

# Public Document Pack

Your ref  
Our ref  
Ask for Mark Hooper  
Email mark.hooper@lichfielddc.gov.uk



District Council House, Frog Lane  
Lichfield, Staffordshire WS136YU

Customer Services 01543 308000  
Direct Line 01543 308064

Monday, 6 February 2023

Dear Sir/Madam

## CABINET

A meeting of the Cabinet has been arranged to take place on **TUESDAY, 14TH FEBRUARY, 2023 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

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

Yours faithfully

A handwritten signature in cursive script that reads 'Kerry Dove'.

Kerry Dove  
Chief Operating Officer

**To: Members of Cabinet**

Councillors Pullen (Chairman), Eadie (Vice-Chair), Cox, Lax, E Little, Smith and Strachan



[www.lichfielddc.gov.uk](http://www.lichfielddc.gov.uk)



[/lichfielddc](https://www.facebook.com/lichfielddc)



[lichfield\\_dc](https://twitter.com/lichfield_dc)



MyStaffs App

## AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Money Matters 2022/23 : Review of the Financial Performance against the Financial Strategy April to November 2022 3 - 24
4. Medium Term Financial Strategy (Revenue and Capital) 2023-27 25 - 98
5. Local Council Tax Support Scheme 99 - 208
6. Revised Housing Allocations Scheme 209 - 268
7. Community Infrastructure Levy (CIL) Allocation 269 - 276
8. Future of the Communications Function 277 - 284
9. New Leisure Facility - Stychbrook Park 285 - 294
10. In-sourcing Leisure Provision 295 - 304
11. **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

12. CONFIDENTIAL - New Leisure Facility - Stychbrook Park (full report) 305 - 324
13. CONFIDENTIAL - In-sourcing Leisure Provision (full report) 325 - 334



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

Agenda Item 3



Cabinet Member for Finance and Commissioning

Date: 14 February 2023  
Agenda Item: 3  
Contact Officer: Anthony Thomas  
Tel Number: 01543 309012  
Email: [Anthony.thomas@lichfielddc.gov.uk](mailto:Anthony.thomas@lichfielddc.gov.uk)  
Key Decision? YES  
Local Ward Members Full Council

Cabinet

## 1. Executive Summary

- 1.1 The report covers the financial performance from April to November (8 Months) for 2022/23.
- 1.2 The progress on the achievement of savings/additional income proposals is shown in detail at **APPENDIX A** and currently projects a shortfall of **£598,000** (a reduction of £75,000 compared to the 6 month projection) that will need to be funded by general reserves.
- 1.3 The Medium Term Financial Strategy projected general reserves at 31 March 2023 would be **£7,167,610**. At this stage, general reserves are forecast to be **£6,075,329**, a decrease of **(£1,092,281)** related to:
  - A lower than budgeted contribution in 2021/22 of **(£42,031)**.
  - Approved updates in 2022/23, summarised in **APPENDIX A**, decreasing the contribution by **(£1,050,250)**
  - At this stage, there are no further changes to the 8 month projection.
- 1.4 The Capital Programme is projected to be **(£6,582,000)** lower than the Approved budget. This is due to the reprofiling of many budgets including the replacement leisure centre **(£2,474,000)**
- 1.5 Capital Receipts are projected to be the same as the Approved Budget.
- 1.6 In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:
  - **Council Tax collection** in year performance was **75.60%** (75.60% in 2021/22) and total arrears were **£3,881,540** and the Council's share is **£504,600** (£3,292,749 and £428,057 in 2021/22).
  - The **Council Tax Collection Fund** is projected to be in surplus, with the Council's c12% share being **(£63,180)** compared to the Approved Budget of **£62,560**. This additional income of **(£125,740)** will be included in the 2023/24 budget.
  - Sundry Debt for income to be collected in period 8 of 2022/23 has decreased by **(£1,622,729)** or **42%** compared to 2021/22, and the value outstanding has decreased by **(£96,075)** or **4%**.
  - **Retained Business Rate Income** is projected to be **(£3,311,000)** in line with the Approved Budget.
  - The **Business Rates Collection Fund** is projected to be in surplus, with the Council's 40% share being **(£242,000)** compared to the Approved Budget deficit of **£462,000**. This additional income of **(£704,000)** will be included in the budget in later years.
  - There will be a timing difference due to statutory arrangements between receipt of grant in 2022/23 and the period when the deficit is charged to the Revenue Budget. Therefore the Business Rates volatility earmarked reserve will continue to be utilised to 'smooth' the financial impact.
  - **Business Rates collection** in year performance was **77.70%** (73.10% in 2021/22) and total arrears were **£729,633** and the Council's share is **£291,851** (£665,986 and £266,394 in 2021/22).
  - The payment of suppliers within 30 days was **81.44%** and remains below our **90%** target.
- 1.7 The Council's investments achieved a risk status of **AA-** that was more secure than the aim of **A-** and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

## 2. Recommendations

- 2.1 To note 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.
- 2.2 To delegate 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.
- 2.3 To delegate 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.

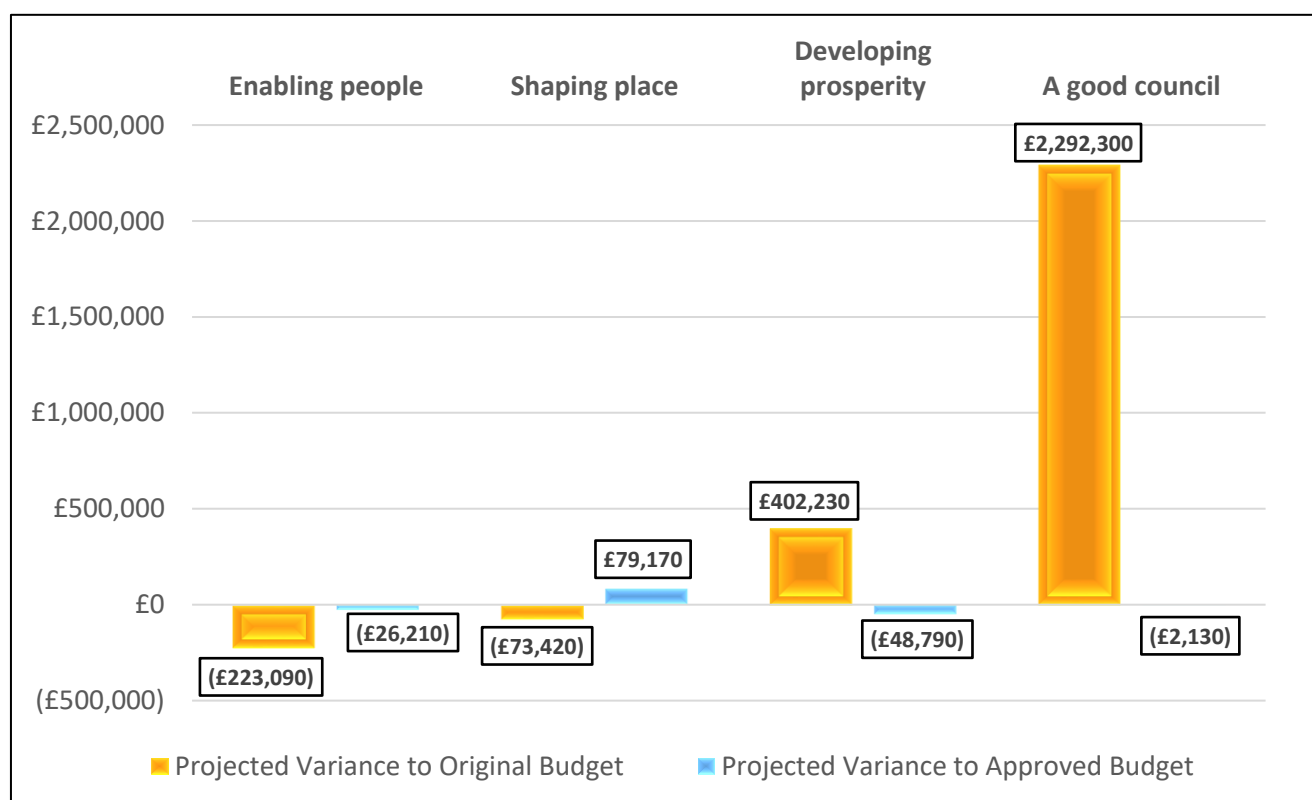
## 3. Background

### Budget Management

- 3.1. The MTFS 2021-26, approved by Council on 22 February 2022, included the Original Budget for 2022/23 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 3.2. Throughout the financial year, Money Matters reports are provided to both Cabinet and Overview and Scrutiny Committee at three, six and eight month intervals to monitor performance.
- 3.3. The Money Matters reports update the Approved Budget for latest projections and the eight month report will form the basis of the Revised Approved Budget for 2022/23 and will be approved by Council on 21 February 2023.

### The Revenue Budget

- 3.4. Financial performance is shown in detail at **APPENDIX A** and in summary below:





## Performance compared to the Approved Budget

3.5. The overall projected variance is shown in summary below:

	Projected Variance		
	Virement	Vacancy Savings	Other Variances
<b>Enabling People</b>			
• Vacancy Savings		(42,870)	
• Transfers	16,660		
<b>Shaping place</b>			
• Removal of Travellers			2,270
• Pressure on Housing Benefits Subsidy Related to Unclaimable Element	60,000		88,370
• Pressure on Street Naming and Numbering Income			10,000
• Pressure on Savings Target for Closure of Golf Course			40,000
• Business Rates no Longer Payable on Public Conveniences			(6,990)
• Savings within the Parks Team			(28,880)
• Allocation of Inflationary Pressures	32,410		
• Vacancy Savings		(113,880)	
• Minor Balances			(4,130)
<b>Developing prosperity</b>			
• Additional Incubator Space Income			(1,100)
• Achievement of Procurement Target Savings	(350)		
• Allocation of Inflationary Pressures	124,740		
• Vacancy Savings		(102,690)	
• Additional Car Parking Income			(53,730)
• Transfers	(15,660)		
<b>A good council</b>			
• Pressure Due to London Bridge			6,680
• Achievement of Procurement Target Savings	350		
• Allocation of Inflationary Pressures	(157,150)		
• Pressure on Procurement Savings Target			41,120
• Savings and Additional Income Proposals - Adjustment			25,000
• Additional Funding for Apprenticeship Scheme Due to Pay Award - 4 Year Period			140,000
• Additional Vacancy Savings Target		(256,570)	
• Vacancy Savings		259,440	
• Transfers	(61,000)		
<b>Total - Net Cost of Services</b>	<b>0</b>	<b>(256,570)</b>	<b>258,610</b>
		<b>2,040</b>	
Net Treasury - increased interest receipts			(2,040)
<b>Transfer (to)/from General Reserves</b>			<b>£0</b>

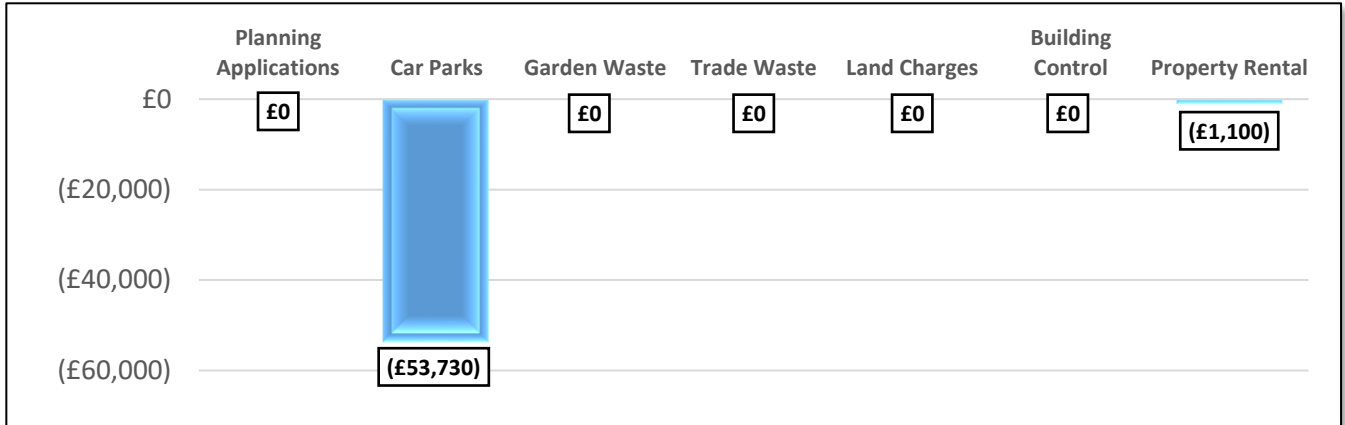
3.6. Inflation projections will continue to be reviewed in the development of the MTFS given the fluid economic situation.

3.7. The current progress on delivering savings/additional income proposals included within the MTFS is also provided at **APPENDIX A**.

3.8. This shows a projected shortfall of **£598,000** (a reduction of £75,000 compared to the 6 month projection) that is included in the table above (figures in blue) and this will need to be funded by general reserves until these proposals are delivered.

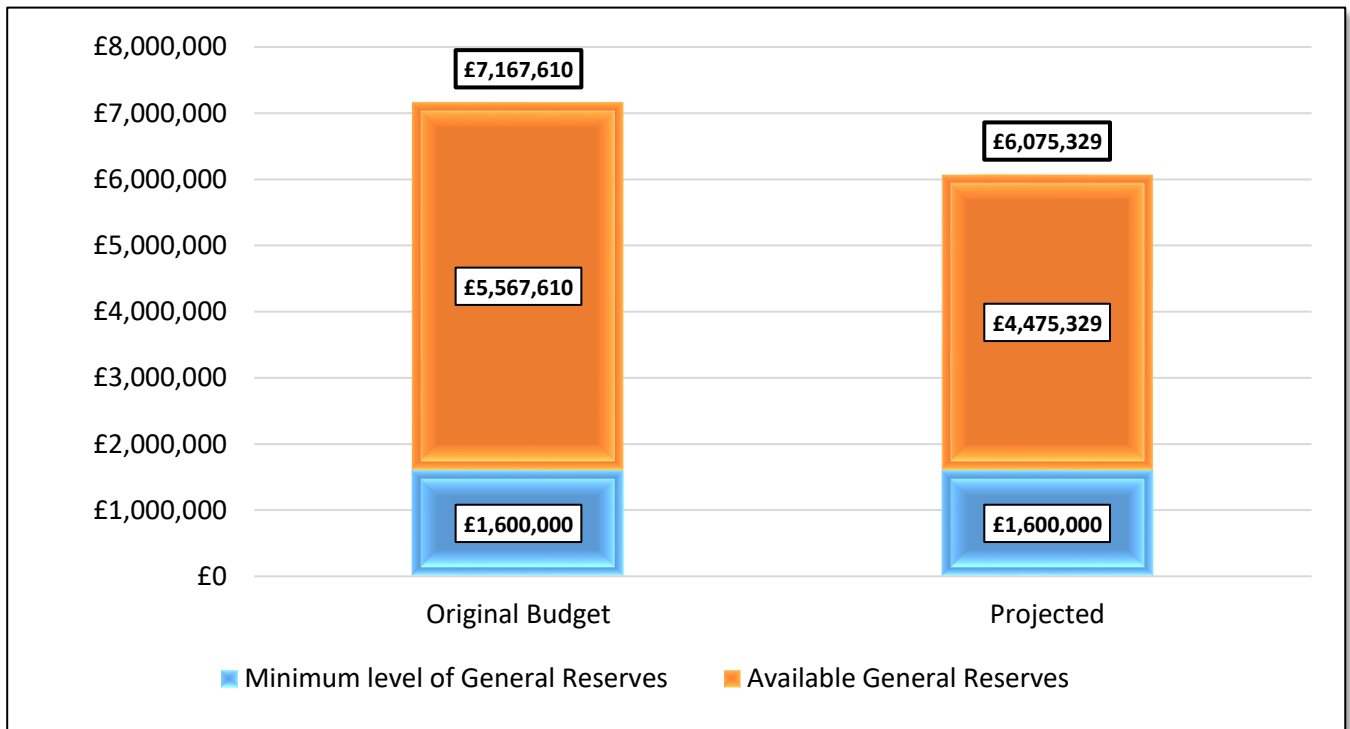
## Fees and Charges

- 3.9. The gross fees and charges budgets for 2022/23, together with actual income achieved over the last eight years, are shown in detail at **APPENDIX B**.
- 3.10. The projected variances (with positive figures relating to shortfalls in performance compared to budget) for those with the highest value are:



## Revenue General Reserves

- 3.11. The Original Budget estimated general reserves of **£7,167,610** at 31 March 2023. The current projected level is **£6,075,329**, a decrease of **(£1,092,281)** (£42,031 related to last year and £1,050,250 of approved updates for 2022/23) as shown below:



## **Vehicles Contract Extension**

- 3.12. The Authority has a contract with SFS Ltd for the provision and maintenance of vehicles used by both the Joint Waste Service (JWS) and Street Cleansing. The contract is due to expire on 31<sup>st</sup> March 2023 but there is provision to extend the arrangement for further periods totalling up to five years and two months.
- 3.13. The JWS has recently commissioned an options appraisal of future operating models for the service. In addition, the Authority needs to develop a strategy for decarbonising the fleet and it is still awaiting the outcome of the consultations on National Waste Policy which are likely to require the implementation of a weekly food waste collection service in the near future.
- 3.14. Therefore, it was considered appropriate to implement a two year extension to the existing contract to allow these issues to be progressed, before making any long term decisions on fleet procurement.
- 3.15. Negotiations have been taking place with SFS Ltd and both parties have now reached agreement on the cost of the extension which is a total of £1,198,187 p.a. for the next two years. This is an increase of only 2% on the current 22/23 contract.
- 3.16. The cost of the extension will be shared between the Lichfield and Tamworth based on the agreed cost sharing basis and can be managed within Approved Budgets.

## **Insurance Contract.**

- 3.17. The Councils current 5 year insurance contract comes to and end on 31<sup>st</sup> March 2023. In July 2022 the Council appointed, via the Yorkshire Purchasing Organisation (YPO) Insurance Brokerage and Associated Service Framework, a broker (Marsh) to assist the Council to procure insurance with an effective date of 1<sup>st</sup> April 2023. The Councils Procurement team were also a significant part of the project team. A full market review of the Councils insurance program was undertaken and a Public Contracts Regulations 2015 compliant tender using the YPO Insurance Placement Dynamic Purchasing System was completed. For evaluation purposes a price and quality evaluation criteria was agreed as 40% Price / 60% Quality. Quality was then split further into the following sub-criteria: Cover: 25%, Claims 15%, Added Value Risk Management: 10% and Social Value 10%.
- 3.18. Due to difficult market conditions in the Local Authority insurance market and to gain the most beneficial terms, a contract term of 7 years was part of the tender with break clauses after 3 and 5 years (3+2+2). The results of the tender, and the recommendation of the appointed broker is to appoint all business with a single insurer\*. The proposed insurer provided a package discount (to take all insurance risks) to a value of £356,215 p.a this is against last year's spend of £345,210 p.a and is within next year's budget of £376,100 p.a.
- 3.19. As outlined above a full review was undertaken of the council's insurance program and this included some significant changes to requirements and increases in values insured (e.g 12.5% increase for property values in line RICS guidance). The offer provided by the single insurer provides additional cover and better terms than previous years.

## The Capital Programme

3.20. The Original Budget of **£7,953,000** was approved by Council on 22 February 2022. There have been several updates to this budget during 2022/23:

- Conversion costs of 36A Bore Street of **£360,000** (Briefing Note 20 December 2021).
- CIL allocations of **£860,000** approved by Cabinet on 8 February 2022.
- Slippage from 2021/22 of **£1,650,000** approved by Cabinet on 7 June 2022.
- Medium Term Financial Strategy of **(£37,000)** approved by Cabinet on 5 July 2022.
- Virement for Burntwood Zip Line of **£30,000** approved on 25 July 2022.
- Money Matters Quarter 1 changes of **£548,000** approved by Cabinet on 6 September 2022.
- Money Matters Review of Reserves of **£77,000** approved by Cabinet on 6 September 2022.
- Decent Homes Standard grant used to fund Energy Insulation in later years of **(£50,000)**.
- Play Equipment at Chase Terrace Park of **£25,000** approved 6 October 2022.
- A Cinema for Lichfield District of **£427,000** approved 11 October 2022 by Cabinet.
- Play Area at Burntwood Leisure Centre of **£35,000** approved 27 October 2022 by Cabinet Member Decision.
- Money Matters Quarter 2 changes of **(£271,000)** approved by Cabinet on 6 December 2022
- A transfer of **(£175,000)** from the Building a Better Council budget to revenue for IT provision

3.21. The Approved Budget is therefore **£11,432,000**.

3.22. The Capital Programme performance is projected to be below budget by **(£6,582,000)** or **(58%)** compared to the Approved Budget. This above budget performance compared to both the Original and the Approved Budgets, is shown by Strategic Plan's Priority below and in detail at **APPENDIX C**:

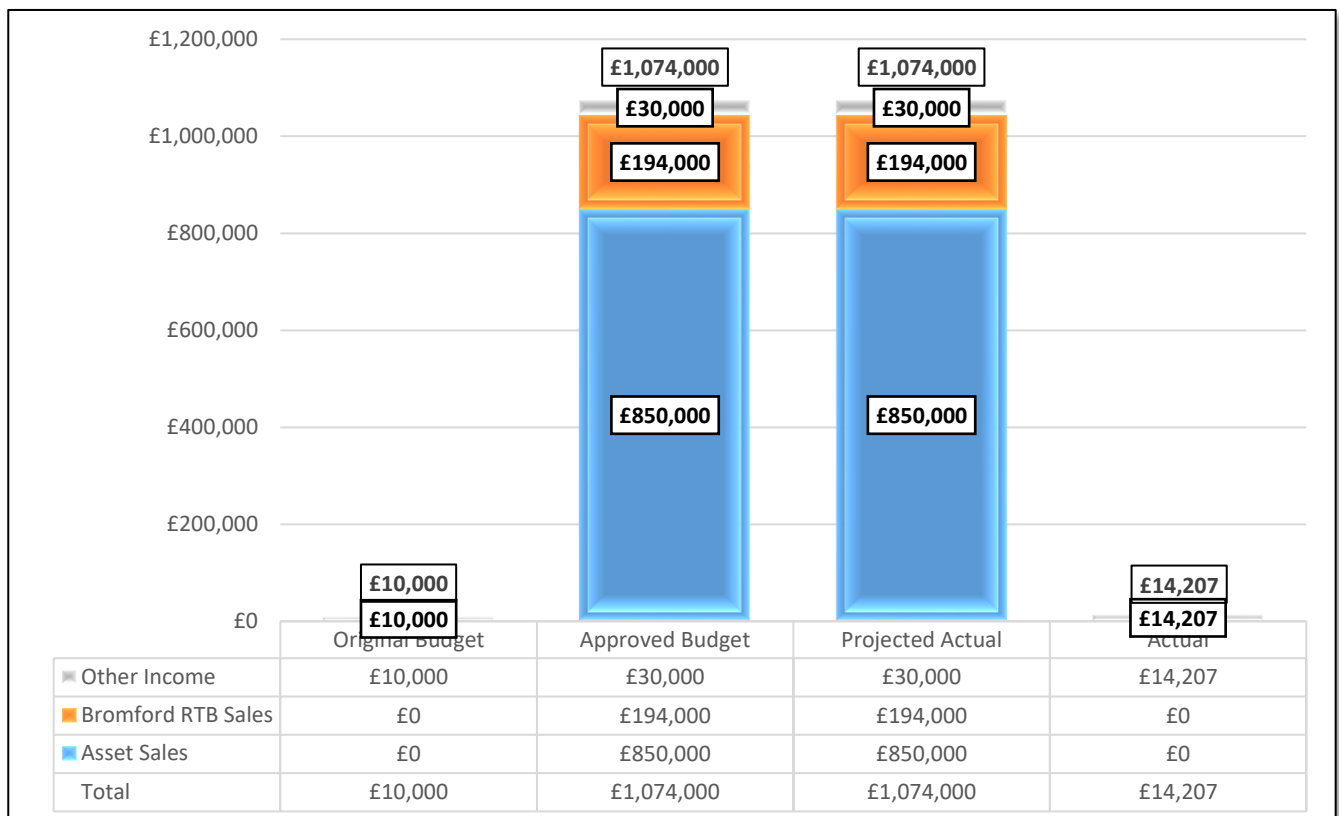


## Performance compared to the Approved Budget

3.23. There are projected variances compared to the Approved Budget related to:

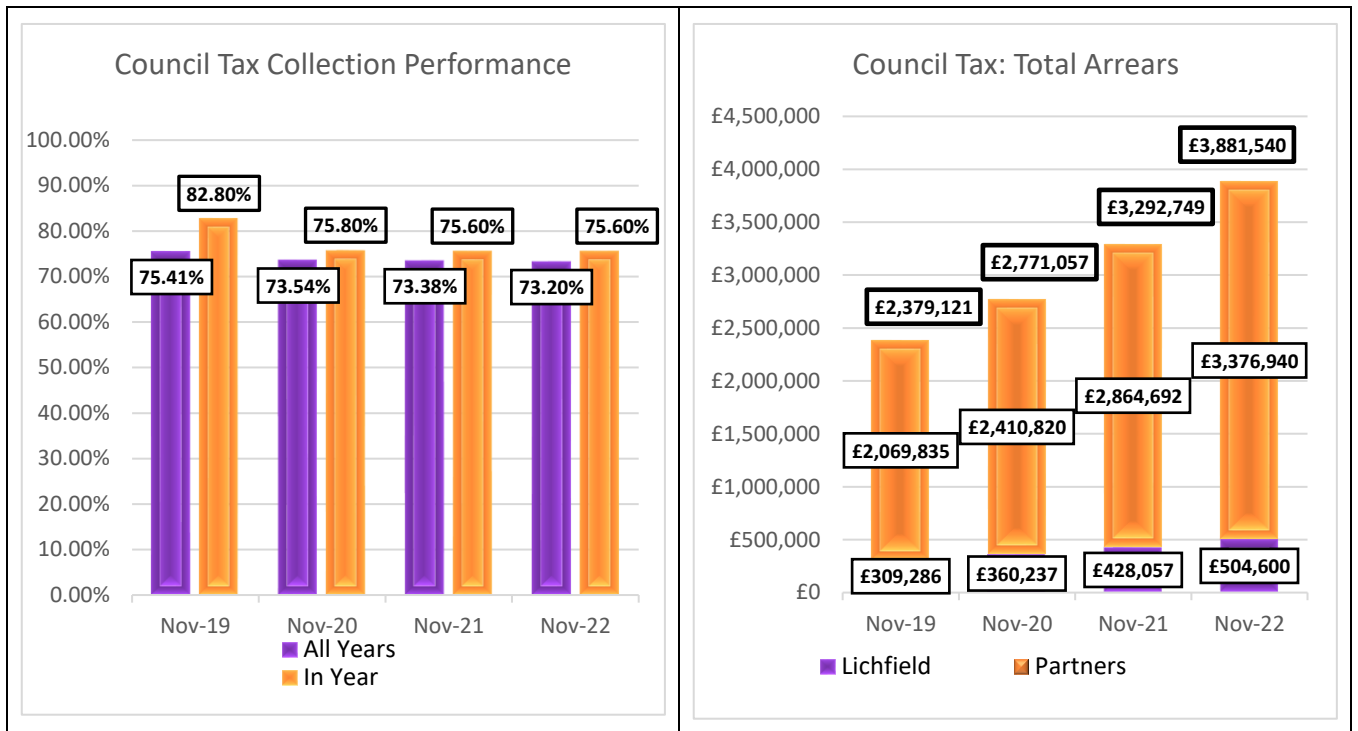
	Projected Variances	
	Profiling	Other
• New Build Parish Office/Community Hub	(£30,000)	
• Replacement of Canopy and Artificial Grass at Armitage – Project complete		(£3,000)
• Burntwood Leisure Centre Sinking Fund	(£69,000)	
• Replacement Leisure Centre	(£2,474,000)	
• Accessible Homes	(£343,000)	
• Decent Homes Standard	(£97,000)	
• Affordable Housing	(£238,000)	
• Conversion at Bore Street	(£542,000)	
• Streethay Community Centre	(£600,000)	
<b>Enabling People Total</b>	<b>(£4,393,000)</b>	<b>(£3,000)</b>
• Vehicle Replacement Programme – Extra vehicle funded by Trunk Road reserve		£75,000
• Loan to Council Development Company	(£93,000)	
• Lichfield St. John’s Community Link	(£35,000)	
• Environmental Improvements – Upper St John St & Birmingham Road – Funds to be reallocated		(£7,000)
• The Leomansley Area Improvement Project – Funds to be reallocated		(£3,000)
• Falkland Road Fosseyway Canal Walk	(£260,000)	
<b>Shaping Place Total</b>	<b>(£388,000)</b>	<b>£65,000</b>
• Coach Park	(£757,000)	
• Old Mining College – Refurbish Access and Signs – Funds reallocated		(£13,000)
• Electric Vehicle Charging Points	(£70,000)	
• Car Park Barriers – Project removed		(£36,000)
• Birmingham Road Site Enabling Works	(£150,000)	
• Cinema Development	(£652,000)	
<b>Developing Prosperity Total</b>	<b>(£1,629,000)</b>	<b>(£49,000)</b>
• IT Infrastructure	(£185,000)	
<b>A Good Council Total</b>	<b>(£185,000)</b>	<b>£0</b>
<b>Total Projected Variance</b>	<b>(£6,595,000)</b>	<b>£13,000</b>
	<b>(£6,582,000)</b>	

3.24. The Original and Approved Budgets, projected and actual capital receipts are shown below:

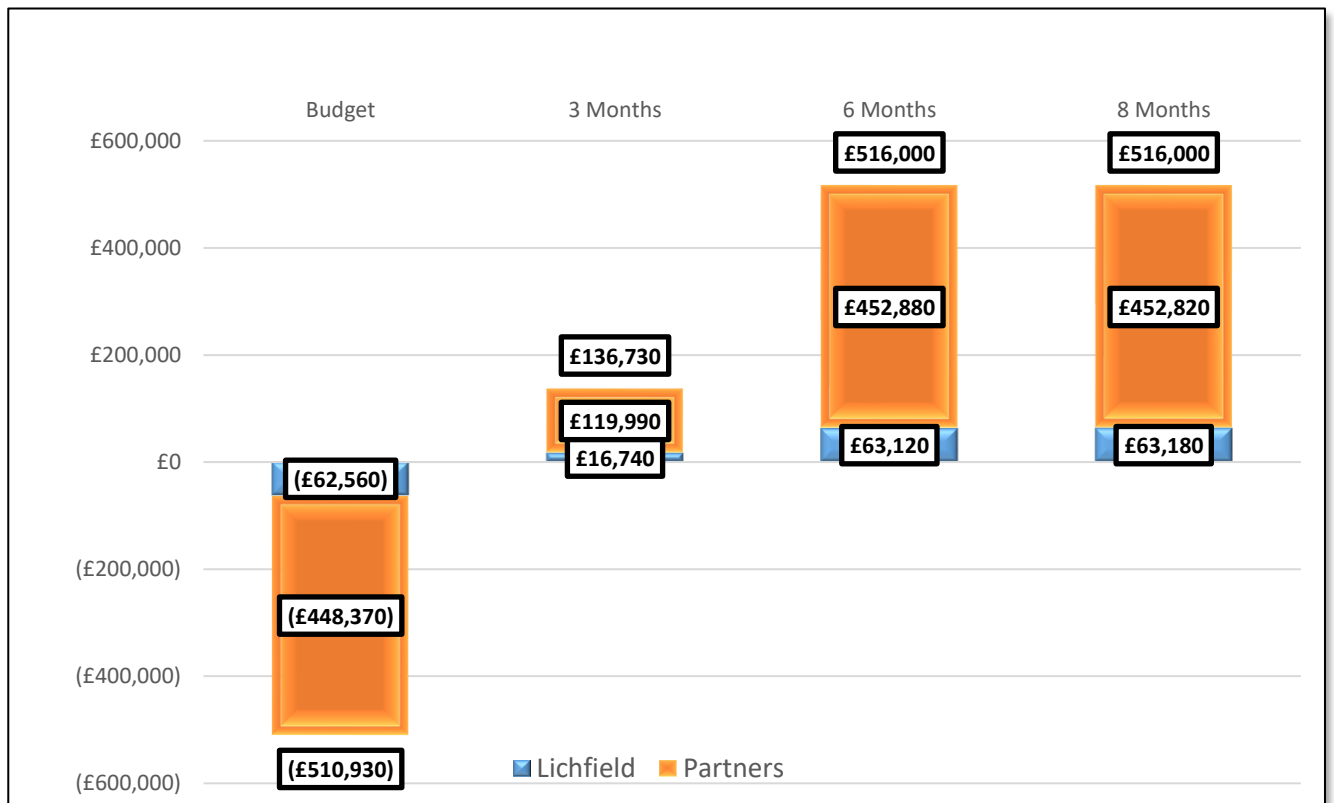


## Council Tax

3.25. The collection performance for Council Tax debt is shown below:



3.26. The Council Tax Collection Fund is projected to be in surplus by (£516,000) and the Council's share is (£63,180) based on Lichfield's (including Parishes) current share of Council Tax of c12%:

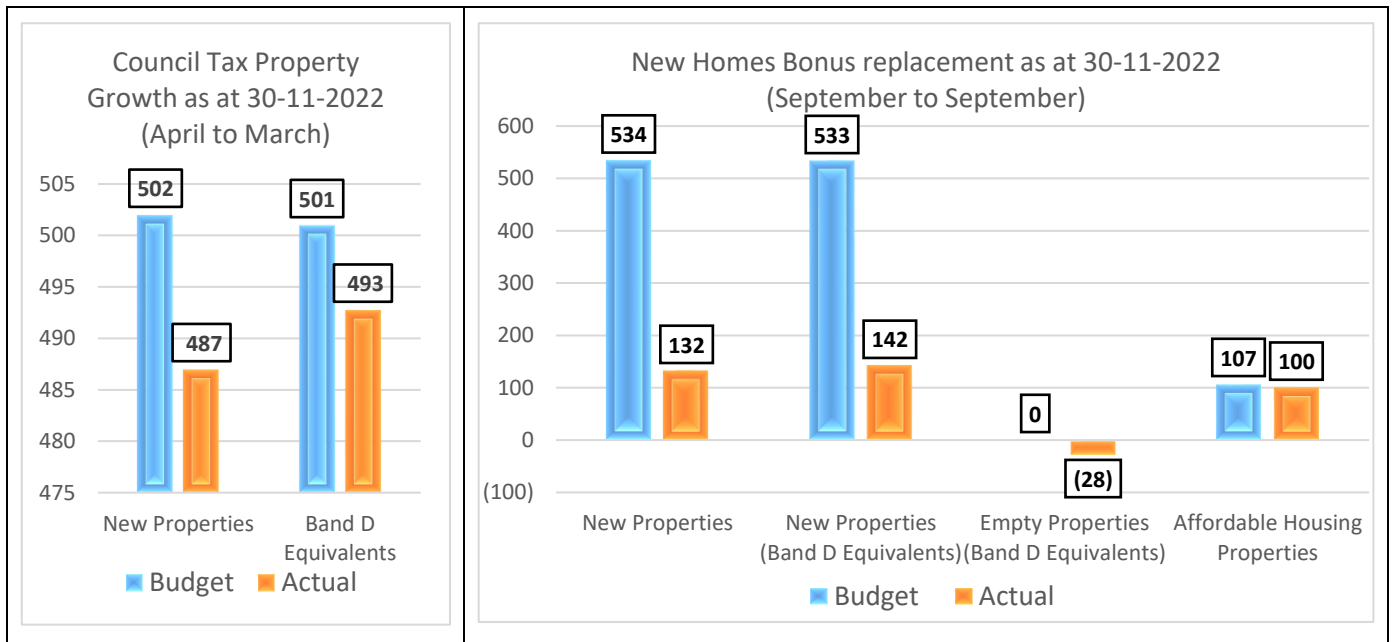


3.27. The main reasons for the additional income of £1,026,930 from the projected surplus compared to the budgeted deficit are:

- A higher surplus than budgeted in 2021/22 of £605,446 (Council share £75,138).
- A higher provision for bad debts of (£276,000) (Council share (£33,120)).
- A higher Council Tax income of £697,484 due to housing delivery rates beginning to increase and recover (Council share £102,998) and changes to reliefs and discounts.

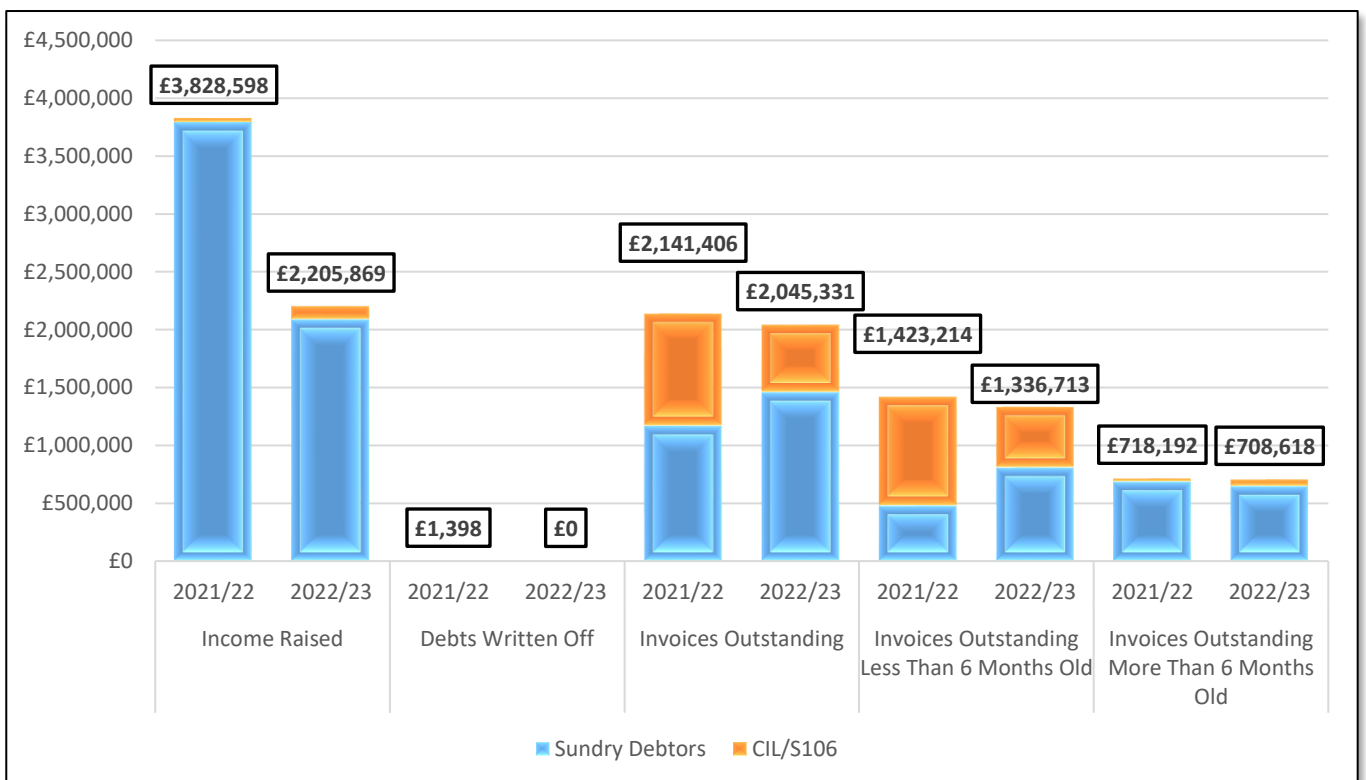
## Housing Supply

3.28. The completions for Council Tax (left hand chart) from April 2022 to November 2022 and any possible New Homes Bonus replacement (right hand chart) from September 2021 to September 2022 are shown below:



## Sundry Debtors (including Community Infrastructure Levy (CIL) and Section 106 (S106))

3.29. The transaction levels and collection performance in 2022/23 compared to 2021/22 are shown below:

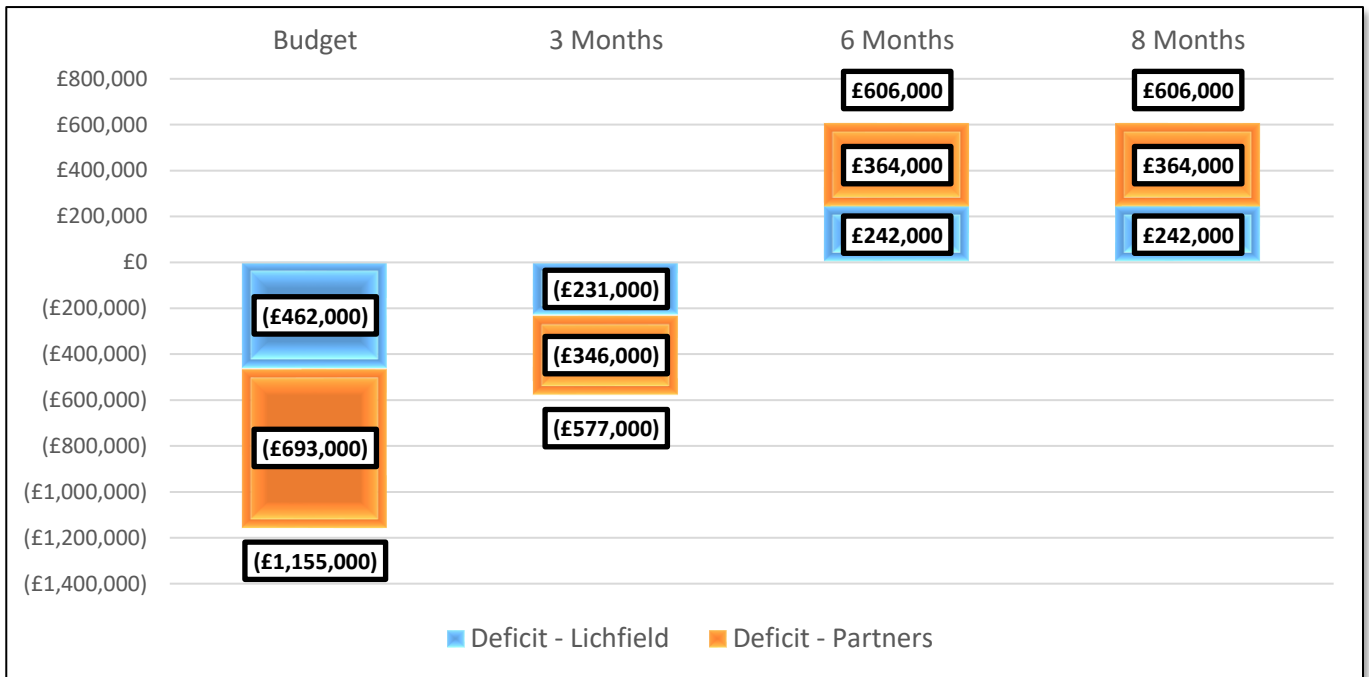


3.30. Total income raised between month six and month eight of 2022/23 is (£1,622,729) or 42% lower than for the same period in 2021/22 due mainly to an artificially higher level of invoices being raised in 2021/22 due to moving to a new financial system in October 2021.

3.31. Invoices outstanding has decreased by (£96,075) or 4%.

## Business Rates

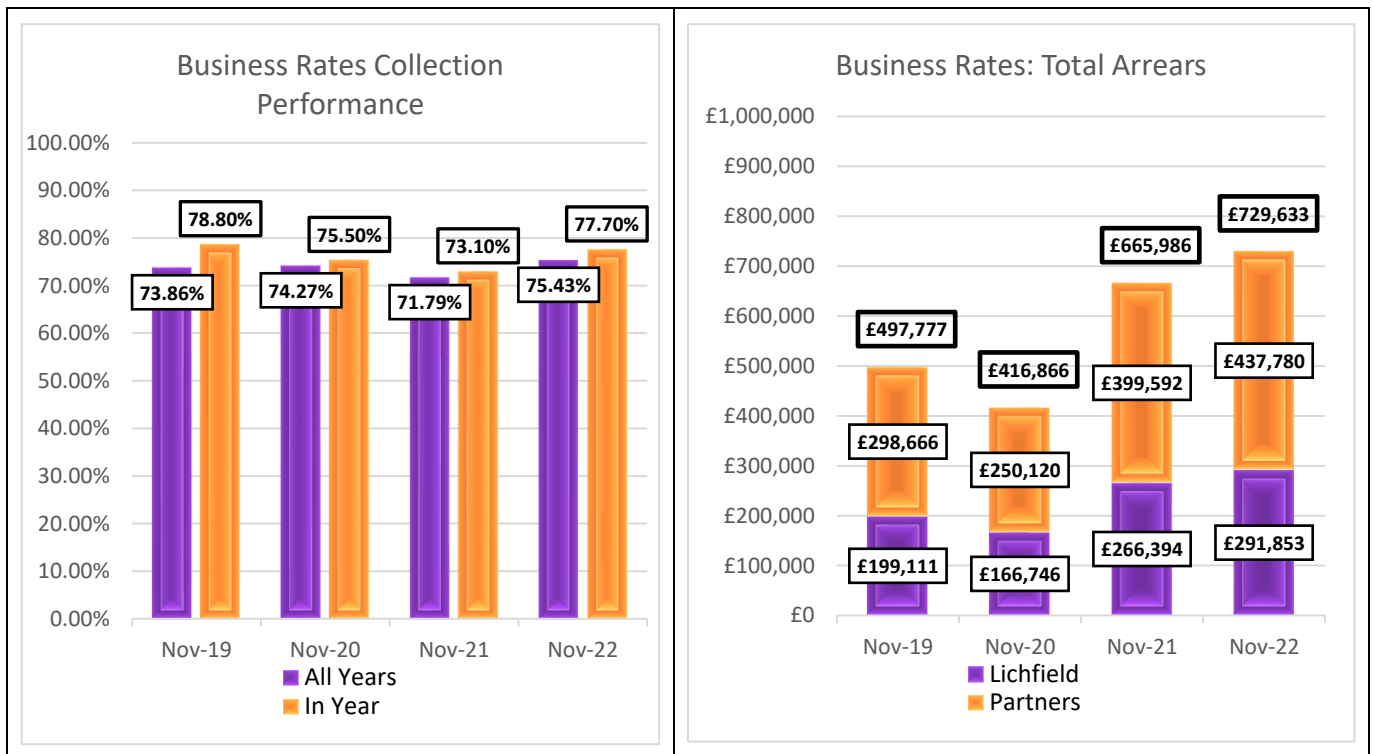
3.32. The Business Rates Collection Fund is projected to be in surplus by **£606,000**:



3.33. The main reasons for the additional income of **£1,761,290** from a projected surplus compared to the budgeted deficit are:

- A lower deficit than budgeted in 2021/22 of **£1,132,000** (Council share £452,800).
- Lower allowances for appeals and bad debts of **£738,000** (Council share £295,000).
- Additional COVID-19 Compliance and Recovery Funding (CARF) and other changes in income due of **(£108,710)** (Council share (£43,000)).

3.34. The collection performance for Business Rates is shown below:

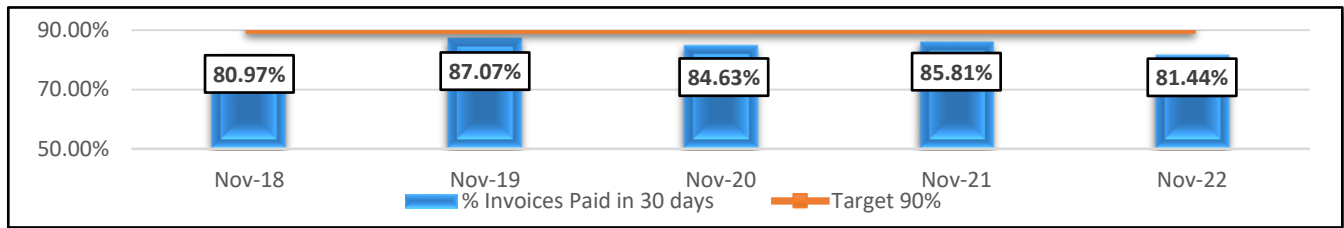


3.35. The Retained Business Rate income is projected to be the same as the Approved Budget of **(£3,311,000)**.



## Supplier Payment Performance

3.36. The performance of invoice payments to suppliers within 30 days of invoice date for the last five years is:



3.37. To address the continued under performance in this area, the Procurement Team have been working closely with Accounts Payable to review the current Procure to Pay process – what’s working well, what are the main issues / areas of concern and review the latest 30-day payment statistics.

3.38. In order to increase the YTD%, it has been agreed that a simplified Process Map will be created to a) clearly identify what the process should look like across the Council, and b) highlight where changes might be made to improve the process. Ideally, the communication of the process will be rolled out on a team-by-team basis, starting with the lowest performing teams initially.

3.39. The collaboration with business areas that started in December is largely complete. The information gathered from these meetings is being used to develop an action plan to address the under performance.

## Investment Strategy

3.40. The Council undertakes investments for three broad purposes:

- It approves the support of public services by lending or buying shares in other organisations – **Service Investments.**
- To earn investment income – **Commercial Investments.**
- It has surplus cash, as a result of its day-to-day activities, when income is received in advance of expenditure or where it holds cash on behalf of another body ready for payment in the future – **Treasury Management Investments.**

3.41. The Government has recognised in recent Department of Levelling Up, Housing and Communities (DLUHC) guidance, as a result of increased commercial activity, that the principles included in Statutory Guidance requiring that all investments should prioritise security and liquidity over yield must also be applied to service and commercial investments.

