.
- 14.2 Where the applicant is recently employed and cannot furnish the appropriate evidence, the authority may 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.
- 14.3 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.

15.0 Average weekly earnings of self-employed earners

- 15.1 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.

16.0 Average weekly income other than earnings

- 16.1 An applicant's income which does not consist of earnings shall be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately.

17.0 Calculation of average weekly income from tax credits

- 17.1 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 (2)
- 17.2 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.
- 17.3 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

18.0 Calculation of weekly income

- 18.1 For the purposes of this scheme 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 quotient by 7.

18.2 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 quotient by 7.

19.0 Earnings of employed earners

19.1 Earnings means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes–

- (a) any bonus or commission;
- (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- (c) any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of–
- (g) (i) travelling expenses incurred by the applicant between his home and his place of employment;
- (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- (h) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- (i) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- (j) any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- (k) any statutory sick pay, statutory maternity pay, statutory paternity pay, or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- (l) any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;
- (m) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended.

19.2 Earnings shall not include–

- (a) 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

20.0 Calculation of net earnings of employed earners

20.1 For the purposes of this scheme, the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall be his net earnings.

20.2 There shall be disregarded from an applicant's (or their partner's) net earnings, £50 per week.

This shall apply irrespective of the applicant's household and only one disregard shall be applied per claim.

- 20.3 Net earnings shall be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;
- (a) any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 National Insurance contributions
 - (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
- 20.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.
- 20.5 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.
- 20.6 Where the earnings of an applicant are estimated an appropriate estimate of net earnings shall be determined in line with paragraph (3) above.

21.0 Earnings of self-employed earners

- 21.1 'Earnings', in the case of employment as a self-employed earner, means the gross income of the employment
- 21.2 'Earnings' shall not include any payment 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.
- 21.3 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 trademark; 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 trademark, or an original contributor to the book of work concerned.

22.0 Calculation of net profit of self-employed earners

- 22.1 For the purposes of this scheme 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 this scheme; and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 22.2 There shall be disregarded from an applicant's (or their partner's) net earnings of £50 per week. This shall apply irrespective of the applicant's household and only one disregard shall be applied per claim.
- 22.3 The net profit of the employment must be calculated by taking into account the earnings for the employment over the assessment period less
 - (a) 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 calculated in accordance with section 22; and
 - iii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 22.4 For the purposes of paragraph (1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 22.5 No deduction shall be made under paragraph (3 a) or (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.
- 22.6 A deduction shall be made under paragraph (3 a) or (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.
- 22.7 The authority shall refuse to make deduction in respect of any expenses where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 22.8 For the avoidance of doubt–
 - (a) deduction shall not be made 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
- 22.9 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 calculated in accordance with section 22 (and
- (c) one-half of the amount any qualifying pension contribution in accordance with (11).

22.10 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.

22.11 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.

22.12 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.

23.0 Deduction of tax and contributions of self-employed earners

23.1 The amount to be deducted in respect of income tax under section 28 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 is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

23.2 The amount to be deducted in respect of national insurance contributions under section shall be the total of–

- (a) the amount of Class 2 National Insurance contributions payable 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.

23.3 In this section 'chargeable income' means–

- (a) the earnings derived from the employment less any expenses deducted under section 22;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

24.0 Calculation of income other than earnings

- 24.1 For the purposes of this scheme, the income of an applicant which does not consist of earnings to be taken into account shall be his gross income and any capital treated as income under section 25.
- 24.2 There shall be disregarded from the calculation of an applicant's gross income any sum, where applicable, specified in Schedule 2.
- 24.3 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 shall be the gross amount payable.
- 24.4 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, the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- 24.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 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 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.
- 24.6 'Tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.
- 24.7 Paragraphs (7),(8), (9) and (10) apply to any applicant who is a student. Paragraph (8) and (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.
- 24.8 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 (1) in respect of a person to whom paragraph (7) applies, shall be calculated by applying the formula–
$$\frac{A - (B \times C)}{D}$$

Where
A = the total amount of the relevant payment which that person would have received had he remained a student until he last day of the academic term in which he abandoned, or was dismissed from, his course;
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 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.
- 24.9 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 (1) in respect of a person to whom paragraph (8) applies, shall be calculated by applying the formula in paragraph (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.

24.10 In this section– ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of this scheme, ‘assessment period’ means–

- (a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;
- (b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes–
 - i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
 - ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those date 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.

25.0 Capital treated as income and Notional Income

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

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

25.3 Any Career Development Loan paid pursuant to section 2 of the 1973 Act shall be treated as income

25.4 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.

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

25.7 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) rehabilitation allowance made under section 2 of the 1973 Act;
- (e) child tax credit; or
- (f) working tax credit,

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.

25.8 Any payment of income 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.

25.9 This section shall not apply in respect of a payment of income made—

- (a) under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- (b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- (c) pursuant to section 2 of the 1973 Act in respect of a person's participation—
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (d) in respect of a previous participation in the Mandatory Work Activity Scheme;
- (e) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration, or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

25.10 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 1st April in that year.

25.11 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.

25.12 Paragraph (11) 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.

25.13 'Work placement' means practical work experience which is not undertaken in expectation of payment.

25.14 Where an applicant is treated as possessing any income under this section, 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.

25.15 Where an applicant is treated as possessing any earnings under this section 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 subparagraph shall be calculated on a pro rate basis;
- (b) an amount equivalent to the amount of the primary Class 1 National Insurance contributions that would be payable by him 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.

26.0 Capital limit

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

27.0 Calculation of capital

27.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under this scheme

27.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (1), any capital, where applicable, specified in Schedule 3.

28.0 Disregard of capital of child and young person

- 28.1 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.

29.0 Income treated as capital

- 29.1 Any bounty derived from employment and paid at intervals of at least one year shall be treated as capital.
- 29.2 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.
- 29.3 Any holiday pay which is not earnings shall be treated as capital.
- 29.4 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.
- 29.5 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.
- 29.6 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.
- 29.7 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.
- 29.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.
- 29.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

30.0 Calculation of capital in the United Kingdom

- 30.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—
- where there would be expenses attributable to the sale, 10 per cent.; and
 - the amount of any encumbrance secured on it;

31.0 Calculation of capital outside the United Kingdom

- 31.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated
- 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.
 - 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.

32.0 Notional capital

- 32.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with section 33.
- 32.2 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 3; 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 Schedule 3 refers; or
 - (f) child tax credit; or
 - (g) 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.
- 32.3 Any payment of capital, other than a payment of capital specified in paragraph (4), made
- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in subparagraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
 - (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.4 Paragraph 32.3 shall not apply in respect of a payment of capital made:
- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
 - (b) pursuant to section 2 of the 1973 Act in respect of a person's participation:
 - i. in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - (c) in respect of a person's participation in the Mandatory Work Activity Scheme;
 - (d) Enterprise Scheme;
 - (e) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme;
 - (f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - vi. 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;

- vii. the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
- viii. 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.

32.5 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 be disregarded; and
- (b) he shall 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.

32.6 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 (5) shall be disregarded.

32.7 Where an applicant is treated as possessing capital under any of paragraphs (1) and (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.

33.0 Diminishing notional capital rule

33.1 Where an applicant is treated as possessing notional capital the amount which he is treated as possessing shall be reduced by the amount calculated by the authority as the weekly amount of council tax reduction lost due to the inclusion of the notional capital within the calculation.

33.1 The authority shall determine the frequency by which the notional capital is reduced.

34.0 Capital jointly held

34.1 Where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated 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

35.0 Students - Student related definitions

35.1 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 holders 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 education authority as defined in section 12 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 Island, 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’ means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary;

‘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

35.2 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.

35.3 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.