3.42. The DLUHC Guidance requires the approval by Council of an Investment Strategy Report to increase the transparency around service and commercial investment activity. The Council approved its Investment Strategy Report on **22 February 2022.**

## Service Investments

3.43. There are two significant approved investments of a service nature and the investment and net return either included in the Approved Budget or projected are detailed below:

	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Approved Loan to the LWMTS<sup>1</sup></b>	<b>£150,000</b>	<b>£150,000</b>	<b>£150,000</b>	<b>£150,000</b>	<b>£150,000</b>
Projected use of the Facility	£56,565	£0	£0	£0	£0
Projected year-end balance	£45,252	£33,939	£22,626	£11,313	£0
Net Income	£2,263	£2,263	£2,263	£2,263	£2,263
Net Return	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Approved Loan to the Joint Venture</b>	<b>£892,000</b>	<b>£3,566,000</b>	<b>£5,349,000</b>	<b>£5,349,000</b>	<b>£5,349,000</b>
Net Income (assumed revenue budget neutral)	0	0	0	0	0
Net Return	0	0	0	0	0

## Commercial Investments

3.44. No commercial investments are currently planned.

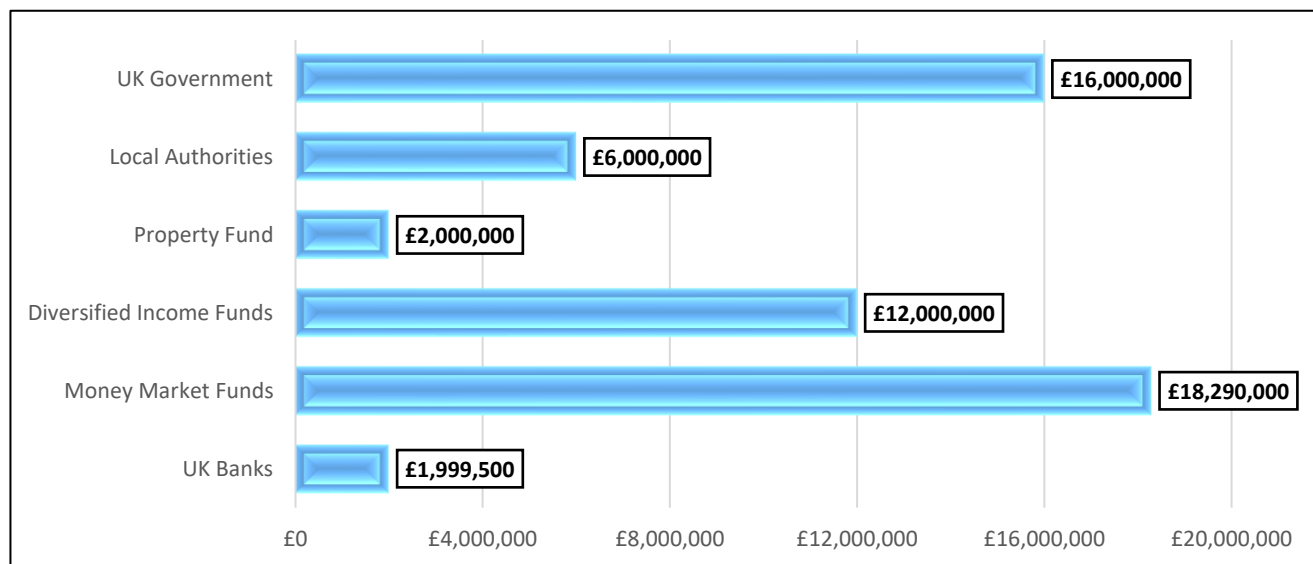
<sup>1</sup> The Review of Reserves Report to Cabinet on 6 September 2022 approved by Council on 18 October 2022 updated the loan to a level of up to **£150,000.**

## Treasury Management Investments

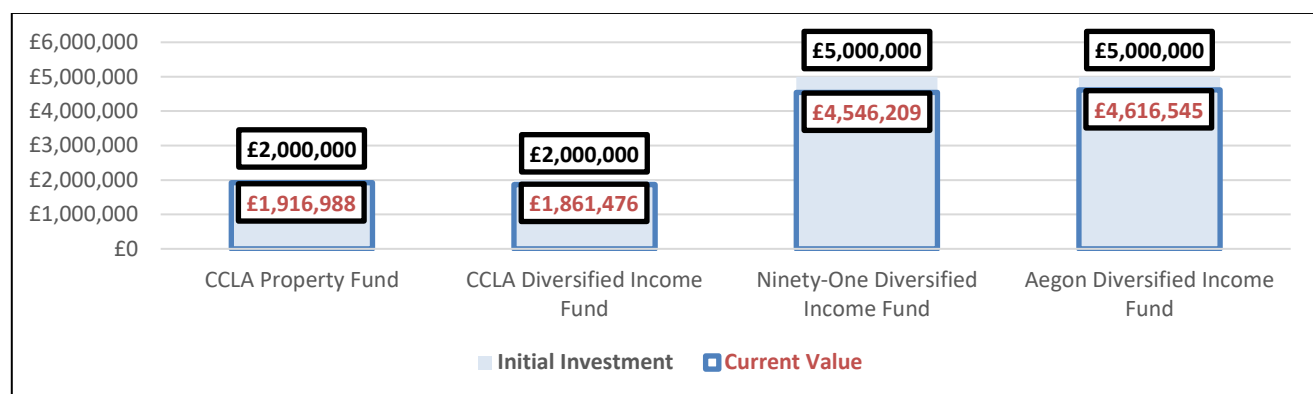
- 3.45. The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).
- 3.46. In addition, external borrowing is considered against the objectives of it being affordable (the impact on the budget and Council Tax), prudent and sustainable (over the whole life).

## The Security of Our Investments

- 3.47. The investments the Council had at the 30 November 2022 of **£56,289,500** (with the Property and Diversified Income Funds valued at original investment for each) by type and Country are summarised below and in detail at **APPENDIX D**:

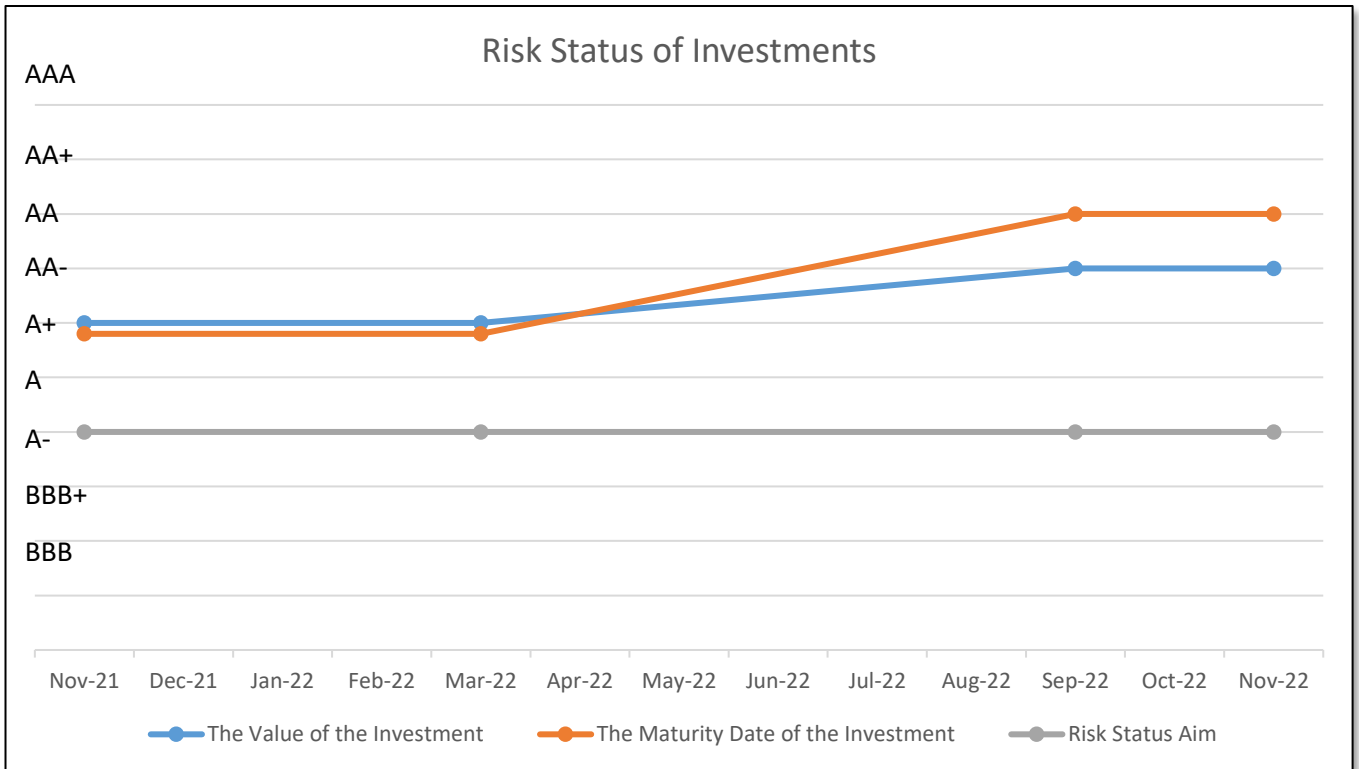


- 3.48. The current value and initial investment value of the Property and the Diversified Income Funds are:



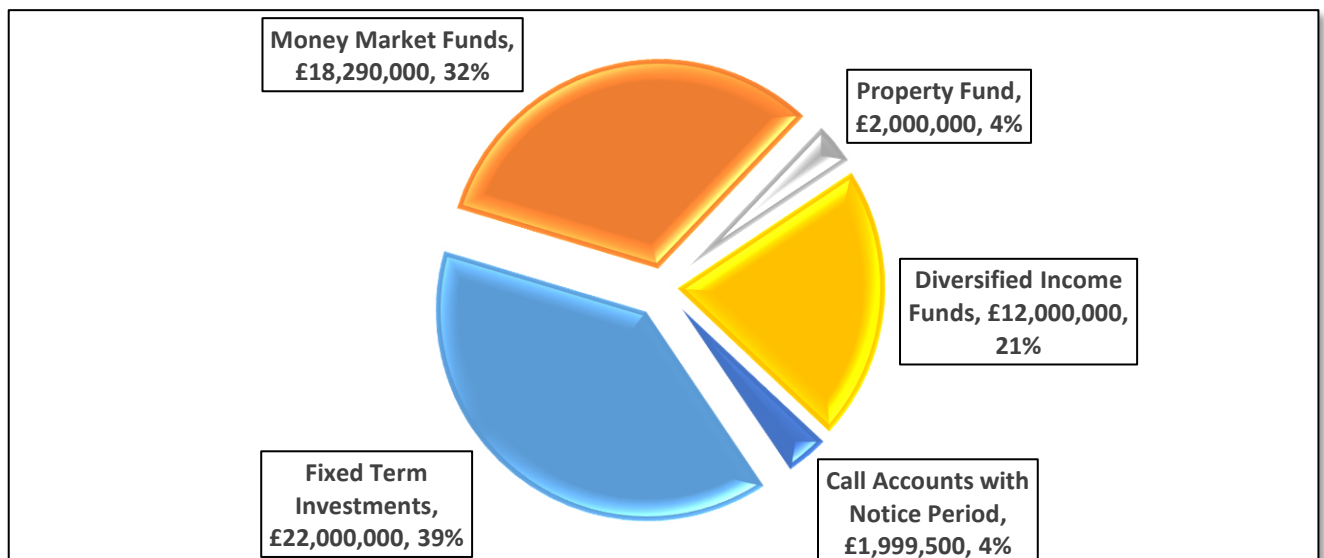
- 3.49. Overall in terms of strategic investments there is a 'book loss' of **£1,058,782** and the earmarked reserve to manage volatility risk is projected to be **(£720,290)** (**APPENDIX D**).
- 3.50. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years, but with the confidence that over a three to five-year period total returns will exceed cash interest rates.
- 3.51. CCLA announced in mid-October the notice period for redemptions would be increased from 90 days to 6 months for the property fund. The extension is not a suspension of dealing and that the manager is adopting a cautious stance prompted by the current uncertainty in the property markets and that quarterly distributions are unaffected. This fund is viewed as a longer-term investment in the Council's portfolio and we are not contemplating its sale at the current time.

- 3.52. It is also important to note that the current statutory IFRS9 override is scheduled to end on 31 March 2023, the Government announced in the Provisional Local Government Finance Settlement that the override would be extended for a two-year period. This override currently means that any gain or loss on strategic fund investments is accounted for on the Balance Sheet until it is realised through a sale.
- 3.53. In the event this statutory override is not renewed, any gain or loss will need to be transferred to revenue and managed through reserves until disposal. To manage the inherent volatility with these long-term investments, the Council had previously established a Strategic Investment Volatility Reserve.
- 3.54. Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value for a 13 month period is summarised in the graph below:



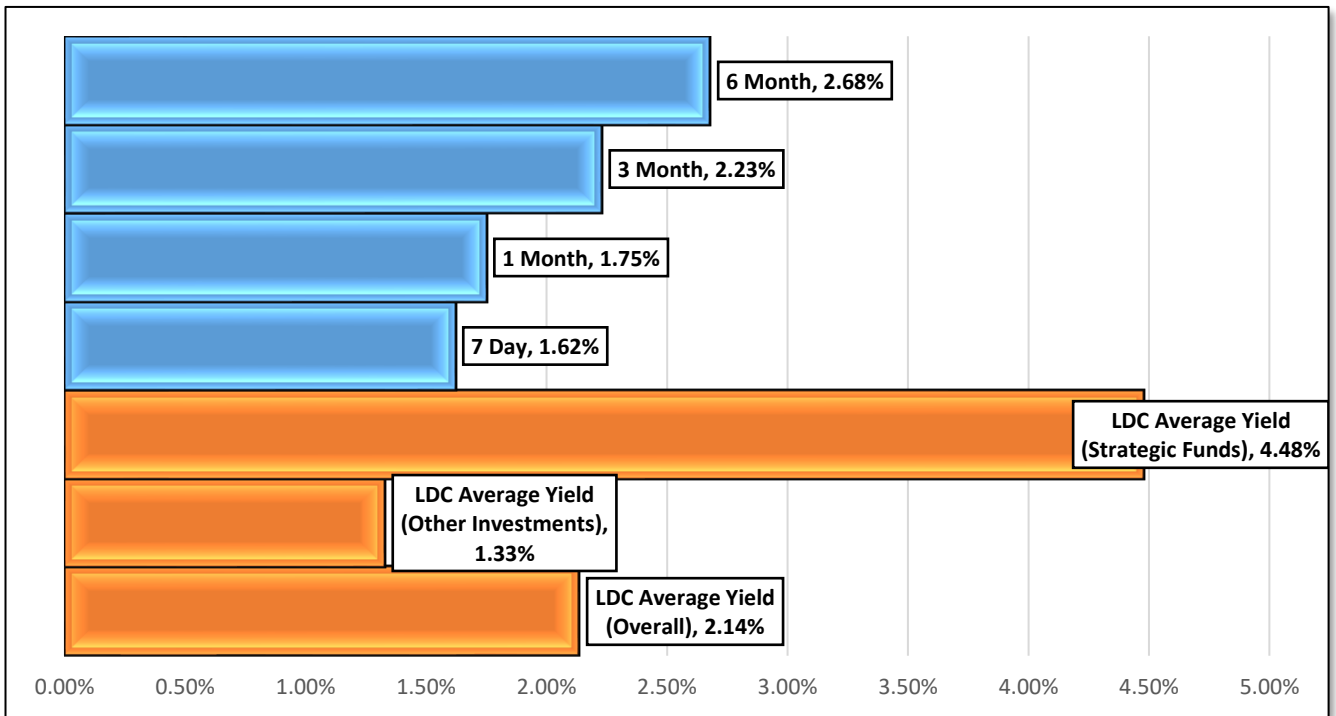
### The Liquidity of our Investments

- 3.55. The Council has not had to temporarily borrow during 2022/23.
- 3.56. A significant proportion of investments are retained in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown below:



## The Return or Yield of our Investments

3.57. The yield the Council achieved compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) is shown below:



3.58. The investment activity during the financial year is projected to generate **(£1,356,000)** of gross investment income compared to a budget of **(£1,384,230)**. This is due to interest rates not raising as sharply as estimated in October/November.

3.59. Any additional income above the level included in the revenue budget, at this stage, is being added to the Strategic Investments Volatility Reserve to provide mitigation to any adverse impact resulting from market volatility.

## The External Borrowing Portfolio

3.60. The Council's external borrowing portfolio including the premiums or discounts for early repayment is shown below:

	Principal	Average Rate	Years to Final Maturity	(Premium) /Discount
PWLB Fixed Equal Instalment of Principal (EIP)	£1,065,400	2.59%	17.3	£39,318
<b>TOTAL BORROWING</b>	<b>£1,065,400</b>	<b>2.59%</b>	<b>17.3</b>	<b>£39,318</b>

3.61. For information, current rates for a similar loan are **4.80%** (excluding any discounts) from the Public Works Loans Board.

Alternative Options	These are considered as part of the ongoing development of the Strategic Plan and the Medium Term Financial Strategy.
Consultation	Consultation is undertaken as part of the Strategic Plan and with Leadership Team.
Financial Implications	<p>The MTFs projected general reserves at 31 March 2023 would be <b>£7,167,610</b>.</p> <p>At this six months stage, general reserves are forecast to be <b>£6,075,329</b>. This is a decrease of <b>(£1,092,281)</b> and is related to:</p> <ul style="list-style-type: none"> <li>A lower than budgeted contribution in 2021/22 of <b>(£42,031)</b>.</li> <li>Approved updates in 2022/23 reducing the contribution by <b>(£1,050,250)</b>.</li> </ul>

Approved by Section 151 Officer	Yes
Legal Implications	No specific legal implications. The recommended changes to the Medium Term Financial Strategy not part of the approved Budget Framework, will require the approval of Full Council.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The MTFS underpins the delivery of the Strategic Plan.
Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
Crime & Safety Issues	There are no additional Equality, Diversity or Human Rights implications.
Environmental Impact (including Climate Change and Biodiversity).	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.
GDPR / Privacy Impact Assessment	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
<b>Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2023</b>	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. No income is assumed from 2023/24 onwards.	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	Likelihood: Yellow	To maintain a watching brief on economic	Likelihood: Yellow

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
	inflation in the economy	Impact: Yellow Severity of Risk: Yellow	forecasts, ensure estimates reflect latest economic projections and where possible ensure income increases are maximised to mitigate any additional cost.	Impact: Yellow Severity of Risk: Yellow
<b>Strategic Risk SR3: Capacity and capability to deliver / strategic plan to the emerging landscape</b>				
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 to reflect the ongoing impact of the pandemic.	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

- Medium Term Financial Strategy (Revenue and Capital) 2021-2026 (MTFS) – Cabinet 8 February 2022
- Local Council Tax Support Scheme Review – Cabinet 5 April 2022
- Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 June 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

### Relevant web links

## Revenue Financial Performance – Variance to Budget 2022/23

Area	2022/23					2022/23 Target (+/-) £
	Original Budget £	Approved Budget £	Projected Outturn £	Projected Variance £	Variance to Original Budget £	
Enabling people	1,526,950	1,330,070	1,303,860	(26,210)	(223,090)	
Shaping place	4,082,610	3,930,020	4,009,190	79,170	(73,420)	
Developing prosperity	(436,080)	14,940	(33,850)	(48,790)	402,230	
A good council	6,918,520	9,212,950	9,210,820	(2,130)	2,292,300	
COVID-19 - General Recovery (allocated to car parking)	377,000	0	0	-	(377,000)	
<b>Net Cost of Services</b>	<b>12,469,000</b>	<b>14,487,980</b>	<b>14,490,020</b>	<b>2,040</b>	<b>2,021,020</b>	<b>250,000</b>
Net Treasury Position	(298,000)	(850,730)	(852,770)	(2,040)		
Revenue Contributions to the Capital Programme	100,000	0	0	-		
<b>Net Operating Cost</b>	<b>12,271,000</b>	<b>13,637,250</b>	<b>13,637,250</b>	<b>0</b>		
Transfer (from) / to General Reserve	280,000	(770,250)	(770,250)	-		
Transfer (from) / to Earmarked Reserves	0	0	0	-		
<b>Net Revenue Expenditure</b>	<b>12,551,000</b>	<b>12,867,000</b>	<b>12,867,000</b>	<b>0</b>		
<b>Financed by:</b>						
Retained Business Rates	(3,311,000)	(3,311,000)	(3,311,000)	-		
Business Rates Cap	(174,000)	(490,000)	(490,000)	-		
Services Grant	(146,000)	(146,000)	(146,000)	-		
Lower Tier Services Grant	(95,000)	(95,000)	(95,000)	-		
New Homes Bonus	(1,401,000)	(1,401,000)	(1,401,000)	-		
Council Tax Collection Fund (Surplus)/Deficit	32,000	32,000	32,000	-		
Council Tax	(7,456,000)	(7,456,000)	(7,456,000)	-		

## Closing the Funding Gap Progress

	Cabinet Date	2023/24	2024/25	2025/26	2026/27
<b>Original Funding Gap</b>		<b>£725,710</b>	<b>£765,340</b>	<b>£732,190</b>	<b>£904,890</b>
Pension Contributions	05/04/2022	(£31,520)	(£150,660)	(£271,940)	£10,050
Lichfield District Youth Council	06/09/2022	20,000	30,000		
Revenue Contributions to Capital	11/10/2022			(25,000)	183,000
Money Matters 2022/23 Six Months	06/12/2022	£81,450	£81,450	£81,450	£81,450
Ongoing Budget Savings	This Report				
<b>Approved Funding Gap/(transfer to General Reserves)</b>		<b>£795,640</b>	<b>£726,130</b>	<b>£516,700</b>	<b>£1,179,390</b>
<b>Impact of Current Inflation Projections</b>					
		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Payroll	Projection	£502,740	£519,720	£535,170	£552,630
Utilities	Projection	£173,450	£173,880	£172,840	£170,270
Fuel	Projection	£154,550	£163,990	£173,000	£181,570
Telephone & Mobiles	Projection	£6,130	£6,170	£6,130	£6,030
Business Rates	Projection	£0	£0	£0	£0
Postage	Projection	£5,650	£6,560	£7,430	£8,270
Insurances	Projection	£17,350	£15,480	£12,590	£8,650
Investment Income	Projection	(£535,000)	(£536,000)	(£302,000)	(£324,000)
<b>Total</b>		<b>£324,870</b>	<b>£349,800</b>	<b>£605,160</b>	<b>£603,420</b>
<b>Projected Funding Gap</b>		<b>£1,120,510</b>	<b>£1,075,930</b>	<b>£1,121,860</b>	<b>£1,782,810</b>

## General Reserves

	Original	Approved	Projected
<b>Start of year</b>	<b>£6,887,610</b>	<b>£6,845,579</b>	<b>£6,845,579</b>
Budgeted Contribution	£280,000	£280,000	£280,000
Approved Updates	£0	(£1,050,250)	(£1,050,250)
<b>Sub Total In Year</b>	<b>£280,000</b>	<b>(£770,250)</b>	<b>(£770,250)</b>
<b>End of year</b>	<b>£7,167,610</b>	<b>£6,075,329</b>	<b>£6,075,329</b>
<b>Change to Original</b>		<b>(£1,092,281)</b>	<b>(£1,092,281)</b>



## Savings and Additional Income Proposals Monitoring

2022/23					
No	Saving	MTFS Target	3 Month Projection	6 Month Projection	8 Month Projection
1	Standby payments	£9,000	£0	£0	£0
2	Fusion Credit	£10,000	£10,000	£10,000	£10,000
3	Void reduction	£2,000	£2,000	£2,000	£2,000
4	Light Emitting Diode lighting / Car park	£2,000	£0	£0	£0
5	Revs & Bens Restructure Part 1	£87,070	£87,070	£87,070	£87,070
6	Corp pay budgets	£23,090	£23,090	£23,090	£23,090
7	Deleted post - post room	£24,610	£24,610	£24,610	£24,610
8	Reduced telephone budget	£1,000	£1,000	£1,000	£1,000
9	Reduced document imaging	£9,000	£9,000	£9,000	£9,000
10	Reduced printing	£8,000	£8,000	£8,000	£8,000
11	Reduced postage	£15,000	£15,000	£15,000	£15,000
12	Reduced stationery	£5,000	£5,000	£5,000	£5,000
13	Reduced Uniform (Customer)	£1,000	£1,000	£1,000	£1,000
14	Hybrid working savings	£100,000	£100,000	£100,000	£100,000
15	Communications / Visitor Economy merger	£10,000	£10,000	£30,000	£30,000
16	Revs & Bens restructure Part 2	£200,000	£58,000	£58,000	£58,000
17	Golf course	£80,000	£40,000	£40,000	£0
18	Restructure of Operational Services	£0	£0	£0	£0
19	Major Projects	£95,000	£95,000	£95,000	£95,000
20	Post/Printing	£30,000	£30,000	£30,000	£30,000
21	Vacancy savings	£150,000	£150,000	£150,000	£150,000
22	Implement new Target Operating Model	£330,000	£330,000	£330,000	£330,000
23	Information Technology savings	£150,000	£0	£25,000	£0
24	Dividend	£25,000	£0	£0	£0
25	Savings Strategy year 1 - Treasury Management	£340,230	£340,230	£340,230	£340,230
26	Garden Waste Price increase	£50,000	£0	£0	£0
27	Review of Existing Pricing Discounts	£45,000	£45,000	£45,000	£45,000
28	Grant funding for homelessness	£35,000	£35,000	£35,000	£35,000
29	Property Income (1.5 Properties 21/22, 4 Properties 22/23, 5 Properties 23/24)	£12,000	£12,000	£12,000	£12,000
30	Introduce Sunday Charging (replace £1 flat fee with normal tariffs)	£93,000	£0	£0	£0
31	Introduce an evening charge in LDC car parks of £1.	£38,000	£0	£0	£0
32	Introduce a departure charge to all bus companies using Lichfield Bus Station	£21,000	£0	£0	£0
33	Introduce an administration charge of £100 for supplying CCTV footage to insurance companies	£1,000	£0	£0	£0
34	Introduce an administration charge of £200 for coning off bays in car parks	£1,000	£0	£0	£0
35	Annual increase in relevant fees and charges of 2.5%	£64,000	£18,000	£18,000	£18,000
36	Street naming and numbering	£20,000	£20,000	£20,000	£10,000
NEW	Incubator Space			£50,000	£50,000
	<b>Total</b>	<b>£2,087,000</b>	<b>£1,469,000</b>	<b>£1,564,000</b>	<b>£1,489,000</b>

Approved Target in MTFS

£2,087,000    £2,087,000    £2,087,000

Shortfall to MTFS Target

£618,000    £523,000    £598,000



Fees and Charges

Income Type	Approved Budget £000	Actual £000	Year End Variance £000	Annual Trend							
				2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
				Actual £000	Actual £000	Actual £000	Actual £000	Actual £000	Actual £000	Actual £000	Actual £000
Planning Applications	781	745	0	771	629	1,030	824	797	744	695	974
Car Parks	1,721	1,175	(54)	1,746	1,748	1,986	2,078	2,198	2,105	752	1,515
Garden Waste	1,566	1,365	0	0	0	0	231	1,495	1,478	1,618	1,609
Trade Waste	488	555	0	338	390	407	415	443	469	485	522
Land Charges	305	190	0	183	297	312	279	286	253	272	341
Building Control	980	768	0	454	507	557	547	553	896	1,032	948
Property Rental	627	445	(1)	644	681	687	729	839	744	680	674
<b>Total of Highest Value Fees &amp; Charges</b>	<b>6,469</b>	<b>5,242</b>	<b>(55)</b>	<b>4,134</b>	<b>4,251</b>	<b>4,980</b>	<b>5,102</b>	<b>6,611</b>	<b>6,689</b>	<b>5,535</b>	<b>6,583</b>
<b>Other Income</b>											
Licensing				217	185	236	224	241	245	160	184
Leisure Centres				1,782	1,819	1,879	1,629	183	0	0	0
VAT Claim				0	0	0	0	1,103	0	0	0
Court Costs				252	233	218	198	214	222	154	247
Recycling				14	347	439	463	331	283	280	560
Grounds Maintenance				162	161	168	195	217	264	273	234
Other				1,839	1,139	1,319	1,124	1,057	1,063	908	1,166
<b>Total Income</b>				<b>8,400</b>	<b>8,136</b>	<b>9,239</b>	<b>8,936</b>	<b>9,957</b>	<b>8,766</b>	<b>7,310</b>	<b>8,974</b>

## Capital Programme Performance in 2022/23

Project	Original Budget	Approved Budget	Actual to Date	Projected Actual	Variance
New Build Parish Office/Community Hub	92,000	92,000	0	62,000	(30,000)
Replacement of canopy and artificial grass at Armitage	0	3,000	0	0	(3,000)
Burntwood Leisure Centre Sinking Fund Projects	0	69,000	0	0	(69,000)
Friary Grange - Short Term Refurbishment	0	158,000	6,577	158,000	0
Replacement Leisure Centre	2,349,000	2,524,000	3,700	50,000	(2,474,000)
Burntwood Leisure Centre - Decarbonisation Scheme	0	18,000	(38,552)	18,000	0
Accessible Homes (Disabled Facilities Grants)	1,654,000	1,343,000	272,909	1,000,000	(343,000)
Home Repair Assistance Grants	4,000	0	0	0	0
Decent Homes Standard	147,000	97,000	0	0	(97,000)
DCLG Monies	212,000	0	0	0	0
Unallocated S106 Affordable Housing Monies	334,000	242,000	900	4,000	(238,000)
Burntwood Park Play Equipment	0	75,000	74,000	75,000	0
Conversion at Bore Street	0	576,000	0	34,000	(542,000)
Streethay Community Centre	0	600,000	0	0	(600,000)
Changing Places Fund	0	94,000	31,800	94,000	0
Play Equipment at Chase Terrace Park	0	25,000	0	25,000	0
Play Area at Burntwood Leisure Centre	0	35,000	0	35,000	0
Zip Wire in Burntwood	0	30,000	0	30,000	0
<b>Enabling People Total</b>	<b>4,792,000</b>	<b>5,981,000</b>	<b>351,333</b>	<b>1,585,000</b>	<b>(4,396,000)</b>
Loan to Council Dev Co.	0	150,000	0	57,000	(93,000)
Lichfield St Johns Community Link	35,000	35,000	0	0	(35,000)
Staffordshire Countryside Explorer	0	44,000	42,681	44,000	0
Lichfield Public Conveniences	0	40,000	0	40,000	0
Bin Purchase	150,000	150,000	0	150,000	0
Dual Stream Recycling	0	267,000	16,162	267,000	0
Vehicle Replacement Programme (Other)	229,000	186,000	149,553	261,000	75,000
Env. Improvements - Upper St John St & Birmingham Road	7,000	7,000	0	0	(7,000)
The Leomansley Area Improvement Project	0	3,000	0	0	(3,000)
Burntwood Public Conveniences	0	45,000	392	45,000	0
Falkland Road Fosseyway Canal Walk	0	260,000	0	0	(260,000)
<b>Shaping Place Total</b>	<b>421,000</b>	<b>1,187,000</b>	<b>208,787</b>	<b>864,000</b>	<b>(323,000)</b>
Vehicle Replacement Programme (Car Parks)	10,000	0	0	0	0
Coach Park	1,137,000	807,000	0	50,000	(757,000)
Car Parks Variable Message Signing	150,000	150,000	19,985	150,000	0
Old Mining College - Refurbish access and signs (S106)	13,000	13,000	0	0	(13,000)
Pay on Exit System at Friary Multi Storey	150,000	93,000	72,466	93,000	0
BRS Enabling Works	0	535,000	0	385,000	(150,000)
Cinema Development	0	892,000	0	240,000	(652,000)
Incubator Space	0	354,000	236,805	354,000	0
Card Payment in All Car Parks	100,000	123,000	112,188	123,000	0
Electric Vehicle Charge Points	80,000	80,000	0	10,000	(70,000)
Car Park Barriers	36,000	36,000	0	0	(36,000)
<b>Developing Prosperity Total</b>	<b>1,676,000</b>	<b>3,083,000</b>	<b>441,443</b>	<b>1,405,000</b>	<b>(1,678,000)</b>
Property Planned Maintenance	230,000	206,000	257,269	206,000	0
New Financial Information System	44,000	0	0	0	0
IT Infrastructure	0	300,000	23,732	115,000	(185,000)
Building a Better Council	600,000	490,000	324,760	490,000	0
Committee Audio-Visual Hybrid Meeting Platform	90,000	85,000	0	85,000	0
Construction Inflation Contingency	100,000	100,000	0	100,000	0
<b>Good Council Total</b>	<b>1,064,000</b>	<b>1,181,000</b>	<b>605,762</b>	<b>996,000</b>	<b>(185,000)</b>
<b>Approved Budget</b>	<b>7,953,000</b>	<b>11,432,000</b>	<b>1,607,325</b>	<b>4,850,000</b>	<b>(6,582,000)</b>

Funding Source	Original Budget	Approved Budget
Capital Receipts	1,331,000	2,712,000
Corporate Revenue	100,000	0
Borrowing Need - Borrowing and Finance Leases	2,349,000	2,524,000
Capital Grants and Contributions	3,030,000	4,013,000
Reserves, Existing Revenue Budgets and Sinking Funds	1,143,000	2,183,000
<b>Capital Programme Total</b>	<b>7,953,000</b>	<b>11,432,000</b>

Projected Actual	Variance
1,234,000	(1,478,000)
0	0
50,000	(2,474,000)
1,702,000	(2,311,000)
1,864,000	(319,000)
<b>4,850,000</b>	<b>(6,582,000)</b>

## Investments in the 2022/23 Financial Year

The table below shows a breakdown of our investments at the 30 November 2022:

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Foreign Parent
<b>Money Market Funds</b>						
Invesco Aim	£1,890,000	01-Dec-22	Instant Access	2.71%	0	N/A
Blackrock Institutional	£3,400,000	01-Dec-22	Instant Access	2.90%	0	N/A
Aberdeen	£4,000,000	01-Dec-22	Instant Access	2.86%	0	N/A
BNP Paribas MMF	£4,000,000	01-Dec-22	Instant Access	2.82%	0	N/A
CCLA MMF	£5,000,000	01-Dec-22	Instant Access	2.68%	0	N/A
<b>Strategic Funds</b>						
CCLA Property Fund	£2,000,000	N/A	N/A	4.28%	N/A	No
Ninety-One Diversified Income Fund	£5,000,000	N/A	N/A	3.78%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	2.53%	N/A	No
Aegon Diversified Income Fund	£5,000,000	N/A	N/A	3.79%	N/A	No
<b>Fixed Term Investments</b>						
Conwy County Borough Council	£2,000,000	23-Jan-23	54	0.30%	LOCAL	
Folkestone and Hythe District Council	£2,000,000	09-Mar-23	99	0.95%	LOCAL	
North Lanarkshire Council	£2,000,000	21-Dec-22	21	0.85%	LOCAL	
Debt Management Office	£4,000,000	19-Jan-23	50	1.90%	UK Government	
Debt Management Office	£4,000,000	20-Feb-23	82	2.50%	UK Government	
Debt Management Office	£4,000,000	20-Mar-23	110	3.34%	UK Government	
Debt Management Office	£4,000,000	19-Apr-23	140	3.06%	UK Government	
<b>Call Accounts with Notice Period</b>						
Santander	£1,000,000	05-Mar-23	95	2.03%	A	
HSBC	£999,500	31-Dec-22	31	3.05%	A+	
<b>Total Investments</b>	<b>£56,289,500</b>					

<b>Strategic Investments Volatility Reserve</b>	
Opening Balance 01/04/2022	£329,290
Approved Transfers 2022/23	£411,000
Projected Transfers Mth 8	(£20,000)
<b>Projected Closing Balance 31/03/2023</b>	<b>£720,290</b>
<b>Fund Book Gains/(Losses)</b>	
CCLA Property Fund	(£83,012)
CCLA Diversified Income Fund	(£138,524)
Ninety-One Diversified Income Fund	(£453,791)
Aegon Diversified Income Fund	(£383,455)
<b>Net Book Loss as at 30/11/2022</b>	<b>(£1,058,782)</b>

<b>Projected Shortfall</b>	<b>(£338,492)</b>
----------------------------	-------------------

This page is intentionally left blank

# Medium Term Financial Strategy

Report of the Cabinet Member for Finance and Commissioning

Date: 14 February 2023  
 Agenda Item: 4  
 Contact Officer: Simon Fletcher / Anthony Thomas  
 Tel Number: 01543 308001 / 01543 308012  
 Email: [Simon.fletcher@lichfielddc.gov.uk](mailto:Simon.fletcher@lichfielddc.gov.uk)  
[Anthony.thomas@lichfielddc.gov.uk](mailto:Anthony.thomas@lichfielddc.gov.uk)  
 Key Decision? YES  
 Local Ward Members Full Council



**Cabinet**

## 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 will be considered by the Audit and Member Standards Committee.
- 1.6 The figures provided in this report may differ to those contained in the version to Overview and Scrutiny Committee on 19 January 2023 due to the use of more up to date information.
- 1.7 The timetable for consideration of the MTFS development is summarised below:

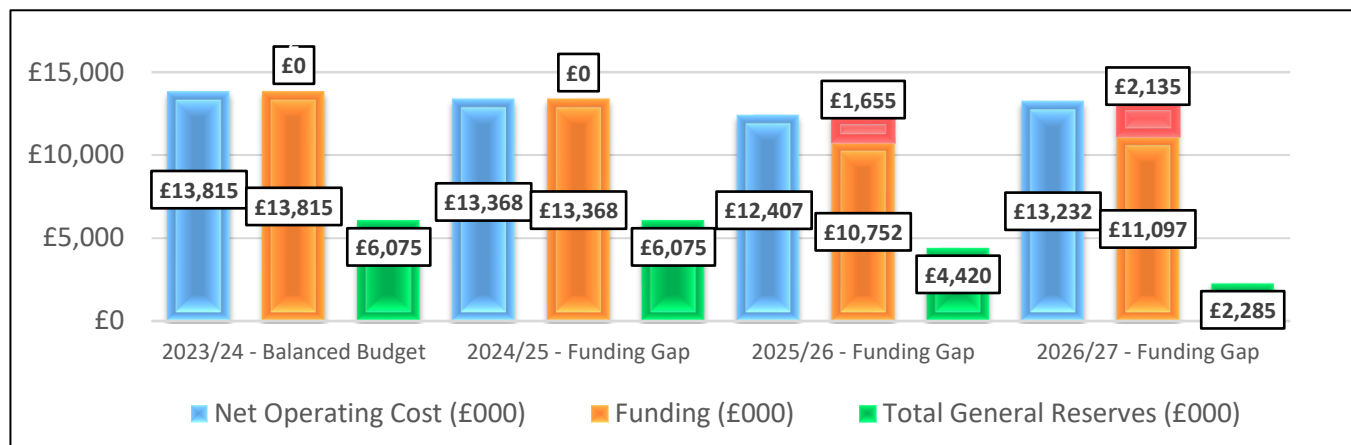
	Date	Meeting	Topics
<b>Budget Consultation (June to December)</b>	05/07/2022	Cabinet	Budget timetable, Budget principles, MTFS update, Budget consultation and Budget assumptions for 2023/24
	15/09/2022	Overview and Scrutiny Committee	To review the Draft Medium Term Financial Strategy
	04/10/2022	Cabinet	An update on the Draft Medium Term Financial Strategy
	17/11/2022	Overview and Scrutiny Committee	To review the Draft Medium Term Financial Strategy
	06/12/2022	Cabinet	Set the Council Taxbase for 2023/24
	NEW 15/12/2022	Overview and Scrutiny Committee	Special Meeting to consider Budget Proposals
	19/01/2023	Overview and Scrutiny Committee	To review the Draft Medium Term Financial Strategy
	02/02/2023	Audit and Member Standards Committee	To review the Treasury Management Strategy Statement
	14/02/2023	Cabinet	To recommend the Medium Term Financial Strategy and Council Tax increase to Council
	28/02/2023	Council	Approve the Medium Term Financial Strategy, updated Local Council Tax Support Scheme and set the Council Tax

- 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 This report updates forecasts following receipt of the Provisional Local Government Finance Settlement for 2023/24.
- 1.11 The funding of the leisure centre will be considered in a report elsewhere on this agenda.

**The Revenue Budget**

- 1.12 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:



- 1.13 The Original Budget approved on 22 February 2022 budgeted no transfer to or from General Reserves.
- 1.14 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.
- 1.15 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.
- 1.16 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.
- 1.17 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.
- 1.18 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.
- 1.19 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**

- 1.20 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**

- 1.21 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**

- 1.22 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 Cabinet recommend 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**.
  - 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 To approve 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.
- Cabinet notes:
- 2.14 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**.
  - 2.15 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 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.
- 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 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 Settlement in 2023/24 is shown below:

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

- 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.
- 3.10. The Provisional Settlement outcome is in line with the assumptions used in the Draft 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.

## 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 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
<b>Business Rates &amp; Grants</b>	
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
<b>New Homes Bonus</b>	
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
<b>Council Tax</b>	
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	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£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
<b>Sub Total</b>		<b>279</b>	<b>(12)</b>	<b>467</b>	<b>361</b>

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	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£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)
<b>Sub Total</b>		<b>(3,833)</b>	<b>(2,953)</b>	<b>66</b>	<b>(9)</b>

## 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	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
<b>Approved Funding Gap</b>		<b>1,121</b>	<b>1,076</b>	<b>1,122</b>	<b>1,783</b>
Updated Expenditure Projections		279	(12)	467	361
Updated Central Scenario Funding Projections		(3,833)	(2,953)	66	(9)
<b>Projected Central Scenario Budget Funding Gap</b>		<b>(2,433)</b>	<b>(1,889)</b>	<b>1,655</b>	<b>2,135</b>
Transfer settlement 'windfall' to Strategic Priorities Reserve		2,433	1,889	0	0
<b>Projected Central Scenario Impact on General Reserves</b>		<b>0</b>	<b>0</b>	<b>1,655</b>	<b>2,135</b>
<b>More Optimistic Scenario Impact on General Reserves</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>371</b>
<b>More Pessimistic Scenario Impact on General Reserves</b>		<b>0</b>	<b>0</b>	<b>2,991</b>	<b>3,717</b>

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

- The inclusion of estimated additional borrowing costs based on current interest rates for the approved **£5,000,000** external borrowing for the replacement leisure centre from 2025/26 onwards (a year later than previously estimated). This approach will be reviewed as part of the funding for the new leisure centre considered in the report elsewhere on this agenda.
- 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 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):

	Total	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
<b>Approved Council Tax Income (modelled @ 1.50%)</b>	<b>(£32,225)</b>	<b>(£7,693)</b>	<b>(£7,935)</b>	<b>(£8,190)</b>	<b>(£8,407)</b>
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
<b>Modelled MTFs Council Tax Income</b>	<b>(£32,014)</b>	<b>(£7,614)</b>	<b>(£7,858)</b>	<b>(£8,125)</b>	<b>(£8,417)</b>
<b>Change to Approved Budget</b>	<b>£212</b>	<b>£79</b>	<b>£77</b>	<b>£66</b>	<b>(£10)</b>
<b>Council Tax Income @ 2.99% 23/24 and 24/25</b>	<b>(£33,217)</b>	<b>(£7,842)</b>	<b>(£8,172)</b>	<b>(£8,450)</b>	<b>(£8,753)</b>
<b>Change to Approved Budget</b>	<b>(£992)</b>	<b>(£149)</b>	<b>(£237)</b>	<b>(£259)</b>	<b>(£346)</b>

## 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)				
Leisure Centre Reprofiting	Update		(2,260)	2,260		
Removal of Grant from Coach Park	Update		(500)			
Waste Fleet Replacement	Update		(2,818)		6,000	
Vehicle Replacement Programme	Update		79	117	67	(165)

<b>Projected Capital Spend</b>	<b>(175)</b>	<b>(5,499)</b>	<b>2,377</b>	<b>6,067</b>	<b>1,494</b>
External Funding		3,318		(6,000)	(914)
Existing Revenue Budgets					(150)
Council Funding	175	(79)	(117)	(67)	(430)
<b>Total Funding</b>	<b>175</b>	<b>3,239</b>	<b>(117)</b>	<b>(6,067)</b>	<b>(1,494)</b>
<b>Shortfall in Funding &amp; Borrowing Need</b>	<b>0</b>	<b>(2,260)</b>	<b>2,260</b>	<b>0</b>	<b>0</b>

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 Debt Costs – will be reviewed	0	0	0	447	437
Revenue Budget - Bin Replacement	150	150	150	150	0
Revenue Budget - Corporate	0	238	100	565	0
<b>Sub Total - Approved Budget</b>	<b>285</b>	<b>571</b>	<b>433</b>	<b>1,210</b>	<b>485</b>
Revenue Budget - Corporate	0	0	0	0	183
Revenue Budget - Bin Replacement	0	0	0	0	150
<b>Sub Total - Service and Financial Planning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>333</b>
<b>Capital Programme Total</b>	<b>285</b>	<b>571</b>	<b>433</b>	<b>1,210</b>	<b>818</b>

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

Strategic Priority	Draft 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
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>HIGH</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>
Enabling People	4,792	1,585	5,959	3,575	939	959
Shaping Place	421	864	819	397	6,367	150
Developing Prosperity	1,676	1,405	4,831	2,329	0	10
Good Council	1,064	996	548	340	465	405
<b>Grand Total</b>	<b>7,953</b>	<b>4,850</b>	<b>12,157</b>	<b>6,641</b>	<b>7,771</b>	<b>1,524</b>
Capital Funding	5,604	4,800	9,683	4,381	7,771	1,524
Borrowing Need	2,349	50	2,474	2,260	0	0
General Capital Receipts	(368)	(1,651)	(481)	(266)	(246)	(52)
Housing Capital Receipts	(694)	(1,023)	(663)	(663)	(663)	(663)
<b>Total Capital Receipts</b>	<b>(1,062)</b>	<b>(2,674)</b>	<b>(1,144)</b>	<b>(929)</b>	<b>(909)</b>	<b>(715)</b>

## 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.”*

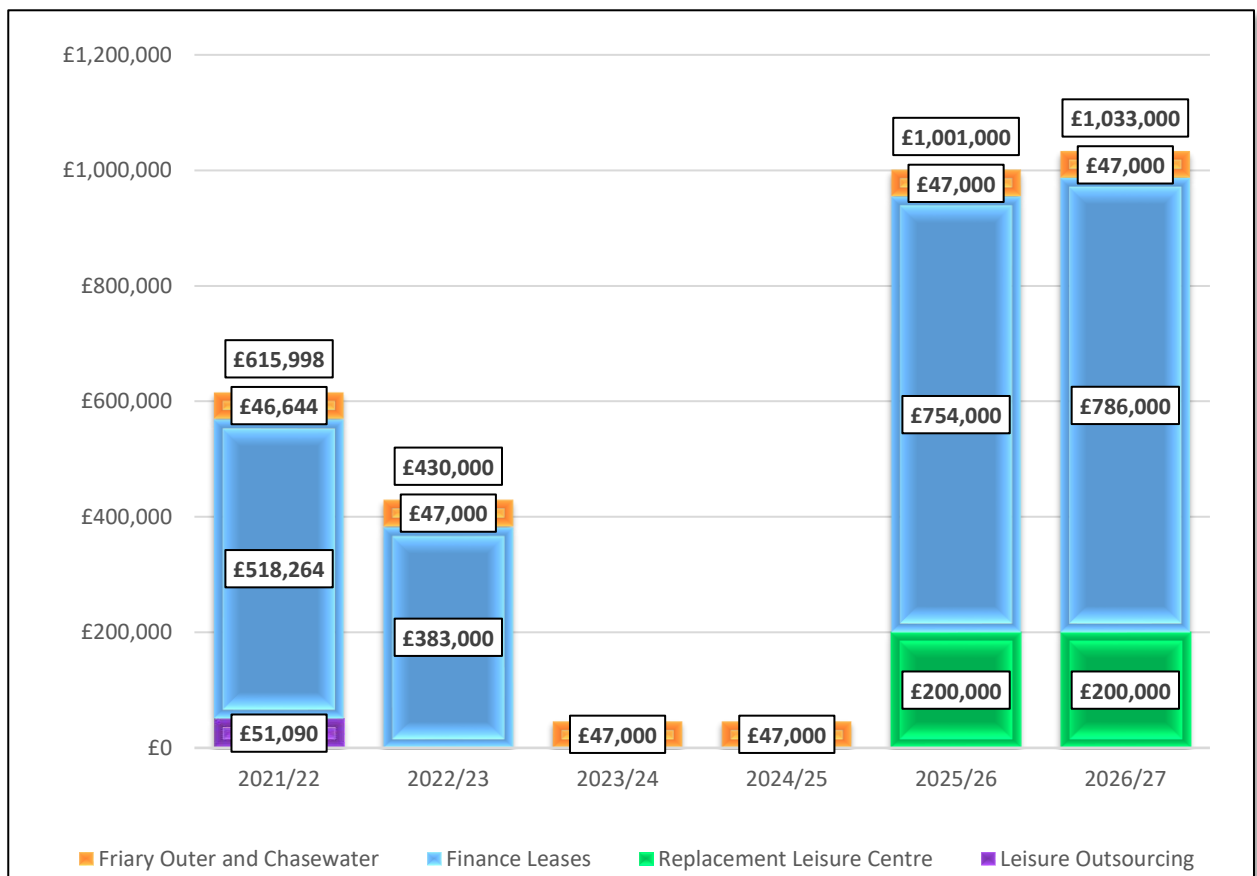
3.31. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are an important and integral element of its treasury management activities. The main risks to the Council’s treasury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

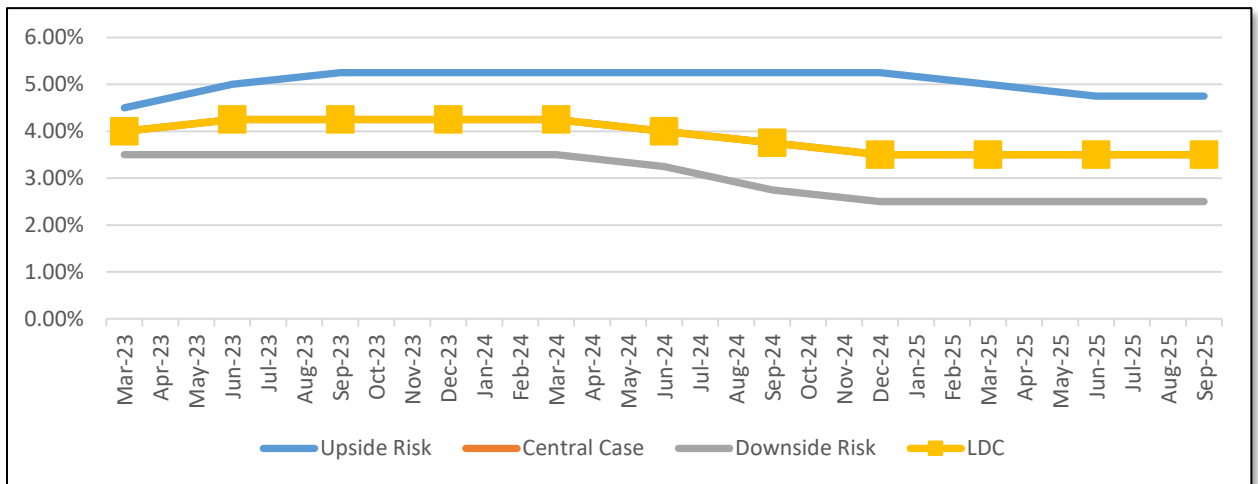


### 3.34. Balance Sheet Projections

- 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

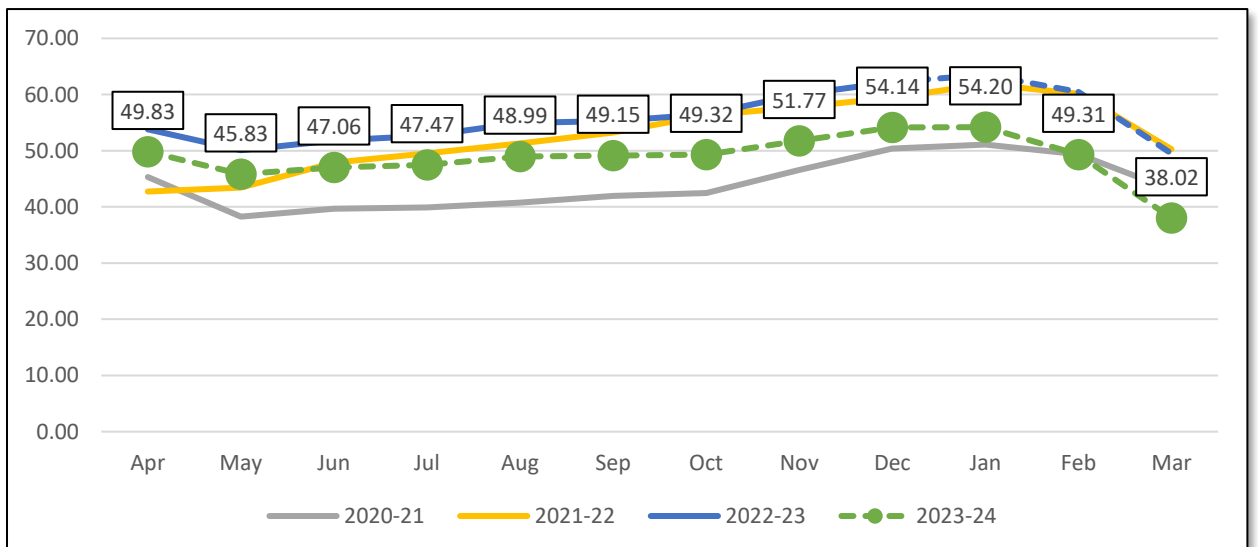
- The Official Bank Rate outlook provided by the Council’s Treasury Advisor, together with the Council’s assumption (also the central case) where interest rates will climb to **4.25%** in June 2023 and then gradually decrease, is shown below:



- 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 <sup>1</sup>	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
<b>Net Treasury Position</b>	<b>(£1,809,270)</b>	<b>£315,000</b>
	<b>(£1,494,270)</b>	

- 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

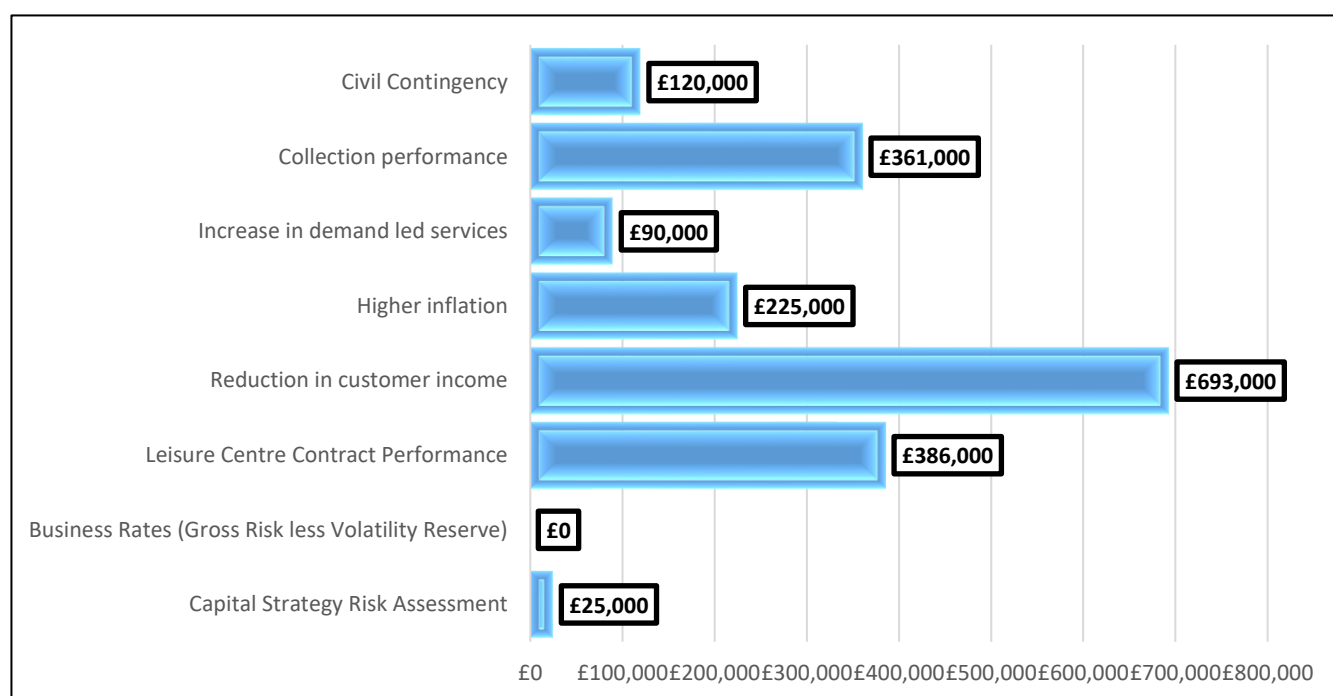
- The investment strategy that is shown at **APPENDIX F** meets the requirements of statutory guidance issued by the government in January 2018. It focuses on how the Authority invests its money to support local public services and earns investment income from any commercial investments.