36.0 Students who are excluded from entitlement to council tax reduction

36.1 Students except those define in paragraph (3) are not able to claim Council tax reduction under Classes D of the authority’s reduction scheme.

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

36.3 Paragraph 36.2 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) who is in receipt of a Personal Independence Payment;
- (d) 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;
- (e) (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,
- (f) who is;
 - (i) aged under 21 and whose course of study is not a course of higher education, or
 - (ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);
- (g) 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.

36.4 For the purposes of paragraph (3(f)(i)) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19

36.5 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.

36.6 An intercalating student may be eligible for a reduction if the following circumstances are met:

- (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 (7).

36.7 The period specified for the purposes of paragraph (6) 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.

37.0 Students - Calculation of grant income

37.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs (2) and (3), be the whole of his grant income.

37.2 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 childcare costs of a child dependant.
- (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

37.3 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 incurred¹.

37.4 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.

37.5 Subject to paragraphs (6) and (7), a student's grant income shall be apportioned;

- (a) subject to paragraph (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.

37.6 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.

37.7 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 shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

37.8 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.

38.0 Students- Calculation of covenant income where a contribution is assessed

38.1 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 (3), the amount of the contribution.

¹ the above figures will be increased annually in line with the Housing Benefit Regulations 2006 (As amended)

- 38.2 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 (1) by 52 or 53, whichever is reasonable in the circumstances; and
 - (b) by disregarding from the resulting amount, £5.

39.0 Students - Covenant income where no grant income or no contribution is assessed

- 39.1 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 the 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 in the 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.
- 39.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph (1).

40.0 Students - Covenant Income and Grant income – non-disregard

- 40.1 No part of a student's covenant income or grant income shall be disregarded under this scheme

41.0 Treatment of student loans

- 41.1 A student loan shall be treated as income.
- 41.2 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 the course;

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

41.3 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.

41.4 Where a student is treated as possessing a student loan under paragraph (3), the amount of the student loan to be taken into account as income shall be, subject to paragraph (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.

41.5 There shall be deducted from the amount of income taken into account under paragraph (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 incurred².

² the above figures will be increased annually in line with the Housing Benefit Regulations 2006 (As amended)

42.0 Students - Treatment of fee loans

- 42.1 A 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.

43.0 Students - Treatment of payments from access funds

- 43.1 A payment from access funds, other than a payment to which paragraph 43.2 applies, shall be disregarded as income.
- 43.2 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.
- 43.3 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.

44.0 Students - Disregard of contribution

- 44.1 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.

45.0 Further disregard of student's income

- 45.1 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.

46.0 Students - Income treated as capital

- 46.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.
- 46.2 Any amount paid from access funds as a single lump sum shall be treated as capital.
- 46.3 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.

47.0 Students - Disregard of changes occurring during summer vacation

- 47.1 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.

48.0 Maximum Council Tax Reduction

48.1 Subject to paragraphs (2) to (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,

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

48.2 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.

48.3 Subject to paragraph (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 who is excluded from entitlement to Council Tax Reduction applies, in determining the maximum Council Tax Reduction in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

48.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (3) shall not apply in his case

49.0 Date on which entitlement is to begin

49.1 Subject to paragraph (2), any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that reduction shall be so entitled from the date on which that claim is made or is treated as made.

49.2 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 the date of claim

50.0 Date on which change of circumstances is to take effect

50.1 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 date on which the change actually occurs.

50.2 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.

50.3 Where the change of circumstances is that income, or an increase in the amount of income, 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.

51.0 Making an application

- 51.1 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.
- 51.2 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.
- 51.3 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.
- 51.4 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).
- 51.5 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).
- 51.6 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.
- 51.7 The authority must;
- (a) inform any person making an application of the duty imposed on them
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

52.0 Procedure by which a person may apply for a reduction under the authority's scheme³

52.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

52.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- (d) a notification of Universal Credit or any legacy benefit from DWP, may be treated by the authority as a claim for reduction.

52.3 An application which is made in writing must be made to the designated office on a properly completed form. The form must be provided free of charge by the authority for the purpose.

52.4 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.

52.5 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.

52.6 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. An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

52.7 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.

52.8 If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect. An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

52.9 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.

52.10 Where an applicant ('C') makes a claim which includes (or which C subsequently requests should include) a period before the claim is made, the authority may, at its discretion, treat the claim as made on an earlier date up to the first date of the financial year in which the request is received by the authority or up to 6 months from the date the claim is received, whichever is the earlier.

³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

53.0 Date on which an application is made⁴

53.1 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.

53.2 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

⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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.

- 53.3 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.
- 53.4 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.
- 53.5 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.
- 53.6 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.
- 53.7 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.

53.8 In this paragraph “appropriate DWP office” means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

54.0 Submission of evidence electronically

54.1 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

55.0 Use of telephone provided evidence

55.1 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

56.0 Information and evidence⁵

56.1 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.

56.2 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.

56.3 Sub-paragraph (2) does not apply;

(a) in the case of a child or young person in respect of whom an application for a reduction is made;

(b) to a person who;

(i) is a person treated as not being in Great Britain for the purposes of this scheme;

(ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and

(iii) has not previously been allocated a national insurance number.

56.4 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.

56.5 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.

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

⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
- (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

- 56.7 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; and
 - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);

- 56.8 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.

57.0 Amendment and withdrawal of application⁶

- 57.1 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.
- 57.2 Where the application was made by telephone the amendment may also be made by telephone.
- 57.3 Any application amended is to be treated as if it had been amended in the first instance.
- 57.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 57.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 57.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 57.7 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.

58.0 Duty to notify changes of circumstances⁷

- 58.1 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.

⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 58.2 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.
- 58.3 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.
- 58.4 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.
- 58.5 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.
- 58.6 The duty imposed on a person by sub-paragraph (1) includes in the case of a person falling within 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.
- 58.7 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances

59.0 Decisions by the authority⁸

- 59.1 The authority must make a decision on an application under its scheme within 14 days or as soon as reasonably practicable thereafter.

60.0 Notification of decision⁹

- 60.1 The authority must notify in writing any person affected by a decision made by it under its

⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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.

60.2 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(1);

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

60.3 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.

60.4 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.

60.5 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.

60.6 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.

60.7 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).

60.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(3) who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be, 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.

61.0 Time and manner of granting council tax reduction¹⁰

61.1 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.

61.2 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).

61.3 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.

61.4 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).

62.0 Persons to whom reduction is to be paid¹¹

62.1 Subject to paragraph (2), any payment of the amount of a reduction must be made to that person.

62.2 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.

¹⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

63.0 Shortfall in reduction¹²

63.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

64.0 Payment on the death of the person entitled¹³

64.1 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.

65.0 Offsetting

65.1 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.

66.0 Payment where there is joint and several liability¹⁴

66.1 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.

66.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

66.3 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 this scheme or is treated as having been so appointed, the amount of the reduction may be paid to that person.

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

67.1 The authority will use information provided by the DWP and HMRC for the purposes of Council

¹² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁴ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

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

- 67.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements¹⁵..

68.0 Collection of information

- 68.1 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

- 68.2 The authority may verify relevant information supplied to or obtained.

69.0 Recording and holding information

- 69.1 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.

70.0 Forwarding of information

- 70.1 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.

71.0 Persons affected by Decisions

- 71.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- (a) an applicant;
 - (b) in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or reduction appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - (c) a person appointed by the authority under this scheme;

¹⁵ Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

72.0 Terminations

- 72.1 The authority may terminate reduction in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- (a) the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - (b) a decision as to an award of such a reduction should be revised or superseded.
- 72.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- (a) the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - (b) a decision as to an award of such a reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

73.0 Procedure by which a person may make an appeal against certain decisions of the authority¹⁶

- 73.1 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.
- 73.2 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.
- 73.3 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 Act¹⁷.