<sup>1</sup> 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
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>
<b>Available General Reserves Year Start</b>	<b>5,246</b>	<b>5,246</b>	<b>4,475</b>	<b>4,175</b>	<b>4,175</b>	<b>2,520</b>
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	(1,655)	(2,135)
New Homes Bonus in excess of the 'Cap'	280	280	0	0	0	0
<b>Available General Reserves Year End</b>	<b>5,526</b>	<b>4,475</b>	<b>4,175</b>	<b>4,175</b>	<b>2,520</b>	<b>385</b>
Minimum Level	1,600	1,600	1,900	1,900	1,900	1,900
<b>Central Scenario General Reserves</b>	<b>7,126</b>	<b>6,075</b>	<b>6,075</b>	<b>6,075</b>	<b>4,420</b>	<b>2,285</b>
<b>More Optimistic scenario</b>	<b>7,126</b>	<b>6,075</b>	<b>6,075</b>	<b>6,075</b>	<b>6,075</b>	<b>5,704</b>
<b>More Pessimistic scenario</b>	<b>7,126</b>	<b>6,075</b>	<b>6,075</b>	<b>6,075</b>	<b>3,084</b>	<b>(634)</b>

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.

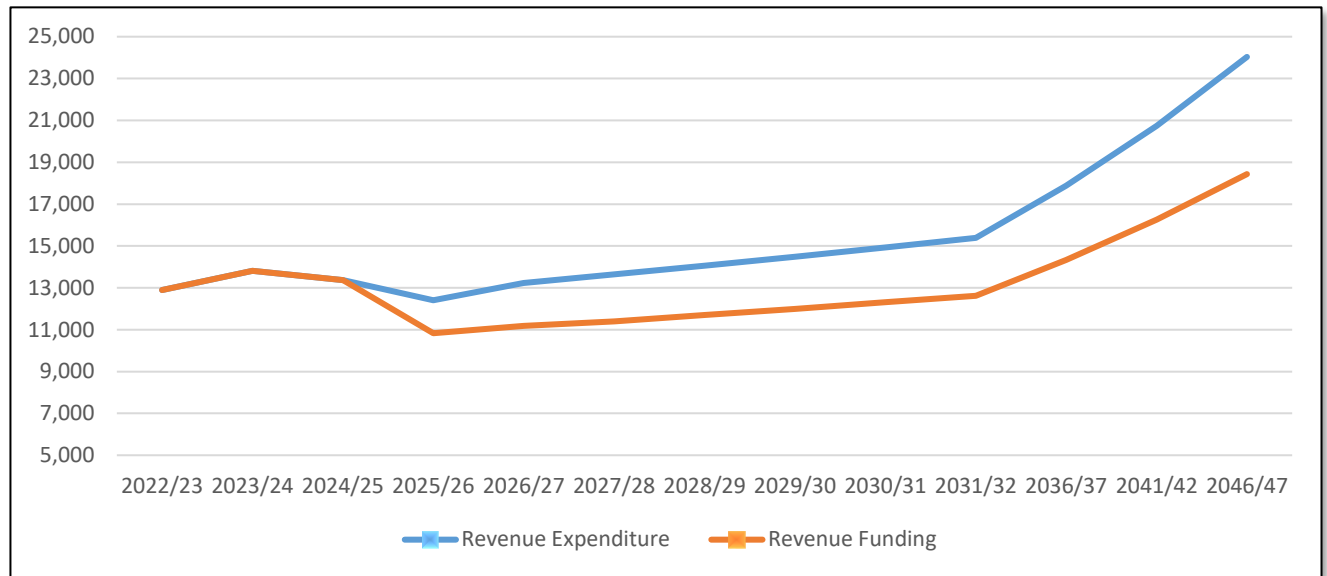
3.51. A replacement leisure centre of **£5,000,000** funded by external borrowing has been included in the Approved MTFs. The estimated cost of borrowing of **£447,000** impacting from 2025/26 onwards (a year later than estimated) for a budgeted period of 25 years has also been included in the Approved Revenue Budget.

3.52. The budget and approach to funding the leisure centre is considered in a report elsewhere on this agenda. The use of internal borrowing will be 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.

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
<b>Capital Investment</b>							
Capital Expenditure (£m)	£4.741	£7.953	£4.850	£12.157	£6.641	£7.771	£1.524
Capital Financing Requirement (£m)	£2.542	£4.637	£2.163	£4.590	£6.804	£11.803	£10.770
<b>Gross Debt and the Capital Financing Requirement</b>							
Gross Debt	(£1.509)	(£1.863)	(£1.066)	(£1.005)	(£0.944)	(£10.929)	(£9.882)
Borrowing in Advance - Gross Debt in excess of the Capital Financing Requirement	No	No	No	No	No	No	No
<b>Total Debt</b>							
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%	3%	0%	0%	10%	9%

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	£33.781	£23.167	£19.673	£18.782	£15.343
Treasury Management Investments (£m)	£49.368	£30.936	£44.846	£34.171	£30.616	£34.464	£30.764

Treasury Management Indicators					
Prudential Indicators					
	Lower Limit	Upper Limit	As at 31/03/22	As at 31/12/22	
<b>Refinancing Rate Risk Indicator</b>	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)
<b>Budget subject to Interest Rate Exposure</b>	<b>(£1,459,270)</b>	<b>(£1,057,270)</b>
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
<b>Budget subject to Interest Rate Exposure</b>	<b>£0</b>	<b>£0</b>
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
<b>Balance Sheet Summary and Forecast</b>							
Borrowing Capital Financing Requirement	£2.160	£4.636	£2.163	£4.590	£6.803	£6.556	£6.310
Internal (over) Borrowing	£1.033	£2.773	£1.097	£3.585	£5.860	£0.874	£0.888
Investments (or New Borrowing)	(£49.368)	(£30.936)	(£44.846)	(£34.171)	(£30.616)	(£34.464)	(£30.764)
Liability Benchmark	(£38.242)	(£19.075)	(£33.781)	(£23.167)	(£19.673)	(£18.782)	(£15.343)

	Target
<b>Security</b>	
Portfolio average credit rating	A-
<b>Liquidity</b>	
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)
<b>Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2023</b>	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
<b>Strategic Risk SR3: Capacity and capability to deliver / strategic plan to the emerging landscape</b>				
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 to reflect the ongoing impact of the pandemic.	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

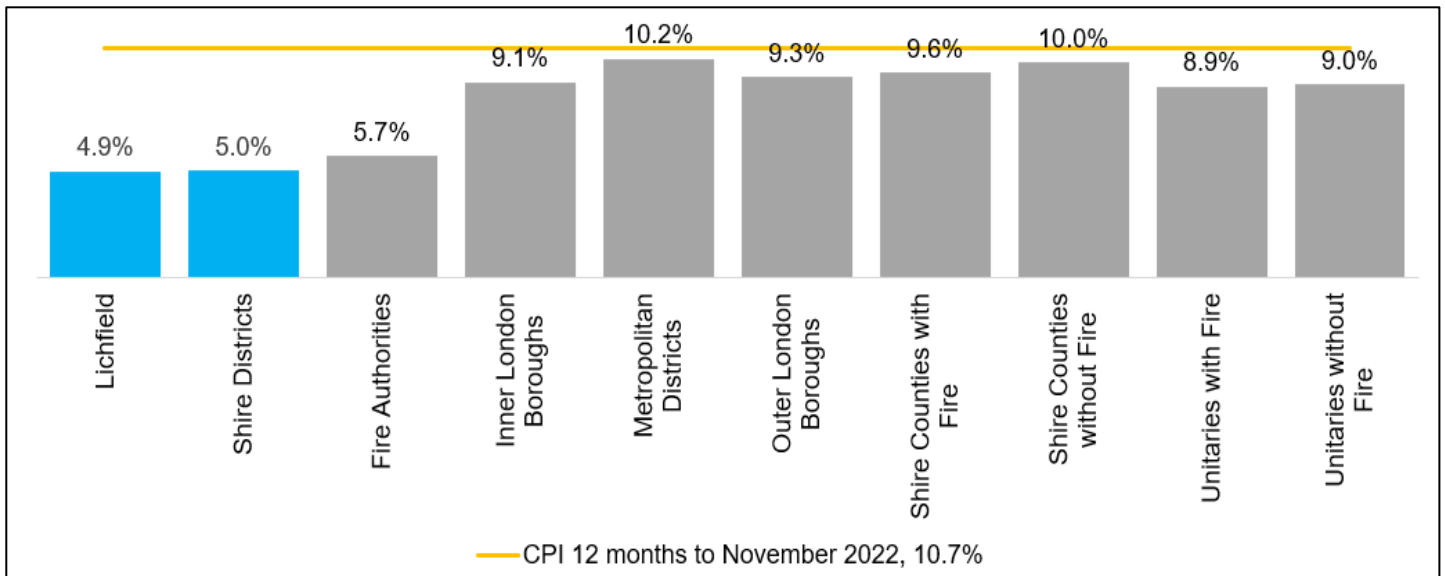
- Medium Term Financial Strategy (Revenue and Capital) 2021-2026 (MTFS) – Cabinet 8 February 2022
- Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 June 2022

- 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

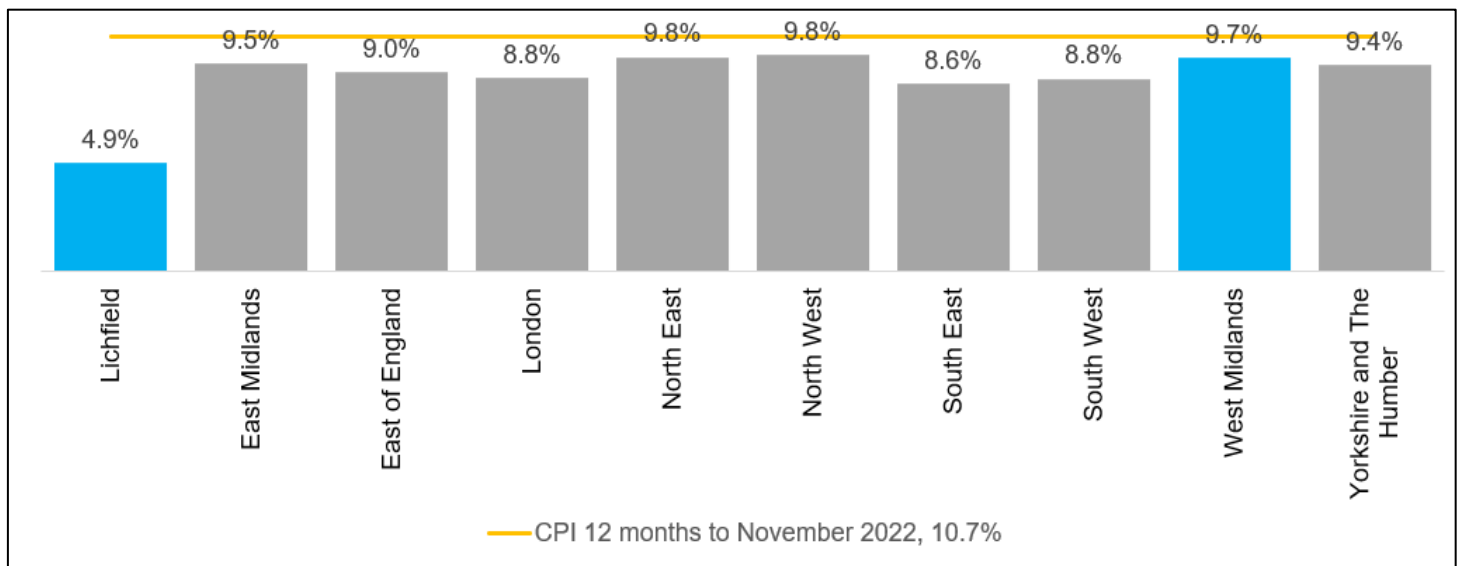
## Relevant web links

### Core Spending Power Increase Comparators

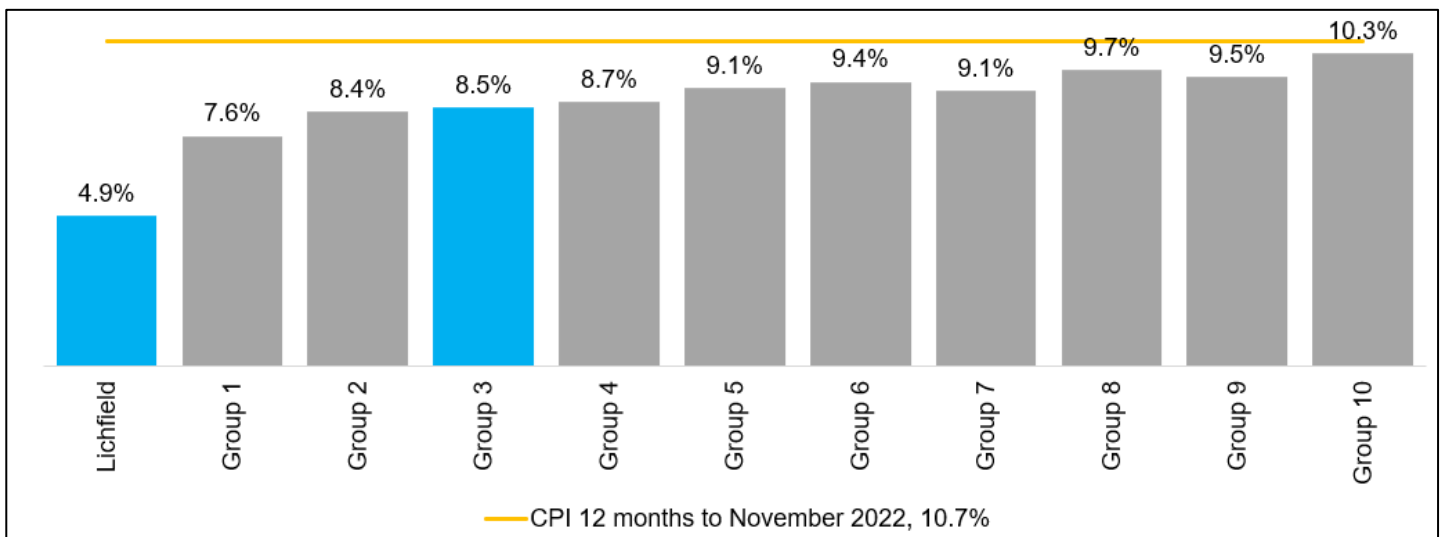
#### Change in Core Spending Power by Authority Type



#### 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				
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>
<b>Projected Net Operating Cost excluding 'windfall' transfers</b>	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
<b>Projected Net Operating Cost</b>	<b>12,551</b>	<b>12,902</b>	<b>13,815</b>	<b>13,368</b>	<b>12,407</b>	<b>13,232</b>

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)
<b>Projected Revenue Funding</b>	<b>(12,551)</b>	<b>(12,902)</b>	<b>(13,815)</b>	<b>(13,368)</b>	<b>(10,752)</b>	<b>(11,097)</b>

<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,655</b>	<b>2,135</b>
-------------------------------------	----------	----------	----------	----------	--------------	--------------

<b>Business Rates</b>						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	Yes	Yes
<b>New Homes Bonus</b>						
Band D Housing Growth above the Baseline	451	451	558	343	321	402
Affordable Housing growth	132	132	413	107	103	119
<b>Council Tax</b>						
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
<b>Original Budget Council 22/02/2022</b>		0	726	765	732	905
<b>Approved Changes</b>						
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
<b>Approved Funding Gap</b>		<b>0</b>	<b>1,121</b>	<b>1,076</b>	<b>1,122</b>	<b>1,783</b>

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
<b>Sub Total</b>

	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	141
	12	0	0	0	0
	86	86	86	86	86
	20	10	0	0	0
	41	66	254	154	154
	50	50	0	0	0
	100	100	0	0	0
	(30)	(30)	(30)	(30)	(30)
	0	(447)	10	10	10
		<b>279</b>	<b>(12)</b>	<b>467</b>	<b>361</b>

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
<b>Sub Total</b>

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Included in Approved Budget	(397)	(533)	(18)	1	1
	(726)	(478)	765	781	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)	(782)
	(992)	(570)	0	0	0
	(368)	0	0	0	0
	79	77	66	(9)	(9)
		<b>(3,833)</b>	<b>(2,953)</b>	<b>66</b>	<b>(9)</b>

<b>Projected Central Scenario Budget Funding Gap</b>
--

<b>(2,433)</b>	<b>(1,889)</b>	<b>1,655</b>	<b>2,135</b>
----------------	----------------	--------------	--------------

Transfer settlement 'windfall' to Strategic Priorities Reserve
--

2,433	1,889	0	0
-------	-------	---	---

<b>Impact on General Reserves</b>
-----------------------------------

<b>0</b>	<b>0</b>	<b>1,655</b>	<b>2,135</b>
----------	----------	--------------	--------------

### More Optimistic Scenario

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000				
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>
<b>Projected Net Operating Cost excluding 'windfall' transfers</b>	<b>12,551</b>	<b>12,902</b>	<b>11,382</b>	<b>11,479</b>	<b>12,407</b>	<b>13,232</b>
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	2,686	2,303	0	0
<b>Projected Net Operating Cost</b>	<b>12,551</b>	<b>12,902</b>	<b>14,068</b>	<b>13,782</b>	<b>12,407</b>	<b>13,232</b>

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)
<b>Projected Revenue Funding</b>	<b>(12,551)</b>	<b>(12,902)</b>	<b>(14,068)</b>	<b>(13,782)</b>	<b>(12,407)</b>	<b>(12,861)</b>

<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>371</b>
-------------------------------------	----------	----------	----------	----------	----------	------------

<b>Business Rates</b>						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	Yes	Yes
<b>New Homes Bonus</b>						
Band D Housing Growth above the Baseline	537	537	558	368	345	430
Affordable Housing growth	268	268	413	114	110	127
<b>Council Tax</b>						
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				
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>
<b>Projected Net Operating Cost excluding 'windfall' transfers</b>	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
<b>Projected Net Operating Cost</b>	<b>12,551</b>	<b>12,902</b>	<b>13,609</b>	<b>12,677</b>	<b>12,407</b>	<b>13,232</b>

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)
<b>Projected Revenue Funding</b>	<b>(12,551)</b>	<b>(12,902)</b>	<b>(13,609)</b>	<b>(12,677)</b>	<b>(9,416)</b>	<b>(9,515)</b>

<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,991</b>	<b>3,717</b>
-------------------------------------	----------	----------	----------	----------	--------------	--------------

<b>Business Rates</b>						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	No	No
<b>New Homes Bonus</b>						
Band D Housing Growth above the Baseline	537	537	558	159	145	198
Affordable Housing growth	268	268	413	71	69	80
<b>Council Tax</b>						
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	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2036/37	2041/42	2046/47
	1	2	3	4	5	6	7	8	9	10	15	20	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
<b>Projected Council Tax Base</b>							<b>43,047</b>	<b>43,376</b>	<b>43,705</b>	<b>44,034</b>	<b>45,679</b>	<b>47,324</b>	<b>48,969</b>
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%

Page 49

Year	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	
1	2	3	4	5	6	7	8	9	10	15	20	25		
<b>Modelled Total Expenditure</b>	<b>12,902</b>	<b>13,815</b>	<b>13,368</b>	<b>12,407</b>	<b>13,232</b>	<b>13,232</b>	<b>13,386</b>	<b>13,800</b>	<b>14,225</b>	<b>14,662</b>	<b>17,045</b>	<b>19,788</b>	<b>22,943</b>	
<u>Inflation and Budget Variations</u>														
Provision for Pay and Other Inflation						63	333	344	354	365	425	493	572	
Budget Pressure - Residential Growth						42	29	29	30	31	34	37	41	
Provision for Budget Variations														
Revenue Implications of Capital Bids						0								
<b>Sub Total</b>	<b>12,902</b>	<b>13,815</b>	<b>13,368</b>	<b>12,407</b>	<b>13,232</b>	<b>13,336</b>	<b>13,749</b>	<b>14,173</b>	<b>14,609</b>	<b>15,058</b>	<b>17,503</b>	<b>20,318</b>	<b>23,556</b>	
<u>Other Projections</u>														
Annual Increase in Past Service Pensions						50	51	52	53	54	60	66	73	
<b>Total Modelled Expenditure</b>	<b>12,902</b>	<b>13,815</b>	<b>13,368</b>	<b>12,407</b>	<b>13,232</b>	<b>13,386</b>	<b>13,800</b>	<b>14,225</b>	<b>14,662</b>	<b>15,112</b>	<b>17,563</b>	<b>20,384</b>	<b>23,629</b>	

**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)
<b>Total Modelled Funding</b>	<b>(12,902)</b>	<b>(13,815)</b>	<b>(13,368)</b>	<b>(10,752)</b>	<b>(11,097)</b>	<b>(11,363)</b>	<b>(11,659)</b>	<b>(11,960)</b>	<b>(12,269)</b>	<b>(12,586)</b>	<b>(14,290)</b>	<b>(16,212)</b>	<b>(18,379)</b>

<b>Modelled Funding Gap/(General Reserves)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,655</b>	<b>2,135</b>	<b>2,023</b>	<b>2,141</b>	<b>2,265</b>	<b>2,393</b>	<b>2,526</b>	<b>3,273</b>	<b>4,172</b>	<b>5,251</b>
--	----------	----------	----------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

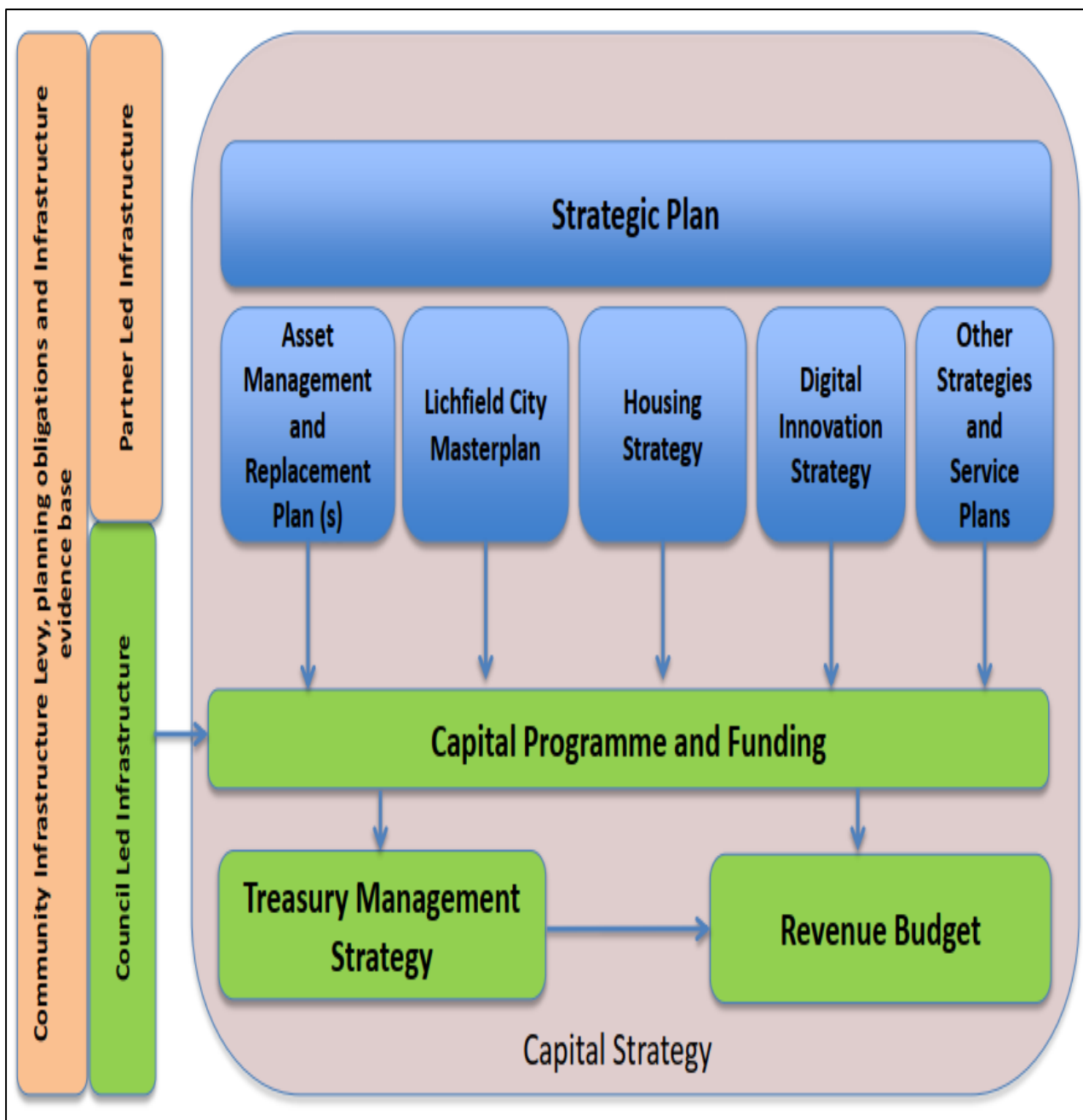
Page 59

	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
<b>General Reserves Year Start</b>	<b>5,246</b>	<b>4,475</b>	<b>4,175</b>	<b>4,175</b>	<b>2,520</b>	<b>385</b>	<b>(1,639)</b>	<b>(3,780)</b>	<b>(6,044)</b>	<b>(8,437)</b>	<b>(20,605)</b>	<b>(38,701)</b>	<b>(61,641)</b>
Contributions from Revenue Account	(1,050)	0	0	(1,655)	(2,135)	(2,023)	(2,141)	(2,265)	(2,393)	(2,526)	(3,273)	(4,172)	(5,251)
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								
<b>Available General Reserves Year End</b>	<b>4,475</b>	<b>4,175</b>	<b>4,175</b>	<b>2,520</b>	<b>385</b>	<b>(1,639)</b>	<b>(3,780)</b>	<b>(6,044)</b>	<b>(8,437)</b>	<b>(10,964)</b>	<b>(23,878)</b>	<b>(42,874)</b>	<b>(66,892)</b>
Minimum Level	1,600	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900			
<b>Total General Reserves</b>	<b>6,075</b>	<b>6,075</b>	<b>6,075</b>	<b>4,420</b>	<b>2,285</b>	<b>261</b>	<b>(1,880)</b>	<b>(4,144)</b>	<b>(6,537)</b>	<b>(9,064)</b>			

# 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	→	February	←	Money Matters as at 30 November
Approve the Medium Term Financial Strategy and set the Council Tax	→		←	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						Corporate £000
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000	
Enabling People	£1,585	£5,959	£3,575	£939	£959	£13,017	£360
Shaping Place	£864	£819	£397	£6,367	£150	£8,597	£245
Developing Prosperity	£1,405	£4,831	£2,329	£0	£10	£8,575	£1,138
Good Council	£996	£548	£340	£465	£405	£2,754	£2,654
<b>Capital Expenditure</b>	<b>£4,850</b>	<b>£12,157</b>	<b>£6,641</b>	<b>£7,771</b>	<b>£1,524</b>	<b>£32,943</b>	<b>£4,397</b>

Funding Source	Capital Programme					
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Receipts	£1,234	£1,200	£245	£50	£222	£2,951
Capital Receipts - Housing	£0	£360	£0	£0	£0	£360
Revenue - Corporate	£0	£238	£100	£565	£183	£1,086
<b>Corporate Council Funding</b>	<b>£1,234</b>	<b>£1,798</b>	<b>£345</b>	<b>£615</b>	<b>£405</b>	<b>£4,397</b>
Grant	£1,523	£2,572	£2,261	£939	£939	£8,234
Section 106	£135	£184	£0	£0	£0	£319
CIL	£44	£895	£0	£0	£0	£939
Reserves	£1,714	£4,015	£1,625	£67	£30	£7,451
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	£0	£0	£0	£0	£0	£0
<b>Total</b>	<b>£4,800</b>	<b>£9,683</b>	<b>£4,381</b>	<b>£7,771</b>	<b>£1,524</b>	<b>£28,159</b>
<b>External Borrowing</b>	<b>£50</b>	<b>£2,474</b>	<b>£2,260</b>	<b>£0</b>	<b>£0</b>	<b>£4,784</b>
<b>Grand Total</b>	<b>£4,850</b>	<b>£12,157</b>	<b>£6,641</b>	<b>£7,771</b>	<b>£1,524</b>	<b>£32,943</b>

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
Leisure Centre Debt Costs – to be reviewed	0	0	0	447	437 <sup>2</sup>
Revenue Budget - Bin Replacement	150	150	150	150	0
Revenue Budget - Corporate	0	238	100	565	0
<b>Sub Total - Approved Budget</b>	<b>285</b>	<b>571</b>	<b>433</b>	<b>1,210</b>	<b>485</b>
Revenue Budget - Corporate	0	0	0	0	183
Revenue Budget - Bin Replacement	0	0	0	0	150
<b>Sub Total - Projections</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>333</b>
<b>Capital Programme Total</b>	<b>285</b>	<b>571</b>	<b>433</b>	<b>1,210</b>	<b>818</b>

<sup>2</sup> Updated forecast from previous reports.

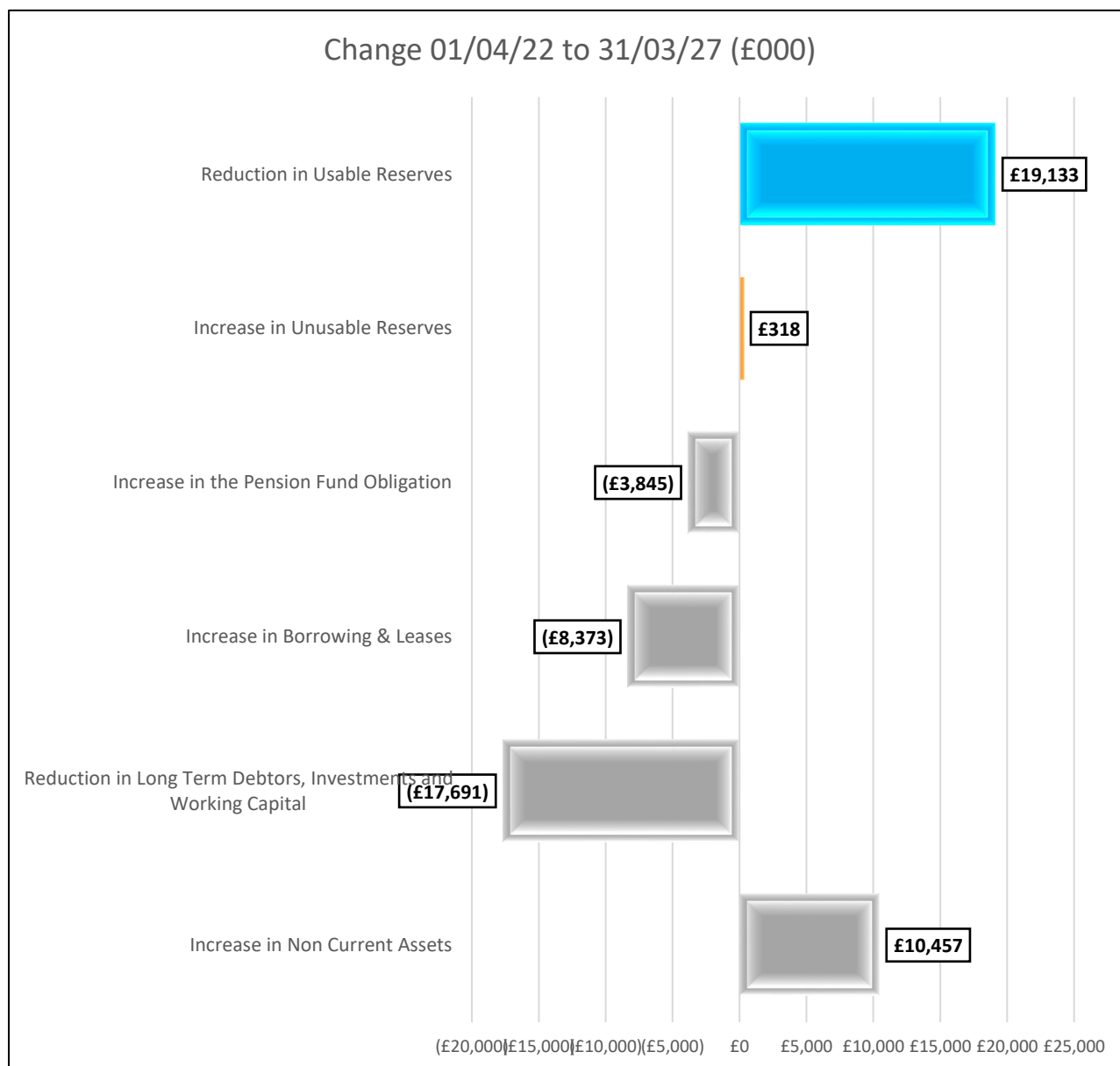
2.10. Projected Capital Receipts are shown in the table below:

General Capital Receipts	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Opening Balance	(2,005)	(1,651)	(481)	(266)	(246)	(2,005)
Sale of Venture House	(850)					(850)
Other Receipts	(30)	(30)	(30)	(30)	(28)	(148)
Utilised in Year	1,234	1,200	245	50	222	2,951
Closing Balance	(1,651)	(481)	(266)	(246)	(52)	(52)

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)

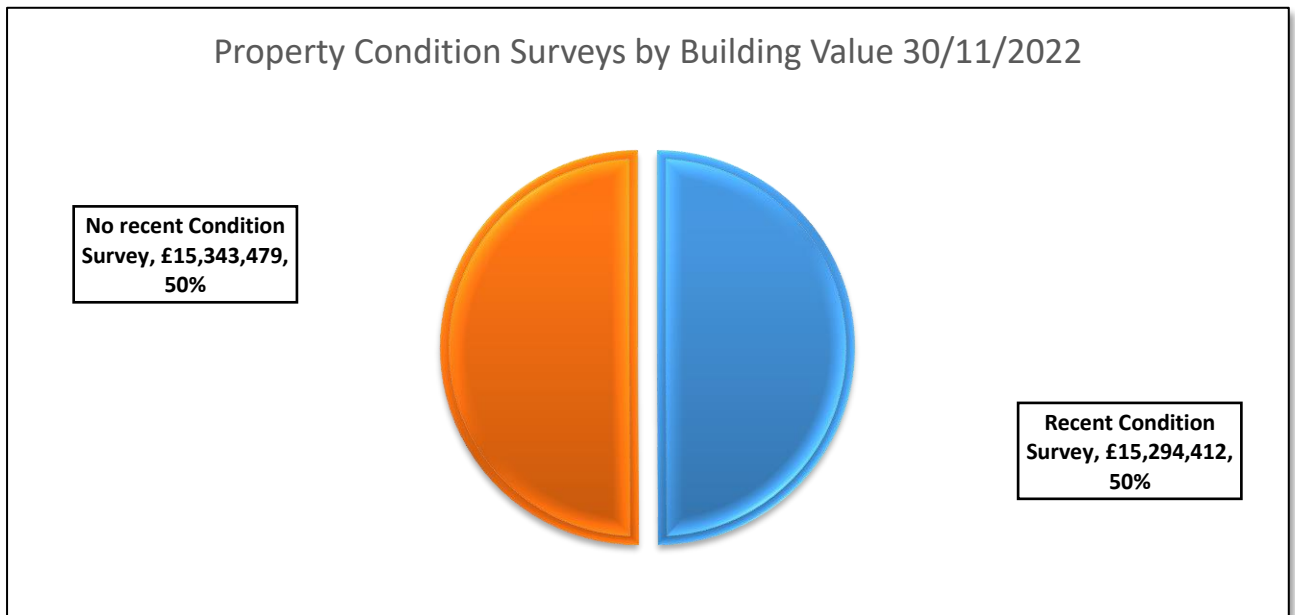
### 3. The Balance Sheet (in £000s)

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



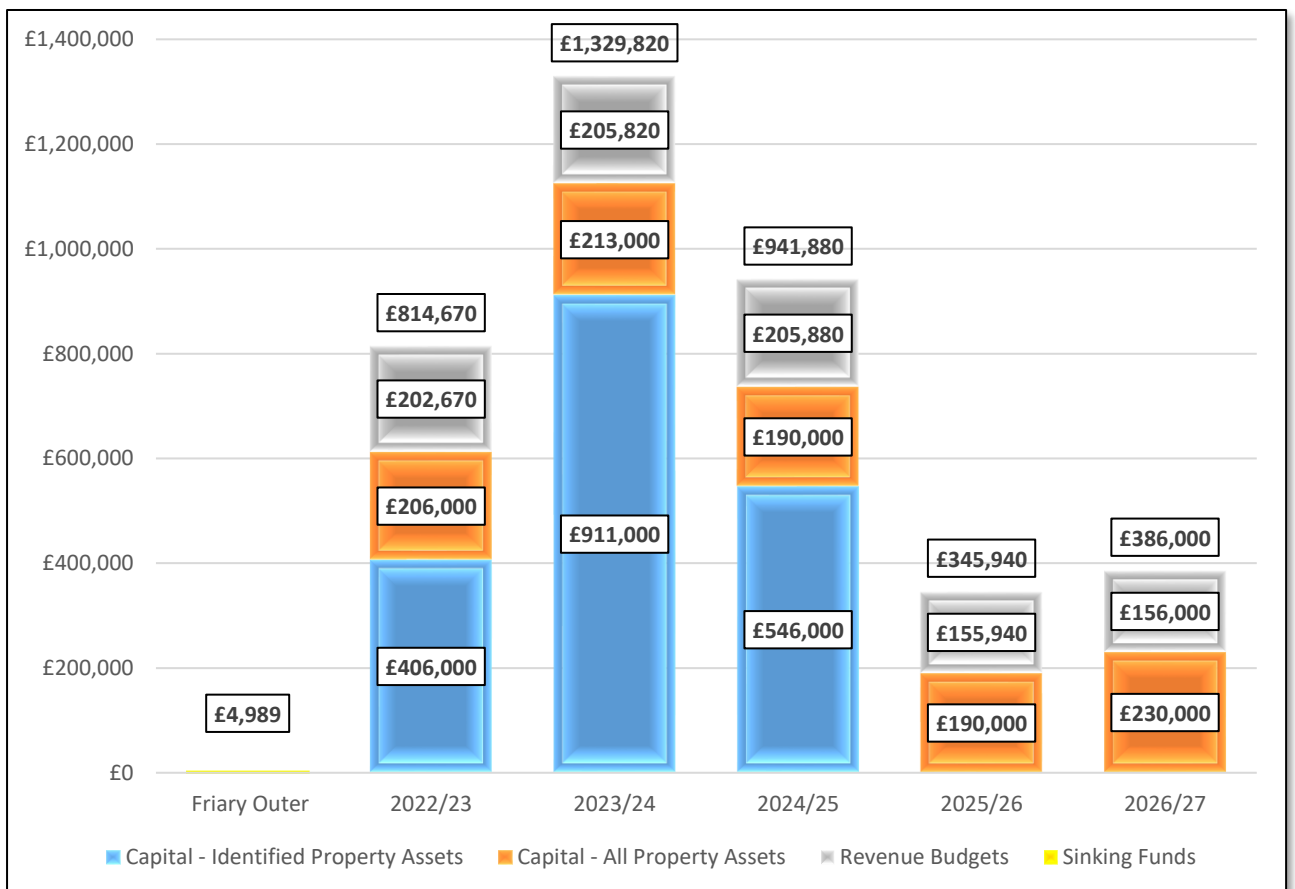
#### 4. Asset Management Planning

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:

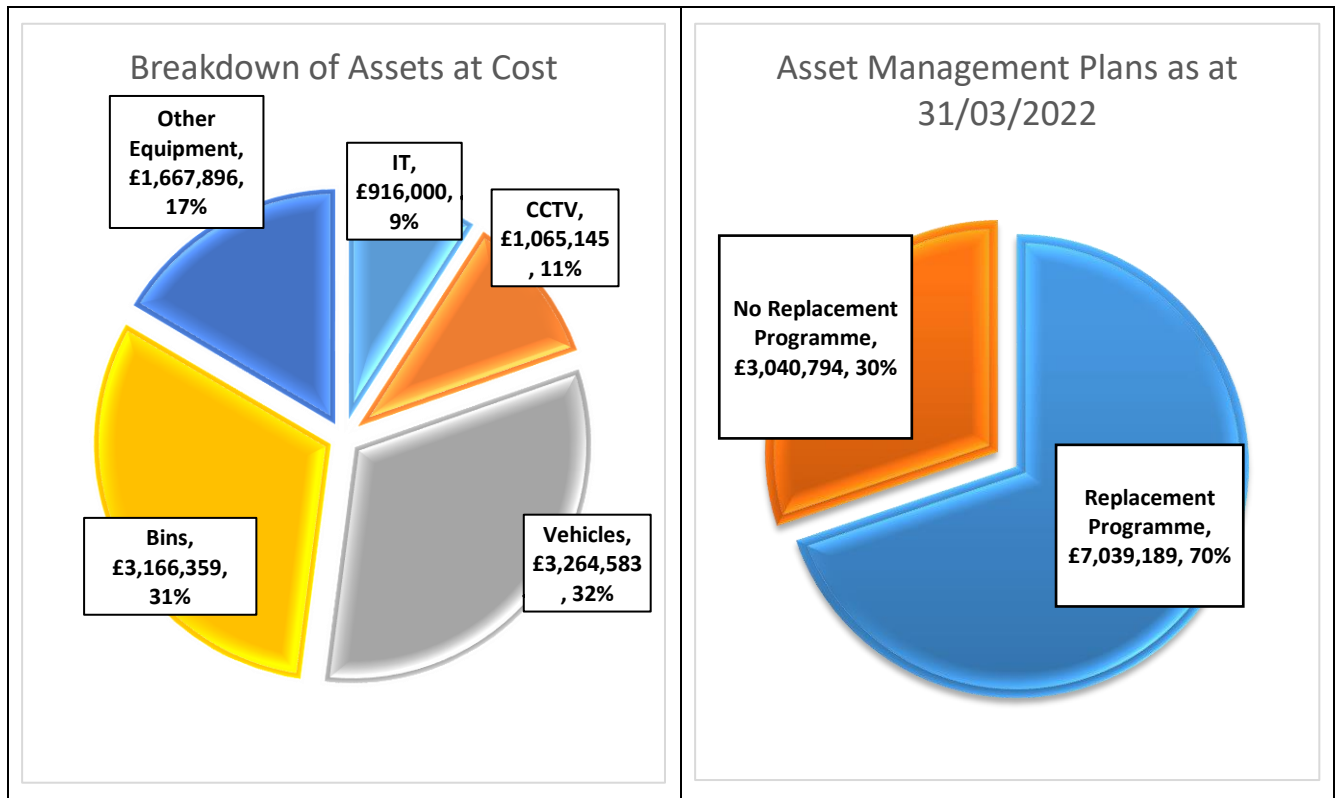


4.2. For financial planning purposes, a budget (based on a % of projected asset value) has been included in the Capital Programme and Longer Term Capital Investment Plan.

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

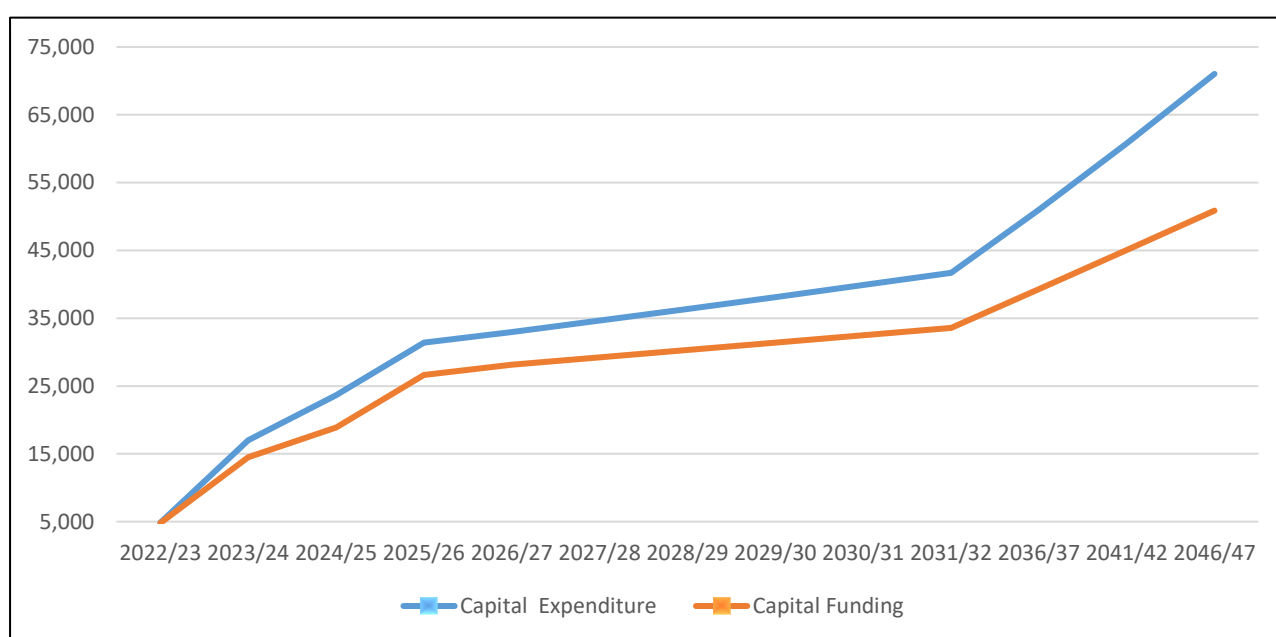
5.1. The Medium-Term Financial Strategy covers a relatively short period of time (current financial year plus the next four years) and this short horizon is not reflective of the longer term investment needs associated with asset ownership.

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:



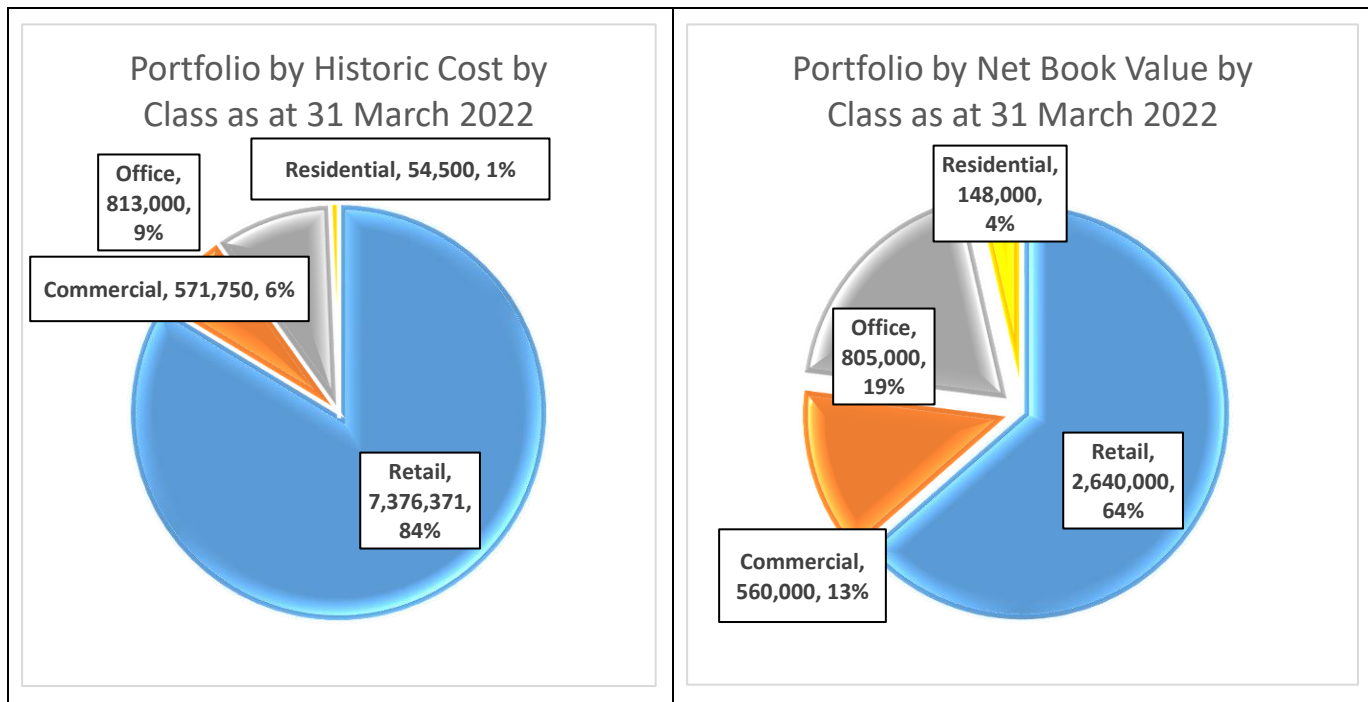
5.5. The difference between capital expenditure and funding would result in an increase in the cumulative level of borrowing need of **£20m** (including £5m approved for the new Leisure Centre).

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.

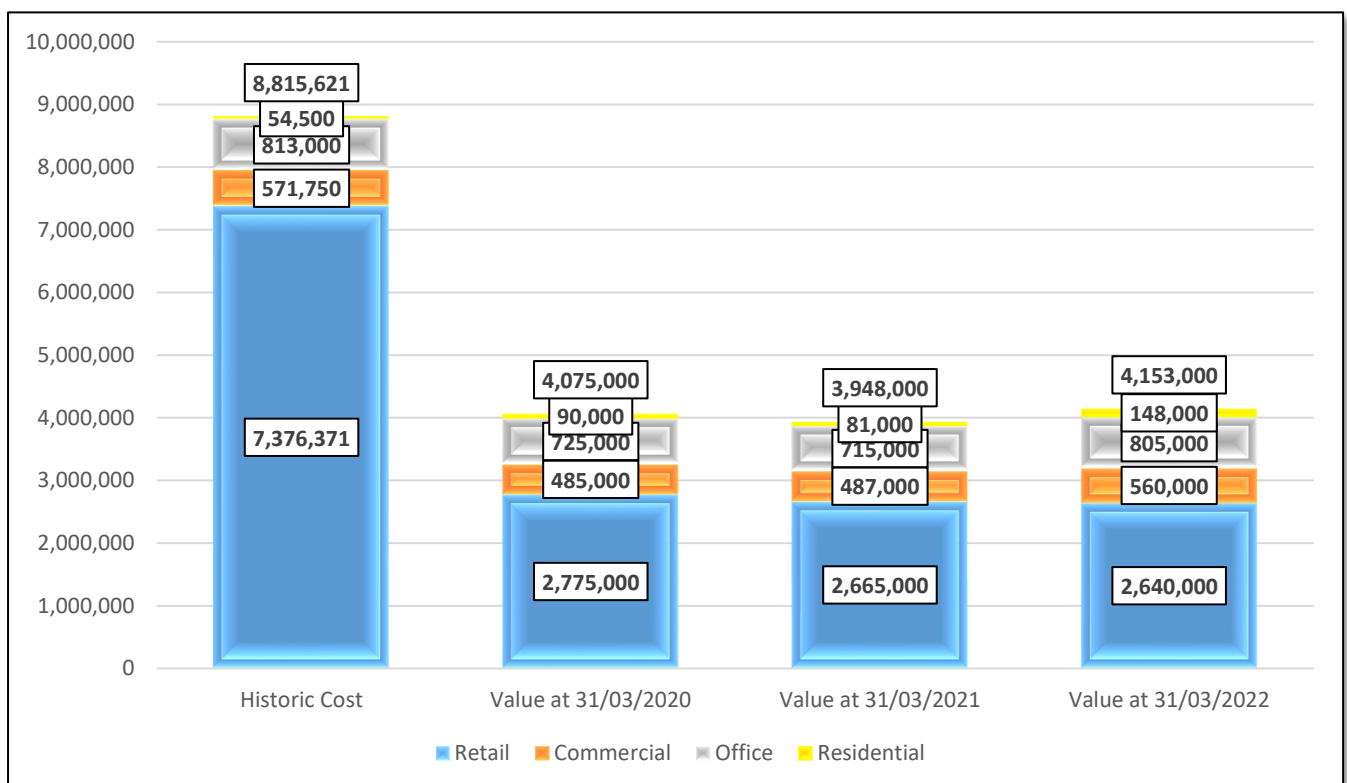
5.7. However, the borrowing need can be reduced through actions such as the receipt of external funding or sale of assets.

**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:



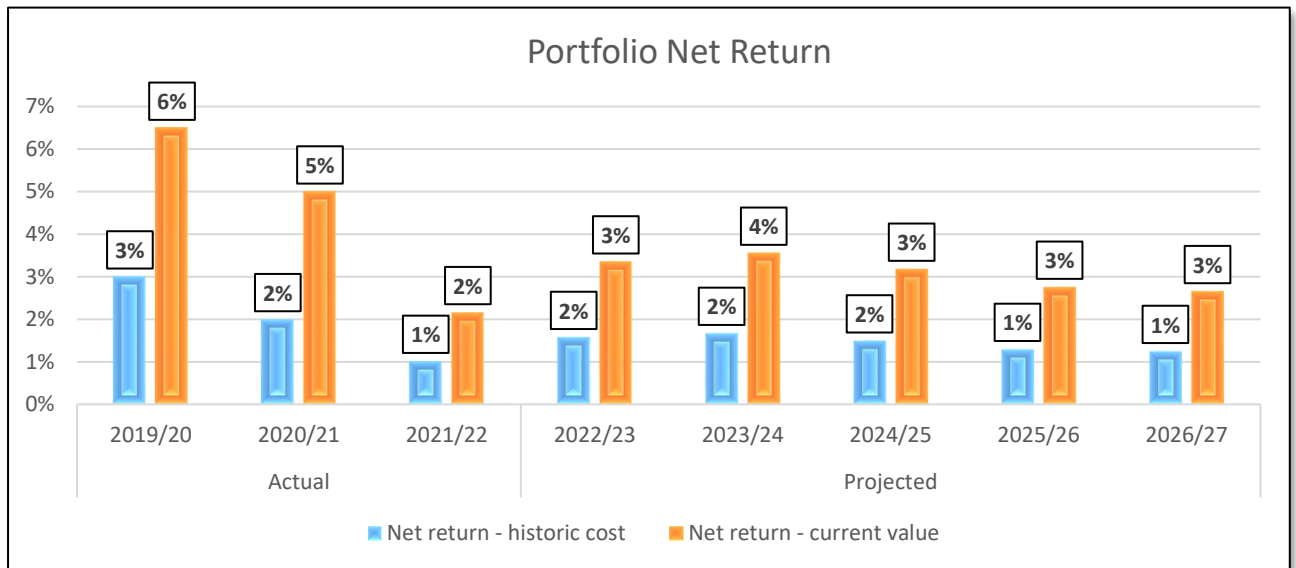
6.2. The value of these properties over the last three years is shown below:



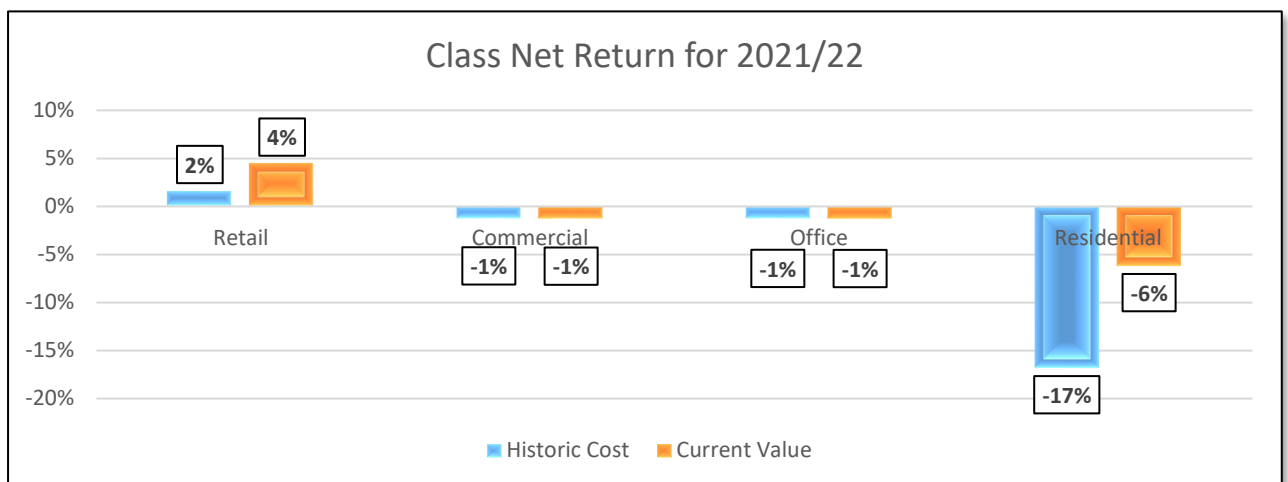
6.3. The value of these properties (mainly those classed as retail) have reduced because the value assessed by the external valuer is based on prevailing rental levels.

6.4. These properties were acquired without the need for borrowing and therefore the loan to value ratio for the portfolio is **0%**.

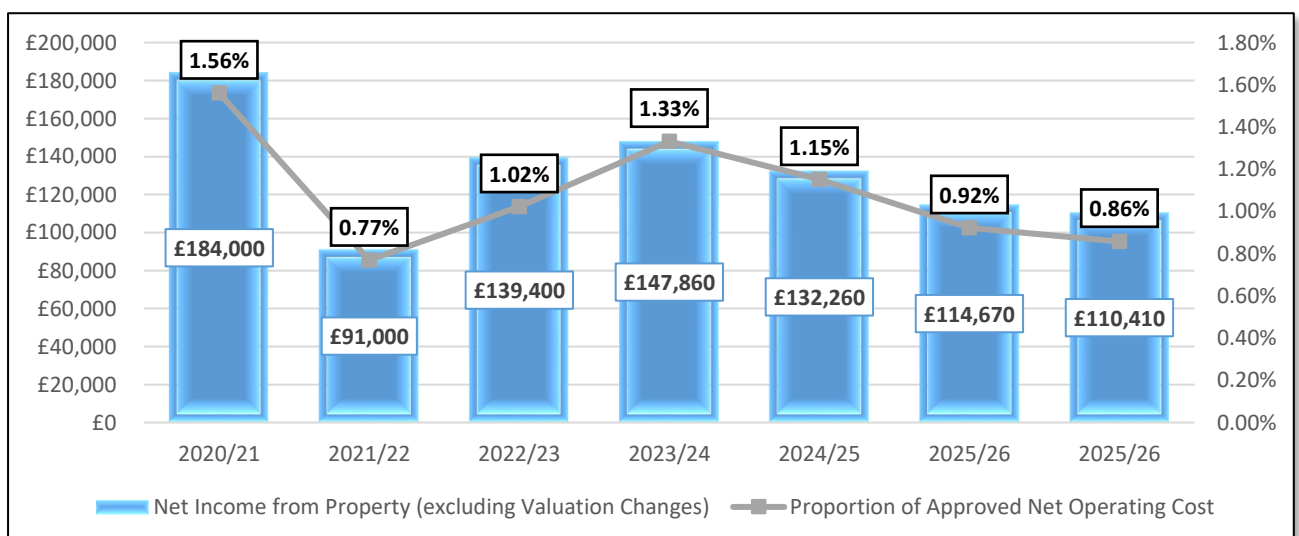
6.5. The portfolio net return based after taking account of management costs using historic asset cost and current value is shown in the chart below:



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

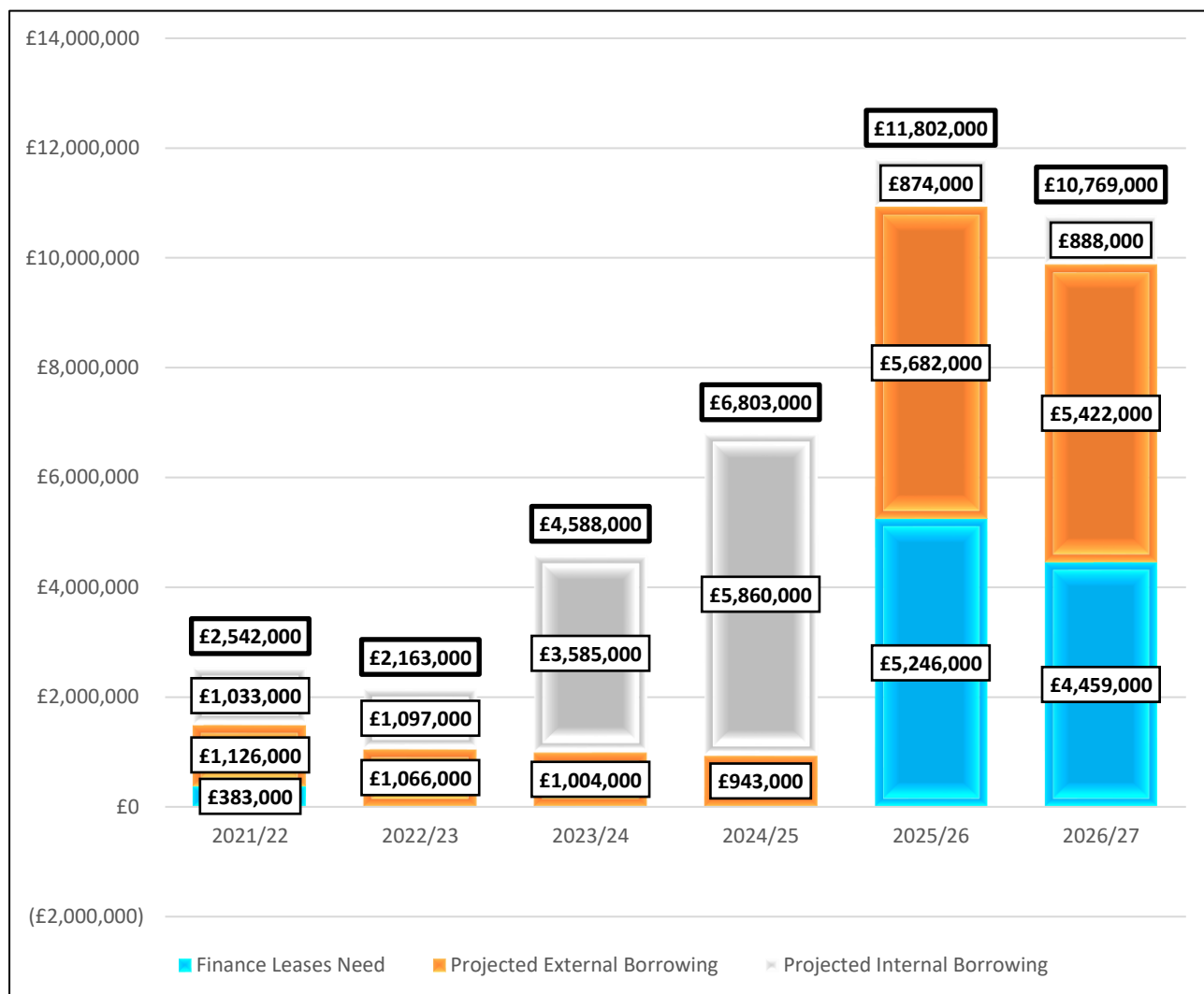
7.1. The Capital Programme is funded from a variety of sources. A number of these sources such as capital receipts, the revenue budget, grants, contributions and reserves utilise resources that are immediately available or are receivable. However, when capital expenditure is approved, and these resources 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:

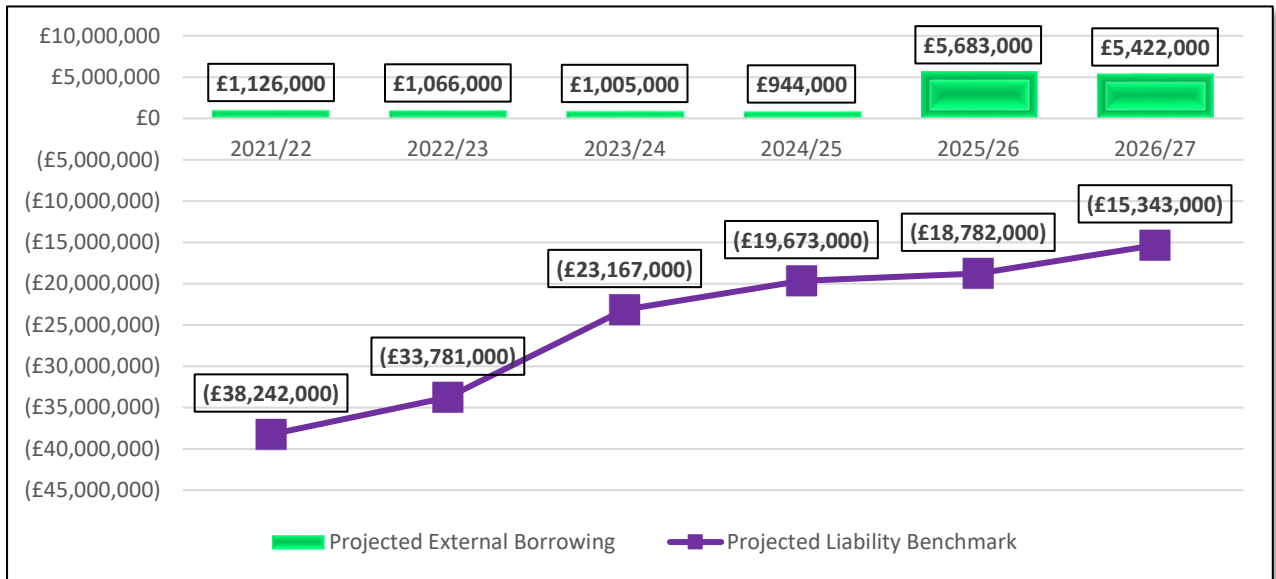
- Historic capital expenditure for the Chasewater Dam, Friary Outer Car Park and vehicles funded by finance leases.
- Planned capital expenditure for the new Leisure Centre and the renewal of the waste fleet funded by a lease type arrangement.

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**.

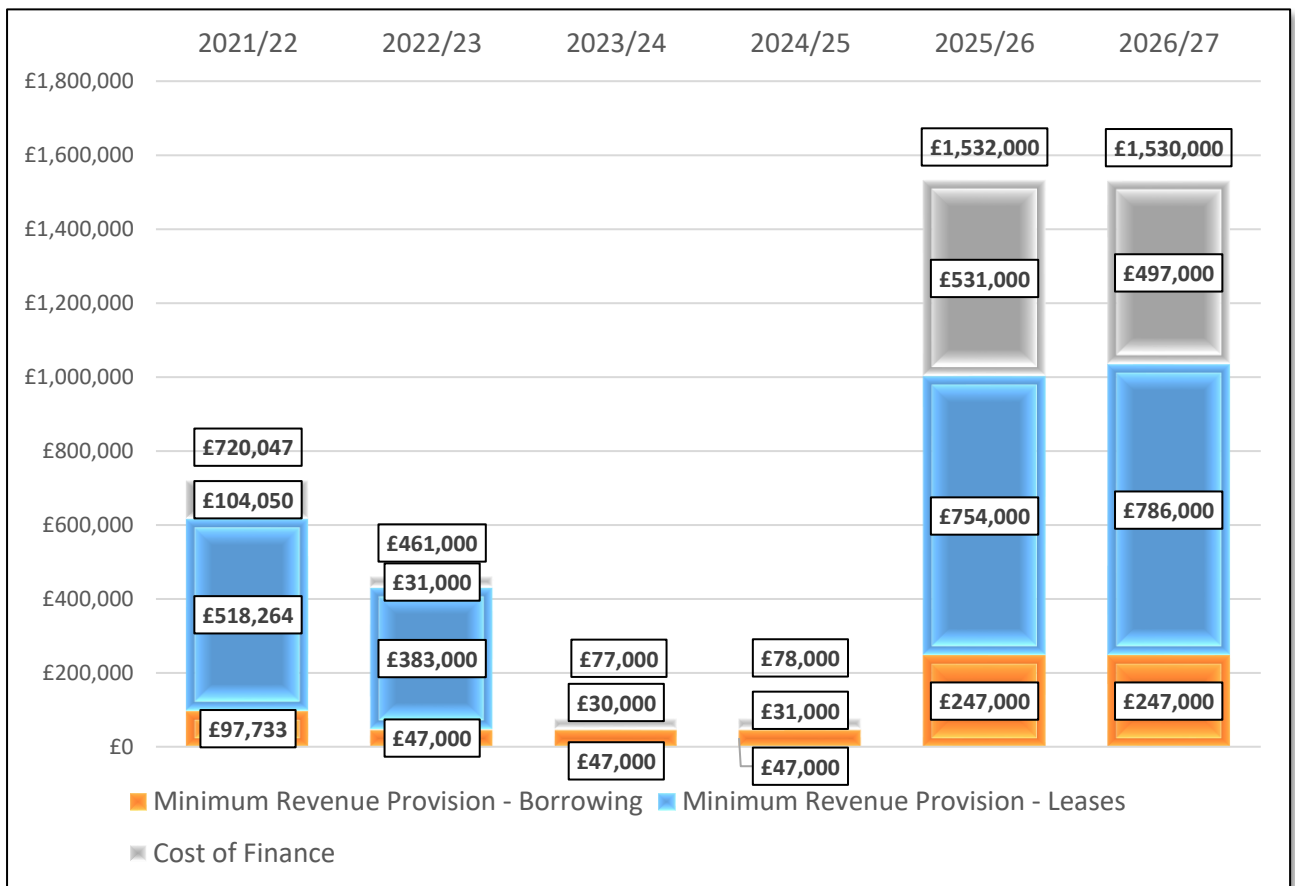
7.8. The external debt projections are based on the approved Capital Programme however to manage unforeseen events, an element of flexibility or ‘headroom’ is included in the Prudential Indicators:

- **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.

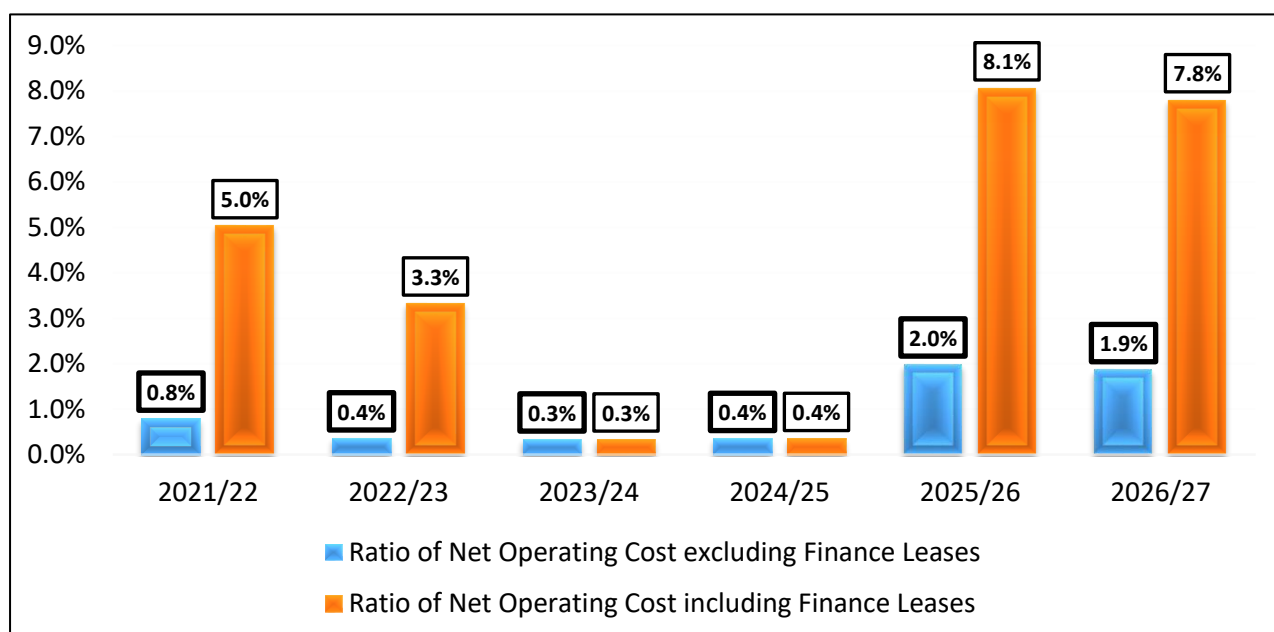
- 7.9. The **liability benchmark** is the lowest risk level of external borrowing by keeping cash and investments to a minimum of **£10m** at each year end to maintain liquidity but minimise credit risk.
- 7.10. The projected level of external borrowing, together with the projected liability benchmark 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 debt 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
<b>Minimum</b>			<b>0</b>	<b>0</b>
<b>Capital Strategy</b>				
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
<b>Assessed Level of Risk</b>			<b>25</b>	<b>32</b>
<b>Maximum</b>			<b>64</b>	<b>64</b>

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



Burntwood Leisure Centre	18	69											
Beacon Park Pathway													
Bore Street	34	542											
District Council House	354	300	546										
Construction Inflation Contingency	100	100	100	100									
Public Conveniences	147												
<b>Sub Total</b>	<b>1,409</b>	<b>1,909</b>	<b>836</b>	<b>290</b>	<b>230</b>	<b>230</b>	<b>235</b>	<b>239</b>	<b>244</b>	<b>249</b>	<b>275</b>	<b>303</b>	<b>335</b>
<b>Vehicles, Plant and Equipment</b>													
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											
Car Park Barriers													
Committee Audio-Visual Hybrid Platform	85												
<b>Sub Total</b>	<b>1,744</b>	<b>886</b>	<b>447</b>	<b>6,542</b>	<b>355</b>	<b>532</b>	<b>541</b>	<b>550</b>	<b>559</b>	<b>569</b>	<b>617</b>	<b>671</b>	<b>729</b>
<b>Other Capital Investment</b>													
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	4,598	1,783	0	0								
<b>Sub Total</b>	<b>1,536</b>	<b>6,235</b>	<b>3,077</b>	<b>939</b>	<b>939</b>	<b>939</b>	<b>949</b>	<b>960</b>	<b>969</b>	<b>978</b>	<b>1,009</b>	<b>1,017</b>	<b>1,030</b>
<b>Total Modelled Expenditure</b>	<b>4,850</b>	<b>12,157</b>	<b>6,641</b>	<b>7,771</b>	<b>1,524</b>	<b>1,701</b>	<b>1,725</b>	<b>1,749</b>	<b>1,773</b>	<b>1,796</b>	<b>1,902</b>	<b>1,992</b>	<b>2,094</b>

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
<b>Corporate Funding</b>													
Capital Receipts	(1,234)	(1,200)	(245)	(50)	(222)								
Capital Receipts - Housing	0	(360)	0	0	0								
Revenue - Corporate	0	(238)	(100)	(565)	(183)								
<b>Other Funding</b>													
Disabled Facilities Grant - New	(914)	(914)	(914)	(914)	(914)	(914)	(924)	(935)	(944)	(953)	(984)	(992)	(1,005)





## Capital Programme

Project		Capital Programme (R=>500k, A=250k to 500k and G=<250k)						Corporate
		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000	
New Build Parish Office/Community Hub	R	62	30	0	0	0	92	0
Burntwood Leisure Centre Sinking Fund Projects	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	2,474	2,260	0	0	4,784	0
Burntwood Leisure Centre - Decarbonisation Scheme	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
Unallocated S106 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
Play Area at Burntwood Leisure Centre	A	35	0	0	0	0	35	0
<b>Enabling People Total</b>		<b>1,585</b>	<b>5,959</b>	<b>3,575</b>	<b>939</b>	<b>959</b>	<b>13,017</b>	<b>360</b>
Loan to Council Dev Co.	A	57	93	0	0	0	150	0
Lichfield St Johns Community Link (CIL)	R	0	35	0	0	0	35	0
Staffordshire Countryside Explorer (CIL)	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	205
Burntwood Public Conveniences	A	45	0	0	0	0	45	0
Falkland Road Fosseyway Canal Walk	R	0	260	0	0	0	260	0
<b>Shaping Place Total</b>		<b>864</b>	<b>819</b>	<b>397</b>	<b>6,367</b>	<b>150</b>	<b>8,597</b>	<b>245</b>
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
Incubator Space	A	354	300	546	0	0	1,200	0
<b>Developing Prosperity Total</b>		<b>1,405</b>	<b>4,831</b>	<b>2,329</b>	<b>0</b>	<b>10</b>	<b>8,575</b>	<b>1,138</b>
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 Hybrid Meeting Platform	A	85	0	0	0	0	85	85
Construction Inflation Contingency	A	100	100	100	100	0	400	400
<b>Good Council Total</b>		<b>996</b>	<b>548</b>	<b>340</b>	<b>465</b>	<b>405</b>	<b>2,754</b>	<b>2,654</b>
<b>Capital Programme</b>		<b>4,850</b>	<b>12,157</b>	<b>6,641</b>	<b>7,771</b>	<b>1,524</b>	<b>32,943</b>	<b>4,397</b>

A = Asset related R = Statutory based

Funding Source	Draft Capital Programme					
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Receipts	1,234	1,200	245	50	222	2,951
Capital Receipts - Housing	0	360	0	0	0	360
Revenue - Corporate	0	238	100	565	183	1,086
<b>Corporate Council Funding</b>	<b>1,234</b>	<b>1,798</b>	<b>345</b>	<b>615</b>	<b>405</b>	<b>4,397</b>
Grant	1,523	2,572	2,261	939	939	8,234
Section 106	135	184	0	0	0	319
CIL	44	895	0	0	0	939
Reserves	1,714	4,015	1,625	67	30	7,451
Revenue - Existing Budgets	150	150	150	150	150	750
Sinking Fund	0	69	0	0	0	69
Finance Leases	0	0	0	6,000	0	6,000
Internal Borrowing	0	0	0	0	0	0
<b>Total</b>	<b>4,800</b>	<b>9,683</b>	<b>4,381</b>	<b>7,771</b>	<b>1,524</b>	<b>28,159</b>
<b>External Borrowing</b>	<b>50</b>	<b>2,474</b>	<b>2,260</b>	<b>0</b>	<b>0</b>	<b>4,784</b>
<b>Capital Programme</b>	<b>4,850</b>	<b>12,157</b>	<b>6,641</b>	<b>7,771</b>	<b>1,524</b>	<b>32,943</b>

#### 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
<b>Original Budget Council 22/02/2022</b>		<b>7,953</b>	<b>7,247</b>	<b>1,926</b>	<b>1,745</b>	<b>0</b>	<b>18,871</b>
<b>Approved Changes</b>							
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
<b>Projections</b>							
Long Term Model	22/02/2022					1,659	1,659
Building a Better Council IT Provision	This meeting	(175)					(175)
Leisure Centre Reprofiting			(2,260)	2,260			0
Removal of Grant from Coach Park			(500)				(500)
Waste Fleet Replacement			(2,818)		6,000		3,182
Vehicle Replacement Programme			79	117	67	(165)	98
<b>Capital Programme</b>		<b>4,850</b>	<b>12,157</b>	<b>6,641</b>	<b>7,771</b>	<b>1,524</b>	<b>32,943</b>

### 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	2,163	47
Leases	0	0
<b>Total</b>	<b>2,163</b>	<b>47</b>

## 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	2,163	4,590	6,804	6,556	6,310
Capital Financing Requirement (Finance Leases)	384	0	0	0	5,246	4,460
<b>Total</b>	<b>2,542</b>	<b>2,163</b>	<b>4,590</b>	<b>6,804</b>	<b>11,803</b>	<b>10,770</b>
External Borrowing	1,126	1,065	1,004	943	5,682	5,422
Finance Leases	384	0	0	0	5,246	4,460
<b>Total</b>	<b>1,509</b>	<b>1,065</b>	<b>1,004</b>	<b>943</b>	<b>10,928</b>	<b>9,882</b>
Liability Benchmark	38,242	33,781	23,167	19,673	18,782	15,343

## 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	48,820	52,864	54,643	59,690	58,490	10,457
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	44,846	34,171	30,616	34,464	30,764	(18,603)
Borrowing	BOLE	(1,126)	(1,065)	(1,004)	(943)	(5,682)	(5,422)	(4,296)
Finance Leases	BOLE	(383)	(0)	(0)	(0)	(5,246)	(4,460)	(4,077)
Working Capital	CRED	(23,176)	(23,107)	(22,562)	(22,390)	(22,576)	(22,576)	600
Pensions	CRED	(24,799)	(25,523)	(26,090)	(27,633)	(29,220)	(28,644)	(3,845)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>48,284</b>	<b>44,396</b>	<b>37,896</b>	<b>34,810</b>	<b>31,947</b>	<b>28,670</b>	<b>(19,613)</b>

<u>Unusable Reserves</u>								
Revaluation Reserve	REV	(11,897)	(11,897)	(11,897)	(11,897)	(11,897)	(11,897)	0
Capital Adjustment Account	CAP	(33,819)	(35,042)	(36,752)	(36,317)	(36,365)	(36,198)	(2,379)
Deferred Credits	CRED	(47)	(47)	(47)	(47)	(47)	(47)	0
Pension Scheme Benefits Payable During Employment Adjustment Account	CRED	25,962	26,741	27,543	28,369	29,220	30,097	4,135
Collection Fund	CRED	409	409	409	409	409	409	0
Available for Sale Financial Instruments Reserve	CRED	2,863	(305)	0	0	0	0	(2,863)
<u>Usable Reserves</u>								
Unapplied Grants and Contributions	UGER	(228)	1,197	1,197	1,197	1,197	1,197	1,425
Usable Capital Receipts	UGER	(4,057)	(4,353)	(3,147)	(3,354)	(3,579)	(3,804)	253
Burntwood Leisure Centre Sinking Fund	UGER	(2,859)	(2,699)	(1,169)	(954)	(934)	(740)	2,119
Earmarked Reserves - Unrestricted	UGER	(69)	(69)	0	0	0	0	69
Earmarked Reserves - Restricted	UGER	(12,653)	(7,968)	(4,016)	(2,325)	(1,818)	(1,775)	10,878
General Fund Balance	GEN	(5,043)	(4,287)	(3,942)	(3,816)	(3,713)	(3,627)	1,415
<b>TOTAL EQUITY</b>		<b>(48,284)</b>	<b>(44,396)</b>	<b>(37,896)</b>	<b>(34,810)</b>	<b>(31,947)</b>	<b>(28,670)</b>	<b>19,613</b>

<b>Reserves Available to cover Investment Losses</b>		<b>(19,499)</b>	<b>(14,043)</b>	<b>(10,091)</b>	<b>(8,400)</b>	<b>(6,238)</b>	<b>(4,060)</b>	<b>15,439</b>
--	--	-----------------	-----------------	-----------------	----------------	----------------	----------------	---------------

<b>Summary</b>								
Capital Funding	CAP	(33,819)	(35,042)	(36,752)	(36,317)	(36,365)	(36,198)	(2,379)
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)	(10,929)	(9,882)	(8,373)
Non-Current Assets	ASSET	48,258	49,045	53,089	54,868	59,915	58,715	10,457
Investments	INV	49,367	44,846	34,171	30,616	34,464	30,764	(18,603)
Unapplied Grants & Earmarked Reserves	UGER	(24,681)	(19,377)	(12,275)	(10,449)	(10,044)	(9,947)	14,734
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)	(20,635)	(19,550)	(20,095)	(21,017)	(19,564)	(548)
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Borrowing</b>		<b>1,033</b>	<b>1,097</b>	<b>3,585</b>	<b>5,860</b>	<b>874</b>	<b>888</b>	<b>(145)</b>

<b>Liability Benchmark</b>								
Capital Financing Requirement (Borrowing)		2,158	2,163	4,590	6,803	6,556	6,310	4,152
Working Capital, Pensions & Long Term Debtors		(18,873)	(20,492)	(19,407)	(19,952)	(20,874)	(19,421)	(548)
Usable Reserves		(31,527)	(25,452)	(18,350)	(16,524)	(14,464)	(12,232)	19,295
Minimum Level of Investments		10,000	10,000	10,000	10,000	10,000	10,000	0
<b>Total</b>		<b>(38,242)</b>	<b>(33,781)</b>	<b>(23,167)</b>	<b>(19,673)</b>	<b>(18,782)</b>	<b>(15,343)</b>	<b>22,899</b>

The funding of the leisure centre through internal borrowing would reduce the projected level of borrowing from 2025/26 and will also reduce the projected level of investments by the same level.

### **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 **£38.02 million** and **£54.20 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).

<b>Sector</b>	<b>Time limit</b>	<b>Counterparty limit</b>	<b>Sector limit</b>
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 **£14.043 million** on 31<sup>st</sup> 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

	<b>Cash limit</b>
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, Procurement, Customer Services, Revenues and Benefits, 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.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
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 **£38.02 million** and **£54.20 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
<b>TOTAL</b>	<b>£59,799</b>	<b>(£12,708)</b>	<b>£47,091</b>	<b>£344,091</b>	<b>£5,697,000</b>

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 <sup>3</sup>	0	0	0	1	1
<b>TOTAL</b>	<b>225,000</b>	<b>0</b>	<b>225,000</b>	<b>225,001</b>	<b>225,001</b>

<sup>3</sup> 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	£44,846	£34,171	£30,616	£34,464	£30,764
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
<b>TOTAL INVESTMENTS</b>	<b>£53,745</b>	<b>£48,179</b>	<b>£37,864</b>	<b>£34,309</b>	<b>£38,157</b>	<b>£34,457</b>
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
<b>TOTAL EXPOSURE</b>	<b>£53,745</b>	<b>£48,476</b>	<b>£41,580</b>	<b>£39,808</b>	<b>£43,656</b>	<b>£39,956</b>

**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 <sup>4</sup>	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Joint Venture Capital Advance <sup>5</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ALL INVESTMENTS</b>	<b>0.80%</b>	<b>2.55%</b>	<b>4.09%</b>	<b>3.69%</b>	<b>3.50%</b>	<b>3.50%</b>

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**.

<sup>4</sup> Gross figure budgeted to be 4% less investment income foregone.

<sup>5</sup> 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)
		<b>£1,900,000</b>	<b>£1,600,000</b>	<b>£300,000</b>

### 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 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.<sup>6</sup>

**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.

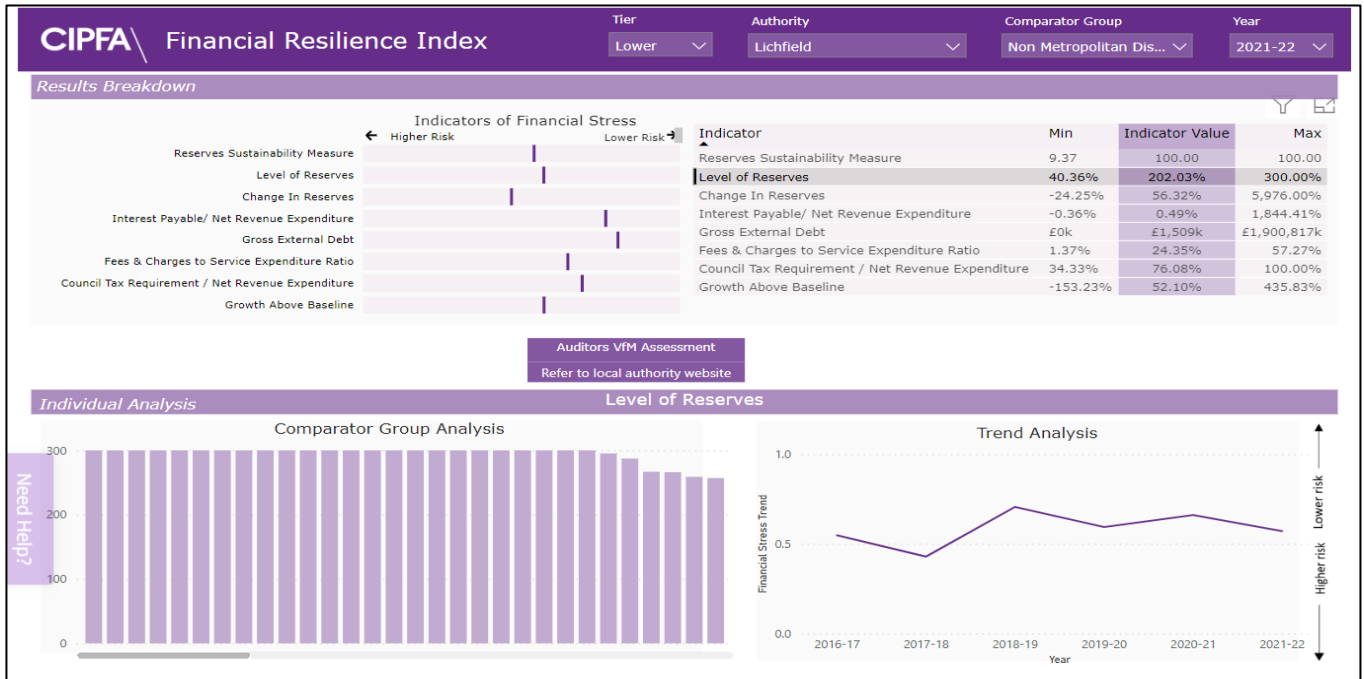
---

<sup>6</sup> Statutory deadline date for setting Council Tax is by 11 March 2023.

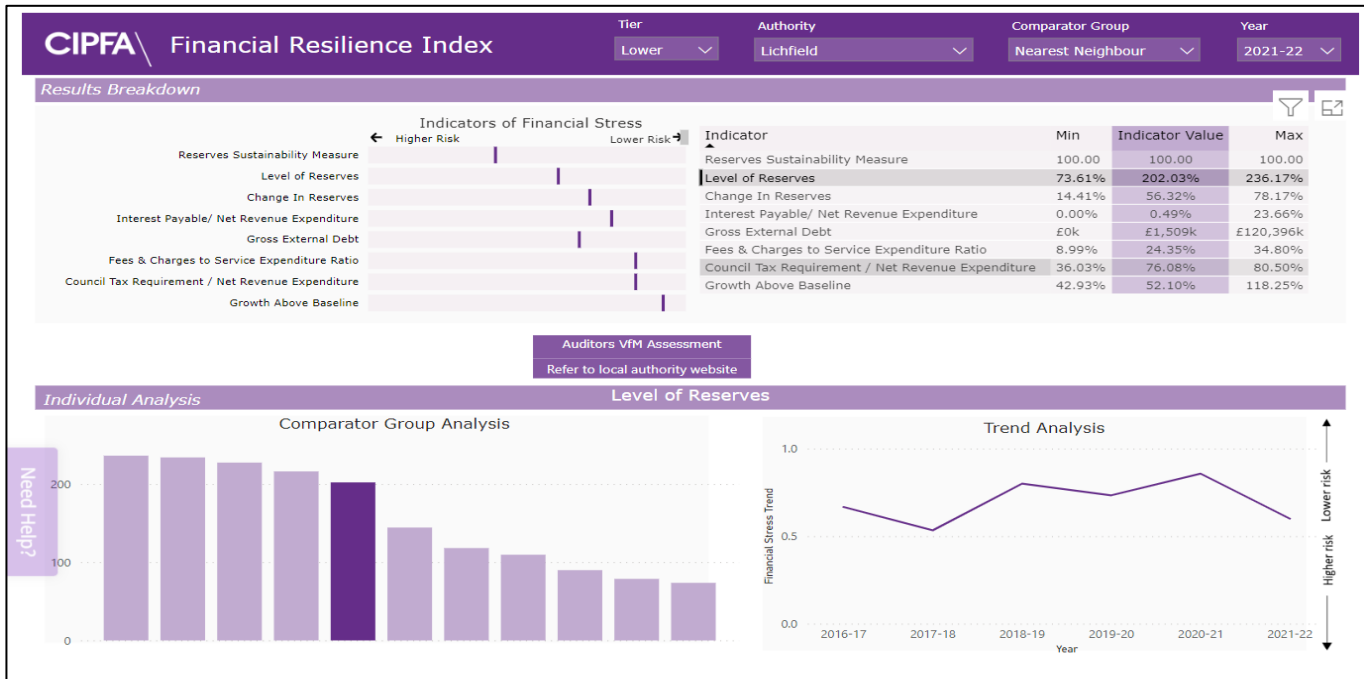
**The CIPFA Resilience Index**

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

Page 91

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**

	<b>Your age group</b>	<b>Which of these most accurately describes yourself?</b>	<b>Do you live or work in the Lichfield District?</b>
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**

	<b>Your age group</b>	<b>Which of these most accurately describes yourself?</b>	<b>Do you live or work in the Lichfield District?</b>
<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 create 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 affected 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 and nursery budget??</p>	35 - 44	Male	Yes

**APPENDIX H**

	<b>Your age group</b>	<b>Which of these most accurately describes yourself?</b>	<b>Do you live or work in the Lichfield District?</b>
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**

	<b>Your age group</b>	<b>Which of these most accurately describes yourself?</b>	<b>Do you live or work in the Lichfield District?</b>
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

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

Cllr Rob Strachan, Cabinet Member for Finance and Commissioning.



Date:	14 February 2023
Agenda Item:	5
Contact Officer:	Lizzie Barton, Assistant Director of Customer, Residents and Business
Tel Number:	01543 308060
Email:	<a href="mailto:lizzie.barton@lichfielddc.gov.uk">lizzie.barton@lichfielddc.gov.uk</a>
Key Decision?	YES
Local Ward Members	All Wards

**CABINET**

### 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-based 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 the housing 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 £600,000<sup>1</sup> more financial assistance is provided to the community in the form of council tax support by the council and its precepting partners. The actual cost of the scheme for 2023/24 will be known when the council's annual billing activity commences in February 2023.

## 2. Recommendations

- 2.1 Cabinet is asked to recommend to Full Council 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).
- 2.2 Within this, Cabinet is asked to recommend 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 Overview & Scrutiny on 17 November 2022.
- 2.3 Cabinet is also asked to recommend 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).
- 2.4 Cabinet is asked to note 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.

## 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.
- 3.4 The council's current scheme was launched in April 2013. It fundamentally mirrored the outgoing national council tax benefit scheme.

---

<sup>1</sup> 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).



- 3.5 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 of 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 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 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 Studies<sup>2</sup>). 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 2,370 working-age claimants of LCTS which costs approximately £2.443 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
<b>Allowing residents in all council tax bands to claim council tax support in line with their council tax banding, if eligible.</b>	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.

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

<b>Proposed change</b>	<b>Benefit to the customer</b>
<b>Not considering the housing element of Universal Credit when calculating income.</b>	The housing element of Universal Credit customers receive towards their rent will be disregarded in the calculation.
<b>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.</b>	Provides a higher level of support to disabled customers and will enable them to retain more of their income to support their needs.
<b>Not considering Carer's Allowance, the support component of the Employment and Support Allowance and Child Benefit when calculating income.</b>	Better supports carers, vulnerable customers, and families with young children.
<b>Not considering War Pensions, War Widows/Widower's Pensions and War Disablement Pensions when calculating income.</b>	Better supports War Pensioners and War Widowers.
<b>Altering/awarding a claimant's support based on the date a new claim or change is submitted, rather than weekly.</b>	Ensures that support better matches the date of application or a change in circumstances.
<b>Introducing a standard £50 per week earnings disregard for all working applicants.</b>	Encourages residents to take up work opportunities and increases and unifies the current disregards.
<b>Limiting the number of dependent children within the calculation for council tax support to a maximum of two for all applicants.</b>	Families with two children will receive the same level of council tax support as families with three or more children.
<b>Removing non-dependant deductions.</b>	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.
<b>Removing extended payments – see 3.25.</b>	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.
<b>Changing the backdating provisions within the scheme.</b>	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, Severely Disabled Child and Carer's Elements 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 <sup>3</sup>	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 - £165	£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

<sup>3</sup> 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)<sup>4</sup>.

#### How residents will be affected by the proposed new bands

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
<b>Total residents</b>	<b>1,870*</b>	<b>369*</b>

- 3.20 The council expects the numbers detailed above to change (likely reducing the number of people who will receive less support) following a data cleanse to remove the housing element of UC and following the application of the new disregards detailed at 3.25 (disabled child, severely disabled child and carer's element so UC). The new figures cannot be confirmed until the council carries out test billing in early February 2023. The figures/amount of people affected may also be subject to change due to the annual uprating process for 2023/2024. 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).

<sup>4</sup> 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).

3.21 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 The majority of 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**. 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. The cost of disregarding these incomes is approximately £72,436<sup>5</sup> 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 their debts 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.
  - **Speed of processing will be increased** The new scheme will also lend itself to automation of more processes, with the potential to further speed up claims and changes of circumstances.

<sup>5</sup> 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).

- 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 Since Cabinet last considered the proposed scheme, the council has conducted further testing and financial modelling of the proposals. This has involved taking a cut of all current cases and applying the new scheme to them in a test environment. This has allowed the team to better understand the direct personal impact on claimants and identify those who will be more financially supported and those who will negatively affected by the scheme. This data was not available prior to the Overview & Scrutiny meeting on 17 November 2022.
- 3.30 The impacts have then been fed into an Equality Impact Assessment (see Appendix 3) that has mapped the impacts on any members of our community who have personal 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.



- 3.31 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 paper does not propose an alteration to the scheme 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 LCTS 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.
- 3.32 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 drafted and presented to Cabinet and Full Council 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.