74.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act¹⁸

- 74.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance this scheme or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 74.2 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).

¹⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁷ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

¹⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

75.0 Exceptional Hardship Scheme

75.1 The authority may provide additional help to an applicant who is entitled to reduction under its Exceptional Hardship Scheme.

75.2 Such payments shall be deemed to be made under S13A (1)(a) of the 1992 Act.

76.0 Interpretation for the use of electronic communication

76.1 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.

77.0 Conditions for the use of electronic communication

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

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

77.3 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.

77.4 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.

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

77.6 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.

77.7 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.

77.8 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.

78.0 Use of intermediaries

78.1 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.

79.0 Effect of delivering information by means of electronic communication

- 79.1 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.
- 79.2 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).
- 79.3 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.

80.0 Proof of identity of sender or recipient of information

- 80.1 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.

81.0 Proof of delivery of information

- 81.1 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.
- 81.2 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.
- 81.3 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.

82.0 Proof of content of information

- 82.1 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.

83.0 Counter Fraud and compliance

- 83.1 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

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

- 83.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph (1) and (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

Calculation of the amount of Council Tax Reduction in accordance with the Discount Scheme.

- 1 The authority's Council Tax Reduction scheme from 2023/24 shall be calculated on the basis of the following Banded Discount Scheme:

Band	Discount	Single Person	Single Person with one child/young person	Single Person with two or more children/young persons	Couple with no children	Couple with one child/young person	Couple with two or more children/young persons
1*	100%	£0 to £86	£0 to £179.00	£0 to £252.00	£0 to £134.00	£0 to £227.00	£0 to £301.00
2	75%	£86.01 to £126.00	£179.01 to £219.00	£252.01 to £292.00	£134.01 to £174.00	£227.01 to £267.00	£301.01 to £341.00
3	50%	£126.01 to £165.00	£219.01 to £259.00	£292.01 to £332.00	£174.01 to £214.00	£267.01 to £307.00	£341.01 to £381.00
4	25%	£166.01 to £206.00	£259.01 to £299.00	£332.01 to £372.00	£214.01 to £254.00	£307.01 to £347.00	£381.01 to £421.00
5	0%	£206.01 or more	£299.01 or more	£372.01 or more	£254.01 or more	£347.01 or more	£421.01 or more

- 2 The amount of discount to be granted is to be based on the following factors:
- The maximum Council Tax Reduction as defined within this scheme;
 - The Council Tax family as defined within this scheme
 - The income of the applicant and partner as defined within this scheme;
 - The capital of the applicant and partner as defined within this scheme.
- 4 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.
- 5 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, it should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.
- 6 Any applicant who capital is greater than £6,000 shall not be entitled to any Council Tax Reductions whatsoever.
7. The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation decided by the Council.
8. *Where an applicant or partner is in receipt of Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at Band 1 level.

Schedule 2

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

1. Any amount paid by way of tax on income.
2. 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.
3. 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.
3. 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).
4. Any payment in respect of expenses arising out of the applicant's participation in a service user group.
5. 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.
6. 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.
7. 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.
8. 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.
9. Any disability living allowance or personal independence payment or AFIP
10. Any concessionary payment made to compensate for the non-payment of;
 - (a) income support;
 - (b) an income-based jobseeker's allowance.
 - (c) an income-related employment and support allowance.
11. 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.
12. Any attendance allowance.
13. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
14. (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)I 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

(69) 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
 - I directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)I 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).
- 15. 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.
- 16 (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)I 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.
- 17 (1) Subject to sub-paragraph (2), any of the following payments;
 - (a) a charitable payment;
 - (b) a voluntary payment;
 - I 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
 - (70) 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.
- 18. 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;
 - l a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - l 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.
- 19. £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.
- 20. (1) Any income derived from capital to which the applicant is or is treated as beneficially entitled.
- 21. 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.
- 22. (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 defined within this scheme.
 - (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.
- 23. Any payment made to the applicant by a child or young person or a non- dependant.
- 24. Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person 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.
- 25. (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.
- 26. (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.
- 27. 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.
- 28. (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) 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);

- (a) 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.
29. 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
- (71) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
30. 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) 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
31. 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).
32. (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 continues to live with the applicant.
33. (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).

- 34. Any payment of income which is to be treated as capital.
- 35. 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
- 36. Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 37. 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.
- 38. (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.

39. Any Housing Benefit or where the applicant is entitled to an award of Universal Credit which includes a housing element, an amount of Universal Credit equal to the housing element used in that award, up to a maximum of the Universal Credit award.
40. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
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. 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).
43. (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);
I 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).
44. 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).

45. 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.
46. (1) Where an applicant's family includes at least one child or young person, £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).
47. (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;
I a court order;
(d) a consent order;
I 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.
48. 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.
49. Any guardian's allowance.
50. (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.
51. 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.
52. 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.
53. (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).

54. Any council tax reduction or council tax benefit to which the applicant is entitled.
55. 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).
56. (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
57. (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.
58. 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.
59. 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.
60. 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.
61. (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.
62. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

63. Any payment of child benefit.
64. Any Windrush compensation payment.
65. Any payment made under the We Love Manchester Emergency Fund.
66. Any payment made under the London Emergency Trust.
67. Carers Allowance.
68. The support component of Employment and Support Allowance.
69. An amount the authority determines relates to the housing element of Universal Credit.
70. Any payment deemed to be made by the authority under a local welfare provision.
71. Any increase in national welfare benefits made in relation to a crisis by Government which would result in a reduction in support.
72. Where, **but for this scheme**, the applicant would be entitled to either a Disability Premium, Enhanced Disability Premium, Severe Disability Premium or a Disabled Child Premium, a further disregard of £85 shall be made from their income.
73. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022
74. Any local welfare provisions under any scheme operated or administered by the authority.
75. Any payment made under the Government's Infected Blood Support Scheme provisions.
76. Any amount awarded as a disabled child element, severely disabled child element or carers element within Universal Credit.
77. **Provision for all applicants: Homes for Ukraine scheme**
(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

Schedule 3
Capital to be disregarded

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital provided that it is no more than £16,000.
8. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
9. 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.
10. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged

or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(3) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

11. (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) an income-related benefit;
 - (b) an income-based jobseeker's allowance;
 - (c) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (d) working tax credit and child tax credit
 - (e) an income-related employment and reduction allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

12. 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.

12. 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.

13. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that reduction.

14. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

15. 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.

16. (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).

17. The value of the right to receive any income under a life interest or from a life rent.
18. The surrender value of any policy of life insurance.
19. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
20. 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).
21. (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.
22. Any social fund payment.
23. 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.
24. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
25. 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.
27. 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.
28. 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 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 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 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) 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.

28. (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.
29. 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.
30. 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.
31. 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.
32. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
33. The value of the right to receive an occupational or personal pension.
34. The value of any funds held under a personal pension scheme
35. 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.
36. 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).
37. 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.
38. 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.
39. 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.
40. Any arrears of supplementary pension which is disregarded under this scheme but only for a period of 52 weeks from the date of receipt of the arrears.
41. (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.
42. 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.
43. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
44. 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.
45. 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.
46. 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.
47. (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.
48. (1) Any sum of capital to which sub-paragraph (2) applies and
 (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
 (b) which can only be disposed of by order or direction of any such court; or
 (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
 (2) This sub-paragraph applies to a sum of capital which is derived from;
 (a) an award of damages for a personal injury to that person; or
 (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

49. 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.
50. Any payment to the applicant as holder of the Victoria Cross or George Cross.
51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
53. (1) Any payment;
 - (a) by way of an education maintenance allowance made pursuant to—
 - (i) regulations made under section 518 of the Education Act 1996;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
 - (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
54. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
55. Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of–
- (a) the applicant;
 - (b) the applicant's partner;
 - (c) the applicant's deceased spouse or deceased civil partner; or
 - (d) the applicant's partner's deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.
57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
 - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
 - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending–
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person–
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,
 whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is–
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to–
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
 - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply

for the period beginning on the date on which that payment is made and ending—

- (i) two years after that date; or
- (ii) on the day before the day on which that person
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,

whichever is the latest.