<b>Alternative Options</b>	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.
----------------------------	---

<b>Financial Implications</b>	<p>The current Local Council Tax Support Scheme is projected to cost approximately <b>£4.986m</b> (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 in the following proportions in 2022/23:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Band D</th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Staffordshire County Council</td> <td style="text-align: right;">£1,401.30</td> <td style="text-align: right;">71.07%</td> </tr> <tr> <td>Staffordshire Commissioner - Police and Crime</td> <td style="text-align: right;">£248.57</td> <td style="text-align: right;">12.61%</td> </tr> <tr> <td>Staffordshire Commissioner - Fire &amp; Rescue</td> <td style="text-align: right;">£80.35</td> <td style="text-align: right;">4.08%</td> </tr> <tr> <td><b>Lichfield District Council</b></td> <td style="text-align: right;"><b>£187.85</b></td> <td style="text-align: right;"><b>9.53%</b></td> </tr> <tr> <td>Parish Councils (Average)</td> <td style="text-align: right;">£53.56</td> <td style="text-align: right;">2.72%</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>£1,971.63</b></td> <td style="text-align: right;"><b>100.00%</b></td> </tr> </tbody> </table> <p>Based on current modelling, the additional cost of the revised working-age scheme for 2023/2024 is estimated to be £600,000<sup>6</sup> with the council's share being circa £54,000. The exact cost of the scheme will however always differ as it will depend on the number and circumstances of current and new claimants.</p> <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 Scheme included in the Collection Fund as shown below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Band D Equivalents</th> <th style="text-align: right;">Total Projected LCTS Cost</th> </tr> </thead> <tbody> <tr> <td>Local Council Tax Support Allowance</td> <td style="text-align: right;">(2,804.5)</td> <td style="text-align: right;">(£5,771,681)</td> </tr> <tr> <td>Bad Debts Provision Allowance</td> <td style="text-align: right;">(304.9)</td> <td style="text-align: right;">(£627,490)</td> </tr> <tr> <td><b>Allowances potentially impacted by a review of LCTS</b></td> <td style="text-align: right;"><b>(3,109.4)</b></td> <td style="text-align: right;"><b>(£6,399,171)</b></td> </tr> <tr> <td><b>Projected LCTS Increase included in the LCTS Allowance</b></td> <td style="text-align: right;"><b>(287.5)</b></td> <td style="text-align: right;"><b>(£591,703)</b></td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Total Projected LCTS Cost</th> <th style="text-align: right;">Projected Increased Cost</th> </tr> </thead> <tbody> <tr> <td>Staffordshire County Council</td> <td style="text-align: right;">(£4,126,084)</td> <td style="text-align: right;">(£422,999)</td> </tr> <tr> <td>Staffordshire Commissioner - Police and Crime</td> <td style="text-align: right;">(£730,775)</td> <td style="text-align: right;">(£74,918)</td> </tr> <tr> <td>Staffordshire Commissioner - Fire &amp; Rescue</td> <td style="text-align: right;">(£236,281)</td> <td style="text-align: right;">(£24,223)</td> </tr> <tr> <td><b>Lichfield District Council</b></td> <td style="text-align: right;"><b>(£526,830)</b></td> <td style="text-align: right;"><b>(£54,010)</b></td> </tr> <tr> <td>Parish Councils (Average)</td> <td style="text-align: right;">(£151,712)</td> <td style="text-align: right;">(£15,553)</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>(£5,771,681)</b></td> <td style="text-align: right;"><b>(£591,703)</b></td> </tr> </tbody> </table> <p>The Council Tax resolution will be considered by Council on 28 February 2023.</p> <p>The projected budgets are currently sufficient to accommodate the modelled additional cost of this revised scheme. This will continue to be monitored through Council Tax Collection Fund projections contained in Money Matters reports.</p>		Band D	%	Staffordshire County Council	£1,401.30	71.07%	Staffordshire Commissioner - Police and Crime	£248.57	12.61%	Staffordshire Commissioner - Fire & Rescue	£80.35	4.08%	<b>Lichfield District Council</b>	<b>£187.85</b>	<b>9.53%</b>	Parish Councils (Average)	£53.56	2.72%	<b>Total</b>	<b>£1,971.63</b>	<b>100.00%</b>		Band D Equivalents	Total Projected LCTS Cost	Local Council Tax Support Allowance	(2,804.5)	(£5,771,681)	Bad Debts Provision Allowance	(304.9)	(£627,490)	<b>Allowances potentially impacted by a review of LCTS</b>	<b>(3,109.4)</b>	<b>(£6,399,171)</b>	<b>Projected LCTS Increase included in the LCTS Allowance</b>	<b>(287.5)</b>	<b>(£591,703)</b>		Total Projected LCTS Cost	Projected Increased Cost	Staffordshire County Council	(£4,126,084)	(£422,999)	Staffordshire Commissioner - Police and Crime	(£730,775)	(£74,918)	Staffordshire Commissioner - Fire & Rescue	(£236,281)	(£24,223)	<b>Lichfield District Council</b>	<b>(£526,830)</b>	<b>(£54,010)</b>	Parish Councils (Average)	(£151,712)	(£15,553)	<b>Total</b>	<b>(£5,771,681)</b>	<b>(£591,703)</b>
	Band D	%																																																								
Staffordshire County Council	£1,401.30	71.07%																																																								
Staffordshire Commissioner - Police and Crime	£248.57	12.61%																																																								
Staffordshire Commissioner - Fire & Rescue	£80.35	4.08%																																																								
<b>Lichfield District Council</b>	<b>£187.85</b>	<b>9.53%</b>																																																								
Parish Councils (Average)	£53.56	2.72%																																																								
<b>Total</b>	<b>£1,971.63</b>	<b>100.00%</b>																																																								
	Band D Equivalents	Total Projected LCTS Cost																																																								
Local Council Tax Support Allowance	(2,804.5)	(£5,771,681)																																																								
Bad Debts Provision Allowance	(304.9)	(£627,490)																																																								
<b>Allowances potentially impacted by a review of LCTS</b>	<b>(3,109.4)</b>	<b>(£6,399,171)</b>																																																								
<b>Projected LCTS Increase included in the LCTS Allowance</b>	<b>(287.5)</b>	<b>(£591,703)</b>																																																								
	Total Projected LCTS Cost	Projected Increased Cost																																																								
Staffordshire County Council	(£4,126,084)	(£422,999)																																																								
Staffordshire Commissioner - Police and Crime	(£730,775)	(£74,918)																																																								
Staffordshire Commissioner - Fire & Rescue	(£236,281)	(£24,223)																																																								
<b>Lichfield District Council</b>	<b>(£526,830)</b>	<b>(£54,010)</b>																																																								
Parish Councils (Average)	(£151,712)	(£15,553)																																																								
<b>Total</b>	<b>(£5,771,681)</b>	<b>(£591,703)</b>																																																								

<sup>6</sup> 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 updated income bands (see 3.16).

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"> <li>• 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.</li> <li>• The public and customers, including the Citizens Advice Bureau who were supportive of the proposed changes.</li> </ul> <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: Before making a scheme, the authority must:</p> <ul style="list-style-type: none"> <li>• consult any major precepting authority which has power to issue a precept to it,</li> <li>• publish a draft scheme in such manner as it thinks fit, and</li> <li>• consult such other persons as it considers are likely to have an interest in the operation of the scheme.</li> </ul> <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, 1,870 claimants will receive more support than under the current scheme.</p> <p>As with all changes however, up to 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 as a result of the proposed changes.</p> <p>A full has been completed and is included at Appendix 3.</p>
Contribution to the Delivery of the Strategic Plan	<p>The review of LCTS underpins our 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	<p>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.</p> <p>Revenues and Benefits Manager/AD/S151 Officer</p>	<p>Likelihood: <b>Yellow</b></p> <p>Impact: <b>Yellow</b></p> <p>Severity: <b>Yellow</b></p>	<p>Monthly monitoring of the modelling to check results.</p> <p>A mock test will be carried out to determine accuracy of the information as part of the annual billing testing process based on predicted council tax levels and the 2023/2034 upratings in late February/early March 2023.</p>	<p>Likelihood: <b>Green</b></p> <p>Impact: <b>Yellow</b></p> <p>Severity: <b>Green</b></p>
B	<p>Current economic situation could result in more claims</p> <p>Revenues and Benefits Manager/AD/S151 Officer</p>	<p>Likelihood: <b>Yellow</b></p> <p>Impact: <b>Yellow</b></p> <p>Severity: <b>Yellow</b></p>	<p>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.</p>	<p>Likelihood: <b>Yellow</b></p> <p>Impact: <b>Yellow</b></p> <p>Severity: <b>Yellow</b></p>
D	<p>Challenge to the legality of the scheme.</p> <p>Revenues and Benefits Manager/AD/S151 Officer</p>	<p>Likelihood: <b>Green</b></p> <p>Impact: <b>Yellow</b></p> <p>Severity: <b>Yellow</b></p>	<p>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.</p>	<p>Likelihood: <b>Green</b></p> <p>Impact: <b>Yellow</b></p> <p>Severity: <b>Yellow</b></p>

## Background documents

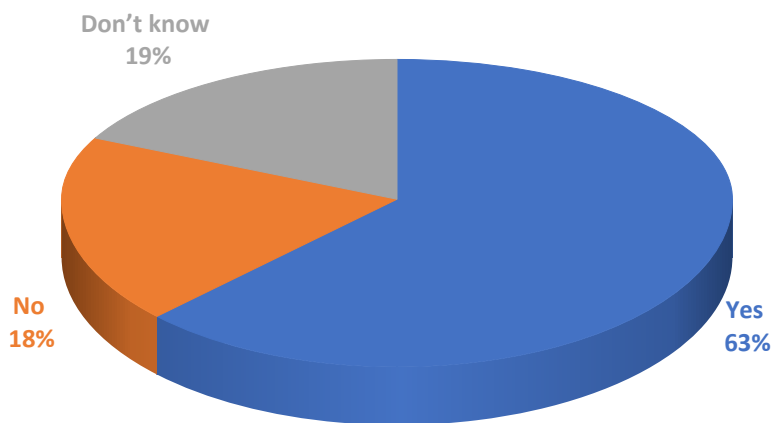
- **Appendix 1** Draft new Local Council Tax Regulations 2023-2024.
- **Appendix 2** Consultation summary.
- **Appendix 3** Equality Impact Assessment.

## 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?

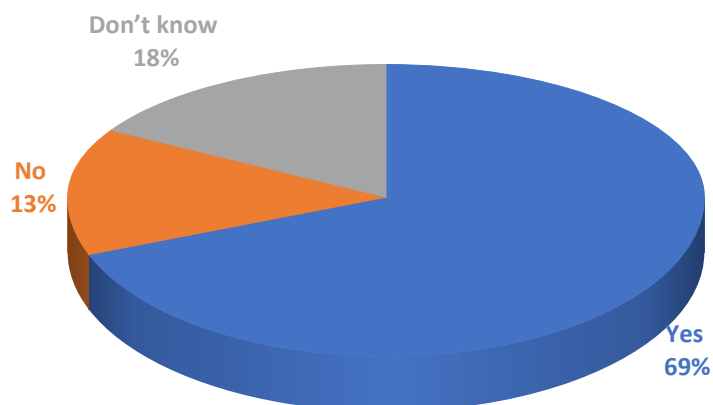


**63% of people who responded agreed with this proposal. 705 answered.**

**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?

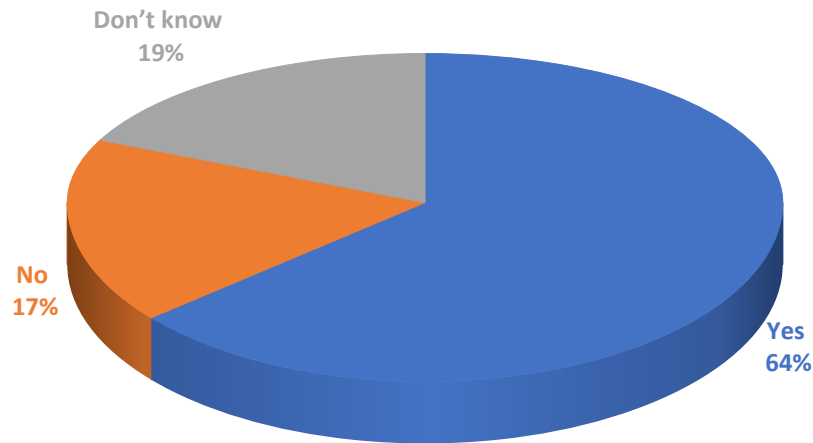


**64% of people who responded agreed with this proposal. 512 answered.**

**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?

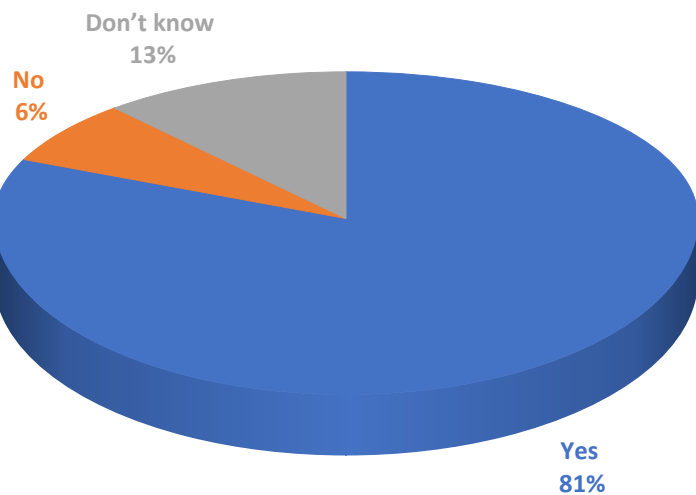


**64% of people who responded agreed with this proposal. 559 answered.**

**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.

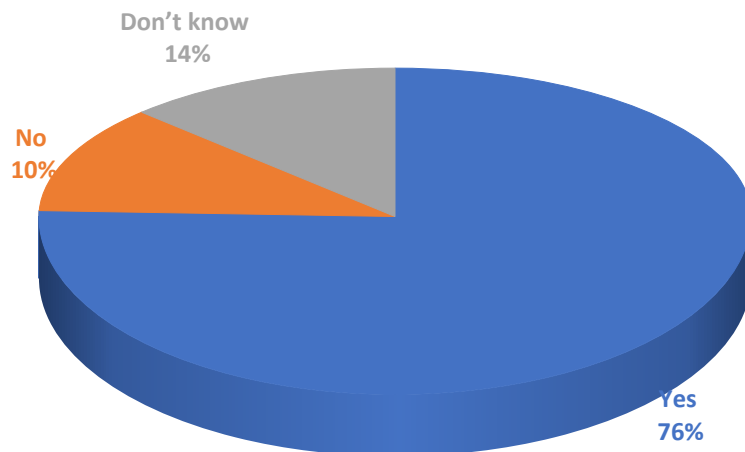


**81% of people who responded agreed with this proposal. 474 answered.**

**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?

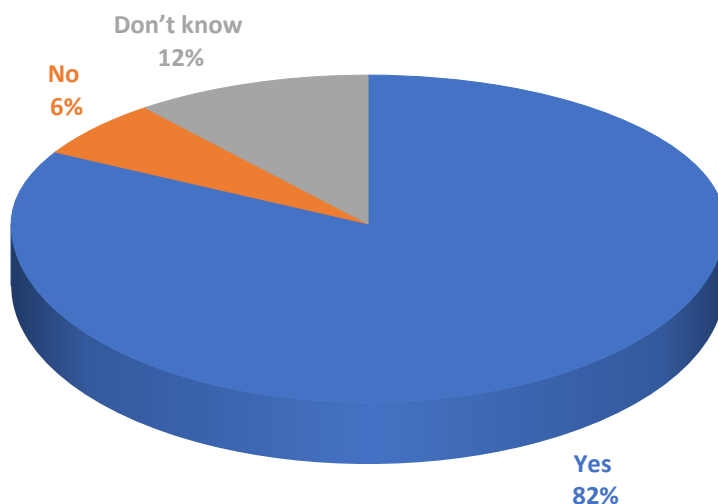


**81% of people who responded agreed with this proposal. 470 answered.**

**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 Pensions<sup>7</sup> not be considered when calculating income?



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

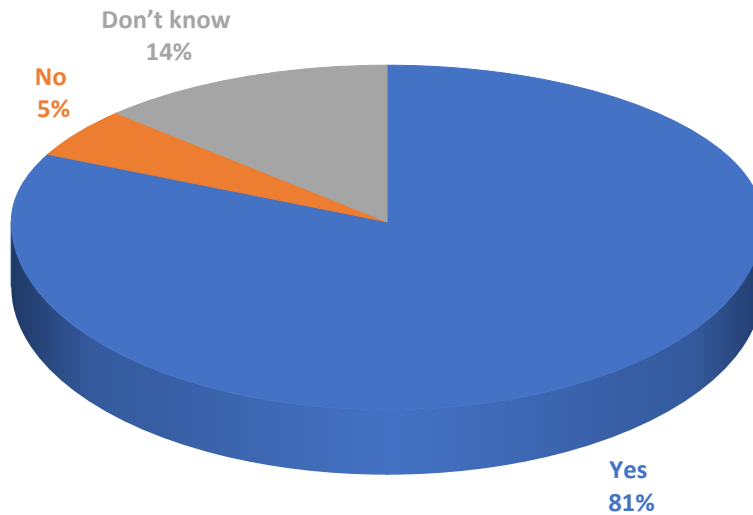
**What this would mean for claimants:** The council will not consider War Pensions, War Widows/Widower's Pensions or War Disablement Pensions when calculating excess income and thereby meets its obligation under the Armed Forces Covenant.

**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?

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



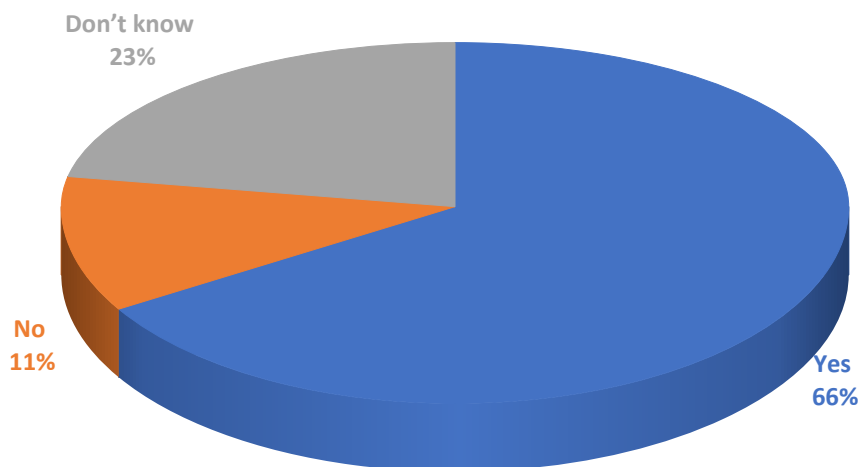


**81% of people who responded agreed with this proposal. 485 answered.**

**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?

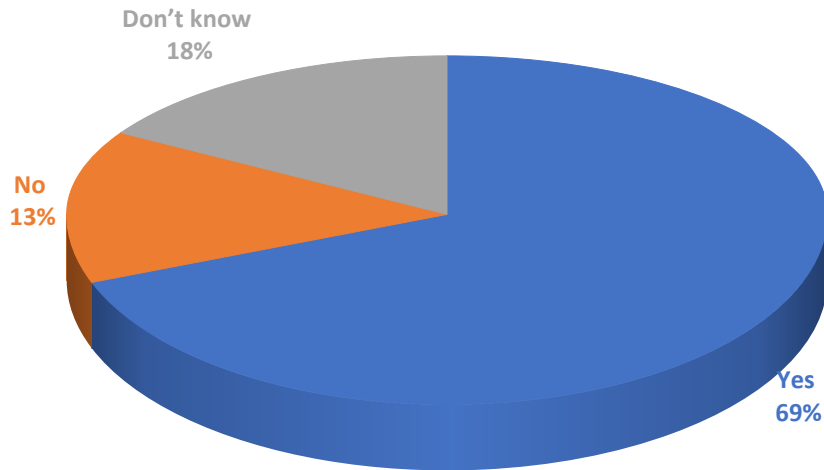


**66% of people who responded agreed with this proposal. 528 answered.**

**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?

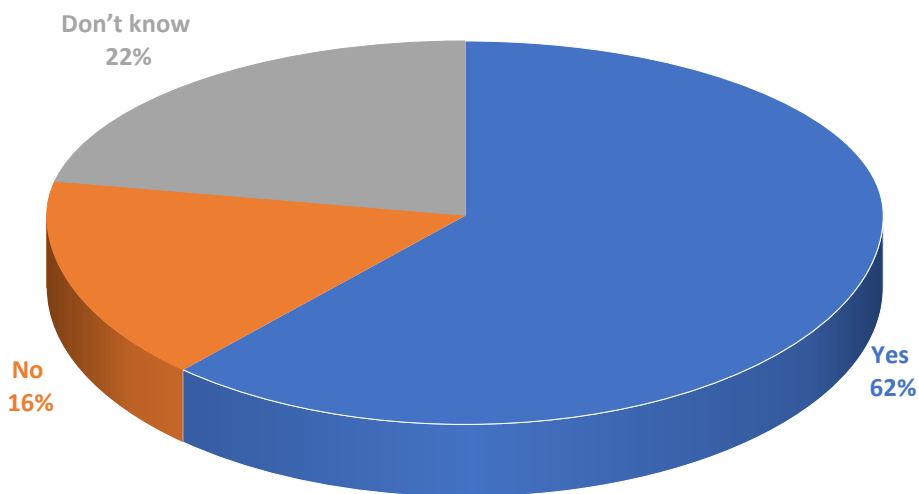


**69% of people who responded agreed with this proposal. 636 answered.**

**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?

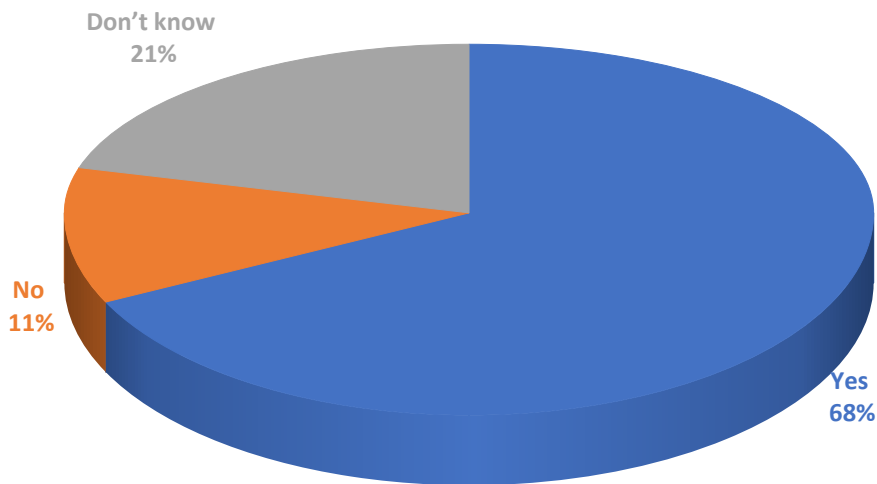


**62% of people who responded agreed with this proposal. 581 answered.**

**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?

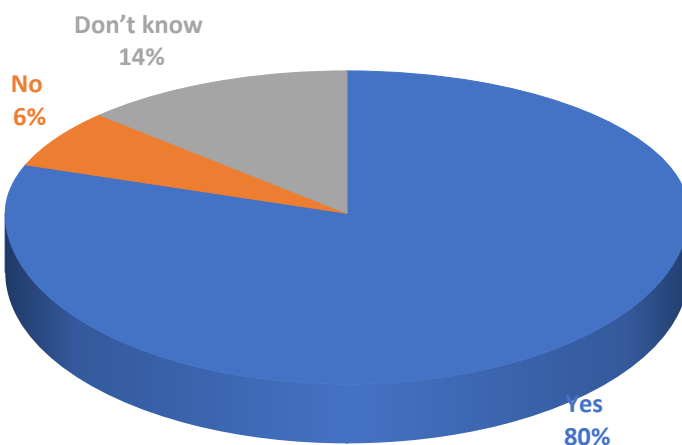


**68% of people who responded agreed with this proposal. 496 answered.**

**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 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

<b>Name of service/policy you are assessing:</b>	Local council tax support scheme (LCTS) for working age applicants
<b>Detail of proposed change:</b>	<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>
<b>Main users of your service/policy</b>	<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 Studies<sup>8</sup>). 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.

<sup>8</sup> <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><b>The proposed new LCTS scheme will not disregard Limited Capacity for Work (LCW) or Limited Capability for Work &amp; Work-Related Activity (LCWRA) elements of Universal Credit. It will treat these benefits as income.</b></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"> <li><b>LCW</b> was removed (<a href="#">find out more</a>) 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).</li> <li><b>LCWRA</b> 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).</li> </ul> <p>Any claimants of LCW or LCWRA with a <b>long-term physical or mental health condition or disability can claim Personal Independence Payments (PIP)</b> 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><b>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.</b></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
<b>Age ranges (all working age claimants)</b>	<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>	
<b>Gender/sex</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Transgender/gender reassignment</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Race (includes ethnic or national origins, colour or nationality)</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Gypsies and travelers</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Refugees / asylum seekers</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended

<b>Protected characteristic</b>	<b>Positive impact</b>	<b>Negative impact</b>	<b>Mitigating measures</b>
<b>Sexual orientation</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Marriage and civil partnerships</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Religion or belief (includes lack of belief)</b>	The scheme changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	None	None recommended
<b>Pregnancy and maternity</b>	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.
<b>Other (please specify)</b>		None	None recommended



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

<p><b>Justification/evidence in relation to the proposed changes:</b></p> <p>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.</p> <p>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</p> <p>An Exceptional Hardship Fund (EHF) will be included in the scheme for those applicants that can demonstrate financial hardship caused by the new scheme.</p> <p>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.</p>
--

## Section 6: Action plan

<p>The new scheme will be implemented with effect from 1 April 2023.</p> <p>All applicants will be advised of their new support on their council tax annual bill.</p> <p>Applicants who may lose support will be contacted in February and be offered additional support through the Council's Exceptional Hardship Scheme.</p> <p>A review of the scheme will be undertaken in 2023/24 to assess its impact on all applicants.</p>
---

## Section 6: Record your actions

<b>Sent this to the Equalities Team for publication on <a href="http://www.lichfielddc.gov.uk">www.lichfielddc.gov.uk</a></b>	Yes
<b>Date completed:</b>	20/12/2022

This page is intentionally left blank

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

1.0	Introduction to the Council Tax Support Scheme .....	4
2.0	Interpretation – an explanation of the terms used within this policy.....	9
3.0	Requirement to provide a National Insurance Number .....	15
4.0	Persons who have attained the qualifying age for state pension credit .....	15
5.0	Persons treated as not being in Great Britain and Persons Subject to Immigration Control .....	16
6.0	Transitional provision .....	18
7.0	Temporary Absence (period of absence) .....	18
8.0	Membership of a family .....	20
9.0	Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person. ....	21
10.0	Circumstances in which a child or young person is to be treated as being or not being a member of the household .....	21
11.0	Calculation of income and capital of members of applicant’s family and of a polygamous marriage .....	22
12.0	Calculation of income and capital: persons who have an award of universal credit .....	22
13.0	Calculation of income on a weekly basis.....	23
14.0	Average weekly earnings of employed earners .....	23
15.0	Average weekly earnings of self-employed earners .....	23
16.0	Average weekly income other than earnings.....	23
17.0	Calculation of average weekly income from tax credits .....	23
18.0	Calculation of weekly income .....	23
19.0	Earnings of employed earners.....	24
20.0	Calculation of net earnings of employed earners .....	24
21.0	Earnings of self-employed earners.....	25
22.0	Calculation of net profit of self-employed earners .....	25
23.0	Deduction of tax and contributions of self-employed earners .....	27
24.0	Calculation of income other than earnings .....	28
25.0	Capital treated as income and Notional Income .....	29
26.0	Capital limit .....	31
27.0	Calculation of capital.....	31
28.0	Disregard of capital of child and young person.....	32
29.0	Income treated as capital.....	32
30.0	Calculation of capital in the United Kingdom.....	32
31.0	Calculation of capital outside the United Kingdom.....	32
32.0	Notional capital .....	32
33.0	Diminishing notional capital rule.....	34
34.0	Capital jointly held .....	34
35.0	Students - Student related definitions .....	34
36.0	Students who are excluded from entitlement to council tax reduction .....	37
37.0	Students - Calculation of grant income .....	38
38.0	Students- Calculation of covenant income where a contribution is assessed .....	39
39.0	Students - Covenant income where no grant income or no contribution is assessed .....	40
40.0	Students - Covenant Income and Grant income – non-disregard.....	40
41.0	Treatment of student loans.....	40
42.0	Students - Treatment of fee loans.....	42
43.0	Students - Treatment of payments from access funds .....	42
44.0	Students - Disregard of contribution.....	42
45.0	Further disregard of student’s income.....	42
46.0	Students - Income treated as capital.....	42
47.0	Students - Disregard of changes occurring during summer vacation .....	42
48.0	Maximum Council Tax Reduction.....	43
49.0	Date on which entitlement is to begin .....	43
50.0	Date on which change of circumstances is to take effect .....	43
52.0	Procedure by which a person may apply for a reduction under the authority’s scheme.....	45
53.0	Date on which an application is made .....	46
54.0	Submission of evidence electronically .....	48
55.0	Use of telephone provided evidence .....	48

56.0	Information and evidence.....	48
57.0	Amendment and withdrawal of application .....	49
58.0	Duty to notify changes of circumstances.....	49
59.0	Decisions by the authority.....	50
60.0	Notification of decision .....	50
61.0	Time and manner of granting council tax reduction .....	52
62.0	Persons to whom reduction is to be paid .....	52
63.0	Shortfall in reduction.....	53
64.0	Payment on the death of the person entitled.....	53
65.0	Offsetting .....	53
66.0	Payment where there is joint and several liability .....	53
67.0	Use of information from and to the Department of Work and Pensions (DWP) and His Majesty's Revenues and Customs (HMRC).....	53
68.0	Collection of information .....	54
69.0	Recording and holding information .....	54
70.0	Forwarding of information .....	54
71.0	Persons affected by Decisions.....	54
72.0	Terminations .....	55
73.0	Procedure by which a person may make an appeal against certain decisions of the authority	55
74.0	Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act .....	55
75.0	Exceptional Hardship Scheme .....	56
76.0	Interpretation for the use of electronic communication .....	56
77.0	Conditions for the use of electronic communication.....	56
78.0	Use of intermediaries.....	56
79.0	Effect of delivering information by means of electronic communication.....	57
80.0	Proof of identity of sender or recipient of information .....	57
81.0	Proof of delivery of information.....	57
82.0	Proof of content of information.....	57
83.0	Counter Fraud and compliance .....	57
	Schedule 1 .....	59
	Calculation of the amount of Council Tax Reduction in accordance with the Discount Scheme. ....	59
	Schedule 2 .....	61
	Sums to be disregarded in the calculation of income other than earnings.....	61
	Schedule 3 .....	72
	Capital to be disregarded .....	72

## **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 1<sup>st</sup> 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 1<sup>st</sup> 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;

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

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

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

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

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

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

‘water charges’ means;

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

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

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

‘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



- (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—

- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. 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

(a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.

(b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

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

## **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 incurred<sup>1</sup>.

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.

<sup>1</sup> 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 incurred<sup>2</sup>.

---

<sup>2</sup> 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 scheme<sup>3</sup>**

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.

---

<sup>3</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**53.0 Date on which an application is made<sup>4</sup>**

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

<sup>4</sup> 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 evidence<sup>5</sup>**

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;

---

<sup>5</sup> 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 application<sup>6</sup>**

- 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 circumstances<sup>7</sup>**

- 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.

---

<sup>6</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>7</sup> 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 authority<sup>8</sup>**

- 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 decision<sup>9</sup>**

- 60.1 The authority must notify in writing any person affected by a decision made by it under its

<sup>8</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>9</sup> 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 reduction<sup>10</sup>**

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 paid<sup>11</sup>**

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.

---

<sup>10</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>11</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

### **63.0 Shortfall in reduction<sup>12</sup>**

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 entitled<sup>13</sup>**

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 liability<sup>14</sup>**

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

---

<sup>12</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>13</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>14</sup> 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 requirements<sup>15</sup>..

#### **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;

---

<sup>15</sup> 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 authority<sup>16</sup>**

- 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 Act<sup>17</sup>.

## **74.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act<sup>18</sup>**

- 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).

<sup>16</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>17</sup> As amended by the Tribunal Procedure (Amendment No 3 ) Rules 2014

<sup>18</sup> 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 31<sup>st</sup> 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 5<sup>th</sup> 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) 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
  - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2) 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) 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;
  - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
  - (d) a payment under an annuity purchased;
    - (i) pursuant to any agreement or court order to make payments to the applicant; or
    - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
  - (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)(f) 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 31<sup>st</sup> 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 19<sup>th</sup> December 1881, the Royal Warrant of 27<sup>th</sup> October 1884 and the Order by His Majesty of 14<sup>th</sup> 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

## Revised Housing Allocations Scheme

Cabinet Member for Housing, Ecology & Climate Change

Date:	14 February 2023
Agenda Item:	6
Contact Officer:	David Whittaker/Lucy Robinson/Lizzie Barton
Tel Number:	01543 308704/308710/308060
Email:	<a href="mailto:lucy.robinson@lichfielddc.gov.uk">lucy.robinson@lichfielddc.gov.uk</a> <a href="mailto:david.whittaker@lichfielddc.gov.uk">david.whittaker@lichfielddc.gov.uk</a>
Key Decision?	YES
Local Ward Members	All as applies to the whole of Lichfield District.



**CABINET**

### 1. Executive Summary

- 1.1 This report sets out the proposals for revisions to the Allocation Scheme for social rented housing, which has been in place since 1 April 2021. After a full review of the scheme, it was identified that there are certain elements that need amending and clarifying.
- 1.2 The proposed changes will be beneficial to customers applying to the register, improving their experience, and promoting a better use of the social housing stock within the district.

### 2. Recommendations

- 2.1 To approve the revised Allocations Scheme at **Appendix A**. A version of the proposed Allocations Scheme showing tracked change is included at **Appendix B**.
- 2.2 To delegate authority to the Cabinet Member for Housing, Ecology and Climate Change to approve future minor amendments of the Allocations Scheme.

### 3. Background

- 3.1 On the 10 November 2020 Cabinet approved a revised Housing Allocations Scheme<sup>1</sup> and new arrangements for the administration of the Housing Register.
- 3.2 The new scheme was developed in response to the introduction of the Homelessness Reduction Act (HRA)<sup>2</sup> which placed a greater emphasis on the local authority to prevent and relieve homelessness and included changes to the priority bands to make them more reflective of customers' circumstances across the district.
- 3.3 The Housing Act 1996 requires local housing authorities (regardless of owning housing stock) to have an Allocations Scheme in place that determines who is eligible and qualifies for social housing in its area, and how priority is determined between applicants. The allocation scheme must allow priority for those applicants classed as having reasonable preference<sup>3</sup> for accommodation, however the local authority can decide what level of priority to award within their own scheme, based on local knowledge and priorities<sup>4</sup>.

<sup>1</sup> The first version of the Allocations Scheme was approved by Cabinet on 9 October 2018.

<sup>2</sup> The 2017 Homelessness Reduction Act (HRA) was introduced in April 2018.

<sup>3</sup> Reasonable preference or priority must be given to the following categories of people – those that are homeless, including those not classed as priority need and those found to be intentionally homeless, people occupying unsanitary or overcrowded housing, those who need to move on medical and welfare grounds, people who need to move to a particular locality in the district, where failure to do so would cause hardship.

<sup>4</sup> The Localism Act 2011 then gave local authorities freedom to allow councils to better manage their waiting lists and tailor their allocation priorities to meet local needs and circumstances to decide what classes of person are and are not 'qualifying persons' for the purpose of their allocation scheme.

- 3.4 The new Housing Register and Choice-Based Lettings System 'Lichfield District Homes' that accompanies the revised Allocations Scheme was launched on 18 March 2021. Social rented properties were first advertised through the new system from 1 April 2021.
- 3.5 In the first year 329 lettings were completed, which is 6% of the social rented stock in the district and higher than the national average of 243 lets<sup>5</sup>. The largest percentage of allocations (48%) were to applicants within the Band 1 category. In terms of property size, two-bedroom properties were allocated the most (41%), followed by one-bedroom properties (37%).
- 3.6 Following the first year of operation, a review of the Allocations Scheme and Housing Register has been completed. As part of this the council examined the operational issues experienced by staff using the system and assessing applications, which highlighted some changes were needed to the scheme. These changes will be beneficial to customers applying to the register, improving their experience, and promoting a better use of the social housing stock within the district.
- 3.7 Although the Cabinet report on 10 November 2020 recommended that delegated authority was given to the Cabinet Member to agree future minor amendments to the scheme, some of the proposed changes identified are not considered minor, and so Cabinet approval is therefore sought.
- 3.8 Full details of the proposed changes to the scheme are contained in **Appendix C** which covers details on:
- Current policy.
  - Proposed changes.
  - Reasons for the changes.
  - The impact on applicants.
  - The impact on the work of the Housing Register and Housing Options teams.
- 3.9 A summary of the reasons for the proposed changes are:
- Changes in banding criteria that will increase flexibility to reduce homelessness.
  - Expectant households are currently only considered as overcrowded once the baby is born - the change will mean that families will have a chance to secure a larger property in advance of the birth.
  - Terminology and definition changes, particularly in relation to the income threshold, false information and housing related debt sections will provide greater clarification.
  - There is a need for flexibility within the hardship category for those considered for a move within the district.
  - The removal of a band for domestic abuse and harassment - customers will be assessed under the homeless legislation instead which will be more efficient.
  - The changes are influenced by the working experience of officers in the Housing Options Team and should improve customer satisfaction as the policy will be made clearer for applicants.
  - All references to 'the council' will be changed to 'Lichfield District Council' to prevent confusion for those who may have also been assessed by another local authority.
- 3.10 Some of the changes will mean that some people may no longer qualify to join the Housing Register, including applicants with income above certain thresholds and applicants with housing related debts, however as the scheme will be more transparent it should result in fewer ineligible people applying. Applicants that were assessed as ineligible for the current scheme will be contacted to advise them of the changes and be advised that they can re-apply.

---

<sup>5</sup> Source: Local Authority Housing Statistics 2020-21.

Alternative Options	<ol style="list-style-type: none"> <li>To not update the allocations scheme. <ul style="list-style-type: none"> <li>This is not recommended, as the operation of the scheme in the first year has shown that changes are needed for it to continue to operate effectively.</li> <li>It is a legal requirement for the local authority to have an allocation scheme in place as a way of prioritising applicants to vacancies in social housing. We recognise that the existing allocation scheme needs revising.</li> <li>Retaining the existing scheme unchanged could lead to continued customer dissatisfaction and financial costs associated with officer time. The revised scheme is fairer and more transparent for applicants.</li> </ul> </li> </ol>
Consultation	<ol style="list-style-type: none"> <li>Registered Providers that use Lichfield District Homes were consulted on the changes in November 2022 and out of 10 providers consulted 7 responded to advise they felt it was a good policy and were either satisfied or suggested very minor changes. Following updated advice from the legal team, the Registered Providers were reconsulted in December 2022 and all those that responded agreed with the amendments.</li> <li>A 70% response rate is considered positive. Those providers that did not comment across the two consultations were either those that had commended in depth before, those with low numbers of housing stock in the district, or those without dedicated teams to support Lichfield District specifically.</li> <li>A meeting has taken place with Bromford, the largest social landlord that allocates most homes through the scheme, and all the changes have been agreed with them.</li> <li>The changes have also been made in line with customer feedback and the learning points taken from the outcomes when reviews have been requested.</li> </ol>
Financial Implications	<ol style="list-style-type: none"> <li>The changes will require chargeable updates to be carried out with the software developer. The expected costs will be approximately £3,000 which will be met from existing budgets.</li> <li>Some of the changes may result in an increase in requests for reviews which will require resourcing, however the number of these is not expected to increase greatly if these changes are implemented.</li> <li>There will be efficiencies for the Housing Allocations and System Officers due to a reduction in time spent setting actions to monitor an application where suspension times have been put on an application. The efficiencies gained will be balanced out by the changes that may require more officer involvement.</li> </ol>
Approved by Section 151 Officer	Yes
Legal Implications	<ol style="list-style-type: none"> <li>A barrister reviewed the proposed amendments to the scheme in November 2022 and suggested some further changes which have subsequently been reflected in the proposed revised scheme.</li> <li>All changes to the scheme are lawful and comply with current legislation.</li> </ol>
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> <li>The Strategic Plan 2020-2024 has four priorities; the one that the Allocations Scheme mostly contributes to is 'Enable people' to help themselves and others, and 'Be a good council' that is transparent and accountable and responsive, plus being customer focussed.</li> </ol>

Crime & Safety Issues	1. Our Choice-Based Lettings System called Lichfield District Homes creates choice about where people live and contributes to sustainable communities.																							
Equality, Diversity and Human Rights Implications	1. An Equalities Impact Assessment (EIA) and wider impact assessment have been completed on the proposed revised Allocations Scheme to ensure the council meets its legal obligations under the Equality Act. Actions have been identified to reduce any negative impact where possible. The EIA has assessed how the changes are likely to affect applicants and no negative effects have been identified because of the changes.																							
Environmental Impact (including Climate Change and Biodiversity).	1. None identified.																							
GDPR / Privacy Impact Assessment	1. A GDPR/Privacy Impact Assessment has been completed and was approved by the Compliance and Data Protection Officer on 29 November 2022. 2. It is noted that the consent page to the online housing application form will require updating and this will be carried out as part of the changes requested with the software company.																							
	<table border="1"> <thead> <tr> <th data-bbox="114 900 114 1003"></th> <th data-bbox="114 1003 507 1003">Risk Description &amp; Risk Owner</th> <th data-bbox="507 900 791 1003">Original Score (RYG)</th> <th data-bbox="791 900 1209 1003">How We Manage It</th> <th data-bbox="1209 900 1525 1003">New Score (RYG)</th> </tr> </thead> <tbody> <tr> <td data-bbox="114 1003 114 1182">A</td> <td data-bbox="114 1003 507 1182">Potential reputational risk to the Council if the changes are not made, particularly where applicants choice within the district is limited.</td> <td data-bbox="507 1003 791 1182">Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Amber</b></td> <td data-bbox="791 1003 1209 1182">This will only apply if the changes to the scheme are not agreed.</td> <td data-bbox="1209 1003 1525 1182">Likelihood: <b>Green</b> Impact: <b>Amber</b> Severity of risk: <b>Green</b></td> </tr> <tr> <td data-bbox="114 1182 114 1469">B</td> <td data-bbox="114 1182 507 1469">Increase in staff time taken to monitor and review applications. If there is an increase in applications this could not be sustained.</td> <td data-bbox="507 1182 791 1469">Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Red</b></td> <td data-bbox="791 1182 1209 1469">This applies at present, however with some of the suggested changes means officer time spent can be focussed on higher priority applications that need in depth reviews, rather than the time being spent monitoring applications.</td> <td data-bbox="1209 1182 1525 1469">Likelihood: <b>Amber</b> Impact: <b>Green</b> Severity of risk: <b>Amber</b></td> </tr> <tr> <td data-bbox="114 1469 114 1617">C</td> <td data-bbox="114 1469 507 1617">Risk of not utilising the best use of stock within the district.</td> <td data-bbox="507 1469 791 1617">Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Amber</b></td> <td data-bbox="791 1469 1209 1617">This will only apply if the changes to the scheme are not agreed.</td> <td data-bbox="1209 1469 1525 1617">Likelihood: <b>Green</b> Impact: <b>Green</b> Severity of risk: <b>Green</b></td> </tr> </tbody> </table>		Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	New Score (RYG)	A	Potential reputational risk to the Council if the changes are not made, particularly where applicants choice within the district is limited.	Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Amber</b>	This will only apply if the changes to the scheme are not agreed.	Likelihood: <b>Green</b> Impact: <b>Amber</b> Severity of risk: <b>Green</b>	B	Increase in staff time taken to monitor and review applications. If there is an increase in applications this could not be sustained.	Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Red</b>	This applies at present, however with some of the suggested changes means officer time spent can be focussed on higher priority applications that need in depth reviews, rather than the time being spent monitoring applications.	Likelihood: <b>Amber</b> Impact: <b>Green</b> Severity of risk: <b>Amber</b>	C	Risk of not utilising the best use of stock within the district.	Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Amber</b>	This will only apply if the changes to the scheme are not agreed.	Likelihood: <b>Green</b> Impact: <b>Green</b> Severity of risk: <b>Green</b>			
	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	New Score (RYG)																				
A	Potential reputational risk to the Council if the changes are not made, particularly where applicants choice within the district is limited.	Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Amber</b>	This will only apply if the changes to the scheme are not agreed.	Likelihood: <b>Green</b> Impact: <b>Amber</b> Severity of risk: <b>Green</b>																				
B	Increase in staff time taken to monitor and review applications. If there is an increase in applications this could not be sustained.	Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Red</b>	This applies at present, however with some of the suggested changes means officer time spent can be focussed on higher priority applications that need in depth reviews, rather than the time being spent monitoring applications.	Likelihood: <b>Amber</b> Impact: <b>Green</b> Severity of risk: <b>Amber</b>																				
C	Risk of not utilising the best use of stock within the district.	Likelihood: <b>Amber</b> Impact: <b>Amber</b> Severity of risk: <b>Amber</b>	This will only apply if the changes to the scheme are not agreed.	Likelihood: <b>Green</b> Impact: <b>Green</b> Severity of risk: <b>Green</b>																				
Background documents	<b>Appendix A:</b> Proposed revised Allocations Scheme - February 2023 <b>Appendix B:</b> Proposed revised Allocations Scheme (showing track changes) <b>Appendix C:</b> Table of proposed revisions.																							



Relevant web links	<p><b>Lichfield District Housing, Homelessness and Rough Sleeping Strategy 2019-2024:</b> <a href="https://www.lichfielddc.gov.uk/housing-strategy/download-housing-strategies?documentId=211&amp;categoryId=20015">https://www.lichfielddc.gov.uk/housing-strategy/download-housing-strategies?documentId=211&amp;categoryId=20015</a></p> <p><b>Report to Cabinet on Changes to the Housing Options Service November 2020:</b> <a href="https://www.lichfielddc.gov.uk/decision-changes-to-the-housing-options-service">Decision - Changes to the Housing Options Service (lichfielddc.gov.uk)</a></p> <p><b>Homelessness Reduction Act:</b> <a href="http://www.legislation.gov.uk/ukpga/2017/13/contents/enacted">http://www.legislation.gov.uk/ukpga/2017/13/contents/enacted</a></p> <p><b>Local Authority Housing Statistics 2020-2021:</b> <a href="https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/531212/local-authority-housing-statistics-2011-12-to-2020-21-open-data.pdf">Local authority housing statistics 2011-12 to 2020-21 open data - GOV.UK (publishing.service.gov.uk)</a></p>
--------------------	---

This page is intentionally left blank



# Lichfield District Council - Allocation Scheme 2023

---

In partnership with:



## Contents

---

1. Introduction
2. Aims & Objectives
3. Data Protection Statement
4. Equal Opportunities Statement
5. Statement on Choice
6. How applications will be dealt with
  - 6.1. Registration
  - 6.2. Process after registration
  - 6.3. Applications from Employees, Elected Members and Board Members
7. Deliberately Providing False or Misleading Information or Withholding Information
8. Eligibility
  - 8.1. Immigration Status
9. Qualifying & Non-Qualifying Persons
  - 9.1. Age
  - 9.2. Local Connection & Residency
  - 9.3. Unacceptable Behaviour
  - 9.4. Housing Related Debt
  - 9.5. Sustainability
  - 9.6. Financial Resources
  - 9.7. Homeowners
10. Priority
  - 10.1. Emergency Band
  - 10.2. Band 1
  - 10.3. Band 2
11. Additional Preference
12. Bedroom Entitlement
  - 12.1. Exceptions
13. Offers of Accommodation
  - 13.1 Registered Provider Statement
14. Adapted or Specialist Properties
15. Local Lettings Policy
16. Change of Circumstances
17. Annual Reviews
18. Cancelling Applications
19. Reviews and the right to request information
  - 19.1. Review stages.
20. Review & Monitoring

## 1. Introduction

---

Every local housing authority in England is required by law to have an allocation scheme in place which determines who is eligible and qualifies to join the scheme, how priority is determined between applicants in housing need when applying for social housing<sup>1</sup> and the procedure to be followed when allocating homes. The Council has a duty to provide housing advice and assistance and to prevent and relieve homelessness. In order to meet housing needs within the district and enable us to discharge our duties, we work in close partnership with Registered Providers who own and manage all social housing.

Registered Providers have a duty to cooperate with the Council in offering accommodation to people in housing need under the Council's allocation scheme. We do this by entering into a nomination agreement with the Registered Provider that outlines the percentage of properties that will be made available to the Council through the scheme. A nomination to the Registered Provider will then be made in accordance with this allocation scheme and Registered Providers will consider the nomination against their own allocation criteria.

Registered Providers who own and manage social homes within Lichfield district are:

- Advance
- Bromford
- Clarion
- Family Optima
- Housing 21
- Metropolitan
- Midland Heart
- Orbit
- Platform Housing
- Riverside
- Sanctuary
- Stonewater
- Trent & Dove
- WHG
- The Wrekin Housing Group

---

<sup>1</sup> Social housing/homes in this context refers to both social rented and affordable rented homes.

We acknowledge that there is a shortage of social homes to rent within the district, therefore our allocation scheme has been framed to give priority to those applicants in the greatest level of housing need and reflect our local priorities to make the best use of the social homes available.

## 2. Aims & Objectives

---

The scheme has been developed with a view to meeting the following principles and key objectives:

- To have a clear, transparent and accountable system for assessing applicants and to allocate homes in a way that is easy to understand and administer.
- To award preference to those in greatest housing need to make the best use of limited number of social homes available.
- To take into account local priorities and support our Housing, Homelessness and Rough Sleeping Strategy.
- To maximise opportunities for applicants to make informed choice by providing good information on rehousing prospects including alternative housing options.
- To develop positive working relationships with other agencies to identify and meet housing need to create sustainable tenancies.
- Where we can, provide tenancy support to mitigate the risk of tenancy failures and prevent repeat homelessness.
- To support the development and sustainability of thriving communities.
- To meet the requirements set out in law, regulation and guidance and promote best practice.

## 3. Data Protection Statement

---

We will only ask applicants to supply information that is required as part of the application process to determine eligibility, qualification and assess housing need. We will only record and store information that is necessary for the assessment and allocation of social housing.

As part of the housing need assessment process, we will make enquiries into an applicant's housing history; by applying to be entered onto the housing register an applicant is agreeing to us making these enquiries. If an applicant does not agree to us making these enquiries, we are unable to accept their application

We will ensure that all information held on the housing register remains confidential. This will not be disclosed to a third party without prior consent from the applicant.

To enable us to share information and nominate applicants to our partner Registered Providers with homes in the district, we have developed an information sharing protocol. This protocol establishes the procedural arrangements for the secure exchange of information for the purpose of nominations to the Registered Providers. By applying to be entered onto the housing register, an applicant is agreeing to this information being shared with our partner Registered Providers. We will make this clear at the point of application and review.

In accordance with the Data Protection Act 2018, applicants have the right to request a copy of all the information held about them.

#### 4. Equal Opportunities Statement

---

We are committed to promoting equal opportunities, embracing diversity and preventing and eliminating unlawful discrimination, harassment and victimisation.

We recognise that our customers are individuals; we will focus on their particular circumstances to assess their specific housing needs in line with the allocation scheme framework. We commit that the scheme will be accessible, responsive and sensitive to the diverse needs of our customers, ensuring that equality and diversity is at the heart of everything we do.

We will ensure that all potential applicants will have accessible information on how to access the scheme and how to express an interest in the homes available. We acknowledge that some people may require assistance in accessing the housing register and participating in the allocations scheme. For those people that do not have a trusted person, such as a family member or advocate upon whom they can rely, we will ensure that these individuals receive the help and assistance they require.

The impact of the changes to the scheme has been monitored throughout the process and an Equalities Impact Assessment (EIA) is published alongside the document to ensure we continue to be clear, transparent and accountable for our actions.

In order for us to continue to monitor the impact of the scheme, all applicants will be asked to provide demographic information when they apply to join the housing register. This information will be regularly reviewed to ensure we meet our legal obligations in regards to the Equality Act 2010 and Public Sector Equality Duty.

#### 5. Statement on Choice

---

We seek to give every eligible and qualifying applicant choice in relation to the location of their accommodation by advertising vacancies and inviting expressions of interest (bids) on these vacancies. Restrictions will apply in terms of the bedroom size and type of property allocated in accordance with the allocation scheme to ensure we make the best use of the homes available.

For those placed into the Emergency Band, which reflects their critical need to be rehoused, we need to balance the level of choice with the urgent need to rehouse the applicant. Applicants within this Band will be given dedicated advice and support from a Housing Options Officer at the Council who will ensure they are bidding on suitable properties when they become available. The Council will review applicants placed in the Emergency Band after 4 weeks to decide whether they can remain within the Band. This review will include whether the applicant has been bidding on properties that were suitable and available during this time and where appropriate a direct offer of accommodation may be made.

We acknowledge that due to high demand for certain types of properties in the district it is not possible to re-house every potential applicant through the scheme. We will therefore publish an Annual Lettings Report that will include information to assist applicants to make informed choices about their housing options.

#### 6. How applications will be dealt with

---

The administration of the housing register and allocation scheme will be done by the housing services team at Lichfield District Council.

### **6.1 Registration**

Applicants wishing to join the scheme will need to complete an online application form at <https://lichfelddistricthomes.housingjigsaw.co.uk/>. Should an applicant require assistance with registration, this will be provided on request.

Once an application has been submitted, an applicant will be prompted to supply proof of eligibility, qualification and any other relevant documents to support the information given in the application. This will need to be provided within 28 calendar days of registration; should this not be received the application will be automatically cancelled.

Information required will be:

- Identification for the main and any joint applicant (Passport, driving licence, birth certificate).
- Identification for any household member aged 18 or over (Passport, driving licence, birth certificate).
- Proof of immigration status if classed as a person from abroad.
- Proof of current address for the main and any joint applicant (utility bill, bank statement).
- 5 year address history including, if relevant, any landlord contact details.
- Proof of residency of any children who require rehousing with the main or joint applicant (Birth certificate and child benefit award, child tax credit, court order, residency order).
- Landlord reference from current or last settled address, where applicable.
- Proof of income, savings and equity.
- Proof of repayment plans for any housing related debt, where applicable.
- Proof of any pre-tenancy training qualifications where successfully completed.
- Any evidence requested to support the application and assessment of housing need.

(List not exhaustive).

We will use this supporting documentation to verify and assess an applicant's eligibility and qualification to join the housing register and which priority status they have been awarded. The applicant will be notified in writing of this decision within 28 calendar days from receipt of all proofs and supporting evidence being submitted.

### **6.2 Process after registration**

Once an applicant has been notified in writing that their application has been accepted onto the register, they will then be allowed to express an interest (bid) for homes available through the scheme. Applicants will only be able to bid for properties that meet their needs in accordance with the criteria set out within this allocation scheme, e.g., a single person will only be allowed to bid on studio or one-bedroom apartments. Should an applicant require assistance with understanding the system and how to place bids on properties, they should request assistance from the Council.

### **6.3. Applications from Employees or Elected Members**



Applications can be made by employees or elected members, but applicants must declare this at the time of application. Applications will be assessed in accordance with this scheme for eligibility, qualification and housing need. Any priority awarded and any subsequent offer of accommodation will be authorised by a senior officer.

## 7. Deliberately Providing False or Misleading Information or Withholding Information

---

Fraudulent behaviour is taken very seriously, and all appropriate action will be taken to address this.

It is a criminal offence for an applicant or person on the applicant's behalf to knowingly or recklessly give false or deliberately misleading information or withhold information which is reasonably required. A person found guilty of such an offence will have their application suspended for a period of at least 6 months.

Offences under these provisions are prosecuted in the magistrates' court and carry a maximum fine of level 5 on the standard scale. Failure to inform of changes to an application, or deliberately withholding information relevant to, or misrepresenting housing circumstances, may result in criminal prosecution. A Registered Provider may seek possession of a tenancy that was granted as a result of a false statement and may also attempt to recover any costs incurred.

## 8. Eligibility

---

We are only able to allocate social homes to applicants who are eligible in accordance with the Housing Act 1996, section 160ZA.

### 8.1. Immigration Status

Those who are not eligible for social housing or homelessness assistance are applicants from abroad prescribed by legislation to be ineligible, or applicants subject to immigration control, unless exempted from these rules by the Secretary of State<sup>2</sup>. Please note we will apply the most up to date legislation at the time of application when making our assessments.

If there is any uncertainty over an applicant's immigration status, advice will be sought from the Home Office.

An applicant who is already in a secure or introductory tenancy or an assured tenancy allocated by the local housing authority is not subject to these eligibility requirements.

## 9. Qualifying & Non-Qualifying Persons

---

### 9.1. Age

Any person aged 18 or over can apply to join the housing register; applicants under the age of 18 will only be accepted in exceptional circumstances where:

---

<sup>2</sup> The Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006

- Lichfield District Council has accepted a statutory homeless duty to the applicant and the applicant is ready for independent living OR
- A young person who has been looked after, fostered or accommodated, has a duty of care accepted under the Children’s Act 1989, and is ready for independent living.

Any applicant under 18 cannot by law be granted a tenancy, however this can be held in trust until they reach the age of 18 by a trustee. A trustee will be required to sign a tenancy on the applicant’s behalf, be deemed as an appropriate person and have the financial resources to afford the costs of the home.

It is at the discretion of the individual Registered Provider to accept applicants under the age of 18 for a tenancy, regardless of having a trustee.

## 9.2 Local Connection and Residency

In order to qualify for the housing register, an applicant or joint applicant must satisfy at least **one** of the following criteria:

- Has lived in the district for at least the last 2 years at the point of application.
- Has lived in the district for a total of 3 out of the last 5 years (doesn’t have to be continuous).
- Is homeless or threatened with homelessness, is engaging with Lichfield District Council to resolve their homelessness, is owed a prevention, relief or full statutory homeless duty and meet the local connection criteria contained within the homelessness legislation.
- A young person owed a leaving care duty under section 23C of the Children Act 1989 by Staffordshire County Council will have a local connection to the district.
- A care leaver under the age of 21 who has lived in Lichfield district for at least two years, including some time before they turned 16, and the local authority which owes them the leaving care duty is not Staffordshire County Council.
- Has close adult relatives (mother, father, adult children, brothers or sisters) where a meaningful relationship exists, and those relatives currently live in the district and can evidence they have done so for the last 5 years. Consideration will be given to other relatives where a meaningful relationship can be evidenced by the applicant.
- Is currently employed in the district, either on a permanent or temporary contract running for a minimum of 6 months, usually those working less than 16 hours per week will be treated as non-qualifying.
- Any other special circumstances (these will be exceptional).

Those applicants without a local connection will be treated as non-qualifying and will be unable to join the housing register, unless the following exemptions apply:

- Applicants fleeing domestic abuse or harassment where we accept that they cannot return to any area where they have a local connection because of the violence/threat of violence.
- Applicants wishing to move to the district as a result of witness protection, where this can be evidenced by a relevant professional, following an application on the grounds of homelessness.
- Applications from armed forces personnel
  - serving in the regular forces or who has served in the regular forces within five years of the date of their application for an allocation of housing under Part 6 of the 1996 Act;

- who have recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person’s spouse or civil partner where—
  - (i) the spouse or civil partner has served in the regular forces; and
  - (ii) their death was attributable (wholly or partly) to that service; or
  - (iii) is serving or has served in the reserve forces and who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to that service.
- Applicants that wish to move into the district as they are in paid employment or have accepted an offer of paid employment within the district, and failure to do so would cause them hardship will have the right to a local connection. The distance travelled, the availability and affordability of transport, the nature of the work and whether similar opportunities are available locally, as well as the length of employment will be taken into consideration when assessing whether an applicant qualifies to join the housing register.

Please note, some homes in the district have restrictions placed on who qualifies to live there by planning regulations. In these instances, the planning related restrictions will always take priority over any qualifying criteria in this allocation scheme.<sup>3</sup>

### 9.3. Unacceptable Behaviour

Applicants, or members of their household, that engage in or have been found responsible for unacceptable behaviour within the last 12 months will not qualify to join the housing register for a minimum of six months from the date of application.

Unacceptable behaviour is defined as behaviour which, should they have been a tenant of a Registered Provider at the time, would have been serious enough to have resulted in an order for possession being granted by a Court, in accordance with Part VI Housing Act 1996. This includes:

- anti-social behaviour or noise nuisance
- perpetrators of domestic abuse
- harassment or intimidation
- violent or aggressive behaviour, including physical, verbal or intimidating behaviour resulting in a referral to the police
- offending behaviour that would impact on the community, such as drug dealing, racially motivated attacks or hate crime

(This list is not exhaustive)

After six months the applicant may reapply where they can evidence a demonstrable change in this behaviour.

Where unacceptable behaviour becomes apparent after registration, the application will be suspended for a minimum of six months or until such time where they can evidence a demonstrable change in their behaviour.

---

<sup>3</sup> S106 Town and Country Planning Act 1990

#### **9.4. Housing Related Debt**

Applicants who have a housing related debt over £200 and cannot evidence regular payments being made over the last 6 months to remedy the debt will be unable to join the housing register. Housing related debt is defined as:

- rent arrears<sup>4</sup>
- service charges
- housing related court costs
- rechargeable repairs

Each case will be considered on its own merits, any exceptional circumstances will be considered where evidence exists to support the case and should be submitted with the request for supporting information to join the register.

Acceptance onto the housing register is on the condition that regular repayments are maintained, which will be checked prior to any offer being made.

Where housing related debt becomes apparent after an applicant has been accepted onto the housing register, the application will be suspended for six months or until such time as it can be evidenced that a payment plan has been adhered to for the last six months, or the debt is settled in full, whichever is soonest.

Lichfield District Council will contact the customer to request proof of the payment plan. Failure to respond to this contact within 28 days will result in the application being closed.

Applicants should note that Registered Providers will apply their own lettings criteria when deciding whether to offer a home; some will expect the arrears to be paid in full at this time.

#### **9.5. Sustainability**

Applicants who are deemed not to be able to sustain a tenancy without support, and this support has been refused by the applicant will be unable to join the housing register.

#### **9.6. Financial Resources**

Any applicant who has the financial means to resolve their own housing circumstances will not be able to join the housing register. For clarity, this means either:

- Households with children with a gross income (excluding non-dependants' income) of over £60,000.
- Single applicants or couples with no children with a gross income of over £45,000.
- Savings and/or assets totalling over £16,000.

Monies that can be evidenced as received as a compensation payment as a result of serving in the regular or reserve armed forces will be disregarded.

---

<sup>4</sup> Exceptions may be made where a social housing tenant has arrears as a result of a restriction in housing benefit due to under occupancy which is not considered to be a deliberate act.

Exceptions may be made where an applicant residing in social rented accommodation within the district is looking to downsize where there is an identified need for the size of property being released.

We acknowledge that the majority of specialist homes for the over 50's are in the social housing sector, therefore discretion will be applied to this ruling for those applicants over the age of 50 that have expressed a desire for this type of housing, to allow them to access these schemes only.

### 9.7. Homeowners

Applicants that own or part own a freehold or leasehold property in the UK or abroad will be unable to join the housing register. Discretion to this ruling will be applied where exceptional circumstances apply, these may include:

- Evidence supplied that the property is having a significant detrimental impact on the health of the applicant, it has been verified by a professional that the property cannot be adapted to meet their needs and they have limited financial resources to meet their own housing needs elsewhere.
- The current property is unaffordable, and the applicant does not have the financial resources to meet their rehousing needs. This will be assessed through an application on the grounds of homelessness
- Cases where the applicant or a member of their household is suffering from domestic abuse or harassment, and there is evidence to suggest emergency rehousing is required. This will be assessed through an application on the grounds of homelessness.

If homeowners are accepted onto the housing register, they will need to evidence they are in the process of selling their home prior to any offer being made.

9.8 Applicants that do not fulfil any of the housing need categories outlined within the priority bands below will be assessed as having no housing need and therefore will not qualify to join the housing register, Lichfield District Homes.

9.9 Applications may be considered from applicants who do not fulfil any of the housing need categories where exceptional circumstances can be demonstrated.

## 10. Priority

---

Applicants will be prioritised according to the assessment of their housing need based on the priority banding criteria set out in this allocation scheme. Where applicants have the same priority award, the length of time they have been waiting within the band will be taken into account.

**10.1. Emergency Band** Applicants will be placed into the Emergency Band if their need for housing is assessed as being so exceptional that they take priority over all other applicants in the scheme.

Statutory homeless	Assessed by Lichfield District Council as statutorily homeless and are owed a full housing duty under part VII of the Housing Act 1996, as amended by the Homelessness Act 2002 and the Homelessness Reduction Act 2017.
Statutory overcrowded	Assessed by the Council as statutorily overcrowded under Pt 10 Housing Act 1985 or resulted in the Council serving a Prohibition Order or Suspended Prohibition Order. This assessment will include rooms that could reasonably be expected to be used as bedrooms, such as a dining room. Priority will only be awarded where it can be

	evidenced that the applicant has not themselves deliberately caused the overcrowding.
Housing that poses a serious risk to health, safety or welfare.	Assessed by the Council as having serious health and safety hazards, which have resulted in the Council serving a Prohibition Order, a Suspended Prohibition Order or a Suspended Improvement Notice, the conditions of which cannot be remedied by the owner, and it can be established that the hazards are not an act of wilful damage or neglect by the occupant.
Care leavers	A young person who has been looked after, fostered or accommodated and has a duty of care accepted under the Children Act 1989 who is ready for independent living, and is engaging with appropriate support if identified as required.
Supported accommodation move on	A person living in supported accommodation and the Council has a formal move-on agreement with the housing provider and is ready for independent living and is engaging with appropriate support if identified as required.
Emergency medical	Applicants where their current accommodation is having a significant negative impact on their physical or mental health and rehousing is required immediately to resolve or alleviate the issue. Where a medical priority is awarded for a specific property type, for example for ground floor accommodation, the applicant will only be eligible for that specified type of accommodation with the medical priority award.
Domestic abuse, harassment	Applicants where there is evidence of a significant and ongoing risk of serious violence, domestic abuse and/or harassment, they are resident in a-refuge or other safe temporary accommodation and they cannot return to their home.
Armed forces	The spouse or partner of armed or reserve forces personnel that are required to leave their current armed forces accommodation following the death of a spouse or partner, and their death is as a result of their service.
Under occupying	Transfer applicants residing in social housing within the district who are under occupying their home and subject to the under-occupancy charge which is having a significant financial impact and are accruing rent arrears as a result.
Regeneration	Transfer applicants who are living in social housing within the district, which has been identified for redevelopment or regeneration and need to move to allow the redevelopment programme to proceed.

## 10.2. Band 1

Applicants will be placed into Band 1 where there is an urgent rehousing need identified, or there is an identified need for the property they are releasing to make the best use of housing stock.

Releasing an adapted property	Transfer applicants residing in social housing within the district that are releasing a property with major adaptations where the adaptations are no longer required and there is an identified housing need for the property. This excludes adaptations that do not alter the physical fabric of the building, e.g. stair lifts, temporary ramping, ceiling track hoists etc.
Under occupation	Transfer applicants residing in social housing within the district who have more bedrooms than their household requires, and there is an evidenced demand for their property.
Non-priority homeless	Applicants who have been assessed by Lichfield District Council under part VII of the Housing Act 1996 as no priority need homeless applicants and not owed a full homeless duty.
Homeless relief duty	Applicants who have been assessed by Lichfield District Council under the Homelessness Reduction Act 2017 as having a homeless relief duty owed.

Homeless prevention relief	Applicants who have been assessed by Lichfield District Council under the Homelessness Reduction Act 2017 as having a homeless prevention duty owed.
Overcrowded	Applicants who are living in overcrowded accommodation and are short of one or more bedrooms. Applicants who are 24 weeks pregnant where they will become overcrowded once the child is born, will only be eligible for accommodation where affordability of a larger property can be demonstrated until the birth. This assessment will include rooms that could reasonably be expected to be used as bedroom, such as a dining room. Priority will only be awarded where it can be evidenced that the applicant has not themselves deliberately caused the overcrowding.
Medical	Applicants whose current accommodation is having a negative impact on their physical or mental health and rehousing is required to resolve or alleviate the issue. Where a medical priority is awarded for a specific property type, for example for ground floor accommodation, the applicant will only be eligible for that specified type of accommodation with the medical priority award.
Emergency downgrade	Applicants who were originally placed within the Emergency Band and have refused a suitable offer of accommodation.

### 10.3. Band 2

Band 2 will be awarded where there is a housing need identified.

Hardship	Applicants that need to move into the district to access specialist facilities or employment located in the district, or to give or receive care that cannot be provided in the area where they currently live or would cause hardship to the applicant. Moves within the district may be considered where exceptional circumstances apply.
Relationship breakdown	Relationship breakdown (which includes parents/children as well as cohabiting couples), where still resident together - and no alternative accommodation available. Satisfactory evidence will need to be supplied that the relationship has broken down, with proof of residence at the address for the last 12 months.
Intentionally homeless	Assessed by Lichfield District Council under part VII of the Housing Act 1996 as intentionally homeless applicants and not owed a full homeless duty and meet the eligibility and qualification criteria.

### 11. Additional Preference

---

Additional preference will be given to armed forces personnel detailed in the local connection exemption in section 9.2 above. This will be done by backdating the date they were placed into the band (their band effective date).

### 12. Bedroom Eligibility

---

Applicants will be assessed to determine the size of property that their household requires. A household is defined as any other person who normally resides with the applicant as a member of his/her family or any other person who might reasonably be expected to reside with the applicant.

Only children permanently residing with the main applicant will be included on the application for rehousing and be awarded a bedroom entitlement. Proof of residency includes, child benefit, child tax credit, a court order or residency order.

Bedroom entitlement will be assessed as followed:

- One bedroom for each person or couple aged 16 or over.
- One bedroom for two children of the same gender aged 15 or under.
- One bedroom for two children aged 9 or under, regardless of gender.



## 12.1 Exceptions

Due to a shortage of larger properties, there will be occasions where larger families are offered properties that are smaller than their bedroom eligibility.

Exceptions may apply and additional bedrooms may be granted where:

- An applicant is pregnant and reached 24 weeks into this pregnancy, as long as they can provide evidence that they can afford the rent up until the birth of the child.
- A couple who cannot share because of a disability, evidence of qualifying benefits and supporting documentation will be required to support this entitlement.
- A person who requires an overnight carer who regularly sleeps at the property, evidence of qualifying benefits and supporting documentation will be required to support this entitlement.
- Two children who cannot share because of a disability, evidence of qualifying benefits and supporting documentation will be required to support this entitlement.
- A foster parent(s) or a parent(s) approved to adopt and awaiting placement of a child, evidence of supporting documentation will be required to support this entitlement.
- An applicant who has access to or shared residence of a child, evidence of this arrangement and proof of affordability for the additional room will be required. Restrictions will be placed on the application to allow for bidding on flatted accommodation only.

A Registered Provider may refuse a nomination if the nominated household is too large or too small for the vacant property according to their own lettings policies.

## 13. Offers of Accommodation

---

Applicants will be able to express interest (bid) on **up to three eligible properties per advertising cycle**. In the event that the applicant is in bid position number one for more than one property, the applicant must choose the home they want to be considered for. **Applicants cannot be considered for more than one property at a time.**

At the end of the advertising cycle a shortlist will be created of all eligible applicants that have expressed an interest in the property. The short list will place applicants in order of priority band, followed by their band effective date. The band effective date will take account of any additional preference awarded (see section 11). Exceptions to this will occur when a local letting plan (LLP) exists or the property has adaptations that will meet the specific needs of someone on the waiting list who requires these adaptations.

Any planning law that restricts who qualifies for a nomination to a property will be made clear in the advertisement, as will any other restrictions arising from a LLP or a Registered Provider policy to restrict access to certain categories or band of applicants.

In exceptional circumstances<sup>5</sup> the Council may make directly matched nominations without advertising properties. The number of and reasons for direct nominations will be monitored quarterly by the Housing Options Manager and details published annually in the Annual Lettings Plan.

Applicants placed into the Emergency Band will be entitled to one offer of accommodation only. Should the applicant not respond to requests to contact staff or refuse this offer, if following investigation this offer is deemed suitable, their qualification and their priority on the housing register will be reviewed, which may result in an applicant's banding being lowered.

Applicants placed in the Emergency Band as a result of the Council owing them a full homeless duty who fail to respond to requests to contact a Registered Provider or the Council in response to a bid placed or a direct match or who refuse an offer of suitable accommodation will be notified that the Council's homeless duty has been discharged and will be given notice to vacate any temporary accommodation offered. Applicants in bands 1 and 2 will be entitled to three offers of accommodation. Applicants in bands 1 and 2 who have either failed to respond to three offers, failed to respond to three invitations to view, refused three offers of accommodation or a combination of all three will be removed from the register, however with a choice based system it is unusual for bids to be made on properties that are later refused.

### **13.1. Registered Provider Statement**

The Registered Provider will be supplied with all relevant information on the household being nominated to the vacancy. The Registered Provider may complete their own assessment checks in line with their own lettings policies.

**The final decision on whether to offer a tenancy rests with the Registered Provider.**

## **14. Adapted or Specialist Properties**

---

Due to the scarcity of specialist and adapted properties, preference for such vacancies will sit outside of the normal allocation process. We will clearly note the additional criteria when the properties are advertised.

The Council will make the best use of the resource by carefully matching the adaptations to the applicant who would make best use of the adaptations. Expert opinions may be sought from medical professions such as consultants or Occupational Therapists to assist in the decision making. Should there be more than one household this would benefit, we will then take into account priority banding and the length of time an applicant has been waiting.

## **15. Local Lettings Policy**

---

On occasions LLP's will be agreed between the Council and the Registered Provider to set out criteria for the allocation of properties in certain areas, in addition to the rules set in this allocation scheme. These could be as a result of a planning condition on a site to ensure the homes developed are allocated to local people within the village or parish, applicants are employed local to the scheme or there is the need to try and

---

<sup>5</sup> This will include but not be limited to a property having specific adaptations, a Registered Provider having no suitable applicants bidding for a property or the inability to advertise properties in the usual way during a pandemic.

create a more balanced and sustainable community in an area that is prone to anti-social behaviour. We will clearly note the additional criteria when the properties are advertised.

All LLP's will be approved by the Cabinet Member with responsibility for Housing and will be published alongside this scheme on our website. The impact of all plans in place will be reviewed annually in conjunction with the relevant Registered Provider to ensure they are still needed and are in line with current guidance and legislation.

## 16. Change of Circumstances

---

It is the applicant's responsibility to inform us of any change of circumstance that would mean a review to their eligibility, qualification or priority on the housing register. Failure to do so in a timely manner may mean any offer of accommodation is withdrawn and the application is cancelled.

**Applicants should not wait until the annual review to advise of any change in circumstances.**

## 17. Annual Reviews

---

A review of an applicant's circumstances will be undertaken every year on the anniversary date of their application by email. Applicants are required to log into their account and confirm that their circumstances have not changed and that they still wish to remain on the housing register.

It is important that an applicant informs us whether there has been any change in circumstance that could affect their eligibility or qualification to be included on the register, or their housing priority. If no response is received within 28 calendar days of this request, the application will be closed.

If an applicant is known to be vulnerable, every effort will be made to contact them, either by telephone or by contacting their relevant support agency.

## 18. Cancelling or Suspending Applications

---

If an applicant no longer wishes to remain on the housing register, they can cancel their application at any time by logging on to their account.

The council will only cancel the application when:

- the applicant has been rehoused,
- we have received notification from an executor or next of kin that the applicant is deceased, and they were the sole applicant,
- evidence is obtained that the applicant is no longer eligible or qualifies for rehousing
- the applicant does not respond to a request for information or evidence within 28 calendar days from the date of request, including responding to annual reviews and requests for evidence required to end a suspension of an application.
- Applicants in bands 1 and 2 who have either failed to respond to three offers, failed to respond to three invitations to view, refused three offers of accommodation or a combination of all three.

*Please note an offer of a direct nomination, even where the property suits the applicant's needs, and is in an area identified by the applicant as an area they wish to move to will not be classed as a formal offer unless an applicant has expressed an interest in being put forward. Some housing associations ask us to send them nominations directly from our housing list. We will send them the details of applicants who have told us they are interested in being nominated in that area. Generally, we will nominate people in priority order, following the rules in our Allocations Policy. This means the higher your housing need, the more likely you are to be nominated. An applicant is contacted before a referral for a direct nomination is made.*

#### We will suspend applications when it is discovered:

---

- that the applicant or a person on the applicant's behalf has given false or deliberately misleading information or withheld information that is relevant to their housing application.
  - that the applicant has housing related debt of £200.00 and cannot evidence regular payments being made over the last 6 months to remedy the debt. Housing related debt is defined as: rent arrears; service charges; housing related court costs; rechargeable repairs.
  - that the applicant or members of their household engage in or have been found responsible for unacceptable behaviour within the last 12 months will not qualify to join the housing register for a minimum of six months from the date of application. Unacceptable behaviour is defined as behaviour which, should they have been a tenant of a Registered Provider at the time, would have been serious enough to have resulted in an order for possession being granted by a Court, in accordance with Part VI Housing Act 1996. This includes: anti-social behaviour or noise nuisance, perpetrators of domestic abuse, harassment or intimidation, violent or aggressive behaviour, including physical, verbal or intimidating behaviour resulting in a referral to the police, offending behaviour that would impact on the community, such as drug dealing, racially motivated attacks or hate crime (This list is not exhaustive) After six months the application may be made live again where they can evidence a demonstrable change in this behaviour.
- 
- an applicant has placed no bids for properties or have failed to log in to their accounts within sixty days. An investigation will take place before the decision is made to suspend the application.

#### 19. Reviews and the right to request information

---

An applicant has the right to request general information about how their application will be assessed and their prospects of gaining an offer of accommodation by a Registered Provider, including:

- a. general information about (broadly) their prospects and
- b. information about decisions concerning the facts of an applicant's case.

An applicant has the right to request a review of any adverse decision made about their housing application. This must be made within 28 calendar days from the date of being notified of the decision if it is felt that we have not taken into account all of the relevant information or if we have made a decision unfairly.

Reviews may be requested for decisions on:

- Whether an applicant is eligible to join the housing register
- Whether an applicant qualifies to join the housing register

- The initial assessment and determination of the level of priority of an application
- The reassessment and any change in the level of priority, following an applicant's change of circumstances.
- The cancelling of an application for whatever reason

A guide to the review procedure can be found on our website:

<https://www.lichfielddc.gov.uk/housing/lichfield-district-homes/2>

**Where a Registered Provider makes a decision not to offer a particular home to an applicant, the applicant should follow the Registered Provider's appeals or complaints procedure if they are unhappy with the decision made by the Registered Provider.**

### 19.1. Review stages

#### Stage 1

Applicants should submit their request for review in writing or via a third party (with the applicant's express consent), stating the reasons why they feel the decision is incorrect or has been judged unfairly, and should provide any supplementary evidence to support their case along with this request.

#### 19.2. Stage 2

If following the outcome of stage 1 an applicant still feels that the decision is incorrect or has been judged unfairly, they must advise the Council in writing that they wish for their complaint to be reviewed. Within this they must state the reasons why they feel the decision is incorrect or has been judged unfairly and provide supplementary evidence to support their case along with this request.

Applicants will be notified in writing of the outcome of either stage within 28 calendar days. We may agree a longer timescale if required.

Our review procedure can be found at (<https://www.lichfielddc.gov.uk/housing/lichfield-district-homes/2>)

**Registered Providers will not hold any vacant properties pending the outcome of a review. If a decision is overturned on review, appropriate action will be taken to reinstate or re-assess the application.**

## 20. Review & Monitoring

---

Review and Monitoring of the allocations scheme will take place 12 months after the allocation scheme start date to ensure that it is working effectively and to review its impact.

A full review will take place after 3 years, or sooner should a change in legislation or other change dictate that a review is required.

Any minor changes to the scheme within this timeframe will be approved by the Cabinet Member with responsibility for housing and homelessness, currently the Cabinet Member for Housing, Ecology and Climate Change.

This page is intentionally left blank

# Lichfield District Council - Allocation Scheme 2023 (showing tracked changes)

---

In Partnership with:



### Contents

---

1. Introduction
2. Aims & Objectives
3. Data Protection Statement
4. Equal Opportunities Statement
5. Statement on Choice
6. How applications will be dealt with
  - 6.1. Registration
  - 6.2. Process after registration
  - 6.3. Applications from Employees, Elected Members and Board Members
7. Deliberately Providing False or Misleading Information or Withholding Information
8. Eligibility
  - 8.1. Immigration Status
9. Qualifying & Non-Qualifying Persons
  - 9.1. Age
  - 9.2. Local Connection & Residency
  - 9.3. Unacceptable Behaviour
  - 9.4. Housing Related Debt
  - 9.5. Sustainability
  - 9.6. Financial Resources
  - 9.7. Homeowners
10. Priority
  - 10.1. Emergency Band
  - 10.2. Band 1
  - 10.3. Band 2
11. Additional Preference
12. Bedroom Entitlement
  - 12.1. Exceptions
13. Offers of Accommodation
  - 13.1 Registered Provider Statement
14. Adapted or Specialist Properties
15. Local Lettings Policy
16. Change of Circumstances
17. Annual Reviews
18. Cancelling Applications
19. Reviews and the right to request information
  - 19.1. Review stages.
20. Review & Monitoring



## Appendix B

### 1. Introduction

---

Every local housing authority in England is required by law to have an allocation scheme in place which determines who is eligible and qualifies to join the scheme, how priority is determined between applicants in housing need when applying for social housing<sup>1</sup> and the procedure to be followed when allocating homes.

The Council has a duty to provide housing advice and assistance and to prevent and relieve homelessness. In order to meet housing needs within the district and enable us to discharge our duties, we work in close partnership with Registered Providers who own and manage all social housing.

Registered Providers have a duty to cooperate with the Council in offering accommodation to people in housing need under the Council's allocation scheme. We do this by entering into a nomination agreement with the Registered Provider that outlines the percentage of properties that will be made available to the Council through the scheme. A nomination to the Registered Provider will then be made in accordance with this allocation scheme and Registered Providers will consider the nomination against their own allocation criteria.

Registered Providers who own and manage social homes within Lichfield district are:

- Advance
- Bromford
- Clarion
- Family Optima
- Housing 21
- Metropolitan
- Midland Heart
- Orbit
- Platform Housing
- Riverside
- Sanctuary
- Stonewater
- Trent & Dove
- WHG
- The Wrekin Housing Group

---

<sup>1</sup> Social housing/homes in this context refers to both social rented and affordable rented homes.

## Appendix B

We acknowledge that there is a shortage of social homes to rent within the district, therefore our allocation scheme has been framed to give priority to those applicants in the greatest level of housing need and reflect our local priorities to make the best use of the social homes available.

### 2. Aims & Objectives

---

The scheme has been developed with a view to meeting the following principles and key objectives:

- To have a clear, transparent and accountable system for assessing applicants and to allocate homes in a way that is easy to understand and administer.
- To award preference to those in greatest housing need to make the best use of limited number of social homes available.
- To take into account local priorities and support our Housing, Homelessness and Rough Sleeping Strategy.
- To maximise opportunities for applicants to make informed choice by providing good information on rehousing prospects including alternative housing options.
- To develop positive working relationships with other agencies to identify and meet housing need to create sustainable tenancies.
- Where we can, provide tenancy support to mitigate the risk of tenancy failures and prevent repeat homelessness.
- To support the development and sustainability of thriving communities.
- To meet the requirements set out in law, regulation and guidance and promote best practice.

### 3. Data Protection Statement

---

We will only ask applicants to supply information that is required as part of the application process to determine eligibility, qualification and assess housing need. We will only record and store information that is necessary for the assessment and allocation of social housing.

As part of the housing need assessment process we will make enquiries into an applicant's housing history; by applying to be entered onto the housing register an applicant is agreeing to us making these enquiries. If an applicant does not agree to us making these enquiries, we are unable to accept their application

We will ensure that all information held on the housing register remains confidential. This will not be disclosed to a third party without prior consent from the applicant.

To enable us to share information and nominate applicants to our partner Registered Providers with homes in the district, we have developed an information sharing protocol. This protocol establishes the procedural arrangements for the secure exchange of information for the purpose of nominations to the Registered Providers. By applying to be entered onto the housing register, an applicant is agreeing to this information being shared with our partner Registered Providers. We will make this clear at the point of application and review.

In accordance with the Data Protection Act 2018, applicants have the right to request a copy of all the information held about them.

### 4. Equal Opportunities Statement

---

## Appendix B

We are committed to promoting equal opportunities, embracing diversity and preventing and eliminating unlawful discrimination, harassment and victimisation.

We recognise that our customers are individuals; we will focus on their particular circumstances to assess their specific housing needs in line with the allocation scheme framework. We commit that the scheme will be accessible, responsive and sensitive to the diverse needs of our customers, ensuring that equality and diversity is at the heart of everything we do.

We will ensure that all potential applicants will have accessible information on how to access the scheme and how to express an interest in the homes available. We acknowledge that some people may require assistance in accessing the housing register and participating in the allocations scheme. For those people that do not have a trusted person, such as a family member or advocate upon whom they can rely, we will ensure that these individuals receive the help and assistance they require.

The impact of the changes to the scheme has been monitored throughout the process and an Equalities Impact Assessment (EIA) is published alongside the document to ensure we continue to be clear, transparent and accountable for our actions.

In order for us to continue to monitor the impact of the scheme, all applicants will be asked to provide demographic information when they apply to join the housing register. This information will be regularly reviewed to ensure we meet our legal obligations in regards to the Equality Act 2010 and Public Sector Equality Duty.

### 5. Statement on Choice

---

We seek to give every eligible and qualifying applicant choice in relation to the location of their accommodation by advertising vacancies and inviting expressions of interest (bids) on these vacancies. Restrictions will apply in terms of the bedroom size and type of property allocated in accordance with the allocation scheme to ensure we make the best use of the homes available.

For those placed into the Emergency Band, which reflects their critical need to be rehoused, we need to balance the level of choice with the urgent need to rehouse the applicant. Applicants within this Band will be given dedicated advice and support from a Housing Options Officer at the Council who will ensure they are bidding on suitable properties when they become available. The Council will review applicants placed in the Emergency Band after 4 weeks to decide whether they can remain within the Band. This review will include whether the applicant has been bidding on properties that were suitable and available during this time and where appropriate a direct offer of accommodation may be made.

We acknowledge that due to high demand for certain types of properties in the district it is not possible to re-house every potential applicant through the scheme. We will therefore publish an Annual Lettings Report that will include information to assist applicants to make informed choices about their housing options.

### 6. How applications will be dealt with

---

The administration of the housing register and allocation scheme will be done by the housing services team at Lichfield District Council.

#### 6.1 Registration

## Appendix B

Applicants wishing to join the scheme will need to complete an online application form at <https://lichfielddistricthomes.housingjigsaw.co.uk/>. Should an applicant require assistance with registration, this will be provided on request.

Once an application has been submitted, an applicant will be prompted to supply proof of eligibility, qualification and any other relevant documents to support the information given in the application. This will need to be provided within 28 calendar days of registration; should this not be received the application will be automatically cancelled.

Information required will be:

- Identification for the main and any joint applicant (Passport, driving licence, birth certificate).
- Identification for any household member aged 18 or over (Passport, driving licence, birth certificate).
- Proof of immigration status if classed as a person from abroad.
- Proof of current address for the main and any joint applicant (utility bill, bank statement).
- 5 year address history including, if relevant, any landlord contact details.
- Proof of residency of any children who require rehousing with the main or joint applicant (Birth certificate and child benefit award, child tax credit, court order, residency order).
- Landlord reference from current or last settled address, where applicable.
- Proof of income, savings and equity.
- Proof of repayment plans for any housing related debt, where applicable.
- Proof of any pre-tenancy training qualifications where successfully completed.
- Any evidence requested to support the application and assessment of housing need.

(List not exhaustive).

We will use this supporting documentation to verify and assess an applicant's eligibility and qualification to join the housing register and which priority status they have been awarded. The applicant will be notified in writing of this decision within 28 calendar days from receipt of all proofs and supporting evidence being submitted.

### 6.2 Process after registration

Once an applicant has been notified in writing that their application has been accepted onto the register, they will then be allowed to express an interest (bid) for homes available through the scheme. Applicants will only be able to bid for properties that meet their needs in accordance with the criteria set out within this allocation scheme, e.g. a single person will only be allowed to bid on studio or one bedroomed apartments. Should an applicant require assistance with understanding the system and how to place bids on properties, they should request assistance from the Council.

### 6.3. Applications from Employees or Elected Members

Applications can be made by employees or elected **members**, but applicants must declare this at the time of application. Applications will be assessed in accordance with this scheme for eligibility, qualification and housing need. Any priority awarded and any subsequent offer of accommodation will be authorised by a senior officer.

## 7. Deliberately Providing False or Misleading Information or Withholding Information

---

## Appendix B

Fraudulent behaviour is taken very **seriously**, and all appropriate action will be taken to address this.

It is a criminal offence for an applicant or person on the applicant's behalf to knowingly or recklessly give false or deliberately misleading information or withhold information which is reasonably required. A person found guilty of such an offence will **have their application suspended for** a period of at least 6 months.

Offences under these provisions are prosecuted in the magistrates' court and carry a maximum fine of level 5 on the standard scale. Failure to inform of changes to an application, or deliberately withholding information relevant to, or misrepresenting housing circumstances, may result in criminal prosecution. A Registered Provider may seek possession of a tenancy that was granted as a result of a false statement and may also attempt to recover any costs incurred.

### 8. Eligibility

---

We are only able to allocate social homes to applicants who are eligible in accordance with the Housing Act 1996, section 160ZA.

#### 8.1. Immigration Status

Those who are not eligible for social housing or homelessness assistance are applicants from abroad prescribed by legislation to be ineligible, or applicants subject to immigration control, unless exempted from these rules by the Secretary of State<sup>2</sup>. Please note we will apply the most up to date legislation at the time of application when making our assessments.

If there is any uncertainty over an applicant's immigration status, advice will be sought from the Home Office.

An applicant who is already in a secure or introductory tenancy or an assured tenancy allocated by the local housing authority is not subject to these eligibility requirements.

### 9. Qualifying & Non-Qualifying Persons

---

#### 9.1. Age

Any person aged 18 or over can apply to join the housing register; applicants under the age of 18 will only be accepted in exceptional circumstances where:

- Lichfield District Council has accepted a statutory homeless duty to the applicant and the applicant is ready for independent living OR
- A young person who has been looked after, fostered or accommodated, has a duty of care accepted under the Children's Act 1989, and is ready for independent living.

Any applicant under 18 cannot by law be granted a tenancy, however this can be held in trust until they reach the age of 18 by a trustee. A trustee will be required to sign a tenancy on the applicant's behalf, be deemed as an appropriate person and have the financial resources to afford the costs of the home.

---

<sup>2</sup> The Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006

## Appendix B

It is at the discretion of the individual Registered Provider to accept applicants under the age of 18 for a tenancy, regardless of having a trustee.

### 9.2 Local Connection and Residency

In order to qualify for the housing register, an applicant or joint applicant must satisfy at least **one** of the following criteria:

- Has lived in the district for at least the last 2 years at the point of application.
- Has lived in the district for a total of 3 out of the last 5 years (doesn't have to be continuous).
- Is homeless or threatened with homelessness, is engaging with Lichfield District Council to resolve their homelessness, is owed a prevention, relief or full statutory homeless duty and meet the local connection criteria contained within the homelessness legislation.
- A young person owed a leaving care duty under section 23C of the Children Act 1989 by Staffordshire County Council will have a local connection to the district.
- A care leaver under the age of 21 who has lived in Lichfield district for at least two years, including some time before they turned 16, and the local authority which owes them the leaving care duty is not Staffordshire County Council.
- Has close adult relatives (mother, father, adult children, brothers or sisters) where a meaningful relationship exists and those relatives currently live in the district and can evidence they have done so for the last 5 years. Consideration will be given to other relatives where a meaningful relationship can be evidenced by the applicant.
- Is currently employed in the district, either on a permanent or temporary contract running for a minimum of 6 months, usually those working less than 16 hours per week will be treated as non-qualifying.
- Any other special circumstances (these will be exceptional).

Those applicants without a local connection will be treated as non-qualifying and will be unable to join the housing register, unless the following exemptions apply:

- Applicants fleeing domestic abuse or harassment where we accept that they cannot return to any area where they have a local connection because of the violence/threat of violence.
- Applicants wishing to move to the district as a result of witness protection, where this can be evidenced by a relevant professional, following an application on the grounds of homelessness.
- Applications from armed forces personnel
  - serving in the regular forces or who has served in the regular forces within five years of the date of their application for an allocation of housing under Part 6 of the 1996 Act;
  - who have recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner where—
    - (i) the spouse or civil partner has served in the regular forces; and
    - (ii) their death was attributable (wholly or partly) to that service; or
    - (iii) is serving or has served in the reserve forces and who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to that service.
- Applicants that wish to move into the district as they are in paid employment or have accepted an offer of paid employment within the district, and failure to do so would cause them hardship will have the right to a local connection. The distance travelled, the availability and affordability of

## Appendix B

transport, the nature of the work and whether similar opportunities are available locally, as well as the length of employment will be taken into consideration when assessing whether an applicant qualifies to join the housing register.

Please note, some homes in the district have restrictions placed on who qualifies to live there by planning regulations. In these instances the planning related restrictions will always take priority over any qualifying criteria in this allocation scheme.<sup>3</sup>

### 9.3. Unacceptable Behaviour

Applicants, or members of their household, that engage in or have been found responsible for unacceptable behaviour within the last 12 months will not qualify to join the housing register for a minimum of six months from the date of application.

Unacceptable behaviour is defined as behaviour which, should they have been a tenant of a Registered Provider at the time, would have been serious enough to have resulted in an order for possession being granted by a Court, in accordance with Part VI Housing Act 1996. This includes:

- anti-social behaviour or noise nuisance
- perpetrators of domestic abuse
- harassment or intimidation
- violent or aggressive behaviour, including physical, verbal or intimidating behaviour resulting in a referral to the police.
- offending behaviour that would impact on the community, such as drug dealing, racially motivated attacks or hate crime

(This list is not exhaustive)

After six months the applicant may reapply where they can evidence a demonstrable change in this behaviour.

Where unacceptable behaviour becomes apparent after registration, the application will be suspended for a minimum of six months or until such time where they can evidence a demonstrable change in their behaviour.

### 9.4. Housing Related Debt

Applicants who have a housing related debt over £200 and cannot evidence regular payments being made over the last 6 months to remedy the debt will be unable to join the housing register. Housing related debt is defined as:

- rent arrears<sup>4</sup>
- service charges
- housing related court costs
- rechargeable repairs

---

<sup>3</sup> S106 Town and Country Planning Act 1990

<sup>4</sup> Exceptions may be made where a social housing tenant has arrears as a result of a restriction in housing benefit due to under occupancy which is not considered to be a deliberate act.

## Appendix B

Each case will be considered on its own merits, any exceptional circumstances will be considered where evidence exists to support the case and should be submitted with the request for supporting information to join the register.

Acceptance onto the housing register is on the condition that regular repayments are maintained, which will be checked prior to any offer being made.

Where housing related debt becomes apparent after an applicant has been accepted onto the housing register, the application will be suspended for six months or until such time as it can be evidenced that a payment plan has been adhered to for the last six months, or the debt is settled in full, whichever is soonest.

Lichfield District Council will contact the customer to request proof of the payment plan. Failure to respond to this contact within 28 days will result in the application being closed.

Applicants should note that Registered Providers will apply their own lettings criteria when deciding whether to offer a home; some will expect the arrears to be paid in full at this time.



## Appendix B

### 9.5. Sustainability

Applicants who are deemed not to be able to sustain a tenancy without support, and this support has been refused by the applicant will be unable to join the housing register.

### 9.6. Financial Resources

Any applicant who has the financial means to resolve their own housing circumstances will not be able to join the housing register. For clarity, this means either:

- Households with children with a gross income (excluding non-dependants income) of over £60,000.
- Single applicants or couples with no children with a gross income of over £45,000.
- Savings and/or assets totalling over £16,000.

Monies that can be evidenced as received as a compensation payment as a result of serving in the regular or reserve armed forces will be disregarded.

Exceptions may be made where an applicant residing in social rented accommodation within the district is looking to downsize where there is an identified need for the size of property being released.

We acknowledge that the majority of specialist homes for the over 50's are in the social housing sector, therefore discretion will be applied to this ruling for those applicants over the age of 50 that have expressed a desire for this type of housing, to allow them to access these schemes only.

### 9.7. Homeowners

Applicants that own or part own a freehold or leasehold property in the UK or abroad will be unable to join the housing register. Discretion to this ruling will be applied where exceptional circumstances apply, these may include:

- Evidence supplied that the property is having a significant detrimental impact on the health of the applicant, it has been verified by a professional that the property cannot be adapted to meet their needs and they have limited financial resources to meet their own housing needs elsewhere.
- The current property is unaffordable and the applicant does not have the financial resources to meet their rehousing needs. This will be assessed through an application on the grounds of homelessness
- Cases where the applicant or a member of their household is suffering from domestic abuse or harassment, and there is evidence to suggest emergency rehousing is required. This will be assessed through an application on the grounds of homelessness.

If homeowners are accepted onto the housing register, they will need to evidence they are in the process of selling their home prior to any offer being made.

9.8 Applicants that do not fulfil any of the housing need categories outlined within the priority bands below will be assessed as having no housing need and therefore will not qualify to join the housing register, Lichfield District Homes.

9.9 Applications may be considered from applicants who do not fulfil any of the housing need categories where exceptional circumstances can be demonstrated.

## Appendix B

### 10. Priority

Applicants will be prioritised according to the assessment of their housing need based on the priority banding criteria set out in this allocation scheme. Where applicants have the same priority award, the length of time they have been waiting within the band will be taken into account.

**10.1. Emergency Band** Applicants will be placed into the Emergency Band if their need for housing is assessed as being so exceptional that they take priority over all other applicants in the scheme.

Statutory homeless	Assessed by <b>Lichfield District</b> Council as statutorily homeless and are owed a full housing duty under part VII of the Housing Act 1996, as amended by the Homelessness Act 2002 and the Homelessness Reduction Act 2017.
Statutory overcrowded	Assessed by the Council as statutorily overcrowded under Pt 10 Housing Act 1985 or resulted in the Council serving a Prohibition Order or Suspended Prohibition Order. This assessment will include rooms that could reasonably be expected to be used as bedrooms, such as a dining room. Priority will only be awarded where it can be evidenced that the applicant has not themselves deliberately caused the overcrowding.
Housing that poses a serious risk to health, safety or welfare.	Assessed by the Council as having serious health and safety hazards, which have resulted in the Council serving a Prohibition Order, a Suspended Prohibition Order or a Suspended Improvement Notice, the conditions of which cannot be remedied by the owner and it can be established that the hazards are not an act of wilful damage or neglect by the occupant.
Care leavers	A young person who has been looked after, fostered or accommodated and has a duty of care accepted under the Children Act 1989 who is ready for independent living, and is engaging with appropriate support if identified as required.
Supported accommodation move on	A person living in supported accommodation and the Council has a formal move-on agreement with the housing provider, and is ready for independent living and is engaging with appropriate support if identified as required.
Emergency medical	Applicants where their current accommodation is having a significant negative impact on their physical or mental health and rehousing is required immediately to resolve or alleviate the issue. Where a medical priority is awarded for a specific property type, for example for ground floor accommodation, the applicant will only be eligible for that specified type of accommodation with the medical priority award.
Domestic abuse, harassment	<del>Applications on these grounds will need to have a homeless application and will be banded in accordance of the homeless duty decision.</del>  Applicants where there is evidence of a significant and ongoing risk of serious violence, domestic abuse and/or harassment, they are resident in a refuge or other safe temporary accommodation and they cannot return to their home
Armed forces	The spouse or partner of armed or reserve forces personnel that are required to leave their current armed forces accommodation following the death of a spouse or partner, and their death is as a result of their service.
Under occupying	Transfer applicants residing in social housing within the district who are under occupying their home and subject to the under occupancy charge which is having a significant financial impact and are accruing rent arrears as a result.
Regeneration	<b>Transfer</b> applicants who are living in social housing <b>within the district</b> , which has been identified for redevelopment or regeneration and need to move to allow the redevelopment programme to proceed.

## Appendix B

### 10.2. Band 1

Applicants will be placed into Band 1 where there is an urgent rehousing need identified, or there is an identified need for the property they are releasing to make the best use of housing stock.

Releasing an adapted property	Transfer applicants residing in social housing <b>within the district</b> that are releasing a property with major adaptations where the adaptations are no longer required and there is an identified housing need for the property. This excludes adaptations that do not alter the physical fabric of the building, e.g. stair lifts, temporary ramping, ceiling track hoists etc.
Under occupation	Transfer applicants residing in social housing within the district who have more bedrooms than their household requires, and there is an evidenced demand for their property.
Non-priority homeless	Assessed by <b>Lichfield District</b> Council under part VII of the Housing Act 1996 as no priority need homeless applicants and not owed a full homeless duty.
Homeless relief duty	Applicants who have been assessed by <b>Lichfield District Council</b> under the Homelessness Reduction Act 2017 as having a homeless relief duty owed.
<b>Homeless prevention</b> <b>Moved to Band 1</b>	<b>Applicants who have been assessed by Lichfield District Council under the Homelessness Reduction Act 2017 as having a homeless prevention duty owed.</b>
Overcrowded	Applicants who are living in overcrowded accommodation and are short of one or more bedrooms. <b>Applicants who are 24 weeks pregnant where they will become overcrowded once the child is born, will only be eligible for accommodation where affordability of a larger property can be demonstrated until the birth.</b> This assessment will include rooms that could reasonably be expected to be used as bedroom, such as a dining room. Priority will only be awarded where it can be evidenced that the applicant has not themselves deliberately caused the overcrowding.
Medical	Applicants whose current accommodation is having a negative impact on their physical or mental health and rehousing is required to resolve or alleviate the issue. Where a medical priority is awarded for a specific property type, for example for ground floor accommodation, the applicant will only be eligible for that specified type of accommodation with the medical priority award.
Emergency downgrade	Applicants who were originally placed within the Emergency Band and have refused a suitable offer of accommodation.

## Appendix B

### 10.3. Band 2

Band 2 will be awarded where there is a housing need identified.

Hardship	Applicants that need to move into the district to access specialist facilities or employment located in the district, or to give or receive care that cannot be provided in the area where they currently live or would cause hardship to the applicant. Moves within the district may be considered where exceptional circumstances apply.
Relationship breakdown	Relationship breakdown (which includes parents/children as well as cohabiting couples), where still resident together - and no alternative accommodation available. Satisfactory evidence will need to be supplied that the relationship has broken down, with proof of residence at the address for the last 12 months.
Intentionally homeless	Assessed by Lichfield District Council under part VII of the Housing Act 1996 as intentionally homeless applicants and not owed a full homeless duty and meet the eligibility and qualification criteria.

### 11. Additional Preference

---

Additional preference will be given to armed forces personnel detailed in the local connection exemption in section 9.2 above. This will be done by backdating the date they were placed into the band (their band effective date).

### 12. Bedroom Eligibility

---

Applicants will be assessed to determine the size of property that their household requires. A household is defined as any other person who normally resides with the applicant as a member of his/her family or any other person who might reasonably be expected to reside with the applicant.

Only children permanently residing with the main applicant will be included on the application for rehousing and be awarded a bedroom entitlement. Proof of residency includes, child benefit, child tax credit, a court order or residency order.

Bedroom entitlement will be assessed as followed:

- One bedroom for each person or couple aged 16 or over.
- One bedroom for two children of the same gender aged 15 or under.
- One bedroom for two children aged 9 or under, regardless of gender.

#### 12.1 Exceptions

Due to a shortage of larger properties, there will be occasions where larger families are offered properties that are smaller than their bedroom eligibility.

Exceptions may apply and additional bedrooms may be granted where:

- An applicant is pregnant and reached 24 weeks into this pregnancy, as long as they can evidence they can afford the rent up until the birth of the child.
- A couple who cannot share because of a disability, evidence of qualifying benefits and supporting documentation will be required to support this entitlement.

## Appendix B

- A person who requires an overnight carer who regularly sleeps at the property, evidence of qualifying benefits and supporting documentation will be required to support this entitlement.
- Two children who cannot share because of a disability, evidence of qualifying benefits and supporting documentation will be required to support this entitlement.
- A foster parent(s) or a parent(s) approved to adopt and awaiting placement of a child, evidence of supporting documentation will be required to support this entitlement.
- An applicant who has access to or shared residence of a child, evidence of this arrangement and proof of affordability for the additional room will be required. Restrictions will be placed on the application to allow for bidding on flatted accommodation only.

A Registered Provider may refuse a nomination if the nominated household is too large or too small for the vacant property according to their own lettings policies.

### 13. Offers of Accommodation

---

Applicants will be able to express interest (bid) on **up to three eligible properties per advertising cycle**. In the event that the applicant is in bid position number one for more than one property, the applicant must choose the home they want to be considered for. **Applicants cannot be considered for more than one property at a time.**

At the end of the advertising cycle a shortlist will be created of all eligible applicants that have expressed an interest in the property. The short list will place applicants in order of priority band, followed by their band effective date. The band effective date will take account of any additional preference awarded (see section 11). Exceptions to this will occur when a local letting plan (LLP) exists or the property has adaptations that will meet the specific needs of someone on the waiting list who requires these adaptations.

Any planning law that restricts who qualifies for a nomination to a property will be made clear in the advertisement, as will any other restrictions arising from a LLP or a Registered Provider policy to restrict access to certain categories or band of applicants.

In exceptional circumstances<sup>5</sup> the Council may make directly matched nominations without advertising properties. The number of and reasons for direct nominations will be monitored quarterly by the Housing Options Manager and details published annually in the Annual Lettings Plan.

Applicants placed into the Emergency Band will be entitled to one offer of accommodation only. Should the applicant not respond to requests to contact staff or refuse this offer, if following investigation this offer is deemed suitable, their qualification and their priority on the housing register will be reviewed, which may result in an applicant's banding being lowered.