- (5) In this paragraph, a reference to a person—
- (a) being the diagnosed person's partner;
 - (b) being a member of a diagnosed person's family;
 - (c) acting in place of the diagnosed person's parents,
- at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

- (6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;
- 'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
- 'trust payment' means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

59. (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.

60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments),

64. Any Windrush compensation payment.

65. Any payment made under the We Love Manchester Emergency Fund.

66. Any payment made under the London Emergency Trust.

67. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.
68. Any local welfare provisions under any scheme operated or administered by the authority.
69. Any payment made under the Government's Infected Blood Support Scheme provisions.
70. **Provision for all applicants: Homes for Ukraine scheme**
(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
(c) an applicant's entitlement to a reduction under the scheme; or
(d) the amount of any reduction to which the applicant is entitled.
(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

CHIEF EXECUTIVE DECISION

Date: 06 February 2023

KEY DECISION: NO

Allocation of Seats and Appointments to Committees

1. Decision:

- 1.1 The chief executive agreed the updated political allocation of seats on committees and panels.
- 1.2 The chief executive received the updated appointments to the standing committees subject to no Member being disqualified from serving due to a conflict of interest.

2. Statement of Reasons:

- 1.1 This report is to request an immediate update to the Allocation of Seats and Appointments to Committees. The proposal has been made following consultation with the Leader of the Council and the Chief Executive.

3. Any Alternative Options:

- 3.1 These changes would otherwise need the approval of members through a special full council meeting.

This decision has been made in accordance with Paragraph 26 Part 4 Section 1 of the constitution.

Simon Fletcher
Chief Executive

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CONSTITUTION OF COMMITTEES AND PANELS:
(Recalculated in January 2023)

COMMITTEE / PANEL	SIZE	Con	Lab	Lib Dem	Ref	Ind
Council	47	31	11	1	1	2
Leader and Cabinet	7	7				
Overview and Scrutiny Committee	14	8	3	1		2
Audit and Member Standards Committee	9	6	2			1
Planning Committee	15	10	3	1	1	
Regulatory and Licensing Committee	13	8	3	1		1
Disciplinary and Grievance Appeals Committee	7	4	2	1		
Investigatory and Disciplinary Committee	7	4	2			1

COMMITTEE / PANEL	SIZE	Con	Lab	Lib Dem	Ref	Ind
Licensing and Consents Appeals Committee <i>Any 3 from Regulatory and Licensing Committee</i>	3					
Employment Committee	10	6	2			
Disciplinary and Grievance Appeals Committee	7	4	2	1		
Investigatory and Disciplinary Committee	7	4	2			1
Appointments Committee <i>To be made of four Cabinet Members and the Leader of the Principal Opposition Group</i>	5	4	1			
Joint Committee for Waste Management <i>The Leader of the Council or authorised deputy</i> <i>The Portfolio Holder responsible for Waste or authorised deputy</i>	2	2				

FOR: URGENT CHIEF EXECUTIVE DECISION
30 January 2023
AGENDA ITEM. N/A

CABINET	
Leader of Cabinet	D. R. Pullen
Deputy Leader and Cabinet Member for Economic Growth and Development	I. M. Eadie
Cabinet Member for Finance and Commissioning	R. W. Strachan
Cabinet Member for Community Engagement	R. E Cox
Cabinet Member Leisure and Parks	A. F. Smith
Cabinet Member for Housing, Ecology and Climate Change	A. C. Lax
Cabinet Member for Waste and Recycling	E. Little

OVERVIEW & SCRUTINY COMMITTEE Constitution – Up to 14 Members Composition				
Conservative 8	Labour 3	Liberal Democrat 1	Independent 2	Reform UK 0
R. Cross	S. G Norman	Paul Ray	J. K Grange	
J. M. Eagland	D. C. Robertson		A. M Little	
D. J. Leytham	C.D. Evans			
W-L Ho				
J. Silvester-Hall				
H. Tranter				
A. Yeates				
M. J. Wilcox				

EMPLOYMENT COMMITTEE Constitution – Up to 10 Members Composition				
Conservative 7	Labour 2	Liberal Democrat 0	Independent 0	Reform UK 0
S. Barnett	R. J. Birch			
D. Cross	D. C. Robertson			
T. R. Matthews				
J. P. Powell				
M. Warfield				
S. E. Wilcox				
VACANT				

PLANNING COMMITTEE Constitution – Up to 15 Members Composition				
Conservative 10	Labour 3	Liberal Democrat 1	Independent 0	Reform UK 1
D. F. Baker	J. Anketell	P. W. W. Ray		B. Gwilt
J. Checkland	R. J. Birch			
D. Cross	C. D. Evans			
K. P. Humphreys				
D. Leytham				
T. Marshall				
T. R. Matthews				
J. P. Powell				
D. F. Salter				
S. E. Wilcox				

REGULATORY & LICENSING COMMITTEE Constitution – Up to 13 Members Composition				
Conservative 8	Labour 3	Liberal Democrat 1	Independent 1	Reform UK 0
S. A. Barnett	J. Anketell	P. W. W. Ray	A. M Little	
J. Checkland	L. J. Ennis			
D. Cross	C. D. Evans			
J. M Eagland				
D. F. Salter				
H. Tranter				
M. A. Warfield				
B. W. Yeates				

AUDIT AND MEMBER STANDARDS COMMITTEE Constitution – Up to 9 Members Composition				
Conservative 6	Labour 2	Liberal Democrat 0	Independent 1	Reform UK 0
R. Cross	S. G Norman		J. K Grange	
W-L Ho	D. C. Robertson			
J. Silvester-Hall				
C J. Spruce				
M. J. Wilcox				
A. G. White				

DISCIPLINARY AND GRIEVANCE APPEALS COMMITTEE
Constitution – 7 Members to be appointed when required
Composition

At least one Member to be from the Cabinet

***Chair is elected from those Members present**

Conservative 4	Labour 2	Liberal Democrat 1	Independent 0	Reform UK 0
J. Checkland	D. M. O. Ennis	P. W. W. Ray		
J. M. Eagland	P. Taylor			
A. C. Lax				
M. A. Warfield				

INVESTIGATORY AND DISCIPLINARY COMMITTEE
Constitution – 7 Members to be appointed when required
Composition

At least one Member to be from the Cabinet
No members from the Disciplinary and Grievance Appeals Committee

***Chair is elected from those Members present**

Conservative 4	Labour 2	Liberal Democrat 0	Independent 1	Reform UK 0
R. Cross	C. J. Ball		J. K. Grange	
I. M. Eadie	S. W. Banevicius			
C. Greatorex				
T. Marshall				

APPOINTMENTS COMMITTEE
Constitution – 5 Members to be appointed when required
Composition

Four Cabinet Members and Leader of the Principal Opposition Group

*Chair is elected from those Members present

LICENSING & CONSENTS APPEALS COMMITTEE
Constitution – 3 Members
Composition

Any three from Regulatory & Licensing Committee but including the Chair of Regulatory & Licensing Committee as standing Chair

JOINT COMMITTEE FOR WASTE MANAGEMENT
Constitution – 2 District Members
Composition

The Leader of the Council or authorised deputy
The Portfolio Holder responsible for Waste or authorised deputy

*Chair is elected from those Members present

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Updated Pay Policy 2023

Date: 28 February 2023

Contact Officer: Christie Tims, Assistant Director Operations Regulation and Enforcement and Sam Mills, Strategic HR Manager

Email: Sam.mills@lichfielddc.gov.uk;
Christie.tims@lichfielddc.gov.uk;

Key Decision? NO

Local Ward Members N/A



FULL COUNCIL

1. Executive Summary

- 1.1 To inform the Committee of the Council's duties under Section 38 of the Localism Act 2011 to prepare and publish an annual Pay Policy Statement for 2023.
- 1.2 To approve publication of the updated Pay Policy Statement, subject to Full Council approval.

2. Recommendations

- 2.1 It is recommended Council approves the contents of the updated Pay Policy Statement as set out in **Appendix A**.
- 2.2 The committee delegate authority to the Assistant Director operations, Regulation & Enforcement in consultation with the Chair of this committee, to update and republish the pay policy in respect of the pay spine set out at Appendix 1 and any ratios once the national pay negotiations for 2023 are concluded.
- 2.3 That the benchmark for the living wage foundation rate to be built into the ongoing pay policy structure to ensure that level of pay is always met for all Grades.

3. Background

- 3.1 Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit".
- 3.2 The Pay Policy Statement (attached at **Appendix A**) sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying;
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its senior managers i.e. 'chief officers', as defined by the relevant legislation;
 - the relationship between the remuneration of its chief officers, those who are not chief officers and the lowest paid;
- 3.3 This statement is required to be submitted to Full Council for approval and will then be published on the Council's website. In addition, for posts where the full time equivalent salary is £50,000 p.a. or more, the Council's Annual Statement of Accounts will include a note setting out the total amount of :-
 - salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - any bonuses so paid or receivable by the person in the current and previous year;
 - any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - any compensation for loss of employment and any other payments connected with termination;
 - any benefits received that do not fall within the above
- 3.4 The Council's pay structure is largely based on the Council's Single Status Agreement and on the National Joint Council for Local Government Services job evaluation scheme which has the support of both trade unions and

employees. Any changes to jobs or new jobs go through a job evaluation process to ensure that there is consistency and fairness in place. The salaries are set according to the national pay grading scale (pay grades attached at **Appendix 1 within the Pay Policy Statement**.

- 3.5 Pay negotiations for all Lichfield District Council employees (below Chief Executive and Chief Officers) are conducted at a national level on our behalf by National Joint Council (NJC). As part of our collective agreement with Unison, we participate in national bargaining and therefore any negotiated settlement reached at a national level is mandatory and must be applied to our employees. Pay awards for Chief Officers are also determined at a national level by the Joint National Council (JNC) a separate machinery exists for Chief Executives.

Alternative Options	None, this report is required to produced and approved annually under Section 38 of the Localism Act 2011
Consultation	This report has been considered and updated by the Employment Committee for approval by Full Council. Employee Representatives have been consulted with regard to this report requirement and national bargaining on the 2022 settlement is now settled. Consultation on 2023 settlement has begun and a pay claim has been submitted by the Unions. It is unlikely that this would be settled before the Summer.
Financial Implications	This report sets out the existing financial obligations regarding pay policy which have been built in to the revised MTFs.
Approved by Section 151 Officer	Yes
Legal Implications	We have a statutory duty to report these figures annually. A fair and transparent Pay policy provides some assurance regarding equal pay and fair and consistent pay practices in line with collective bargaining agreements.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The revised Pay Policy ensures that we are a good council, by maintaining an up to date and relevant pay structure that helps to retain and attract skilled officers.
Equality, Diversity and Human Rights Implications	National job evaluation schemes and mechanisms provide assurance to manage these implications.
Crime & Safety Issues	1. None
Environmental Impact	1. None
GDPR / Privacy Impact Assessment	1. All identifying information has been removed from narrative reporting.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Non - compliance with	Yellow	Through the publication of an annual pay policy	Green

	legislation or challenges on equal pay	Likelihood (Green) and Impact (Yellow)	statement and maintaining a consistent approach to conducting Job Evaluation.	Likelihood (Green) and Impact (Green)
B	Failure to adopt the new settlement for 2023 when agreed	Yellow Likelihood (Yellow) and Impact (Yellow)	Delegation has been sought to reflect the agreed settlement once it is confirmed.	Green Likelihood (Green) and Impact (Green)
C				

	Background documents
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	Relevant web links https://www.emcouncils.gov.uk/write/Emp_Circ_update_on_2021_pay_round_02Feb22.pdf https://www.instituteforgovernment.org.uk/publication/whitehall-monitor-2022/civil-service
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Lichfield District Council

Pay Policy Statement 2023

Introduction and purpose

Under section 112 of the Local Government Act 1972, Lichfield District Council (LDC) has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'.

This Pay Policy Statement (the 'statement') sets out LDC's approach to its pay, terms and conditions and other related matters in accordance with the requirements of Section 38 of the Localism Act 2011.

Once approved by full Council, this Pay Policy Statement will come into immediate effect and will be subject to review on an annual basis, in accordance with the relevant legislation prevailing at that time.

Lichfield District Council

Lichfield District Council employs 313 staff (as at 05/01/2023), excluding casual workers, contractors, and agency workers) and provides a wide range of services managed through the Chief Executive's, a Chief Operating Officer, and three Assistant Directors; these AD roles are now permanent within the new Target Operating Model structure that is now in place as of the 1st of October 2022. **See Appendix 2 Target Operating Model**

The Chief Executive

The Chief Executive leads the organisation by translating members' aspirations into practical solutions and delivery. They also:

- Act as lead advisor to Elected Members on all matters
- Undertake the statutory role of Head of Paid Service ensuring all staff support delivery of the Strategic Plan.
- Undertake the statutory role of Returning Officer and management the electoral register.

Chief Operating Officer

This role takes the strategic lead on

- Lead and support LDC's governance arrangements
- Manage direct reports from the Leadership team and key service areas in the core including:
- Governance, civic, legal and member services.
- Corporate lead on equalities.
- Organisational development and performance management. (HR will sit under Regulation and Enforcement)
- Customer complaints, ombudsman investigations, Data Protection, Freedom of Information, RIPA and MP enquiries and Licensing.
- Corporate ICT Service provision.
- Ecology, Biodiversity, Arboriculture, Climate Change
- Supporting strategic partnerships focusing on green matters including Cannock Chase AONB and managing the council's countryside assets, arboriculture services, countryside, biodiversity, rural strategy and planning
- Sustainable development, planning policy, development plans and implementation, urban design and conservation, building control and land charges.
- Corporate Communications, consultation and marketing
- People - Housing & Health Community & Active Lives including community lottery and safeguarding
- Prosperity - Economic Development Visitor Economy – Events
- Place - Spatial planning, Conservation
- Lead on older people, children and young people and safeguarding policy.
- Sustainable economic development, city and town centre regeneration and development including management of

leisure centre and theatre contracts.

Assistant Director Operations Regulation and Enforcement

This role takes the strategic lead on

- The Joint Waste service, with Chief Executive of Tamworth Borough Council in respect of waste collection and recycling, sustainable waste management, including partnership support, environmental education and awareness.
- Environmental Health - including food safety, occupational health and safety, infectious disease.
- Environmental Protection, Planning Enforcement - including contaminated land, pollution, nuisance, air quality.
- Parking, CCTV and Community Safety
- Safer and Stronger communities including the Community Safety Partnership
- Emergency planning, with business continuity in conjunction with Staffordshire Civil Contingencies Unit.
- Street scene
- Parks & Open Spaces
- Human Resources, health and safety, insurance and payroll
- Building Control and Land Charges Partnership

Assistant Director Residents and Business

Services - This role takes the strategic lead on

- Customer Services
- Administration and collection of local taxation, including council tax and business rates (NNDR), housing benefits and council tax reductions, arrears collection for council tax, business rates, benefits over payments and sundry debts.
- Housing Options and homelessness
- Development control
- Digitisation and transformation projects including web and digital channels, data analysis and RPA for Being a Better Council.

Assistant Director Finance and Commissioning (\$151)

This role takes the strategic lead on

- Anti-fraud policy and awareness
- Internal/ External audit and risk management
- Financial probity, strategic financial management, treasury and investment funds, and revenue and capital strategy.
- Management of accounts and reconciliation and the management of external funding.
- Procurement strategy, policy and implementation
- Assets, premises, facilities management through (LWMTS).
- Commissioning

2. Legislative framework

In determining the pay and remuneration of its employees, LDC will comply with all relevant employment legislation. This includes the Employment Act 2002, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Fixed-Term Employees Regulations (Prevention of Less Favourable Treatment) 2002, The Agency Workers Regulations 2010, [National Living Wage](#) and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations 2006 (TUPE), and the Employment Rights Act 1996.

With regard to the Equal Pay requirements contained within the Equality Act, the council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed job evaluation mechanisms, which directly relate salaries to the requirements, demands and responsibilities of the role.

LDC also complies with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which require public sector employers with 250 or more employees to publish their gender pay gap information.

3. Pay structure

The underpinning mechanism in delivering LDC's pay structure is LDC's job evaluation system and the Single Status Agreement for all staff covered by the [National Joint Council](#) negotiations. This ensures all employees (except Chief Officers) are rewarded according to the demands and responsibilities of their job and that there are no discriminatory elements.

The posts of the majority of employees have been assessed using a National Joint Council for Local Government Services job evaluation scheme and which is supported by both the national trade unions and LDC employees.

The Single Status Agreement ensures that there is consistency and fairness in its terms and conditions, including pay that the council offers to its employees. The grades of Chief Officers in the new structure have been evaluated through the Hay Job evaluation process and are subject to the terms agreed by the [Joint Negotiating Council](#).

Any changes to jobs or new jobs go through a job evaluation process to ensure that there is consistency and fairness in place. Based on the application of the job evaluation process, the council uses the nationally negotiated pay scale as the basis for its local grading structure. **Appendix 1** shows the Lichfield District Council NJC pay grades applicable from April 2022 (as agreed in November 2022). The pay award for April 2023 is yet to be negotiated and settled.

The Local Government Association (LGA) represents LDC in national pay negotiations with trade unions and the government over pay and conditions.

In determining its grading structure and setting remuneration levels for all posts, LDC also takes into account the need to ensure value for money in respect of the use of public funds and affordability balanced against the need to recruit and retain employees who are able to meet the requirements of their respective roles, and provide timely high quality services to the community, delivered effectively and efficiently.

New appointments will be made at the relevant rate to ensure the best candidate is secured and wherever possible this should be the lowest scale point within the grade. If an internal candidate is appointed on promotion then as a point of principle, they should be offered the next available rate within the grade as a minimum and where a grade overlaps they should be offered the role on a point on the scale which ensures remuneration for the additional responsibility of the new role.

From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, LDC will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. This is known as a 'market supplement'.

Where appropriate a shared service payment may also be made to an officer who is managing a service on behalf of another council.

Local and Dangerous Building Allowances are paid as a contractual obligation following a TUPE transfer. Other TUPE rates are paid as a result of TUPE transfers.

In addition we have an *Acting up Recognition Policy* (payment of an Honorarium), where a lower graded employee may be asked to take on the duties of a higher graded post, due to vacancy or other absence, where the employee possesses the appropriate skills and is agreeable to do so. At the time of writing this report there are currently 2 honorarium payments in place.

Payments for the *Deputy Monitoring Officer* and *Deputy Section 151 Officer* are also paid as a supplement to officers who sit outside of the senior leadership team or interim roles for their additional responsibilities in carrying out statutory functions.

All other pay related allowances are the subject to either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council policy. This includes a *telephone allowance*, payable to officers who are required to use their home phone for work purposes.

Essential user car allowance is £80.25 or £70.50 per month dependent on the size of vehicle. These rates are applicable to all employees who are essential car users. There are currently 75 employees receiving an essential car user's allowance. This allowance will be subject to review for existing employee's and is not part of any terms and conditions for new starters unless the role commands an essential car user allowance. This due to the councils approach to hybrid work where many meetings now are conducted via digital means.

Current details of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties, are set out below:

Table 1 - Additional Payments

2002 Pay Protection	386.28	3624.96	5
2017 Acting Up Allowance	2556.72	2556.72	1
2027 Essential User Lump Sum	846.00	1239.00	75
2047 LDC Shared Service Honorarium	3528.00	3528.00	1
2060 Market Supplement	2000.00	7800.00	6
2106 Honoraria (Pensionable)	444.12	832.92	2
2162 LDC Telephone Allowance	117.00	124.32	8
2163 LDC First Aid	96.48	96.48	2
2164 LDC Deputy Section 151 Officer	3091.20	3091.20	1
2165 LDC Dangerous Building Allowance	2979.96	2979.96	1
2166 LDC Local Allowance	3000.00	3000.00	1
2167 LDC Monitoring Officer Allowance	3200.00	3200.00	1
2168 LDC Protected Annual Allowance	5666.76	6926.88	2
2169 LDC Contractual Overtime	610.08	662.04	3

Apprenticeships

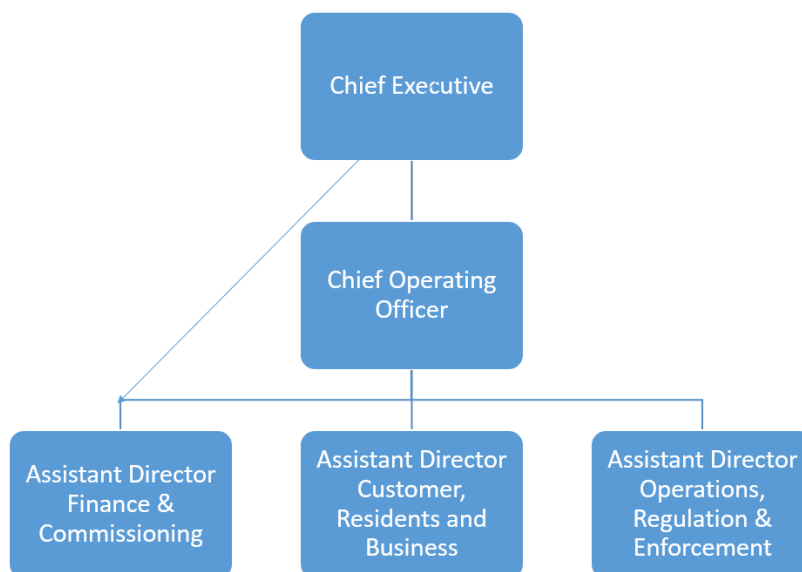
Under the Enterprise Act 2016, <https://www.gov.uk/government/news/enterprise-act-becomes-law> we are encouraged to appoint apprentices and public sector bodies are required to have up to 2.3% of their workforce in an apprenticeship annually. Our original aim was to recruit 8 new apprentices during 2022/23, we have exceeded that target and currently have 12 positions accessing the apprenticeship levy funding.

A one-off reserve has been used to fund these apprentices and any additional apprentices in targeted areas. All vacancies will be considered by relevant Chief Officers to ensure that opportunities for different ways of working are explored, that we have considered if the vacant post can be filled by an apprentice, and that appointments are made on the most appropriate basis and only when essential to ongoing service delivery. Many of our employees undertaking apprenticeships are paid within our normal pay scales but where appropriate we pay new recruits to an apprenticeship in line with the [National Apprenticeship rates](#)

4. Definition of a Chief Officer

Section 43 of the Localism Act 2011 defines the meaning of a Chief Officer and refers to the Local Government and Housing Act 1989. Statutorily the Chief Officer at LDC is currently the Chief Executive and locally LDC has extended the definition of a Chief Officer to include the Chief Executive, Chief Operating Officer and Assistant Directors.

The Chief Officers' Structure, (Target Operating Model) is as follows:



Under transparency regulations we also publish data of any officer where a full-time equivalent salary is at least £50,000 even though they do not fall within the definition of Chief Officer.

5. Chief Officers' remuneration

Chief Executive

The Chief Executive salary falls within a range between £115, 393, rising to a maximum of £122, 272 not inclusive of any payment for Returning Officer duties, with the exception of District and Parish elections, payment for which is included in the salary.

Chief Operating Officer/ Director

This sits within the banding previously set out for Directors within the structure with five incremental points ranging from £85,480 to £90,412. The current post also attracts a Market Supplement.

Assistant Directors (ADs)

Following the implementation of the Target Operating Model the new bandings for Assistant Directors range from £72,063 to £79,230.

Senior Managers

Within the Target Operating Model structure there exists a number of post that attract a salary range that sits above Band L – this was the highest band that sat underneath HOS in the previous structure. These posts (some are still vacant) have a range of salary from £50,487 to £56,648 and are Band M post and these directly report into Chief Officers along with some band L roles.

They are -

Operations Manager – Operations Regulation and Enforcement salary range - £50,487 to £56,648 (vacant)

This role manages the Joint Waste Service, Streetscene, Parks and Open Space and Car Parking.

Regulation and Enforcement Manager – Operations Regulation and Enforcement salary range - £50,487 to £56,648 (vacant)

This role is responsible for Environmental Health, Environmental Protection, Community Safety and Planning Enforcement.

Finance Manager – Finance and Commissioning - salary range - £50,487 to £56,648 (vacant)

The finance manager will deputise for the Assistant Director for finance and procurement they will be responsible for Treasury, Annual Statement of Accounts and Returns. Assists in the production of the Medium-Term Financial Strategy.

Policy and Strategy Manager - salary range - £50,487 to £56,648

Lead Policy and Strategy Officer for the Council including - Place (Spatial Policy) Housing Strategy, Prosperity (economic development), Active lives, conservation and ecology.

Building Control Partnership Manager salary range - £45,495 to £49,590

Partnership manager for building control and land charges. Deliver the statutory requirements on behalf of 6 councils and act as the central building control host.

Procurement Manager – Finance and Commissioning - salary range - £45,495 to £49,590

Responsible for the e-tendering process and councils contract register. Principal negotiator and procurement adviser/specialist for the council for contracts compliance and agreements.

Governance Manager - salary range - Salary Range £45,495 to £49,590

Lead for the governance team. Provides support for the executive functions of the Council. Provides a full range of governance, democratic, civic and legal services. This role also acts as the councils Monitoring Officer and senior legal advisor.

ICT Manager – Core Services - salary range – £45,495 to £49,590

Responsible for IT Governance, data management and service delivery.

Performance and Programmes Manager Salary Range £45,495 to £49,590

Planning and delivering the Council's key programme of City Centre development projects and other key Council-led development projects within Lichfield District, including Council's Strategic Plan, Local Plan and other key strategies and plans.

Other pay additions

In addition to basic salary, described below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

Fees paid for Returning Officer duties where identified and paid separately. This applies solely to the Chief Executive and their deputies and relates to fees, which are set by the Government for Parliamentary elections and through agreement with Staffordshire County Council, for County Council elections, using a pence per elector for the calculation. Fees for the district and parish local elections are included in the Chief Executive salary level.

6. Payments on termination

LDC's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment), (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

The details of payments are set out in LDC's Discretionary Payment Policy and the recently developed Voluntary Severance Scheme. These policies apply equally to all LDC employees on development of a business case and in

compliance with Exit Payment regulations.

7. Lowest paid employees

The lowest paid people employed under a contract of employment with LDC would be employed on a full time [37 hours] equivalent salary, set at the minimum pay point currently in use within LDC's grading structure (see **Appendix 1**) £10.60 per hour from 1 April 2023 (as SCP1 will be deleted from the pay spine on 1 April 2023). This provides at least 18p headroom above the announced National Living Wage amount of £10.42. However the Council has taken the decision to supplement any employee to match the Foundation Living Wage of £10.90 per hour.

LDC employs apprentices who are not included in the definition of 'lowest paid employees' as the terms and conditions are determined by the National Apprenticeship Services.

8. Pay relationship

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce, and that of senior managers. This is detailed in the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton Report explored the case for a fixed limit on dispersion of pay through a requirement that **no public sector manager can earn more than 20 times the salary of the lowest paid person** in the organisation. The report concluded that the relationship to median earnings was a more relevant measure, and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

The current pay levels within LDC define the multiple between:

- the lowest paid (full time equivalent) employee and the Chief Executive ratio is **1 to 6.03**
- the lowest paid employee and median average chief officer is **1 to 3.76**.
- the median average full time equivalent earnings and the Chief Executive is **1 to 4.65**
- the median average full time equivalent earnings and median average chief officer is **1 to 2.73**

All companies employing more than 250 staff must publish their pay relationship from this year <https://www.gov.uk/government/news/uks-biggest-firms-will-have-to-justify-pay-gap-between-bosses-and-their-workers>.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, LDC uses available benchmark information as appropriate.

9. Publication

Upon approval by Full Council, this statement will be published on LDC's website. In addition, for posts where the full time equivalent salary is at least £50,000, LDC's Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to, or receivable, by the person in the current and previous year.
- any bonuses paid or receivable by the person in the current and previous year.
- any sums payable by way of expenses allowance that are chargeable to UK income tax.
- any compensation for loss of employment and any other payments connected with termination.
- any benefits received that do not fall within the above.

This policy and (Appendix 1) will be updated and republished once a final settlement to the 2023 Pay Negotiations is agreed later in the year.

10. Accountability and decision making

In accordance with the constitution of LDC, the Employment Committee is responsible to LDC for functions relating to employment matters including establishing the overall framework for remuneration and terms and conditions of employment.

Appendix 1

Lichfield District Council - Pay Rates					
April 2022 - March 2023					
* National Joint Council for Local Government Services - All annual grades increased by £1925					
* Locally Agreed Coaching Rates - All annual grades increased by £1925					
* National Minimum & Living Wage Rates - rates effective from 01/04/2022					
BAND A			BAND G		
1	Annual	Hourly Rate	19	Annual	Hourly Rate
	20258	10.50	20	27852	14.44
BAND B			21	28371	14.71
1	20258	10.50	22	28900	14.98
2	20441	10.60	23	29439	15.26
3	20812	10.79	24	30151	15.63
BAND C			BAND H		
3	20812	10.79	24	31099	16.12
4	21189	10.98	25	32020	16.60
5	21575	11.18	26	32909	17.06
BAND D			27	33820	17.53
5	21575	11.18	28	34723	18.00
6	21968	11.39	BAND I		
7	22369	11.59	28	34723	18.00
BAND E			29	35411	18.35
7	22369	11.59	30	36298	18.81
8	22777	11.81	31	37261	19.31
9	23194	12.02	32	38296	19.85
10	23620	12.24	BAND J		
11	24054	12.47	32	38296	19.85
12	24496	12.70	33	39493	20.47
BAND F			34	40478	20.98
14	25409	13.17	35	41496	21.51
15	25878	13.41	BAND K		
16	26357	13.66	35	41496	21.51
17	26845	13.91	36	42503	22.03
18	27344	14.17	37	43516	22.56
19	27852	14.44	38	44539	23.09
National Living Wage and National Minimum Wage			39	45495	23.58
Age Range	01-Apr-22		BAND L		
23+	9.50		39	45495	23.58
21 - 22	9.18		40	46549	24.13
18 - 20	6.83		41	47573	24.66
under 18	4.81		42	48587	25.18
Apprentice *	4.81		43	49590	25.70
* Apprentice Rate - <u>under 19</u> or <u>19 and over and in the first year of their apprenticeship</u> :			BAND M		
COACH			44	50487	26.17
Level 1	Asst Coach (UnQ)	10.50	45	51502	26.69
Level 2	Coach (Qu)	13.62	46	52538	27.23
Level 3	Senior Coach	16.06	47	53463	27.71
Level 4	Advanced Coach	19.08	48	54516	28.26
Z:Payscales:NJC:Payaward Files			49	55578	28.81
LJW 09/11/2022			50	56648	29.36

Senior Pay Band

Descriptor	Code	SCP	£ - salary	£- hourly
MANAGING OFFICER	HOS	HOS1	60423	32.32
MANAGING OFFICER	HOS	HOS2	61796	33.03
MANAGING OFFICER	HOS	HOS3	63168	33.74
MANAGING OFFICER	HOS	HOS4	64542	34.45
MANAGING OFFICER	HOS	HOS5	65916	35.17
ASSISTANT DIRECTOR	AD	AD1	72063	37.44
ASSISTANT DIRECTOR	AD	AD2	73704	38.30
ASSISTANT DIRECTOR	AD	AD3	75543	39.25
ASSISTANT DIRECTOR	AD	AD4	77386	40.21
ASSISTANT DIRECTOR	AD	AD5	79230	41.17
DIRECTOR	DD	DIR1	85480	44.42
DIRECTOR	DCOO	DCOO	86236	44.70
DIRECTOR	DD	DIR2	87124	45.27
DIRECTOR	DD	DIR2	88768	46.12
DIRECTOR	DD	DIR4	90412	46.98
CHIEF EXECUTIVE	CE	CEX1	113469	58.96
CHIEF EXECUTIVE	CE	CEX2	115767	60.15
CHIEF EXECUTIVE	CE	CEX3	118062	61.35
CHIEF EXECUTIVE	CE	CEX4	120347	62.53

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CALENDAR OF MEETINGS (Version 6)
May 2023 – May 2024

Date	Meeting
Tuesday 9th May 2023	MEMBER INDUCTION (daytime)
Wednesday 10th May 2023	MEMBER INDUCTION (daytime)
Tuesday 23rd May 2023	ANNUAL COUNCIL
Monday 29th May 2023	BANK HOLIDAY
Tuesday 30th May 2023	Planning Training (New Members)
Monday 5th June 2023	Planning Committee
Tuesday 6th June 2023	Cabinet
Thursday 8th June 2023	O&S Committee
Thursday 15th June 2023	Youth Council
Tuesday 20th June 2023	Regulatory and Licensing
Wednesday 28th June 2023	Planning Training
Thursday 29th June 2023	Employment Committee
Monday 3rd July 2023	Planning Committee
Tuesday 4th July 2023	Cabinet
Thursday 6th July 2023	Youth Council
Tuesday 11th July 2023	COUNCIL
Thursday 13th July 2023	Member Training
Thursday 20th July 2023	Audit and Member Standards Committee
Monday 31st July 2023	Planning Committee
Wednesday 2nd August 2023	O&S Committee
Thursday 3rd August 2023	Youth Council
Monday 28th August 2023	BANK HOLIDAY
Monday 4th September 2023	Planning Committee
Tuesday 5th September 2023	Cabinet
Wednesday 6th September 2023	Youth Council
Thursday 14th September 2023	Provisional Date
Wednesday 20th September 2023	Planning Training
Monday 25th September 2023	Regulatory and Licensing Committee
Wednesday 27th September 2023	Audit and Member Standards Committee
Monday 2nd October 2023	Planning Committee
Tuesday 3rd October 2023	Cabinet
Wednesday 4th October 2023	O&S Committee
Thursday 5th October 2023	Youth Council
Tuesday 17th October 2023	COUNCIL
Thursday 19th October 2023	Employment Committee
Monday 30th October 2023	Planning Committee
Tuesday 7th November 2023	Cabinet
Thursday 16th November 2023	Youth Council
Monday 20th November 2023	Joint Waste Committee
Wednesday 22nd November 2023	Member Training
Monday 27th November 2023	Planning Committee
Tuesday 28th November 2023	Audit and Member Standards Committee
Tuesday 5th December 2023	Cabinet
Wednesday 6th December 2023	Planning Training
Thursday 7th December 2023	Youth Council
Monday 11th December 2023	O&S Committee
Tuesday 12th December 2023	COUNCIL
Wednesday 13th December 2023	Regulatory and Licensing Committee
Thursday 14th December 2023	Provisional Date
Monday 25th December 2023	BANK HOLIDAY
Tuesday 26th December 2023	BANK HOLIDAY
Monday 1st January 2024	BANK HOLIDAY

Monday 8th January 2024	Planning Committee
Thursday 11th January 2024	Youth Council
Tuesday 16th January 2024	Cabinet
Wednesday 17th January 2024	Member Training
Tuesday 23rd January 2024	Joint Waste Committee
Tuesday 30th January 2024	O&S Committee
Wednesday 31st January 2024	Employment Committee
Thursday 1st February 2024	Audit and Member Standards Committee
Monday 5th February 2024	Planning Committee
Tuesday 6th February 2024	Cabinet
Thursday 8th February 2024	Youth Council
Thursday 15th February 2024	Provisional Date
Wednesday 21st February 2024	Member Training
Thursday 22nd February 2024	Regulatory and Licensing Committee
Tuesday 27th February 2024	COUNCIL
Monday 4th March 2024	Planning Committee
Tuesday 5th March 2024	Cabinet
Thursday 7th March 2024	Youth Council
Tuesday 19th March 2024	Joint Waste Committee
Thursday 21st March 2024	Audit and Member Standards Committee
Friday 29th March 2024	BANK HOLIDAY
Monday 1st April 2024	BANK HOLIDAY
Tuesday 9th April 2024	Cabinet
Wednesday 3rd April 2024	O&S Committee
Thursday 4th April 2024	Youth Council
Monday 8th April 2024	Planning Committee
Thursday 11th April 2024	Provisional Date
Tuesday 16th April 2024	COUNCIL
Wednesday 17th April 2024	Audit and Member Standards Committee
Monday 6th May 2024	BANK HOLIDAY
Monday 13th May 2024	Planning Committee
Tuesday 14th May 2024	ANNUAL COUNCIL
Wednesday 15th May 2024	Planning Training
Thursday 16th May 2024	Youth Council

Motion on Notice

The following Motion has been submitted by Councillor Robertson:

“The Living Wage

The Living Wage Foundation is an independent charity which calculates a real living wage, based on living costs in the UK, in the first week of November each year. The Real Living Wage currently stands at £10.90 per hour outside London for those aged 18 and above.

Over 12,000 UK employers are now accredited by the Living Wage Foundation and voluntarily pay the Real Living Wage, including over 130 local authorities.

Since 2022 Lichfield District Council has ensured that no member of directly employed staff has earned less than the real living wage.

Lichfield District Council believes that:

Paying the Real Living Wage not only benefits employees but also employers and the wider economy.

Our staff are our most valuable resource and that anyone employed by Lichfield District Council should reasonably be able expect to earn a wage which will allow them to get by.

That paying at least a living wage to employees represents good employment practice and that companies who do so are demonstrating good social practice in this regard.

Council agrees:

1. To request that cabinet update the procurement strategy to include the living wage as part of the measurement of social value.
2. To instruct the head of paid service to begin the process of becoming an accredited Living Wage Employer with the Living Wage Foundation.”

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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