Applicants placed in the Emergency Band as a result of the Council owing them a full homeless duty who fail to respond to requests to contact a Registered Provider or the Council in response to a bid placed or a direct match or who refuse an offer of suitable accommodation will be notified that the Council's homeless duty has been discharged and will be given notice to vacate any temporary accommodation offered. Applicants in bands 1 and 2 will be entitled to three offers of accommodation. Applicants in bands 1 and 2 who have either failed to respond to three offers, failed to respond to three invitations to view, refused three offers of

---

<sup>5</sup> This will include but not be limited to a property having specific adaptations, a Registered Provider having no suitable applicants bidding for a property or the inability to advertise properties in the usual way during a pandemic.

## Appendix B

accommodation or a combination of all three will be removed from the register, however with a choice based system it is unusual for bids to be made on properties that are later refused.

### 13.1. Registered Provider Statement

The Registered Provider will be supplied with all relevant information on the household being nominated to the vacancy. The Registered Provider may complete their own assessment checks in line with their own lettings policies.

**The final decision on whether to offer a tenancy rests with the Registered Provider.**

### 14. Adapted or Specialist Properties

---

Due to the scarcity of specialist and adapted properties, preference for such vacancies will sit outside of the normal allocation process. We will clearly note the additional criteria when the properties are advertised.

The Council will make the best use of the resource by carefully matching the adaptations to the applicant who would make best use of the adaptations. Expert opinions may be sought from medical professions such as consultants or Occupational Therapists to assist in the decision making. Should there be more than one household this would benefit, we will then take into account priority banding and the length of time an applicant has been waiting.

### 15. Local Lettings Policy

---

On occasions LLP's will be agreed between the Council and the Registered Provider to set out criteria for the allocation of properties in certain areas, in addition to the rules set in this allocation scheme. These could be as a result of a planning condition on a site to ensure the homes developed are allocated to local people within the village or parish, applicants are employed local to the scheme or there is the need to try and create a more balanced and sustainable community in an area that is prone to anti-social behaviour. We will clearly note the additional criteria when the properties are advertised.

All LLP's will be approved by the Cabinet Member with responsibility for Housing and will be published alongside this scheme on our website. The impact of all plans in place will be reviewed annually in conjunction with the relevant Registered Provider to ensure they are still needed and are in line with current guidance and legislation.

### 16. Change of Circumstances

---

It is the applicant's responsibility to inform us of any change of circumstance that would mean a review to their eligibility, qualification or priority on the housing register. Failure to do so in a timely manner may mean any offer of accommodation is withdrawn and the application is cancelled.

**Applicants should not wait until the annual review to advise of any change in circumstances.**

### 17. Annual Reviews

---

A review of an applicant's circumstances will be undertaken every year on the anniversary date of their application by email. Applicants are required to log into their account and confirm that their circumstances have not changed and that they still wish to remain on the housing register.

## Appendix B

It is important that an applicant informs us whether there has been any change in circumstance that could affect their eligibility or qualification to be included on the register, or their housing priority. If no response is received within 28 calendar days of this request, the application will be closed.

If an applicant is known to be vulnerable, every effort will be made to contact them, either by telephone or by contacting their relevant support agency.

### 18. Cancelling or Suspending Applications

---

If an applicant no longer wishes to remain on the housing register, they can cancel their application at any time by logging on to their account.

The council will only cancel the application when:

- the applicant has been rehoused,
- we have received notification from an executor or next of kin that the applicant is deceased and they were the sole applicant,
- evidence is obtained that the applicant is no longer eligible or qualifies for rehousing
- the applicant does not respond to a request for information or evidence within 28 calendar days from the date of request, including responding to annual reviews and requests for evidence required to end a suspension of an application.
- Applicants in bands 1 and 2 who have either failed to respond to three offers, failed to respond to three invitations to view, refused three offers of accommodation or a combination of all three.

Please note an offer of a direct nomination, even where the property suits the applicant's needs and is in an area identified by the applicant as an area they wish to move to will not be classed as a formal offer unless an applicant has expressed an interest in being put forward. Some housing associations ask us to send them nominations directly from our housing list. We will send them the details of applicants who have told us they are interested in being nominated in that area. Generally, we will nominate people in priority order, following the rules in our Allocations Policy. This means the higher your housing need, the more likely you are to be nominated. An applicant is contacted before a referral for a direct nomination is made.

We will suspend applications when:

- it is discovered that the applicant or a person on the applicant's behalf has given false or deliberately misleading information or withheld information that is relevant to their housing application,
- it is discovered that the applicant has housing related debt of £200.00 and cannot evidence regular payments being made over the last 6 months to remedy the debt. Housing related debt is defined as: rent arrears; service charges; housing related court costs; rechargeable repairs. ed
- it is discovered that the applicant or members of their household engage in or have been found responsible for unacceptable behaviour within the last 12 months will not qualify to join the housing register for a minimum of six months from the date of application. Unacceptable behaviour is defined as behaviour which, should they have been a tenant of a Registered Provider at the time, would have been serious enough to have resulted in an order for possession being granted by a Court, in accordance with Part VI Housing Act 1996. This includes: anti-social behaviour or noise nuisance, perpetrators of domestic abuse, harassment or intimidation, violent or aggressive behaviour, including physical, verbal or intimidating behaviour resulting in a referral to the police, offending behaviour that would impact on the community, such as drug dealing, racially motivated

## Appendix B

attacks or hate crime (This list is not exhaustive) After six months the application may be made live again where they can evidence a demonstrable change in this behaviour

---

- If it is identified an applicant has placed no bids for properties or have failed to log in to their accounts within sixty days. An investigation will take place before the decision is made to suspend the application.



## Appendix B

### 19. Reviews and the right to request information

---

An applicant has the right to request general information about how their application will be assessed and their prospects of gaining an offer of accommodation by a Registered Provider, including:

- a. general information about (broadly) their prospects and
- b. information about decisions concerning the facts of an applicant's case.

An applicant has the right to request a review of any adverse decision made about their housing application. This must be made within 28 calendar days from the date of being notified of the decision if it is felt that we have not taken into account all of the relevant information or if we have made a decision unfairly.

Reviews may be requested for decisions on:

- Whether an applicant is eligible to join the housing register
- Whether an applicant qualifies to join the housing register
- The initial assessment and determination of the level of priority of an application
- The reassessment and any change in the level of priority, following an applicant's change of circumstances.
- The cancelling of an application for whatever reason

A guide to the review procedure can be found on our website:

<https://www.lichfielddc.gov.uk/housing/lichfield-district-homes/2>

**Where a Registered Provider makes a decision not to offer a particular home to an applicant, the applicant should follow the Registered Provider's appeals or complaints procedure if they are unhappy with the decision made by the Registered Provider.**

#### 19.1. Review stages

##### Stage 1

Applicants should submit their request for review in writing or via a third party (with the applicant's express consent), stating the reasons why they feel the decision is incorrect or has been judged unfairly, and should provide any supplementary evidence to support their case along with this request.

##### 19.2. Stage 2

If following the outcome of stage 1 an applicant still feels that the decision is incorrect or has been judged unfairly, they must advise the Council in writing that they wish for their complaint to be reviewed. Within this they must state the reasons why they feel the decision is incorrect or has been judged unfairly, and provide supplementary evidence to support their case along with this request.

Applicants will be notified in writing of the outcome of either stage within 28 calendar days. We may agree a longer timescale if required.

Our review procedure can be found at (<https://www.lichfielddc.gov.uk/housing/lichfield-district-homes/2>)

**Registered Providers will not hold any vacant properties pending the outcome of a review. If a decision is overturned on review, appropriate action will be taken to reinstate or re-assess the application.**

## Appendix B

### 20. Review & Monitoring

---

Review and Monitoring of the allocations scheme will take place 12 months after the allocation scheme start date to ensure that it is working effectively and to review its impact.

A full review will take place after 3 years, or sooner should a change in legislation or other change dictate that a review is required.

Any minor changes to the scheme within this timeframe will be approved by the Cabinet Member with responsibility for housing and homelessness, currently the Cabinet Member for Housing, Ecology and Climate Change.

**Appendix B**

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
<p><b>Band 2 Homeless prevention</b> Applicants who have been assessed by the Council under the Homelessness Reduction Act 2017 as having a homeless prevention duty owed</p>	<p><b>Banding Change:</b> Band 2 to Band 1</p>	<p>To increase homelessness preventions, in line with advice given by the Homelessness Advice and Support Team of the Department for Levelling Up, Housing and Communities. As demonstrated in the tables in the report the average wait time for an allocation of housing in band 2 is 228 days. In band 1 the average wait time is 231 days. Band 2 applicants received 15% of total allocations and band 1 applicants received 48% of total allocations. The homeless team have fifty-six days to prevent homelessness and 56 days to relieve homelessness. By awarding the lower bands to these groups of people we are not assisting the homeless team in preventing homelessness, resulting in a far higher number of homelessness applicants ultimately being owed a homelessness relief or main duty.</p>	<p>Should see an increase in homeless preventions. May see an increase in waiting time for band 2 applicants if more applicants move to band 1.</p>	<p>Initial impact on housing allocations and systems officer liaising with software suppliers to implement change to the housing system and user acceptance testing. Identifying current applicants who are in band 2 and moving to band 1 however after this time reduction in officer time moving applicants from band 1 to band 2 in line with current scheme. Financial impact, cost of software suppliers implementing the changes.</p>	<p>MAJOR</p>	<p><b>1</b></p>
<p><b>9.6. Financial Resources.</b> Any applicant who has the financial means to resolve their own housing circumstances will not be able to join the housing</p>	<p>The definition of a household should be replaced with a household with children. A gross income amount should be added for</p>	<p>Single applicants/couples with no children who have a gross income of £59,999.99 per annum are still able to access the limited social housing stock through the housing register however the</p>	<p>The new income amounts may reduce numbers of applicants eligible to join the housing register. Allowing under occupiers of social accommodation within the</p>	<p>May increase number of non-qualifying applicants which in turn may increase the number of requests for review.</p>	<p>MAJOR</p>	<p><b>1</b></p>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
<p>register. For clarity, this means: Households with a gross income (excluding non-dependants' income) of over £60,000. Savings and/or assets totalling over £16,000. Monies that can be evidenced as received as a compensation payment because of serving in the regular or reserve armed forces will be disregarded. We acknowledge that most specialist homes for the over 50's is in the social housing sector, therefore discretion will be applied to this ruling for those applicants over the age of 50 that have expressed a desire for this type of housing, to allow them to access these schemes only.</p>	<p>single applicants of £30,000. A gross income amount should be added for a couple no children of £45,000. A caveat should be added that applicants currently under occupying social rented accommodation within the district, where a need for the size of property is identified, who have incomes above the allowed amounts will be allowed to join the register.</p>	<p>income amounts suggested are sufficient to source alternative accommodation. Applicants who are under occupying are not allowed to join the register to downsize to smaller social rented. Due to this they remain in the larger accommodation, which is affordable to them, when there is a recognised need for larger properties.</p>	<p>district who earn above the allowed amounts will encourage the release of much needed social accommodation and may increase applications from this group.</p>			
<p><b>Emergency Band Domestic abuse, harassment.</b> Applicants where there is evidence of significant serious violence, domestic abuse and/or harassment and an ongoing risk to the applicant or a member of their household exists, and</p>	<p>Change of wording to: Applicants where there is evidence of a significant and ongoing risk of serious violence, domestic abuse and/or harassment, they are resident in a refuge or other safe temporary</p>	<p>The wording gives a clearer definition of domestic abuse/harassment and is in line with statutory guidance: <i>11. The purpose of this guidance is to assist local authorities to apply the allocation legislation to ensure that victims of domestic abuse can move into social</i></p>	<p>Clearer definition of those who can be assisted.</p>	<p>Initial impact on housing allocations and systems officer liaising with software suppliers to implement change to the housing system and user acceptance testing. Identifying current applicants in this band who will need to have their applications amended to reflect</p>	<p>MAJOR</p>	<p><b>1</b></p>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
they cannot return to their home.	accommodation, and they cannot return to their home.	<p><i>housing from a refuge or other form of temporary accommodation by ensuring that:</i></p> <ul style="list-style-type: none"> <li>• <i>they have appropriate priority under the local authority's allocation scheme, and</i></li> <li>• <i>those who have fled to a refuge in another local authority area are not disadvantaged by any residency or local connection requirements</i></li> </ul>		the change and amending the application accordingly. Increased workload, currently applicants are placed in the emergency band and left to bid. Whereas by awarding the corresponding homeless band an officer will need to update the housing register application in accordance with the progression of the homeless duty. The council has however recently approved additional resource in the team which will support this change. Financial impact, cost of software suppliers implementing the changes.		
<p><b>Band 1 Overcrowding</b> Applicants who are living in overcrowded accommodation and are short of one or more bedrooms. This assessment will include rooms that could reasonably be expected to be used as bedroom, such as a dining room. Priority will only be awarded where it can be evidenced that the applicant has not themselves</p>	<p><b>Policy Change:</b> Applicants that are 24 weeks pregnant should be allowed to join the register under over occupancy with a caveat they must be able to afford shortfall in rent until baby born.</p>	<p>Overcrowding in general only covers applicants once they are overcrowded. However, in general pregnant applicants on the register can be awarded an additional bed space at 24 weeks in anticipation of overcrowding after the birth. The difference between these approaches receives the most complaints and dissatisfaction from customers. The change will achieve consistency in approach.</p>	<p>Positive impact on applicants as will allow all applicants at 24 weeks of pregnancy to be allocated a bed space for the unborn child</p>	<p>Will reduce officer work time as at present have to assess as non-qualifying. Applicant then reapplies once child is born effectively meaning we assess twice. Reduction in customer complaints and requests for review.</p>	MINOR	<b>2</b>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
deliberately caused the overcrowding.						
<p><b>Band 2 Hardship</b> Applicants that need to move into the district to access specialist facilities or employment located in the district, or to give or receive care that cannot be provided in the area where they currently live or would cause hardship to the applicant.</p>	<p><b>Wording change:</b> Add moves within the district may be considered where exceptional circumstances apply</p>	<p>Discriminates against applicants already resident within the district where exceptional circumstances apply e.g., applicants residing in very rural locations such as the Ridwares, where no public transport exists, and they no longer can drive due to a medical condition.</p>	<p>Will allow access to the housing register to Lichfield District residents with exceptional circumstances warranting inclusion in these circumstances.</p>	<p>Initial impact on housing allocations and systems officer liaising with software suppliers to implement change to the housing system and user acceptance testing. Financial impact, cost of software suppliers implementing the changes. Increase in applications thus increase in officer time. More applicants on the housing register may minimise advertised properties being unsuccessful thus reducing officer time placing direct let adverts and associated work.</p>	MINOR	<b>2</b>
<p><b>Band 2 Relationship breakdown.</b> Relationship breakdown (where still resident together in the family home and no alternative accommodation available). Satisfactory evidence will need to be supplied that the relationship existed, with proof of residence at the address for the last 12 months. This band will only be awarded where it</p>	<p><b>Policy Change:</b> Expand to include parents asked to leave by children and children asked to leave by parents.</p>	<p>This will expand the definition of a relationship breakdown to include parents/children as well as cohabiting couples, which will expand the number of applicants eligible to join the register.</p>	<p>Positive impact allowing earlier access to the housing register and averting crises.</p>	<p>Initial impact on housing allocations and systems officer liaising with software suppliers to implement change to the housing system and user acceptance testing. Financial impact, cost of software suppliers implementing the changes. Increase in applications thus increase in officer time. More applicants on the housing register may minimise advertised properties</p>	MINOR	<b>2</b>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
allows the best use of stock, i.e., allows the family to remain in the family home.				being unsuccessful thus reducing officer time placing direct let adverts and associated work.		
<p><b>7. Deliberately Providing False or Misleading Information or Withholding Information.</b> Fraudulent behaviour is taken very seriously, and all appropriate action will be taken to address this. It is a criminal offence for an applicant or person on the applicant's behalf to knowingly or recklessly give false or deliberately misleading information or withhold information which is reasonably required. A person found guilty of such an offence will be removed from the scheme for a period of at least 6 months. Offences under these provisions are prosecuted in the magistrates' court and carry a maximum fine of level 5 on the standard scale. Failure to inform of changes to an application, or</p>	<p><b>Wording change:</b> a person found guilty of such an offence will have their application suspended for a period of at least six months.</p>	<p>Currently applicants who have their applications closed due to this can immediately log back into their account and make a new application. This application then requires an officer to check previous applications, to confirm reason for closure and then perform an assessment of the new approach and issue another non-qualifying letter to the applicant.</p>	<p>Smoother process for the applicant as an action reminder will be set by the assessing officer to contact the applicant after six months, see if they still having a housing need and unsuspend their application if appropriate.</p>	<p>By suspending applicants this will reduce officer time in assessing applications from applicants who immediately reapply when their applications have been cancelled rather than suspended resulting in having to assess the new application, check the previous application as to reason for closure then issue a new letter advising they do not qualify.</p>	MINOR	<b>3</b>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
deliberately withholding information relevant to, or misrepresenting housing circumstances, may result in criminal prosecution. A Registered Provider may seek possession of a tenancy that was granted because of a false statement and may also attempt to recover any costs incurred.						
<p><b>9.3. Unacceptable Behaviour.</b> Applicants, or members of their household, that engage in or have been found responsible for unacceptable behaviour within the last 12 months will not qualify to join the housing register for a minimum of six months from the date of application. Unacceptable behaviour is defined as behaviour which, should they have been a tenant of a Registered Provider at the time, would have been serious enough to have resulted in an order for possession being granted by a Court, in accordance with Part VI Housing Act 1996.</p>	<p><b>Wording change:</b> Applicants, or members of their household, that engage in or have been found responsible for unacceptable behaviour within the last 12 months will have their application suspended for a minimum of six months from the date of application. Unacceptable behaviour is defined as behaviour which, has resulted in a conviction or should they have been a tenant of a Registered Provider at the time, would have been serious enough to have resulted in an order</p>	<p>Currently applicants who have their applications closed due to this can immediately log back into their account and make a new application, omitting this information. This application then requires an officer to check previous applications, to confirm reason for closure and then perform an assessment of the new approach and issue another non-qualifying letter to the applicant.</p>	<p>Smoother process for the applicant as an action reminder will be set by the assessing officer to contact the applicant after six months, see if they still having a housing need and unsuspend their application if appropriate.</p>	<p>By suspending applicants this will reduce officer time in assessing applications from applicants who immediately reapply when their applications have been cancelled rather than suspended resulting in having to assess the new application, check the previous application as to reason for closure then issue a new letter advising they do not qualify.</p>	MINOR	<b>3</b>



Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
This includes anti-social behaviour or noise nuisance, perpetrators of domestic abuse, harassment, or intimidation, violent or aggressive behaviour, including physical, verbal, or intimidating behaviour resulting in a referral to the police, offending behaviour that would impact on the community, such as drug dealing, racially motivated attacks or hate crime (This list is not exhaustive) After six months the applicant may reapply where they can evidence a demonstrable change in this behaviour.	for possession being granted by a Court, in accordance with Part VI Housing Act 1996. Applicants who have been accepted on to the housing register where the above later applies will have their application suspended for a minimum of six months.					
<b>9.4. Housing Related Debt.</b> Applicants who have a housing related debt over £200 and cannot evidence regular payments being made over the last 6 months to remedy the debt will be unable to join the housing register. Housing related debt is defined as: rent arrears; service charges; housing related court costs; rechargeable repairs; loans	<b>Wording change:</b> Loans arranged by a local authority to an applicant to cover any housing related costs should be removed from the definition of housing related debt. Where it becomes apparent housing related debt exists, after an applicant has been accepted on to the housing register,	Loans arranged by a local authority to an applicant to cover any housing related costs are underwritten by the council. Therefore, if an applicant defaults on these loans the loans are repaid by the council. Unfair to penalise an applicant where a loan was underwritten by the council and ultimately paid off by the council where the customer failed to pay back in full. Where applicants fail to respond to our	Will allow more applicants to join the housing register where only housing related debt is that of loans arranged by a local authority to an applicant to cover any housing related costs. Where applications are cancelled due to no response to enquiries applicants will have to make a new application, should they then have a housing need, and are able to	Will reduce officer time in having to set monthly actions and contact the applicant.	MINOR	<b>3</b>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
<p>arranged by a local authority to an applicant to cover any housing related costs. Each case will be considered on its own merits, any exceptional circumstances will be considered where evidence exists to support the case and should be submitted with the request for supporting information to join the register. Acceptance onto the housing register is on the condition that regular repayments are maintained, which will be checked prior to any offer being made. Applicants should note that Registered Providers will apply their own lettings criteria when deciding whether to offer a home; some will expect the arrears to be paid in full at this time.</p>	<p>their application will be suspended for six months or until such time as it can be evidenced that a payment plan has been adhered to for six months or the debt has been settled, whichever is soonest. After the six-month period Lichfield District Council will contact the customer to request proof of the payment plan. Failure to respond to this contact within 28 days will result in the application being closed.</p>	<p>requests for updated information on the housing debt, after the initial suspension of their application, creates additional work for the officer, adding an action to chase again in a month and having to re email the applicant. In addition if no response to our enquiries we cannot identify a housing need.</p>	<p>evidence the housing related debt has been either cleared or a payment plan has been adhered to for a minimum of six months</p>			
<p><b>18. Cancelling Applications.</b> If an applicant no longer wishes to remain on the housing register, they can cancel their application at any time by logging on to their account. We will only cancel the application when:</p>	<p><b>Wording change: Cancelling or Suspending applications.</b> If an applicant no longer wishes to remain on the housing register, they can cancel their application at any time by logging on to</p>	<p>The policy states application will be cancelled it does not specify how long the applicant will not be included on the housing register for. Applicants therefore can immediately reapply the allocations policy does not have a clause regarding applicants that</p>	<p>Applicants will not be able to immediately reapply to the register where they have had an application suspended. Applicants who are deemed as not having a housing need due to not bidding/logging into their accounts will not</p>	<p>Additional work will be created by the effective monitoring of existing applicants on the housing register. By suspending applicants this will reduce officer time in assessing applications from applicants who immediately reapply when</p>	<p>MINOR</p>	<p><b>3</b></p>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
<p>the applicant has been rehoused, we have received notification from an executor or next of kin that the applicant is deceased and they were the sole applicant, it is discovered that the applicant or a person on the applicant's behalf has given false or deliberately misleading information or withheld information that is relevant to their housing application, evidence is obtained that the applicant is no longer eligible or qualifies for rehousing, the applicant does not respond to a request for information or evidence within 28 calendar days from the date of request, including responding to reviews. Applicants in bands 1 and 2 who have either failed to respond to three offers, failed to respond to three invitations to view, refused three offers of accommodation or a combination of all three.</p>	<p>their account. The council will only cancel the application when: the applicant has been rehoused, we have received notification from an executor or next of kin that the applicant is deceased and they were the sole applicant, evidence is obtained that the applicant is no longer eligible or qualifies for rehousing, the applicant does not respond to a request for information or evidence within 28 calendar days from the date of request, including responding to reviews. We will suspend an application for a minimum period of six months where: It is discovered that the applicant or a person on the applicant's behalf has given false or deliberately misleading information or withheld information that is relevant to their housing application.</p>	<p>are not bidding/logging in. The allocations scheme states only those with a recognised housing need are entitled to entry on the housing register. If applicants are not bidding/logging in do they have a housing need?</p>	<p>have access to the limited social housing within the district. Clarity of expectations of the applicant.</p>	<p>their applications have been cancelled rather than suspended resulting in having to assess the new application, check the previous application as to reason for closure then issue a new letter advising they do not qualify.</p>		

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
	<p>Applicants in bands 1 and 2 who have either failed to respond to three offers, failed to respond to three invitations to view, refused three offers of accommodation or a combination of all three. Please note an offer of a direct nomination will be considered as a valid offer of accommodation where the property suits the applicant's needs and is in an area they have selected as an area of choice for rehousing. If no bids for properties or applicants have failed to log into their accounts within sixty days, we will investigate and possibly suspended the application.</p>					
<p><b>Band 2 Homeless prevention</b> Applicants who have been assessed by the Council under the Homelessness Reduction Act 2017 as having a homeless prevention duty owed.</p>	<p><b>Wording change:</b> Change assessed by the council to assessed by Lichfield District Council.</p>	<p>This will reduce confusion for applicants who have been assessed by other councils, who have accepted a duty to rehouse the applicant, however the applicant believe they qualify, under these headings, to join the Lichfield housing register as they</p>	<p>Clarity of process will stop applicants continuing with an application which ultimately will not be accepted.</p>	<p>Initial impact on housing allocations and systems officer liaising with software suppliers to implement change to the housing system and user acceptance testing. Financial impact, cost of software suppliers implementing the</p>	<p>Minor</p>	<p><b>3</b></p>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
<p><b>Band 2 Intentionally homeless</b> Assessed by the Council under part VII of the Housing Act 1996 as intentionally homeless applicants and not owed a full homeless duty and meet the eligibility and qualification criteria.</p> <p><b>Band 1 Homeless relief duty</b> Assessed by the Council under the Homelessness Reduction Act 2017 as being owed a homeless relief duty</p> <p><b>Band 1 Non-priority homeless</b> Assessed by the Council under part VII of the Housing Act 1996 as no priority need homeless applicants and not owed a full homeless duty.</p> <p><b>Emergency Band Statutory Homeless</b> Assessed by the Council as statutorily homeless and are owed a full housing duty under part VII of the Housing Act 1996, as amended by the Homelessness Act 2002 and</p>		have a local connection to our district also.		changes. Reduction in officer time assessing applications in these circumstances and producing a non-qualifying letter.		

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
the Homelessness Reduction Act 2017.						
<p><b>Emergency Band Regeneration</b> Applicants who are living in social housing which has been identified for redevelopment or regeneration and need to move to allow the redevelopment programme to proceed.</p> <p><b>Band 1 Releasing an adapted property</b> Transfer applicants residing in social housing that are releasing a property with major adaptations where the adaptations are no longer required and there is an identified housing need for the property. This excludes adaptations that do not alter the physical fabric of the building, e.g., stair lifts, temporary ramping, ceiling track hoists etc.</p>	<p><b>Wording change:</b> Transfer applicants residing in social housing within the district, in line with under occupancy bands</p>	<p>This will reduce confusion for applicants who reside outside of the district where acceptance on the housing register will not benefit Lichfield District Council, however the applicant believes they qualify, under these headings, to join the Lichfield housing register as they have a local connection to our district also.</p>	<p>Clarity of process will stop applicants continuing with an application which ultimately will not be accepted.</p>	<p>Initial impact on housing allocations and systems officer liaising with software suppliers to implement change to the housing system and user acceptance testing. Financial impact, cost of software suppliers implementing the changes. Reduction in officer time assessing applications in these circumstances and producing a non-qualifying letter.</p>	MINOR	<b>3</b>
<p><b>Qualifying &amp; Non-Qualifying Persons</b></p> <p>Currently covers, age, local connection and residency, unacceptable behaviour,</p>	<p><b>Additional wording:</b> Applicants that do not fulfil any of the housing need categories outlined within the priority bands below will be assessed as</p>	<p>Will provide clarity to applicants where they do not meet the circumstances outlined in the policy, they can self-serve on information regarding eligibility.</p>	<p>Clarity of process will stop applicants continuing with an application which ultimately will not be accepted.</p>	<p>Will provide clarity in the policy on eligibility for the customer. The Housing Options Team will be able to refer to this, when dealing with requests for review and responding to these.</p>	MINOR	<b>3</b>

Current Policy	Proposed Change	Reason for Change	Impact on applicants	Impact on the Housing Register and Housing Options Team	Minor or Major Change	Priority
housing related debt, sustainability, financial resources, and homeowners.	having no housing need and therefore will not qualify to join the housing register.					

This page is intentionally left blank



## Community Infrastructure Levy (CIL) Allocation 2022

Deputy Leader and Cabinet Member for Economic Growth and Development



Date: 14<sup>th</sup> February 2023  
 Agenda Item: 7  
 Contact Officer: Simon Fletcher/Lucy Robinson  
 Tel Number: 01543 308001/308710  
 Email: [Simon.Fletcher@lichfielddc.gov.uk/](mailto:Simon.Fletcher@lichfielddc.gov.uk)  
[lucy.robinson@lichfielddc.gov.uk](mailto:lucy.robinson@lichfielddc.gov.uk)

**Cabinet**

**Key Decision?** YES  
**Local Ward Members** All wards affected

### 1. Executive Summary

- 1.1 This report introduces a proposal for the allocation of this round (2<sup>nd</sup> of 2022) of Community Infrastructure Levy (CIL) funding. It sets out the CIL process and amount of funding available as well as introducing the bids received from community groups and other organisations through the latest call for submissions in September 2022. It recommends awarding the funding available to the council’s strategic priorities and specifically to projects that support delivery of a new leisure centre at Stychbrook Park in Lichfield city and additional 3/4G pitches in the district.

### 2. Recommendations

- 2.1 That Cabinet approves 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.
- 2.2 That Cabinet approves 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.
- 2.3 That Cabinet agrees to retain the remaining CIL monies for a future bidding round.
- 2.4 That Cabinet recommend 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 report.

### 3. Background

- 3.1 The Community Infrastructure Levy (the levy) allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed because of development. This includes new or safer road schemes, flood defences, schools, hospitals and other health and social care facilities, park improvements, green spaces, and leisure centres.
- 3.2 The process for allocating and spending CIL is essentially broken into four stages:

- Stage 1 – Approve the criteria and governance process and confirm CIL pot available
- Stage 2 – Call for bids / submissions
- Stage 3 – Evaluate bids received against the approved criteria and make recommendations to Cabinet
- Stage 4 – Award funding and monitor progress and spend

3.3 The governance procedure for awarding CIL was last revised in July 2021<sup>1</sup>. The assessment criteria are regularly reviewed and amended, most recently in February 2022<sup>2</sup> as part of the last allocation of funds when £860,000 was awarded and £740,000 was retained for future rounds. In October 2021 Council approved that the award of CIL is delegated to the Cabinet Member, however on this occasion as there are implications for the MTFs we are bringing the decision to Cabinet rather than seeking to gain approval via that route.

3.4 The CIL strategic pot has accrued monies of approximately **£1.558 million**. On the 26 September 2022 the bidding process for applications for CIL funding opened and expressions of interest were invited to spend this funding on strategic infrastructure projects. A total of 12 bids were received; a summary of these is in **Appendix 1**.

3.5 While the submissions received for the large part have great merit, the scheme is once again significantly over-subscribed and therefore require a prioritisation approach to be adopted. All submitted bids have been scored by officers of the Strategic Infrastructure Group (SIG) and the resulting score and rank is shown in **Table 1** below.

3.6 The highest scoring bid was submitted by the council and is a project to support of the development of 7 new or extended sport and leisure facilities across the district, and 2 bids (Chasetown FC and Staffordshire County Council(SCC)) scored equally to rank 2<sup>nd</sup>. If funding is allocated to the top scoring bid it will only leave enough fund the Chasetown FC bid; it is therefore proposed to allocate £100,000 of CIL to this second ranked bid rather than the SCC bid based on the remaining funds available.

**Table 1**

No	Bid	Score	%	Rank	No	Bid	Score	%	Rank
1	Chasetown FC – Toilet Block	11	12.94	11	2	Chasetown FC – 3G pitch	44.5	52.35	2
3	Fradley & Streethay Parish Council	35.5	41.76	5	4	Integrated Care Board (NHS) - Brereton	37	43.53	4
5	Integrated Care Board (NHS) - Samuel Johnson	32	37.65	6	6	LDC Sport & Leisure Activities	46.5	54.71	1
7	Lichfield Sports Club	29.5	34.71	8	8	Lichfield Waterworks Trust	5	5.88	12
9	Staffs CC - Burntwood Improvements Scheme	44.5	52.35	2	10	Swim Foundation (Star Foundation)	31	36.47	7
11	Burntwood Town Council - Oak Community Pub	21	24.71	9	12	Whittington & Fisherwick PC	21	24.71	9

<sup>1</sup> Report to [Cabinet 8 June 2021](#)

<sup>2</sup> Report to [Cabinet 8 February 2022](#)

- 3.7 Awarding CIL to both projects will greatly enhance the sport and leisure facilities we have in the district and present the opportunity to improve the health and wellbeing of our residents. The council project will fund 7 activities as set out in **Table 2** that were identified by residents of the district in an online survey in December 2023.
- 3.8 The table below shows residents preferred new sport and leisure activities and their priority order along with a location identified by officers.

**Table 2**

Priority	Option	Description	Location
Priority 1	Aqua Park	Water based activities to include, outdoor swimming, paddle boarding, aqua scramble, and café.	Stowe Pool, Lichfield
Priority 2	Climbing Wall	Mixed ability climbing wall (Sports Hall or Squash Court).	Burntwood Leisure Centre
Priority 3	Soft Play	Pre-school soft play facility	Burntwood Leisure Centre
Priority 4	Adventure Golf	Replace mini golf with adventure golf	Beacon Park, Lichfield
Priority 5	Obstacle Course	Introduce competitive obstacle course racing for running, cycling clubs / Develop clubs, training, target timings and	Beacon Park, Lichfield
Priority 6	Paddle / Tennis	Resurface Burntwood courts / Introduce 3 x Paddle Tennis courts in Lichfield	Beacon Park, Lichfield
Priority 7	3/4G Pitch*	Create 1 x 3G pitch for rent by community / sports groups	Lichfield City

\* Note - Sport England's Strategic Outcome Planning Model identified a need for 2 x 3G pitch facilities

- 3.9 Cabinet is therefore asked to recommend to Council to award CIL of **£1.45 million** to the council to develop a range of sports and leisure activities and **£100,000** to Chasetown Football Club for the development of a 3/4G football Turf Pitch. It is also recommended to retain remaining funds of £8000 to the next CIL bidding round, which will provide additional time for the Strategic CIL pot to accrue further funds.
- 3.10 The remaining applicants will receive formal confirmation following the decision making of Cabinet. Applicants will be encouraged to submit a bid to the next funding round in 2023 and will also be given advice on other potential funding solutions for their project.

Alternative Options	<ol style="list-style-type: none"> <li>1. To not allocate the funding to the two top scoring projects and instead allocate the funding to other projects that have submitted bids. This means that we will be unable to have the essential sport and leisure facilities that have been identified for the district.</li> <li>2. To not allocate any funding and continue to accrue monies to create a larger pot that can be used for delivery of some of the projects that currently have not fully secured match funding or new projects in a further bidding round.</li> </ol>
Consultation	Residents were asked for their views on preferred leisure facilities through an online survey in mid-December 2022. This received 1464 responses. The views of Overview and Scrutiny Committee on 8 February 2023 were (to be added).

Financial Implications

The detailed financial implications related to the recommended projects are shown below:

Capital Investment						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Aqua Park	-	-	-	-	-	0
Climbing Wall	50	50				100
Soft Play	50	50				100
Adventure Golf	150	150				300
Obstacle Course		150				150
Paddle Tennis	200	200				400
3G Pitch - Lichfield	200	200				400
<b>Sub Total Council Projects</b>	<b>650</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,450</b>
3G Pitch - Chasetown	100					100
<b>Total Budget</b>	<b>750</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,550</b>

Operating Budget – at this stage, this modelling assumes operation by LWMTS						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Aqua Park	(15)	(25)	(45)	(45)	(45)	(175)
Climbing Wall		(30)	(60)	(60)	(60)	(210)
Soft Play		(35)	(70)	(70)	(70)	(245)
Adventure Golf		(50)	(100)	(100)	(100)	(350)
Obstacle Course		(20)	(45)	(45)	(45)	(155)
Paddle Tennis		(35)	(75)	(75)	(75)	(260)
3G Pitch - Lichfield		(35)	(75)	(75)	(75)	(260)
<b>Sub Total Income</b>	<b>(15)</b>	<b>(230)</b>	<b>(470)</b>	<b>(470)</b>	<b>(470)</b>	<b>(1,655)</b>
Operating Costs			130	130	130	390
<b>Operating Surplus</b>	<b>(15)</b>	<b>(230)</b>	<b>(340)</b>	<b>(340)</b>	<b>(340)</b>	<b>(1,265)</b>
Potential Corporation Tax @ 25%	4	58	85	85	85	316
Sinking Fund			155	155	155	465
<b>Total Distributable Income</b>	<b>(11)</b>	<b>(173)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(484)</b>

What if Income is 10% lower & operating costs are 10% higher	(10)	(155)	(55)	(55)	(55)	(330)
What if Income is 20% lower & operating costs are 20% higher	(9)	(138)	(10)	(10)	(10)	(177)
What if Income is 10% higher & operating costs are 10% lower	(12)	(190)	(145)	(145)	(145)	(637)
What if Income is 20% higher & operating costs are 20% lower	(14)	(207)	(190)	(190)	(190)	(791)

The operation of these activities could be by the Council, the Company (assumed in the modelling above) or third-party operators and the income and expenditure budgets will be based on the optimum delivery option.

Approved by Section 151 Officer

Yes

Legal Implications

The criteria and guidance for the allocation of funds has regard to the Community Infrastructure Legislation regulations as amended 2019.

Approved by Monitoring Officer

Yes

<b>Contribution to the Delivery of the Strategic Plan</b>	<ol style="list-style-type: none"> <li>1. Supports the priority of 'Enabling People' through provision of facilities so they can live healthy and active lives.</li> <li>2. Supports the priority of 'Shaping Place' through delivery of projects consistent with the adopted &amp; emerging Local Plans and supporting IDP &amp; IFS.</li> <li>3. Supports the priority of 'Developing Prosperity' through, enhancing the district and providing certainty for investment.</li> <li>4. Supports the priority of being a 'Good Council' by accountability, transparency, and responsiveness by allocating funds for bids received and which are readily deliverable.</li> </ol>
---	---

<b>Equality, Diversity and Human Rights Implications</b>	The projects have been assessed against the council's equality objectives and comply with legislation.
--	--

<b>Crime &amp; Safety Issues</b>	The leisure centre and projects identified will increase physical activity among residents, which is important in building a cohesive community. The leisure centre and improved leisure facilities will provide diversionary activities that should reduce crime and build resilience in the community, particularly among younger adults.
----------------------------------	---

<b>Environmental Impact</b>	The projects and new leisure centre will be required to conform to up-to-date Building Control regulations and conditions attached to any planning consent required.
-----------------------------	--

<b>GDPR / Privacy Impact Assessment</b>	A Privacy Impact Assessment indicates commercial sensitivity is contained within some of the bids, whilst due diligence checks will potentially use confidential information known to the Council. This information is exempt from publishing in the public domain.
---	---

	<b>Risk Description &amp; Risk Owner</b>	<b>Original Score (RYG)</b>	<b>How We Manage It</b>	<b>Current Score (RYG)</b>
A	Reputational risk to the Council if decisions of Cabinet are challenged by the bid applicants	Likelihood – Yellow Impact - yellow Risk - yellow	Communication with bid applicants to explain our approach and rationale. Advice provided on future bid rounds and potential other funding sources for their projects.	Likelihood – Green Impact – yellow Risk - Green
B	The monies allocated do not deliver the projects submitted / the project is delayed.	Likelihood – Yellow Impact -yellow Risk - yellow	Careful project management to ensure delivery of the projects.	Likelihood – Green Impact – yellow Risk - Green
C	The cost of delivering the projects increases due to inflation or changes in specification	Likelihood – Yellow Impact -yellow Risk - yellow	A project contingency budget has been included in the project budget.	Likelihood – Green Impact – yellow Risk - Green
D	The projects have an adverse impact on the Climate Change pledge approved by Council	Likelihood – Yellow Impact -yellow Risk - yellow	Proposals will need planning permission and will need to be considered having regard to policies in the adopted Local Plan, up to date building regulations and terms of conditions of the grant agreement contract.	Likelihood – Green Impact – yellow Risk - Green
E	The Company breaches the 20% TEKKAL exemption due to the	Likelihood – Red	Financial modelling based on the approved Business Plan and known plans has been undertaken. The 20%	Likelihood – Green

	external income of (£425k) per annum	Impact -Red Risk - Red	level would be breached if the income and expenditure was accounted for by the Company.  The optimum delivery option will continue to be evaluated based on legal and tax advice.	Impact – Green Risk - Green
F	The Council breaches its partial exemption limit and is unable to reclaim VAT of c£100k per annum related to exempt activities	Likelihood – Red Impact -Red Risk - Red	Financial modelling will need to be undertaken based around the level of exempt income such as football pitch hires utilising the series of lets exemption etc.  The optimum delivery option will continue to be evaluated based on legal and tax advice.	Likelihood – Yellow Impact - Yellow Risk - Yellow
G	Operation of the activities results in an additional Corporation Tax Liability for LWMTS therefore reducing the level of income that could be distributed to the Council through dividends.	Likelihood – Red Impact -Red Risk - Red	The financial modelling provided above assumes operation of these activities through the Company with a Corporation Tax payment at a rate of 25% from 1 April 2023. The payment of Corporation Tax will reduce the level of distributable profit available to the Council.  The optimum delivery option will continue to be evaluated based on legal and tax advice.	Likelihood – Yellow Impact - Yellow Risk - Yellow

### Background documents

Cabinet report 8 June 2021  
 Report to Full Council 12 October 2021  
 Report to Overview & Scrutiny 20 January 2022  
 Report to Cabinet 8 February 2022

### Relevant web links

[Cabinet report 8 June 2021](#)  
[Report to Full Council 12 October 2021](#)  
[Report to Overview & Scrutiny 20 January 2022](#)  
[Report to Cabinet 8 February 2022](#)

Summary of bids submitted

Infrastructure Provider	Project	Project description	Funding requested
Burntwood Town Council	Oak Community Pub	Conversion of vacant building into a community space providing potential office accommodation, open space, and community pub.	£100,000
Chasetown Football Club	New Gentlemen's Toilet Development	Upgrade of men's toilet block to provide new facilities.	£14,000
Chasetown Football Club	3G Football Turf Pitch	Conversion of main grass pitch to 3G artificial surface.	£100,000
Fradley and Streethay Parish Council	Community Sports Hub and BMX Pump Track	Improvements to MUGA including roofing and floodlights and BMX track for the local community.	£300,000
Integrated Care Board (NHS)	Extension at Brereton Surgery	Expansion to deliver additional clinical space to mitigate capacity issues from the Rugeley Power Station redevelopment.	£551,746
Integrated Care Board (NHS)	Creation of 4 clinical rooms at Samuel Johnson Hospital	Conversion of vacant space into 4 clinical rooms, waiting area and reception desk to provide additional GP capacity.	£70,000
Lichfield District Council Major Development Projects Team	New Leisure Facilities	Developing additional leisure facilities in Lichfield District including 3G football pitch, golf village, aqua park, climbing wall and soft play facilities.	£1,450,000
Lichfield Sports Club	Improvements to Lichfield Sports Club	Improvements include extending the existing clubhouse to support community activities, resurface existing hockey pitch and install a 3G football and rugby pitch.	£2,285,000
Lichfield Waterworks Trust	Refurbishment of Substation at Sandfields Pumping Station	Refurbishment and insulation of an internal switch room to allow for rental of the space to local businesses.	£3,831
Staffordshire County Council	Cannock Road, Burntwood – traffic calming, traffic management, sustainable transport, signing and public realm enhancements	Provide enhancements prioritising pedestrians and cyclists focussed around the Cannock Road corridor and provide connectivity enhancements for residents through the main movement corridor.	£268,000
Swim Foundation	Installation of two swimming pools	Installation of 2 swimming pools in a vacant retail store including viewing gallery, café, restaurant, changing rooms and a fitness studio.	£516,000
Whittington and Fisherwick Parish Council	Decarbonisation Feasibility Study Stage 2	Undertake a feasibility study to understand and explore options for decarbonising heating within the Parish.	£50,000
<b>Total</b>			<b>£5,708,577</b>

This page is intentionally left blank



# Future of the Communications Function

LEADER OF THE COUNCIL

Date:	14 February 2023
Agenda Item:	8
Contact Officer:	Simon Fletcher, Chief Executive
Tel Number:	07961202055
Email:	<a href="mailto:Simon.fletcher@lichfielddc.gov.uk">Simon.fletcher@lichfielddc.gov.uk</a>
Key Decision?	YES
Local Ward Members	All Wards



**CABINET**

## 1. Executive Summary

- 1.1 How well or otherwise we communicate and engage with our residents, businesses, and partners over both how they can successfully transact with our services, and over our priorities for the district is key to our improving as a council and to what residents think about us.
- 1.2 This paper reflects on how well we currently communicate, what our residents currently think of us and proposes a new arrangement for our communications activities over the next five years.




## 2. Recommendations

- 2.1 That Cabinet approve 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.
- 2.2 That Cabinet delegate 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.

## 3. Background

- 3.1 Lichfield District Council is no different to the rest of local government in that it faces the same challenges of managing demand for services alongside increasing pressure on costs and needing to forge a different relationship with its residents and communities.
- 3.2 A strong communications function, engaging with communities in ways they wish to, openly, regularly, and consistently is key to addressing these challenges. Our internal communications function has under-performed for several years and this is evidenced, in part, by the levels of overall satisfaction and trust in the council, along with residents’ perceptions of how the council keeps them well informed about our services. While communications is not entirely responsible for these resident views, how we are perceived and how well we explain our story contributes to these overall views.

Measure	2021 Results	2022 Results	Direction of Travel
Overall satisfaction	60% of respondents stated they were either very (9%) or fairly (51%) satisfied with our performance	49% of respondents stated they were either very (6%) or fairly (43%) satisfied with our performance	

Keeping residents informed	54% of respondents indicated they felt very (8%) or fairly (46%) well informed about our services	48% of respondents indicated they felt very (6%) or fairly (42%) well informed about our services	
Value for money	34% of respondents agreed the council provides value for money (4% strongly agreed / 30% tend to agree)	24% of respondents agreed the council provides value for money (4% strongly agreed / 20% tend to agree)	
Trust in the council	62% of respondents expressed either a great deal (7%) or fair amount (55%) of trust in us	41% of respondents expressed either a great deal (5%) or fair amount (36%) of trust in us	

3.3 A Local Government Peer Review, conducted in November 2021 further identified there are opportunities for the council to better engage on major projects / service changes with communities and communicate the rationale more clearly. How projects are communicated and the narrative behind them is critical, and the Peer Team heard from residents and partners that this is something that is not always consistently done well by the council.

3.4 In January 2022, the Council introduced a change programme called Being A Better Council to start to address these views from our residents and is determined to be a council, by December 2024 that is:

- **Resident centric** – Our focus will have shifted to dealing with needs as well as wants, providing consistently outstanding customer services to drive improved satisfaction and trust. Our officers will see the world from our residents’ point of view in all our interactions. We will empower them to act on that understanding, to recognise and value the importance of keeping residents informed, and pro-actively engaging with them over service requests.
- **Commercially minded** – We will have reset structures, processes and working arrangements and shifted to a commercially minded, business focussed organisation. Our ethos will be getting things right, first time; being focussed on doing the things we need to do well, and not doing the things that we do not need to do or that add no value.
- **Data driven** – We will be solving problems and making strategic decisions based on data analysis and interpretation. We will gather, use, and examine data more effectively to better understand the wellbeing of our residents. This will help us in making informed decisions, identifying priorities for the district and planning, structuring, and managing our services to serve our residents.
- **Performance driven** – Our officers will understand how their roles impact the council and our residents. They will be committed to and accountable for a well-articulated common purpose and a clear set of performance goals. Engagement will be a habit, with information shared openly and transparently to aid alignment with our goals and objectives.

3.3 On the issue of how we communicate with our district, we have struggled to attract and retain staff with the appropriate skills and experience to build a modern and future-proofed communications function. The team, and its structure, have not developed or introduced new technologies and ways of engaging residents appropriately to meet the needs and provide best value for money or the required levels of service. In response to the resignation of both the previous manager and press officers earlier this year, the Chief Executive, with the authority of the Leader of the Council, introduced interim externalised support for the service in March 2022, which has resulted in significant improvements and a more proactive, agile, and focussed service.

### What have we done differently with communications since March 2022

3.4 Significant progress has been made since the introduction of the interim external support. Whereas previously our communications had centred on written press releases, many reactive / after the event

and then summarised in the Resident's Bulletin, the team today is proactive and willing to market what the council is doing. The team now meets in a daily 'Buzz session' to ensure appropriate prioritisation of work and allocation of resource and skills. An off-the-shelf project management platform has been introduced and is ensuring all tasks are delivered on time and the relevant approvals sought and a triage system used to ensure that key messages are prioritised, non-essential requests are rejected, and appropriate resources are allocated.

- 3.5 Audience profiling and demographic research has been undertaken to ensure that we reach representative groups across the district through appropriate platforms including owned and earned social, digital newsletter, media relations, partnership engagement, printed collateral, and website updates.
- 3.6 We have increased digital engagement through the development of interactive blogs, podcasts, and the use of video to build audiences in new platforms including YouTube, TikTok and Instagram to reach a wider audience.
- 3.7 Engagement rates have improved dramatically, with surveys delivered through targeted communications meaning we have more data to support council decision making. An example of this is the recent Lichfield District 2050 (Together We...) consultation which received more than 7000 responses.

### **Proposal**

- 3.8 Experience shows us a retained service 'in house' does not have the flexibility and capability to change and adapt, introduce new technologies and engage successfully with our communities. Conversely, the interim externalised support introduced in March has started to make a positive impact, as set out above. We are beginning to develop an effective communications strategy, to 'market' the Council and build a stronger council brand. Through this support we can continue to prioritise and direct the outputs of the communications function, whilst at the same time being more well-resourced, motivated, growing and technically well-equipped.
- 3.9 This current improved performance will need to be maintained and further built upon. We also need to engender an environment where commercial opportunities can be explored, to release some of the financial pressures on the council and where we can offer roles and personal development opportunities which can attract and retain skilled staff. It is understood there are several income opportunities for the service which are already successfully exploited by other councils which will assist to both reduce the financial cost of the service to the council and to generate additional income for the investment in the service going forward.
- 3.10 It is therefore proposed the best way for the communications function to continue to improve is for it to become the fourth activity to be transferred to the Council's wholly owned trading company (LWM Traded Services Ltd) and for the company to be commissioned to provide it to the council going forward. The services currently provided by the Council's company are 1) Talent Acquisition, 2) Corporate Landlord Services and 3) Project Management, Capital Works.
- 3.11 LWM Traded Services (previously Lichfield Housing Company) was refreshed this year as part of the Being A Better Council programme with the aim of it providing greater flexibility and freedom for the council to develop services and trade them, while still being overseen and governed effectively by the council.
- 3.12 The service can be transferred to the company without the need to tender under the 'Teckal' exemption. Whilst the company operates under an arm's length relationship with the Council as the only shareholder it is still able to exert influence over its activities and manage in a light touch manner. The arrangement provides a hybrid model between in and out-sourced services and being an arm's length independent company can be more flexible in its arrangements, having a greater flexibility in terms of staffing and trading arrangements which is an aid to staff retention, attraction, and

investment. The transfer of the service into the Council’s trading company will provide an opportunity for it to grow and develop to meet the needs of the council and demands and expectations of residents in a digital age.

3.13 If the proposal is supported, the company will be tasked with providing this service to the council, through an appropriate contractual arrangement to:

- Deliver timely, professional reactive and proactive marketing and communications across the council portfolio of activities. This will mean doing more of the things that add value to our residents, and stopping doing others, as set out in the table here.

Stop / Do less	Do more
Expensive printed design	Digital design to drive engagement
Promotion for individual businesses	Promotion of the whole district
No value / limited interest press releases	Educating residents about the work of the council
Reaching limited audiences	Tailored messaging to targeted audiences
Responding to external press stories wanting evidence to feed their own narratives	Digital engagement using other platforms such as Instagram and TikTok
Reactive communications to third party requests with little value added	Reaching younger audiences 18 - 45
	Engaging with influencers and referring platforms to extend the reach of Lichfield District stories
	Surveys and resident feedback
	Use of video and exploit new audiences to be found in YouTube
	Strategic positioning of the voice of the council
	Proactive research and requests for content to support trending subjects of interest to residents

- Achieve the following Key Performance Indicators to demonstrate efficacy of the service.

Measure	2022 Baseline	2023/24 Target	2024/25 Target	Comment
Overall resident satisfaction	49%	75%	>80%	Contributing to. Surveyed twice annually
Keeping residents informed	48%	65%	>70%	Contributing to. Surveyed twice annually
Value for money	24%	60%	>70%	Contributing to. Surveyed twice annually
Trust in the council	41%	75%	>80%	Contributing to. Surveyed twice annually
Internal satisfaction with the service	>80%	>85%	>90%	Measured monthly
Reactive press releases per month	>15	>15	>15	Measured monthly
Proactive engagement / campaigns success	TBC Baseline	TBC Baseline +	TBC Baseline +	Set and measured monthly dependent on priorities
Uptake of Residents’ Bulletin	c. 30,000	>35,000	>40,000	Measured quarterly
Use of Council website as a tool for information by residents	TBC Baseline	TBC Baseline +	TBC Baseline +	Visits to website / Measured annually

Speed of response (internal support requests)	<1 working day	<1 working day	<1 working day	Measured monthly
Income generated / Savings to Council	-	>£50K	>£50K	Measured quarterly

Note: First four targets are taken from the Being A Better Council Strategy.

Alternative Options	<ol style="list-style-type: none"> <li>1. Retain and Develop the Service in house – there is a risk that key staff will not be attracted to or retained by the Council. The Communications function is not a ‘core ‘council service and the Council does not have the flexibility and focus to develop commercial opportunities and to invest in, develop and grow the Service. This option is not recommended.</li> <li>2. Outsource to a Private Sector Provider – the service will need to be specified, tendered, and contracted requiring significant resource and time to complete. In addition, staff will be required to oversee and manage the relationship and the Council will exert little influence over the trading relationship and running of the company. This option is not recommended.</li> </ol>																																																
Consultation	<ol style="list-style-type: none"> <li>1. Formal consultation with employees on the proposed TUPE transfer has been undertaken and will be overseen by the Employment Committee.</li> </ol>																																																
Financial Implications	<p>The Approved Net Direct Budgets (excluding support services and recharges) for the Communications and Visitor Economy Team are shown below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> </tr> </thead> <tbody> <tr> <td>Salaries based on the Target Operating Model</td> <td>230,060</td> <td>238,180</td> <td>241,680</td> <td>245,320</td> <td>249,010</td> </tr> <tr> <td>Savings assumed in Being a Better Council</td> <td>(30,000)</td> <td>(89,000)</td> <td>(89,000)</td> <td>(89,000)</td> <td>(89,000)</td> </tr> <tr> <td><b>Sub Total - Salary based Budgets</b></td> <td><b>200,060</b></td> <td><b>149,180</b></td> <td><b>152,680</b></td> <td><b>156,320</b></td> <td><b>160,010</b></td> </tr> <tr> <td>Transport</td> <td>430</td> <td>430</td> <td>430</td> <td>430</td> <td>430</td> </tr> <tr> <td>Supplies and Services</td> <td>83,130</td> <td>71,160</td> <td>71,190</td> <td>71,220</td> <td>71,250</td> </tr> <tr> <td>External Income</td> <td>0</td> <td>(6,870)</td> <td>(7,030)</td> <td>(7,190)</td> <td>(7,190)</td> </tr> <tr> <td><b>Total Net Direct Budgets</b></td> <td><b>283,620</b></td> <td><b>213,900</b></td> <td><b>217,270</b></td> <td><b>220,780</b></td> <td><b>224,500</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• The Approved Budgets have been updated to reflect the Target Operating Model.</li> <li>• The Approved Budgets include savings targets assumed from the restructure of the communications/visitor economy team included in the Being a Better Council project.</li> <li>• It is intended that the Company will only receive reimbursement from the Council for services provided. However, the Council must be mindful of transfer pricing requirements and therefore the actual approach to pricing to be adopted will need to be developed in consultation with the Council’s Tax advisors</li> <li>• There are pension implications for both the Council and LWMTS. As a company wholly owned by the Council LWMTS will be classed as a designated body and would be admitted into the scheme following a Company resolution to join.</li> <li>• This involves TUPE transfers of staff from the letting employer to the designated body. The designated body becomes a new participating Fund employer for and transferring employees remain eligible for LGPS membership and contributions under the Best Value Guarantee.</li> <li>• Liabilities for transferring active members will be calculated by the Fund actuary on the day before the outsourcing occurs, costs have been requested from the actuary for this. The designated body will be allocated an asset share equal to the value of the</li> </ul>	Description	2022/23	2023/24	2024/25	2025/26	2026/27	Salaries based on the Target Operating Model	230,060	238,180	241,680	245,320	249,010	Savings assumed in Being a Better Council	(30,000)	(89,000)	(89,000)	(89,000)	(89,000)	<b>Sub Total - Salary based Budgets</b>	<b>200,060</b>	<b>149,180</b>	<b>152,680</b>	<b>156,320</b>	<b>160,010</b>	Transport	430	430	430	430	430	Supplies and Services	83,130	71,160	71,190	71,220	71,250	External Income	0	(6,870)	(7,030)	(7,190)	(7,190)	<b>Total Net Direct Budgets</b>	<b>283,620</b>	<b>213,900</b>	<b>217,270</b>	<b>220,780</b>	<b>224,500</b>
Description	2022/23	2023/24	2024/25	2025/26	2026/27																																												
Salaries based on the Target Operating Model	230,060	238,180	241,680	245,320	249,010																																												
Savings assumed in Being a Better Council	(30,000)	(89,000)	(89,000)	(89,000)	(89,000)																																												
<b>Sub Total - Salary based Budgets</b>	<b>200,060</b>	<b>149,180</b>	<b>152,680</b>	<b>156,320</b>	<b>160,010</b>																																												
Transport	430	430	430	430	430																																												
Supplies and Services	83,130	71,160	71,190	71,220	71,250																																												
External Income	0	(6,870)	(7,030)	(7,190)	(7,190)																																												
<b>Total Net Direct Budgets</b>	<b>283,620</b>	<b>213,900</b>	<b>217,270</b>	<b>220,780</b>	<b>224,500</b>																																												

	<p>transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.</p> <ul style="list-style-type: none"> <li>• There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the designated body. One option which may be agreed between a letting employer and a new contractor is participation via a “pass through” arrangement. Under this option the designated body pays a fixed contribution rate throughout its participation in the Fund and on cessation does not pay any deficit nor receive an exit credit. In other words, the pensions risks “pass through” to the letting employer.</li> <li>• The contribution rate payable by the designated body over the period of participation will be set equal to the total contribution rate payable by the letting authority (at the time of the contract award) and will not change for the duration of the new employer’s contract. Where the letting authority’s contribution rate is expressed as a percentage of payroll plus a monetary amount, the monetary amount will be converted to a percentage of payroll to determine the total contribution rate.</li> <li>• In 2022/23 the total contribution rate is <b>30.1%</b> although this could change under the new Local Government Pension valuation from 1 April 2023.</li> <li>• The Company’s Business Plan is subject to approval by the Council on an annual basis or if material changes are proposed during the financial year to ensure proposed activity is transparent and has shareholder approval.</li> </ul>
Approved by Section 151 Officer	Yes
Legal Implications	<ol style="list-style-type: none"> <li>1. The transfer of the Communications function to LWM Traded Services will be considered a TUPE transfer and as such certain employment law provisions will apply.</li> <li>2. Consultation with HR and the Employment Committee has been undertaken to understand the necessary processes and procedures required.</li> </ol>
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> <li>1. Developing and investing in a more effective Communications Team capable of providing an enhanced level of service to the Council will support the ‘enabling people’ strategic theme and in particular the design and delivery of an effective communications and engagement strategy.</li> </ol>
Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> <li>1. None as any staff transferring will be protected as part of any TUPE transfer.</li> </ol>
Crime & Safety Issues	<ol style="list-style-type: none"> <li>1. Not Applicable</li> </ol>
Environmental Impact (including Climate Change and Biodiversity).	<ol style="list-style-type: none"> <li>1. Not Applicable</li> </ol>
GDPR / Privacy Impact Assessment	<ol style="list-style-type: none"> <li>1. A Privacy Impact Assessment has not been undertaken but as part of the transfer of the undertaking employee data will need to be disclosed. In accordance with the TUPE the transferor (current employer) is required to</li> </ol>

provide the transferee (new employer) with certain Employer Liability Information including personal data. In these circumstances the GDPR condition for the lawful processing of personal data will be satisfied as it is necessary to comply with a legal obligation. In order to avoid any data protection breach issues all employee data will be anonymised at the outset.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Attracting Staff	Likelihood – Yellow Impact – Red Risk - Red	Transferring the function into the trading company will allow more flexibility in negotiating employment packages	Likelihood – Green Impact - Green Risk - Green
B	Retaining Staff	Likelihood – Yellow Impact – Red Risk - Red	Transferring the function will allow more flexibly in terms of employment packages. This together with providing a more focused unit with the opportunity to grow and develop other opportunities will create a more dynamic and attractive environment	Likelihood – Green Impact - Green Risk - Green
C	Technological Change	Likelihood – Yellow Impact – Red Risk - Red	The Council’s communications are currently still heavily focused on print and the transfer of the function will allow it to fully embrace the digital age by attracting new skilled resource and investing more in web services and digital technologies	Likelihood – Green Impact - Green Risk - Green
D	Service	Likelihood – Yellow Impact – Red Risk - Red	Transferring the function into a stand-alone business unit will provide a competitive tension and competitive edge by which business is won and retained through not only being competitive but delivering excellent service. Whilst the service has been outsourced the Council given it has been transferred to an arm’s length Council owned company still has some oversight/control as shareholder to ensure that as its primary customer the Council’s priorities are met and delivered.	Likelihood – Green Impact - Green Risk - Green
E	Pension implications related to TUPE staff are not fully understood and managed	Likelihood – Yellow Impact - Yellow Risk - Yellow	To commission relevant Actuarial assessments to understand costs and implications for LWMTS and Council	Likelihood – Green Impact - Yellow Risk - Yellow
F	The requirements for Civil Contingencies Act and multi-agency working are not adopted by the Company	Likelihood – Yellow Impact - Yellow Risk - Yellow	An on-call officer will be adopted by the Company to deal with such emergency issues	Likelihood – Green Impact - Green Risk - Green
G	Transfer pricing requirements are not considered when setting charges	Likelihood – Yellow Impact - Yellow Risk - Yellow	Advice will be sought from tax advisors	Likelihood – Green Impact - Yellow Risk - Yellow
H	The requirements for politically restricted communications posts are not adopted by the Company	Likelihood – Yellow Impact - Yellow Risk - Yellow	The same approach taken by the Council for politically restricted posts will be adopted by the Company	Likelihood – Green Impact - Green Risk - Green

	<b>Background documents</b> Any previous reports or decisions linked to this item None
--	--

	<b>Relevant web links</b> Any links for background information which may be useful to understand the context of the report None
--	---



## New Leisure Facility – Stychbrook Park

### Cabinet Member for leisure and Parks

**Date:** 14<sup>th</sup> February 2023  
**Agenda Item:** 9  
**Contact Officer:** Simon Fletcher, Chief Executive, Anthony Thomas, Assistant Director Finance & Commissioning and S151 Officer, John Smith, Performance & Programmes Manager



**Tel Number:**  
**Email:** [Simon.Fletcher@lichfielddc.gov.uk](mailto:Simon.Fletcher@lichfielddc.gov.uk)  
[Anthony.Thomas@lichfielddc.gov.uk](mailto:Anthony.Thomas@lichfielddc.gov.uk)  
[John.Smith@lichfielddc.gov.uk](mailto:John.Smith@lichfielddc.gov.uk)

**Cabinet**

**Key Decision?** Yes  
**Local Ward Members** Curborough Ward

## 1. Executive Summary

- 1.1 This report proposes a second significant investment this financial year by the council, in line with its recently reviewed reserves policy and in its role as place-shaper for our district, following the December 2022 decision to support investment in a new cinema.
- 1.2 It seeks Cabinet support to fund a new, purpose-built leisure centre at Stychbrook Park, in Lichfield. The new centre will replace the current facility at the Friary Grange. This investment, alongside a proposed investment in additional sport and leisure activities (see CIL paper on this agenda), will help encourage more people in the district to live healthy and active lives.

## 2. Recommendations

- 2.1 Cabinet approves the principle of funding a new, purpose-built leisure centre at Stychbrook Park, in Lichfield based on **£10m** of funding provided by the Council.
- 2.2 Cabinet recommends to Council to approve the Capital Financing Requirement (Borrowing Need) of **£5m** being initially funded by Internal Borrowing.
- 2.3 Cabinet recommends 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.
- 2.4 Cabinet delegates 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.

## 3. Background

- 3.1 In October 2019 and following several meetings and consultations regarding Friary Grange Leisure Centre, Full Council decided a replacement facility would be built and to maintain and keep the Friary centre open until then.

- 3.2 A condition survey identified £2.38m of works needed to keep the building safe, watertight, and weatherproof and keep mechanical and electrical functions working, with a minimum of £503,000 investment needed to make the building safe, watertight, weatherproof, and operational alone. £694,658.62 was assigned with £560,930.17 being used to date, leaving a remaining budget of £130,243.75. Despite this remedial investment, the Friary Centre is still nearing end of useful life with significant further investment required to maintain it in its current poor condition and so a decision on its replacement is now imperative.
- 3.3 Since October 2019, in addition to ensuring the current site remains open, the council's Major Programmes Team has developed a project to investigate the location, mix and funding of a replacement centre.

### **Why Stychbrook Park**

- 3.4 A review of suitably sized, undeveloped sites in and around Lichfield City identified eight potential sites for the proposed new Lichfield Leisure Centre. They were:

Stychbrook Park	Stowe Fields	Shortbutts Park
Saddlers Wood	Leamonsley Park	Birmingham Road Site
Darnford Park	Beacon Park	

- 3.5 Of the eight sites, Stychbrook Park was identified as the preferred site for the new leisure centre. The selection of Stychbrook Park as the preferred site was approved by the Leisure Centre Task Group at its meeting on 14 September 2020 and by the Leisure, Parks, and Waste Management (Overview and Scrutiny) Committee at their meeting 23 September 2020, who supported the proposal based on:

- It being close to the current Friary Grange Leisure Centre – aiding the transfer of usage from the old site to the new and providing continuity of provision for local neighbourhoods, some of the more deprived in the district – supporting work to reduce health inequalities.
- It having a history of use as a sports / recreational site.
- At 3.47 Hectares, it is a large site – lessening the impact on surrounding housing.
- The new centre would have synergy with existing outdoor pitch provision, giving the potential for a “sports campus” style offer.
- It's location adjacent to A5129, aiding access.
- Relatively good public transport links.
- Ecological impacts being assessed as lower than for other open-space options.
- Public open space impact being assessed as lower than for other open-space options.
- A low risk of current or future opportunity costs – as public open space incorporating playing pitches, planning constraints makes it extremely unlikely the site could ever be redeveloped for non-sports / non-recreational purposes.
- It being the only site for which the analysis did not identify a significant strategic impediment or planning risk to the development of a leisure centre.

- 3.7 Following the selection process, several site surveys and investigations were commissioned to ensure viability and to help prepare any mitigation plans where required:

- Topographical survey
- Underground services survey
- Utilities searches
- Archaeology Report
- Geo Environmental Survey
- Highways & Traffic Assessment

- 3.8 In October 2022, the Council engaged with ReCreation to discuss our project needs. ReCreation, a provider of modular swimming pool solutions, are a recognised market leader in supporting local authorities to deliver affordable leisure facilities through innovative design and build.
- 3.9 ReCreation provide an innovative way to build pools above ground. This avoids the costs and lengthy build time of a traditional pool. The unique above-ground design is a proven, effective solution to providing swimming facilities at a fraction of the cost of traditional construction.
- 3.10 Traditionally, swimming pools have been built in-ground. This is done by excavating the site and filling the hole with reinforced concrete, which is later waterproofed and then tiled. In recent years, however, above-ground pools have become more common. This is due to the significant savings made on time, cost and environmental impact compared to a traditional in-ground, concrete pool.
- 3.11 Typically, above-ground facilities are constructed in 14 months, being at least 20 per cent quicker than an in-ground build. Above-ground swimming pools are designed to last the life of a building when maintained correctly. Ease of maintenance means repairs can be made without large-scale, structural changes. That means an above-ground pool would last at least 50 years if the building itself is kept running and is well managed.
- 3.12 Due to the stainless-steel structure of an above-ground pool, maintenance is predictable and costs less than what it would take to repair an in-ground pool.
- 3.13 The council's Major Programmes team and Leisure Task Force Chair visited a ReCreation build site (Rainham, Essex) in December 2022. This build is on behalf of Havering Borough Council, and the site facilities compare greatly to Lichfield's needs, with a new state-of-the-art facility offering a range of facilities including a dance and spinning studio, 72-station fitness suite and six-lane swimming pool. ReCreation was then appointed later in December 2022 as our special advisors to undertake an initial strategic brief and conceptual ideation in line with the Royal Institute of British Architecture (RIBA) stage 0, this work has commenced and will include high level site analysis, internal/external drawings and RIBA Stage 0 report which will be used to aid with decisions on the future of this project.

### **Assessment of Need**

- 3.14 An assessment of the sport and leisure needs of district residents up to 2040 has been completed in accordance with Sport England's Strategic Outcomes Planning Model guidance. As part of this assessment, primary research was commissioned including online face-to-face surveys and targeted focus groups including people with disabilities, young people, and older adults. A key finding from the assessment highlighted that the age and condition of the current facilities was a barrier to participation.

### **Mix / Facilities proposed**

- 3.15 The Leisure Centre Task Group and Leisure, Parks, and Waste Management (Overview and Scrutiny) Committee also agreed the new centre should ideally include the following mix of facilities:

25m x 6 lane pool	Changing village	80 station gym
Fitness/dance studio	Spin studio	Lobby/reception area with café
4G pitch	Car parking	

- 3.16 When considering the facility mix for the new leisure centre, we have considered Recommendation 4 from the Built Facility Strategy. This recommendation indicates the facility mix requirements for a new

leisure centre. In addition to the recommendation, consultation with local people, focus groups and key stakeholders has identified facility needs for a new centre. The council’s ambition, in proposing the modular approach to developing a new leisure centre, is for there to be an ability / flexibility to add to those facilities, with for example a sports hall and learner swimming pool, as further funding becomes available in the future.

**Affordability (capital and revenue)**

- 3.17 Approval to develop a new leisure centre requires confidence that both the initial capital costs and ongoing revenue costs of the centre can be met.
- 3.18 The council has worked closely with ReCreation to develop an understanding of the cost of building a leisure centre with the mix of facilities set out in para 3.15 on Stychbrook Park in Lichfield, based on an understanding of the site following the surveys undertaken as identified in para 3.7. The proposal is to develop a centre identical to the one visited in Rainham, Essex.
- 3.19 Careful financial planning and a favourable financial settlement in 2023/24 and 2024/25 has enabled the council to identify £10m of capital funding for the new centre, from a mixture of cash and internal borrowing – as set out in the financial implications section of this report.
- 3.20 A detailed Revenue Business Plan has been developed for the new leisure centre in collaboration with specialist leisure consultants, Max Associates. Max Associates has been operating for over 20 years across the sport, leisure, and cultural sectors. They are a market leader in Sport England’s strategic outcome planning models (and assisted the council to prepare our strategic model), feasibility studies, alternative management options and sport and leisure procurement, delivering both consultancy and project management advice. They have worked for both local authorities and private sector operators and therefore have a unique knowledge of all aspects of sport and leisure services.
- 3.21 The Revenue Business Plan sets out total income and expenditure projected in the first 5 years of the new leisure centre business. Further details of this can be found in the confidential version of the report.

<b>Alternative Options</b>	<ol style="list-style-type: none"> <li>1. To continue to maintain Friary Grange Leisure Centre, however this facility is coming to the end of its economic life.</li> <li>2. To reconsider the alternative sites, however all have significant planning policy or feasibility problems and have been ruled out previously. They would all require some form of site investigation survey process and potentially the need for Appropriation, where they are Public Open Space, prior to any planning work taking place so would also add at least 12 months to any delivery programme.</li> </ol>
----------------------------	---

<b>Consultation</b>	<ol style="list-style-type: none"> <li>1. ReCreation</li> <li>2. Prior to and during the build of a new leisure facility for Lichfield City Centre, the council will communicate with residents and stakeholders to ensure they are aware of progress and any potential changes.</li> </ol>
---------------------	---

<b>Financial Implications</b>	<p>The Approved Budgets included in the Medium Term Financial Strategy are shown below:</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #00AEEF; color: white;"> <th colspan="8">Capital Programme</th> </tr> <tr> <th></th> <th>Actual £000</th> <th>2022/23 £000</th> <th>2023/24 £000</th> <th>2024/25 £000</th> <th>2025/26 £000</th> <th>2026/27 £000</th> <th>Total £000</th> </tr> </thead> <tbody> <tr> <td>Replacement Leisure Centre</td> <td>216</td> <td>50</td> <td>2,474</td> <td>2,260</td> <td></td> <td></td> <td>5,000</td> </tr> </tbody> </table>	Capital Programme									Actual £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000	Replacement Leisure Centre	216	50	2,474	2,260			5,000
Capital Programme																									
	Actual £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000																		
Replacement Leisure Centre	216	50	2,474	2,260			5,000																		

Construction Inflation Contingency		100	100	100	100		400
<b>Total Expenditure</b>	<b>216</b>	<b>150</b>	<b>2,574</b>	<b>2,360</b>	<b>100</b>	<b>0</b>	<b>5,400</b>

<b>Funding:</b>							
Internal Borrowing	(216)	(50)	(2,474)	(2,260)	5,000		0
External Borrowing					(5,000)		(5,000)
Council Funding		(100)	(100)	(100)	(100)		(400)
<b>Total Funding</b>	<b>(216)</b>	<b>(150)</b>	<b>(2,574)</b>	<b>(2,360)</b>	<b>(100)</b>	<b>0</b>	<b>(5,400)</b>

<b>Revenue Budget</b>									
Assumptions	2022/ 23 £000	2023/ 24 £000	2024/ 25 £000	2025/ 26 £000	2026/ 27 £000	2027/ 28 £000	2028/ 29 £000	2029/ 30 £000	
Budgeted Commercial Bid	(171)	(86)	(86)	(171)	(171)	(171)	(171)	(171)	
Operating Cost				0	0	0	0	0	
Minimum Revenue Provision	25 yrs			200	200	200	200	200	
Cost of Finance	4.98%			247	237	227	217	207	
<b>Total Revenue Impact</b>		<b>(171)</b>	<b>(86)</b>	<b>(86)</b>	<b>276</b>	<b>266</b>	<b>256</b>	<b>246</b>	

The high-level capital cost of the facility provided by Recreation group is shown in detail at **APPENDIX A** and in summary below:

Capital Cost Item	£	Assumptions
Construction Costs	7,150,000	December 2023 costed
Design Development Contingency	550,000	
<b>Total Construction Costs</b>	<b>7,700,000</b>	
Professional Fees	770,000	10%
Developers Management Fee	847,000	10%
Project Contingency	577,500	7.50%
<b>Total Capital Costs</b>	<b>9,894,500</b>	

<b>Exclusions:</b>	
Fixtures, fittings and equipment	
Sprinkler installations and automated smoke ventilation	
BREEAM requirements	
Offsite reinforcement of services	
VAT	
Works to existing structures	
Contamination removal	

A more detailed assessment of the capital cost of the planned facility is currently being completed using RIBA 0 standards. The Council has employed its own retained Quantity Surveyor to ensure these costs are robust and to provide professional advice to the Council during the project.

The recommended Capital Programme and its funding based on the high-level capital cost of the facility is shown below:

<b>Capital Programme</b>							
	Actual £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Replacement Leisure Centre	216 <sup>1</sup>	50	5,087	4,647			10,000
<b>Total Expenditure</b>	<b>216</b>	<b>50</b>	<b>5,087</b>	<b>4,647</b>	<b>0</b>	<b>0</b>	<b>10,000</b>

<b>Funding:</b>
-----------------

<sup>1</sup> To remain within the recommended £10m budget, these development based costs will need to be funded by earmarked reserves and existing budgets.

Internal Borrowing	(216) <sup>2</sup>	(26)	(2,333)	(2,425)	0	0	(5,000)
Earmarked Reserve		(17)					(17)
Section 106		(7)	(121)	(133)			(261)
Council Funding - construction inflation contingency			(200)	(200)			(400)
Council Funding - Strategic Priorities Reserve			(2,433)	(1,889)			(4,322)
<b>Total Funding</b>	<b>(216)</b>	<b>(50)</b>	<b>(5,087)</b>	<b>(4,647)</b>	<b>0</b>	<b>0</b>	<b>(10,000)</b>
<b>Change to Approved Budget</b>	<b>0</b>	<b>(100)</b>	<b>2,513</b>	<b>2,287</b>	<b>(100)</b>	<b>0</b>	<b>4,600</b>

The Business Plan Assumptions have been provided by Max Associates for the new facility. The central scenario together with projections based on more optimistic and pessimistic assumptions shown in detail at **APPENDIX B** of the confidential version of the report.

Approved by Section 151 Officer

Yes

Legal Implications

**Appropriation**

1. On 23 June 2021 Kings Chambers advised the council that because Stychbrook Park is considered as public open space, S.122 (2A) of the Local Government Act would apply and there will be a need to carry out publicity and consultation, specifying the land in question to be advertised in two consecutive weeks in a local newspaper in which the land is situated and to consider any objections to the proposed appropriation which may be made.
2. The Notice and consultation took place for just over six weeks, between September and October 2021. During this time the council placed the requisite two adverts in the Lichfield Chronicle local newspaper. To broaden the consultation the Council also engaged through social media, wrote to all those signed up to the councils e-news, some 19,000 people, wrote to 200 properties neighbouring the park making them aware of the advert and launched a microsite specific to the project.
3. In May 2022, following consideration of the responses, the Council formally Appropriated the public open space at Stychbrook Park for the purposes of building the new Leisure Centre.

Approved by Monitoring Officer

Yes

Contribution to the Delivery of the Strategic Plan

1. Sustainable leisure centre provision in support of active lifestyles contributes to:
  - a. Enabling people – to live healthy and active lives.
  - b. Developing prosperity – to enhance the district for visitors.
  - c. A good council that – is financially sound, transparent and accountable.

<sup>2</sup> To remain within the recommended £10m budget, these development based costs will need to be funded by earmarked reserves and existing budgets.

Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> <li>1. There are no equality, diversity and human right implications associated with the proposals.</li> <li>2. A full equality impact assessment will be conducted on the building's design and an access statement will accompany any future planning application.</li> </ol>
Crime & Safety Issues	<ol style="list-style-type: none"> <li>1. None at this time.</li> </ol>
Environmental Impact	<ol style="list-style-type: none"> <li>1. The proposed site is currently public open space.</li> <li>2. The environmental impact of any development will be explored in detail as part of subsequent site investigations and any planning application.</li> <li>3. Mitigation measures will be identified and agreed as appropriate.</li> </ol>
GDPR / Privacy Impact Assessment	Not applicable

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	The capital cost of a replacement leisure centre increases in the current economic climate	Likelihood – Red Impact -Red Risk - Red	Contingency included in the capital budget.  Rigorous project and change management approach based on Best Practice is implemented.	Likelihood – Yellow Impact - Yellow Risk - Yellow
B	The Company breaches the 20% TEKKAL exemption due to the level of external income	Likelihood – Red Impact -Red Risk - Red	Financial modelling based on the approved Business Plan and known plans has been undertaken. The 20% level would be breached if the income and expenditure is accounted for by the Company.  The optimum delivery option will continue to be evaluated based on legal and tax advice.	Likelihood – Green Impact – Green Risk - Green
C	The Council breaches its partial exemption limit and is unable to reclaim VAT of c£100k per annum related to exempt activities when taking into account leisure insourcing and CIL investment	Likelihood – Red Impact -Red Risk - Red	Financial modelling will need to be undertaken based around the level of exempt income such as football pitch hires utilising the series of lets exemption etc.  The optimum delivery option will continue to be evaluated based on legal and tax advice.	Likelihood – Yellow Impact - Yellow Risk - Yellow
D	Operating cost is higher than modelled	Likelihood – Red Impact -Red Risk - Red	Operating cost scenario modelling has been undertaken to understand the scale of financial risk. A specific in year risk allowance for adverse leisure centre performance is included in the minimum level of general reserves.	Likelihood – Yellow Impact - Yellow Risk - Yellow
E	Operation of the activities results in an additional Corporation Tax Liability for LWMTS therefore reducing the level of income that could be distributed to the Council through dividends	Likelihood – Red Impact -Red Risk - Red	The financial modelling provided above assumes operation of these activities through the Company with a Corporation Tax payment at a rate of 25% from 1 April 2023. The payment of Corporation Tax will reduce the level of distributable profit available to the Council.  The optimum delivery option will continue to be evaluated based on legal and tax advice.	Likelihood – Yellow Impact - Yellow Risk - Yellow

## Background documents

Any previous reports or decisions linked to this item

### Stages of RIBA work:

- 0 – Strategic Definition
- 1 – Preparation and Briefing
- 2 – Concept Design
- 3 – Spatial Coordination
- 4 – Technical Design
- 5 – Manufacturing and Construction
- 6 – Handover
- 7 – Use

## Relevant web links

Leisure Centre Task Group agreed the preferred site 14 September 2020:

<https://democracy.lichfielddc.gov.uk/documents/s9048/Task%20Group%20Meeting%20Notes%2014%20Sept%202020%20v1.pdf>

A report was taken to an Overview and Scrutiny Committee detailing the new leisure centres' preferred site on 23 September 2020; seeking support for a recommendation to Cabinet that Stychbrook Park be identified as the preferred site for the new Lichfield Leisure Centre.

<https://democracy.lichfielddc.gov.uk/documents/s9050/Preferred%20LC%20site%20OOS%20FINAL.pdf>

The preferred site was then endorsed by Cabinet at its meeting on 6 October 2020 - Item 4 – New Lichfield leisure centre preferred site:

<https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=138&MId=1641&Ver=4>

The council Appropriated Stychbrook Park under S122 of the Local Government Act 1972 on 17 May 2022 – Item 11 Appropriation of Stychbrook Park:

[Agenda for Council on Tuesday, 17th May, 2022, 6.00 pm \(lichfielddc.gov.uk\)](#)



## High Level Capital Cost Budget Summary



### High Level Capital Cost Budget Summary - Lichfield Leisure Centre

CAPITAL COST ITEM	SUB-TOTAL	TOTAL AMOUNT	COMMENTS
<b>A. Construction Cost</b>			
Swimming/ Gym Facility Construction Costs		£7,150,000	Based on building size 2,200m <sup>2</sup> @ £3,250 per m <sup>2</sup>
Design Development Contingency		£550,000	Based on building size 2,200m <sup>2</sup> @ £250 per m <sup>2</sup>
<b>Total Construction Costs</b>		<b>£7,700,000</b>	
<b>B. Furniture and Equipment</b>			
<b>Total Furniture and Equipment - Excluded</b>		Exc.	
<b>C. Professional Fees</b>			
Professional Fees (Excl. Novated Fees) - 10%		£770,000.00	
Developers Management Fee - 10%		£847,000.00	
<b>Total Professional Fees</b>		<b>£1,617,000</b>	
<b>D. Project Contingency</b>			
Project Contingency - 7.5%		£577,500	
<b>E. TOTAL CAPITAL COSTS</b>			
		<b>£9,894,500</b>	

#### Notes and Clarifications

Site characteristics will dictate specific costs

VAT is excluded

Inflation projected to December 2023

Works to existing structures are excluded

Fixture, fittings and equipment are excluded

Excludes contamination removal

Excludes for the removal of relic structures from the ground

Sprinkler installations and automated smoke ventilation is excluded

Additional costs associated with BREEAM requirements are excluded

Off site reinforcement of services is excluded



## IN-SOURCING LEISURE PROVISION

### Cabinet Member for Leisure and Parks

Date:	14 February 2023
Agenda Item:	10
Contact Officer:	Simon Fletcher, Chief Executive, Anthony Thomas, Assistant Director Finance & Commissioning and S151 Officer, John Smith, Performance & Programmes Manager, Sarah Sleigh, People Policy Officer
Tel Number:	07961202055
Email:	<a href="mailto:Simon.fletcher@lichfielddc.gov.uk">Simon.fletcher@lichfielddc.gov.uk</a> , <a href="mailto:Anthony.Thomas@lichfielddc.gov.uk">Anthony.Thomas@lichfielddc.gov.uk</a> , <a href="mailto:John.Smith@lichfielddc.gov.uk">John.Smith@lichfielddc.gov.uk</a> <a href="mailto:Sarah.Sleigh@lichfielddc.gov.uk">Sarah.Sleigh@lichfielddc.gov.uk</a>
Key Decision?	YES
Local Ward Members	All Wards.



Lichfield  
district council

**CABINET**

## 1. Executive Summary

- 1.1 The council has been approached by Freedom Leisure to agree a termination of the Leisure Operating Contract with them on 1 April 2023. The request follows several months of ongoing discussion and negotiation about the future of the contract in response to Freedom's requests for further financial support over the coming two financial years, as a result of the energy price increases.
- 1.2 The paper proposes a mutually agreed termination of the Leisure Operating Contract with Freedom Leisure and, subsequently, the transfer of the management and operation of the council's leisure portfolio (comprising Burntwood Leisure Centre and Friary Grange Leisure Centre) to Lichfield West Midlands Traded Services (LWMTS), the Council's wholly owned company.

## 2. Recommendations

- 2.1 Cabinet approve and recommend to full Council a mutually agreed termination of the Leisure Operating Contract with Freedom Leisure.
- 2.2 Cabinet approve 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.
- 2.3 Cabinet approve and recommend 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.
- 2.4 Cabinet delegate 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.

### 3. Background

- 3.1 In July 2015, the council commissioned FMG Consulting to undertake an options appraisal for the management of the council's leisure centres and services. As well as ensuring that the council has a leisure service that is fit for the future, the review was also tasked to deliver a budget reduction of at least £200,000 per year.
- 3.2 In March 2016, Cabinet agreed to the principle of outsourcing the management and operation of Burntwood and Friary Grange leisure centres, as a means to ensuring both a fit for the future service and the necessary budget savings, and to seek proposals to appoint a project manager to progress this work.
- 3.3 In July 2016 and following a formal tendering process for the project manager, a contract was awarded to Max Associates Ltd, to progress with the outsourcing of the council's leisure centres. Following a further competitive process, the Council appointed Freedom Leisure to manage and operate its leisure portfolio comprising Burntwood Leisure Centre and Friary Grange Leisure Centre, pursuant to a Leisure Operating Contract dated 1 February 2018. The contract period is for 10 years with an option to extend by a period of 5 years.
- 3.4 Clause 29 of the Contract recognised the long-term future of Friary Grange Leisure Centre was subject to ongoing discussions between Staffordshire County Council and Friary School. The Contract therefore provided for partial termination in relation to Friary Grange Leisure Centre.
- 3.5 Despite ongoing discussions between the parties, Staffordshire County Council and Friary School were unable to commit to the long-term future of Friary Grange Leisure Centre. The Council, therefore, exercised its rights, pursuant to Clause 30.1(a) of the Contract to partially terminate the Contract in relation to Friary Grange Leisure Centre, when it made its decision to close the facility in March 2019.
- 3.6 After the Notice to Terminate was served, there was a huge community response to the news. Members, customers and clubs raised the issue through social media, a community meeting, a petition and through contact with the council, showing how strongly they felt about having access to a leisure centre and swimming pool in Lichfield city. As a result, partners, including the county council and school, committed to explore a range of potential options to address the immediate threat of closure, as well as looking at future options for more sustainable leisure provision in the district. A special cabinet meeting on the 7 October 2019 was held at the Garrick Theatre. A cabinet debate took place following the public speaking session, where it voted to recommend (to Full Council) keeping the leisure centre open and investing £695,000 in repairs and maintenance. Cabinet also recommended amending the council's financial plan to add £5million into the capital programme to help future leisure facilities in Lichfield. An interim position was agreed for Freedom Leisure to continue to manage and operate Friary Grange Leisure Centre, subject to adjustments to the contract set out in a Deed of Variation dated 22 June 2020.
- 3.7 This Deed of Variation deals only with the agreed variations relating to the management and operation of Friary Grange Leisure Centre arising from the new arrangements between Staffordshire County Council, Friary School and the Council and specifically the exclusion of the sports hall, all weather pitches and dance studio from community use for the remainder of the Contract Period (as defined in the Contract). It also set out that the annual payment payable by the Council to Freedom Leisure be adjusted on an annual basis by an increase of £63,750 for the financial year 1 and by £85,000 for each subsequent financial year commencing on 1 April, in compensation for the loss of revenue arising directly from the removal of these facilities.
- 3.8 The contract with Freedom Leisure has now been in place for five years. During this period Freedom has successfully delivered a £1.1m capital programme (funded by LDC through borrowing) for Burntwood leisure centre, in 2019. This included a refurbishment of the ground floor consisting of a new reception/café area and new aerobics studio. The first floor area was redesigned to increase the size of the gym provision, including a functional training zone and designated spin room.

3.9 From the initiation of the contract the council developed a partnership approach with Freedom Leisure to deliver leisure services. Further details of this can be found in the confidential version of this report.

### **Covid**

- 3.10 In response to the Health Protection (Business Closure – Coronavirus) (England) Regulations 2020, Freedom Leisure closed the leisure centres to prevent the spread of Covid-19 in March 2020. This closure had a significant and immediate impact upon the revenue generated by the facilities and meant Freedom Leisure were unable to both meet the costs of running the centres or pay the Council their contractual annual payment.
- 3.11 Following Government guidance PPN 02/20 and PPN 04/20 and sector specific guidance, on 3 April 2020, the Council agreed a package of financial and other support measures to help mitigate the impact of Covid-19 on Freedom Leisure. The Council agreed a short-term package of financial and other support measures, time limited, until 30 June 2020.
- 3.12 As the Covid Pandemic continued it was evident a temporary closure of leisure facilities was not sufficient, and the Government began to introduce UK wide and sector wide lockdowns. Which meant that leisure centres would remain closed for an extended period. The Council agreed a further package of financial and other support measures, to support Freedom Leisure in August 2020. This, again, was time limited until the end of March 2021. The financial package and other support measures set out in the second Deed of Variation were subject to Open Book Interim Data provided by Freedom Leisure.
- 3.13 As the country exited Covid, Government issued a 'Road Map' for the easing of Covid-19 Restrictions and the re-opening of leisure facilities. In accordance with the Road Map, Freedom Leisure was permitted to open all Indoor Facilities on 12 April 2021 and Outdoor Facilities on 17 May 2021, with some social distancing measures remaining in place until 21 June 2021. The Council and Freedom Leisure agreed a 're-opening schedule' to ensure that all facilities were fully opened. We also agreed a further package of financial and other support measures. This was time limited and expired on 30 June 2021. The Council confirmed its intention to withdraw all reliefs from all third-party contractors, including Freedom Leisure after 1 July 2021. Freedom Leisure acknowledged that any support measures were entirely at the discretion of the Council and that there would be no extension to the third and final support measures.
- 3.14 In return for the Council making this funding available, Freedom Leisure agreed to comply with the provisions and obligations of the funding agreement as if it were a party to it in place of the Council, including the obligations for repayment of the funding. This was completed by way of a Deed of Indemnity Agreement.
- 3.15 Freedom Leisure acknowledged the principles set out in PPN 02/20 and PPN 04/20 which required them to act in good faith with regards to requests for support measures and to take all reasonable steps to exit from such measures and resume full service delivery in accordance with the Contract including resumption of payment of the Annual Payment to the Council.
- 3.17 Since the Covid Lockdowns, both leisure centres have recovered reasonably well, although some income generating activities have not reached pre covid levels, including casual swimming and fitness memberships, which are currently operating at around 80% when compared to active memberships in early 2020. In other areas such as learn to swim and fitness classes the demand has increased at both facilities.

### **Cost of living crisis**

- 3.17 Nationally, almost half of adults say that they have less disposable income today compared to a year ago.

- 2 in 5 (40%) people said the cost of living increase was having a ‘negative impact’ on their ability to be active in August 2022, up from a third of people in March 2022 (an increase of 6.7%)
- Almost half of people (48%) think the cost-of living is likely to have a negative impact on their ability to be physically active in the future.

3.18 In July 2022, Freedom Leisure provided a report outlining the challenges being faced by the Leisure Partnership Contract. This included wage inflation, increased cost of supplies, equipment, goods and services and energy price rises. The report requested the Council provide full financial support to meet the impact of the energy price increase. (As set out in the confidential report)

3.19 The council sought legal advice from Winckworth Sherwood as set out in paragraph 3.18 of the confidential report.

3.20 In September 2022, Freedom Leisure provided a report containing their latest local energy price increase predictions. The report also contained an options appraisal (set out in paragraph 3.19 of the confidential report together with other considerations).

### **Proposal**

3.21 The Chief Executive, in consultation with the Cabinet Lead for Leisure, and the Leader of the Council, has led subsequent discussions and negotiations with Freedom Leisure since late 2022. Both Councillors’ steer was clear; the Council cannot support Freedom Leisure financially any further than has already been provided, but also will not countenance a closure of any part of either the Lichfield or Burntwood facilities.

3.22 In December 2022, following repeated requests for the Council to reconsider its position on financial support and the part / full closure of some of the facilities in the district, and recognition the Council would not concede on either of these points and instead expected Freedom Leisure to fulfil its contractual obligations, both parties agreed to begin (without prejudice) negotiations over a mutual termination of the contract.

3.23 The outcome of those negotiations is that:

- Both parties agree a mutual termination of the remaining period of the contract
- Freedom Leisure will pay the council an early exit fee (detailed in the confidential report)
- Freedom Leisure’s payment will be made in two instalments with two thirds paid on termination (1 April) and the remainder six months later (1 October)
- Both parties agree a communications strategy to support the announcement of a termination of the contract.

3.24 Cabinet is requested to consider, approve and recommend to Full Council this proposal and the negotiated terms of exit for Freedom Leisure with effect from 1 April 2023 (or as soon as possible thereafter).

Alternative Options	1. Cabinet could decide not to transfer the leisure operating contract into the LWMTS and to continue to hold Freedom Leisure to account in respect to the existing leisure outsource contract. Freedom Leisure have continued to implement cost cutting options, despite the council's objections and this is likely to continue leaving the facilities with higher charges, fewer staff, less health and wellbeing activities, smaller timetables, reduced opening times and the potential removal of higher cost facilities such as the health suite. This impairs the council's ability to support its community and we could end up with facilities that are open less frequently and become less affordable to those in most need in our community.
---------------------	---

2. The council revisit the leisure market and seek tenders from leisure operators to take over the contract. This could take between 12-18 months and is unlikely to provide any betterment to the existing leisure contract due to it being based on financial performance. The leisure market is slowly recovering from the effects of the COVID 19 pandemic and are facing challenges such as the cost of living crisis and high fuel costs meaning that appetite from the market to take on new commercial contracts is slim unless the financial risks are either shared, or more likely fully sit with the local authority.

**Consultation**

1. There will be public engagement and communication process as part of any changes to the operational management of the leisure centres. Overview & Scrutiny Committee was consulted at their Special meeting on the 8<sup>th</sup> February 2023 and their views will be reported directly at the Cabinet meeting.

**Financial Implications**

The Commercial Bid from Freedom Leisure assumed payments from the Council in the first three years of the 10 year contract (2017/18 to 2019/20) and then income to the Council from 2020/21 onwards.

However during COVID-19, financial support was provided to Freedom Leisure including foregoing some or all of the commercial bid income due to the Council in 2020/21 and 2021/22:

Commercial Bid Foregone	£142,778
Financial Support	£425,005
Business Rates & Grants	£63,486
<b>Total Support</b>	<b>£631,269</b>
National Leisure Recovery Fund	(£224,418)
<b>Public Sector Support</b>	<b>£406,851</b>

To inform the negotiations with Freedom Leisure a range of financial projections were modelled using different assumptions from the budgeted Council commercial Bid to the Freedom's Commercial Bid plus Total COVID-19 support plus the projected costs of transition.

The Budgets included in the Approved Medium Term Financial Strategy related to the Freedom Leisure Commercial Bid are shown in detail at **APPENDIX A** of the confidential report (and in summary in the financial implications of the confidential report).

The commercial bid figures provided by Freedom Leisure as part of the procurement in 2017/18 will have been negatively impacted by events over the last three years. Therefore the current operating costs and income projections have been requested from Freedom Leisure as part of the due diligence process. However it is likely that energy costs and income will not be performing in line with budgets.

There are also a number of other financial implications for the Council and LWMTS that will need to be considered as the project progresses:

- In terms of any charges for services to or from the Council, the Council and Company must be mindful of transfer pricing requirements and therefore the actual approach to pricing to be adopted will need to be developed in consultation with the Council's Tax advisors
- There are pension implications for both the Council and wholly owned company / new organisational structure. The wholly owned company / new organisational structure will be classed as a designated body and would be admitted into the scheme following a Company resolution to join. This involves TUPE transfers of staff from Freedom Leisure and the wholly owned company / new organisational structure becomes a new participating Fund employer for and transferring employees remain eligible for LGPS

	<p>membership and contributions under the Best Value Guarantee. The arrangement with Freedom leisure utilises a “pass through” arrangement. Under this option the wholly owned company / new organisational structure would pay a fixed contribution rate (Freedom Leisure pay 26.5%) throughout its participation in the Fund and on cessation does not pay any deficit nor receive an exit credit. In other words, the pensions risks “pass through” to the Council and an earmarked reserve has been established to mitigate the risk. In 2022/23 the total contribution rate is <b>30.1%</b> although this could change under the new Local Government Pension valuation from 1 April 2023.</p> <ul style="list-style-type: none"> <li>The Company’s Business Plan is subject to approval by the Council on an annual basis or if material changes are proposed during the financial year to ensure proposed activity is transparent and has shareholder approval.</li> </ul>
Approved by Section 151 Officer	Yes
Legal Implications	1. Solicitors have been appointed to ensure that the council has the most appropriate legal advice as part of this proposal and to ensure that’s its protected contractually throughout any transition process.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	1. The transition of the operating contract from one operator to another will contribute to our strategic objective of <b>creating a healthy and safe community</b> . By retaining these services, it will increase the number of people within the district who are physically active.
Equality, Diversity and Human Rights Implications	1. Providing accessible local leisure facilities can help encourage those that would most benefit, to be more active, more often. Such individuals may have protected characteristics including age, gender and disability or ill-health. The key driver to changing the facilities operator is to ensure that there’s no reduction in the timetabling of health and wellbeing activities, opening times, and facilities within the centres.
Crime & Safety Issues	1. As the project moves through the operator transition phase, these elements will be considered further to ensure the new operator is aware of any community safety and crime challenges at both sites and to ensure that they play a positive role in the reduction of crime and improvement of safety.
Environmental Impact	<p>1. The operational transition from one organisation to another should see no negative environmental impact.</p> <p>2. There is an opportunity to ensure that any new contracts procured through the LWMTS are more locally sourced and that organisations providing these new services are also signed up to carbon offsetting promises.</p>
GDPR / Privacy Impact Assessment	1. Data processing arrangements will be addressed as part of any transition from one operator to another.



	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	There's likely to be several operational risks associated with the transition from one operator to another such as the provision of goods and services, IT networks and routine management and maintenance contracts.	Likelihood: Yellow Impact: Red Score: Yellow	A detailed Risk Log linked to the operational transition will be developed in collaboration between LDC, Freedom Leisure and the LWMTS to ensure these are mitigated.	Likelihood: Green Impact: Yellow Score: Yellow
B	Freedom Leisure don't co-operate with the 'transfer of operations' to the LWMTS	Likelihood: Yellow Impact: Yellow Score: Yellow	Financial agreements and legal documents agreed and signed beforehand to ensure that there's a collaborative approach. The current Leisure Operating Contract makes a provision for this.	Likelihood: Green Impact: Yellow Score: Yellow
C	Legal requirements need to be in place for contract termination with Freedom Leisure and any new contract with LWMTS.	Likelihood: Yellow Impact: Yellow Score: Yellow	DWF solicitors have been appointed to ensure that all legals are dealt with appropriately.	Likelihood: Green Impact: Yellow Score: Yellow
D	LDC and the LWMTS having the appropriate resource to manage the transfer and ensuring service delivery.	Likelihood: Yellow Impact: Yellow Score: Yellow	Provision is being made for sufficient support from HR/Legal/Finance/ Communications during the management of the transfer into the LWMTS and bedding in of a new leisure contract.	Likelihood: Green Impact: Yellow Score: Yellow
E	Negative reaction from employees and customers to the transition.	Likelihood: Yellow Impact: Red Score: Yellow	Ensure that an effective communications plan is prepared and implemented.	Likelihood: Green Impact: Yellow Score: Yellow
F	The LWMTS not delivering on the proposals within any new operating contract.	Likelihood: Yellow Impact: Red Score: Yellow	A detailed contract and service specification will be drafted which the LWMTS will have to agree to.	Likelihood: Green Impact: Yellow Score: Yellow
G	The requirement to ensure value for money and associated service delivery.	Likelihood: Yellow Impact: Yellow Score: Yellow	To ensure that the LWMTS is given a substantial contract period to enable them to operate the facility.	Likelihood: Green Impact: Yellow Score: Yellow
H	Data Protection challenges, data sets between organisations being shared.	Likelihood: Yellow Impact: Yellow Score: Yellow	GDPR processes in place to ensure that any data sets that can be shared are, and those which can't to remain the property of the primary organisation.	Likelihood: Green Impact: Yellow Score: Yellow
I	Staff unaware of the transition or challenge the process.	Likelihood: Yellow Impact: Yellow Score: Yellow	Ensure that a strong consultation and engagement process is in place specifically for employees and that a robust TUPE process is followed	Likelihood: Green Impact: Yellow Score: Yellow
J	The council need to ensure that once the LWMTS takes over the operations of the Leisure facilities, they are run day to day in an acceptable manner.	Likelihood: Yellow Impact: Yellow Score: Yellow	Governance arrangements to be agreed with by both partners and implemented as part of future monitoring and management arrangements.	Likelihood: Green Impact: Yellow Score: Yellow
K	Pension risks including admitted body status	Likelihood: Yellow Impact: Red Score: Red	Legal and Pension Fund advice in relation to TUPE and admission requirements.	Likelihood: Yellow Impact: Yellow Score: Yellow
L	The Council breaches its partial exemption limit and is unable to reclaim VAT of c£100k per annum related to exempt activities in relation to this option together with the new	Likelihood – Red Impact -Red Risk - Red	Financial modelling will need to be undertaken based around the level of exempt income such as football pitchchires utilising the series of lets exemption etc. and advice sought from the Council's VAT advisor on the level of risk and options to manage any risk.	Likelihood – Yellow Impact - Yellow Risk - Yellow

	leisure centre and the CIL investment			
M	The Company breaches the 20% TEKKAL exemption due to the external income of (£425k) per annum	Likelihood – Red Impact -Red Risk - Red	Legal advice will be procured and financial modelling based on the approved Business Plan and known plans has been undertaken.	Likelihood – Yellow Impact - Yellow Risk - Yellow
N	The commercial bid contribution is not paid to the Council or financial support is required due to adverse financial performance	Likelihood – Red Impact -Yellow Risk - Red	An allowance is included in the Minimum Level of Reserves for adverse leisure centres contract performance.	Likelihood – Yellow Impact -Yellow Risk - Yellow
O	The new insurance contract does not include cover for leisure centre management	Likelihood – Red Impact -Red Risk - Red	Early engagement with the new insurance provider to determine insurance requirements and potential cover.	Likelihood – Yellow Impact - Yellow Risk - Yellow

	<b>Background documents</b>  <b>The Medium Term Financial Strategy – Council 22 February 2022</b>
--	---

	<b>Relevant web links</b>
--	---------------------------



This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank