



**East Suffolk House, Riduna Park, Station Road,
Melton, Woodbridge, Suffolk, IP12 1RT**

Full Council

Members: All Councillors

Members are invited to a **Meeting of the Full Council**
to be held in the Deben Conference Room, East Suffolk House,
on **Wednesday, 26 January 2022 at 6.30pm**

This meeting is being held in person in order to comply with the Local Government Act 1972. In order to comply with East Suffolk Council's coronavirus arrangements and guidance, the number of people at this meeting will have to be restricted to only those whose attendance is reasonably necessary.

Ordinarily, East Suffolk Council encourages members of the public to attend its meetings but on this occasion would encourage the public to watch the livestream, via the East Suffolk Council YouTube channel instead at <https://youtu.be/nZcOsrkKLNs>

If you do believe it is necessary for you to be in attendance we encourage you to notify Democratic Services, by email to democraticservices@eastsuffolk.gov.uk, of your intention to do so no later than 12 noon on the working day before the meeting so that the meeting can be managed in a COVID secure way and the

Team can endeavour to accommodate you and advise of the necessary health and safety precautions.

However, we are not able to guarantee you a space/seat and you are advised that it may be that, regrettably, we are not able to admit you to the meeting room.

An Agenda is set out below.

Part One – Open to the Public

Pages

- | | | |
|----------|---|---------------|
| 1 | Apologies for Absence
To receive apologies for absence, if any. | |
| 2 | Declarations of Interest
Members and Officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered. | |
| 3 | Announcements
To receive any announcements from the Chairman, the Leader of the Council, members of the Cabinet, or the Chief Executive, in accordance with Council Procedure Rule 5.1(e). | |
| 4 | Minutes
To confirm as a correct record the Minutes of the Meeting held on 24 November 2021 | 1 - 31 |
| 5 | Questions from the Public
No questions have been submitted by the electorate as provided by Council Procedure Rule 8. | |
| 6 | Questions from Members
No questions from Members have been received as provided by Council Procedure Rule 9. | |
| 7 | Petitions
No petitions have been received as provided by Council Procedure Rule 10. | |

8 Notices of Motion

The following Motions have been submitted in pursuance of Council Procedure Rule 11:

a) Motion submitted by Councillor Tess Gandy

This Council believes that:

1. Councillors across the UK work hard to serve their local communities and help direct the delivery of essential public services. To Build Back Better we must tackle tax avoidance and pioneer the promotion of responsible tax conduct.
2. This Council is diligent in the way it operates. East Suffolk Council sets a high standard in how we administer our tax affairs; we comply with all Financial Regulations including tax regulations and Cabinet Office procurement policy, which sets national standards for tax compliance as part of supplier qualification.
3. Social value is becoming an increasingly important factor in our procurement considerations so 'good' tax conduct should be a core public procurement consideration as part of maximising social value, giving weight to suppliers that have sound economic and financial standing

This Council resolves to:

1. Lead by example and communicate our expectations of good practice in tax conduct right across our activities including;
 - Ensuring contractors implement IR35 robustly and pay a fair share of employment taxes
 - Shunning the use of offshore vehicles for the purchase of land and property especially where this leads to reduced payments of stamp duty
 - Undertaking due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates
 - Ensuring that there is clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position when negotiating contracts over £25,000, so they are fully transparent in their financial reporting
2. Support calls for urgent reform of UK law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies
3. Use the East Suffolk Social Value and Sustainable Procurement Policy agreed at Cabinet on July 7th 2021 to integrate tax status further into our procurement process with the Fair Tax Mark being used as positive evidence of social value
4. Work with East Suffolk businesses to promote Fair Tax Mark certification
5. Encourage other public sector bodies to adopt a similar approach

6. As supporters of responsible tax conduct, consider supporting the 'Councils for Fair Tax' declaration as proposed by the Fair Tax Foundation
<https://fairtaxmark.net/wp-content/uploads/2019/10/Declaration-19-09-.pdf>

7. Report on the implementation and progress of actions agreed as part of the budget on an annual basis.

b) Motion submitted by Councillor Tom Daly

This Council commits to making our roads safer residents and visitors, as far as is possible within a District Council's operations, in line with the amendments to the Highway Code, laid in Parliament on 1 December 2021, that introduce a "hierarchy of road users": stating that road users most likely to be injured in the event of a collision are pedestrians, in particular children, older adults and disabled people, followed by cyclists, horse riders and motorcyclists. This Council will:

1. Use social media to publicise road safety education and safe cycling practices.

2. Write to the PCC and ask for confirmation that the Suffolk Constabulary is prepared to increase and prioritise enforcement activities across all speed limits (including 20mph) where there is clear evidence of significant non-compliance or an injury collision history, and ensure that all officers act in line with this policy.

3. Write to the County Council and ask them to commit to keeping cycle paths and footpaths clear, especially along busy roads, to keep traffic, cyclists and pedestrians separated.

9	Community Governance Review – East Suffolk ES/1026 Report of the Leader of the Council	32 - 47
10	Environmental Climate Change Lead Officer ES/1015 Report of the Leader of the Council	48 - 53
11	East Suffolk Council Local Council Tax Reduction Scheme (LCTRS) for 2022/23 ES/1018 Report of the Cabinet Member with responsibility for Resources	54 - 258
12	Treasury Management Strategy Statement for 2022/23 & Treasury Management Investment Strategy for 2022/23 ES/1023 Report of the Assistant Cabinet Member for Resources	259 - 286
13	Capital Strategy 2022/23 to 2025/26 ES/1024 Report of the Cabinet Member with responsibility for Resources	287 - 303
14	Capital Programme 2022/23 to 2025/26 ES/1025 Report of the Cabinet Member with responsibility for Resources	304 - 327

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15 Arrangements for the appointment of External Auditors ES/1031 Report of the Assistant Cabinet Member for Resources	328 - 335
16 Authorisation of Officers: Attendance at Magistrates' Court ES/1033 Report of the Cabinet Member with responsibility for Resources	336 - 340
17 Calendar of Meetings for 2022/23 ES/1027 Report of the Leader of the Council.	341 - 347
18 Scrutiny Committee's recommendations considered by Cabinet on 7 December 2021 ES/1032 Report of the Leader of the Council	348 - 422
19 Cabinet Members Report and Outside Bodies Representatives Reports to Council ES/1014 Report of the Leader of the Council	423 - 437
20 Exempt/Confidential Items It is recommended that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1, 2 and 3 of Part 1 of Schedule 12A of the Act.	

Part Two – Exempt/Confidential

Pages

- | | |
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| 21 Exempt Minutes <ul style="list-style-type: none">• Information relating to any individual.• Information that is likely to reveal the identity of an individual.• Information relating to the financial or business affairs of any particular person (including the authority holding that information). | |
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Close



Stephen Baker, Chief Executive

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The Council cannot guarantee public seating areas will not be filmed or recorded. By entering the Conference Room and sitting in the public seating area, those present will be deemed to have consented to the possible use of filmed images and sound recordings. If you do not wish to be recorded, please speak to a member of the Democratic Services team at the earliest opportunity.

If you require this document in large print, audio or Braille or in a different language, please contact the Democratic Services Team on 01502 523521 or email:

democraticservices@eastsoffolk.gov.uk



The national Charter and Charter Plus Awards for Elected Member Development
East Suffolk Council is committed to achieving excellence in elected member development

www.local.gov.uk/Community-Leadership

Unconfirmed



Minutes of a Meeting of the **Full Council** held in the Conference Room, Riverside, on **Wednesday, 24 November 2021 at 6.30pm**

Members present:

Councillor Paul Ashdown, Councillor Edward Back, Councillor David Beavan, Councillor Stuart Bird, Councillor Chris Blundell, Councillor Elfrede Brambley-Crawshaw, Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Jenny Ceresa, Councillor Judy Cloke, Councillor Maurice Cook, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Janet Craig, Councillor Tom Daly, Councillor Mike Deacon, Councillor John Fisher, Councillor Lydia Freeman, Councillor Steve Gallant, Councillor Andree Gee, Councillor Tony Goldson, Councillor Louise Gooch, Councillor Colin Hedgley, Councillor Mark Jepson, Councillor Stuart Lawson, Councillor Geoff Lynch, Councillor James Mallinder, Councillor Chris Mapey, Councillor Keith Patience, Councillor Malcolm Pitchers, Councillor Sarah Plummer, Councillor Craig Rivett, Councillor Keith Robinson, Councillor Mary Rudd, Councillor Letitia Smith, Councillor Rachel Smith-Lyte, Councillor Ed Thompson, Councillor Caroline Topping, Councillor Steve Wiles, Councillor Kay Yule

Officers present: Stephen Baker (Chief Executive), Chris Bing (Head of Legal and Democratic Services), Sharon Bleese (Coastal Manager (South)), Guy Butler (Programme Manager (Towns Fund Bid)), Martin Clarke (Acting Legal and Licensing Services Manager), Kathryn Hurlock (Asset and Investment Manager), Andy Jarvis (Strategic Director), Nick Khan (Strategic Director), Matt Makin (Democratic Services Officer), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Chief Finance Officer & Section 151 Officer), Agnes Ogundiran (Conservative Political Group Support Officer), Philip Ridley (Head of Planning and Coastal Management), Alli Stone (Democratic Services Officer), Nicola Wotton (Deputy Democratic Services Manager)

1 Apologies for Absence

Apologies were received from Councillors T Fryatt, T Gandy, T Green, R Kerry, D McCallum, F Mortimer, T Mortimer, M Newton, C Poulter, R Rainger and D Ritchie.

2 Declarations of Interest

There were no Declarations of Interest.

3 Announcements

The Chairman of the Council

The Chairman announced that he had attended a number of engagements since the

last Full Council meeting. They included:

Fishermen's Mission - Harvest of the Sea & Unveiling of Sculpture
Mayor of Great Yarmouth - Civic Reception
Women's Tour Stage 6 Finish
Mayor of Beccles Civic Service
Matilda the Musical
Lowestoft Town Council Remembrance Service
Remembrance Day Wreath Laying Ceremony

The Leader of the Council

As this was the last Full Council meeting before Christmas, Councillor Gallant took the opportunity to wish all of Members that celebrate it, a very joyous and peaceful time. He commented that the Council would be extremely proud of all that had been achieved during the last year, in what had been a very challenging environment.

Councillor Gallant stated that many of our small businesses were still feeling the impact of the COVID-19 pandemic. This Christmas, East Suffolk Council was asking everyone to "Think Local - Shop Local". By shopping local ourselves, and encouraging our communities to do so, we could help keep businesses open, create jobs, boost the local economy, and help our communities to thrive. He requested Members to share this request on social media, and via parish magazines and newsletters. He felt it was important to both showcase and highlight local shops, restaurants and pubs and support all our local businesses over this festive period.

Cabinet Members

Councillor Rudd, Cabinet Member with responsibility for Community Health

Councillor Rudd reported that, although there were no Covid travel restrictions, Suffolk had been categorised as an Enhanced Response Area, which required people to be extra careful and aware of their actions. The guidance had also been amended lately, regarding Lateral Flow Tests (LFTs), and people were asked to take a risk based approach and take additional tests before going into crowded areas. Councillor Rudd also encouraged everyone to have a Flu Jab and Covid Booster Jab, when they became available.

Councillor Mallinder, Cabinet Member with responsibility for the Environment

Councillor Mallinder reported that East Suffolk Council was supporting 'Treebilee', a project launched by HRH Prince Charles to encourage the planting of trees during a year-long celebration of the Queen's 70-year reign, in 2022. As part of its involvement in the project, the Council had purchased 200 oak trees, which would be donated to every town and parish council in East Suffolk. Not only would this mark the very special occasion, it would also help tackle climate change and contribute towards East Suffolk Council's vision to create environmentally sustainable communities.

Chief Executive

Mr Baker reported that a review had been undertaken of all the Council logos in the England, 399 in total. He was pleased to report that East Suffolk Council's logo had been ranked in 8th place out of 399. The logo's colour scheme and modern design had received very positive comments.

4a Minutes - March 2021

RESOLVED

That the minutes of the meeting held on 24 March 2021 be agreed as a correct record and signed by the Chairman.

4b Minutes - July 2021

RESOLVED

That the minutes of the meeting held on 28 July 2021 be agreed as a correct record and signed by the Chairman.

4c Minutes - September 2021

RESOLVED

That the minutes of the meeting held on 22 September 2021 be agreed as a correct record and signed by the Chairman.

5 Questions from the Public

No questions have been submitted by the electorate as provided by Council Procedure Rule 8.

6 Questions from Members

(a) Question from Councillor Tom Daly to the Deputy Leader and Cabinet Member with responsibility for Economic Development:

East Suffolk is projected to possibly host up to 30% of the UK's electricity with the growth in off-shore wind, interconnectors and possibly new nuclear build coming to our area. In hosting this electricity infrastructure, the communities I represent feel let down as they foresee the industrialisation of their local countryside amplified by what appears to be a total lack of a national strategic policy for coordinating projects and the requirement for collaboration between projects to reduce impacts. With the current consultation on the draft National Policy Statements for Energy and the recent non statutory consultation on the Nautilus Interconnector project can I be assured that ESC will commit to continue to argue the merits of a forward looking, strategic, coordinated approach to the East Coast energy projects that avoids duplication, and limits on-shore social and environmental costs. For example, through pooling infrastructure and exploring integrated energy hubs?

Response from Councillor Rivett

-
East Suffolk Council has been advocating a joined-up approach to strategic energy planning for England, in particular East Suffolk, for several years now and will continue to do so.

In July 2018 we met with the then Minister of State for Energy and Clean Growth, (the Rt Hon Claire Perry MP with Therese Coffey MP), to discuss the potential cumulative impacts of existing and proposed energy projects in the Suffolk Coastal area. This began a series of ongoing correspondence with the Minister (resulting in letters dated the 14 January 2019 (suggesting the role is for National Grid to co-ordinate development of the GB electricity transmission system) and the 23 April 2019, suggesting that her officials would be considering how best to work together with officials from other Ministry's (MHCLG and DEFRA) on these matters. In the latter letter she referenced projects themselves looking to coordinate transmission infrastructure. She referenced proposals to develop an offshore ring main as an interesting idea asking her officials to investigate this further.

In August 2018, alongside SCC, we wrote to the lead officers for ScottishPower Renewables, EDF Energy, National Grid Ventures and National Grid, to set out our desire that we should work together to consider cumulative impacts carefully in order to find the best solution to issues arising. This letter began a series of meetings, quarterly, when possible, convened and chaired by officers of ESC with SCC, the AONB and representatives from all of the energy projects proposed to be located in or affecting this area. The meeting has expanded to include representatives of North Falls and Five Estuaries offshore windfarms as well. The next meeting is due to take place in November of this year.

In October 2019, the Rt Hon Therese Coffey MP, Secretary of State at the Department of Work and Pensions and MP for Suffolk Coastal constituency, organised a meeting with Rt Hon Kwasi Kwarteng MP Minister of State at the Department of Business, Energy and Industrial Strategy which was attended by representatives from East Suffolk Council, including myself and Suffolk County Council to discuss the cumulative impacts of the energy projects on East Suffolk, followed by letters to Ministers in relation to the growth of offshore wind energy and joint correspondence with North Norfolk District Council. A further meeting with the Rt Hon Kwasi Kwarteng was held in February 2020. There was further correspondence with Government following on from this. BEIS began the Offshore Transmission Network Review in August 2020 which is in part as a result of the issues experienced in our district and concerns raised by ESC. ESC has been engaging with this review, including responding to a letter published as part of the Review on 24 August 2020, our letter, joint with SCC, dated 24 September 2020, highlighted the need for whole system change to make far reaching changes to the delivery of energy projects off the East Suffolk coast and the relationship between the promoters of the schemes and the communities in which they are located. We consider there are significant barriers to overcome in relation to:

- Regulation
- Process and procedure
- Promotor risk aversion
- Community opposition.

All other correspondence available on website

The OTNR is ongoing, and we continue to engage on behalf of our communities promoting Government to operate in a more strategic manner. We have been and are continuing to respond to all the consultations that have been held since the OTNR began a year ago, covering matters such as:

- Initial findings of Early Opportunities, Pathway to 2030 and MPI workstreams.
- Role of the Future System Operator
- Draft National Policy Statements - which sets a clear expectation for coordination.

There is also a current consultation on the enduring regime which ESC will be feeding into. Each of the OTNR workstreams is addressing a different time period. The enduring regime workstream focuses on the design and implementation of a regime which takes a more strategic approach. The aim is to consider the offshore transmission system holistically with the onshore network to deliver a more coordinated system and reduce the cumulative impacts of transmission.

In addition, we continue to meet with all promoters looking to develop energy infrastructure in this area separately and together to encourage collaborative working and where possible and appropriate, the combination of infrastructure to minimise the adverse impacts onshore in East Suffolk.

However, energy generated offshore has to be connected to the National Grid and that is onshore, ESC is working tirelessly to ensure any essential onshore infrastructure has the least adverse impact on our communities. If adverse impacts are unavoidable, we will continue to advocate for mitigation and compensation for our communities. We have recently submitted a representation on behalf of ESC to the non-statutory Nautilus consultation by National Grid Ventures. In this consultation we stressed the vital importance of coordination both in terms of the project as a multi-purpose interconnector but also the need for National Grid Ventures to coordinate with other forthcoming energy projects. We will be meeting with all promoters in November 2021 when it is hoped we will understand further the expected timetables for the other potential projects that may be forthcoming and impacting on this locality. We will use this opportunity to reiterate to the promoters that we expect them to operate in a co-ordinated manner and that we whole-heartedly support the principal of shared and integrated infrastructure.

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Supplementary Question from Councillor Daly

As the decision by the Secretary of State is awaited in April 2022, would the Council support a pause in the development of both EA1 and EA2 and the interconnectors? This would allow participants to co-ordinate the various workstreams to minimise the impact on local residents and the environment.

Response from Councillor Rivett

The Council will need to wait for the final decision from the Secretary of State.

(b) Question from Councillor Byatt to the Cabinet Member with responsibility for Planning and Coastal Management

In his recent Conference speech in October, Boris Johnson maintained that houses should not be built on green fields but on previously developed brownfield sites. Michael Gove, Minister for Levelling-Up, Housing and Communities reiterated the same ambition this month with a pledge to protect the cherished countryside against development.

We have a large brownfield site in Lowestoft along the southern bank of Lake Lothing, the Kirkley Waterfront site, once home to factories, timber yards and world-famous shipbuilders.

We are aware that efforts have been made to attract developers to this site but that nothing of note has succeeded as yet, so can we look again at what East Suffolk Council itself can do to part of the site to kick-start its development?

Can we perhaps use the Recommendations to Government from the recent Richard Bacon MP's 'Review of Self-Build and Custom Housebuilding' to secure an area for a show park where those who are priced out of home ownership could have access to serviced and permissioned plots, and where innovative house-building ideas can thrive?

N.B. As Councillor Ritchie had given apologies for the meeting, Councillor Cooper, Assistant Cabinet Member for Planning and Coastal Management, provided the response.

Response from Councillor Cooper

Despite the Prime Minister's conference quote, this was not correct in respect of the requirements of Local Planning Authorities to deliver homes on both greenfield and brownfield land. It was a fact that nationally there was insufficient brownfield land to deliver the housing need for England and that was particularly the case in rural Districts including East Suffolk.

East Suffolk Council has two recently adopted Local plans that will enable c21000 homes to be developed across the district by 2036 on both brown field and greenfield land in accordance with a strategy that was found sound by two independent Inspectors and subsequently adopted by Full Council. The delivery of homes across the district was progressing well, and despite the challenges of the last 2 years the council has a sound 5 year housing supply position and is proactively engaged in the delivery of sites and development across the district as amplified in our annually published Housing Action Plan the latest version of which can be found at <https://www.eastsuffolk.gov.uk/assets/Planning/Housing-Action-Plan/2021-East-Suffolk-Housing-Action-Plan.pdf>

At Para 3.109-3.112 of the Housing Action Plan it states in respect of this particular area that:-

3.109 The Kirkley Waterfront and Sustainable Urban Neighbourhood is commonly

referred to as the Lake Lothing site and is allocated under Policy WLP2.4 in the Waveney Local Plan. The allocation is the largest brownfield site in Lowestoft located in the heart of the town. It is approximately 60 hectares of land in multiple ownership, in various uses and containing numerous vacant industrial buildings. The allocation is for 1,380 new dwellings, a primary school, retail centre, Marine facilities, and employment land.

3.110 The site has outline planning permission on the westerly part for 1,180 homes, a retail centre, leisure facilities and a primary school. The easterly part of the site has been developed with new offices for Essex and Suffolk Water, East Suffolk Council and Suffolk County Council.

3.111 The Council is committed to the development of the Kirkley Waterfront and Sustainable Urban Neighbourhood. Representatives of various service areas in East Suffolk Council including Economic Development and Regeneration, Housing, and Planning and Coastal Management are collaborating to progress the site. East Suffolk is also actively engaging with Homes England and the various landowners. Various site development options are available and being considered following the approval of the Lake Lothing Third Crossing and Lowestoft Flood Defence scheme receiving funding. Work is currently underway on a masterplan for the site.

3.112 Several sheds on the site are currently being used for storage in connection with the construction of the new bridge across Lake Lothing. A new road is to be provided through the proposed Kirkley Waterfront and Sustainable Urban Neighbourhood providing access the Riverside offices. The new road should encourage and support the development of the large brownfield site. The road will be the first significant piece of infrastructure provided on the Kirkley Waterfront and Sustainable Urban Neighbourhood site.

ESC has the freehold interest in a brownfield site on part of this Kirkley Waterfront at Lake Lothing area which has been identified for development within the adopted Local Plan policy. Whilst there may not have been visible signs of activity on the larger sites, ESC recently appointed a consultancy company to advise on a development strategy for our land and neighbouring sites. The site will form part of a wider mixed-use development and the Council has taken specialist advice to co-ordinate the delivery of not just land within ESC's ownership, but to coordinate an approach with neighbouring owners. Due to the scale of development, site complexities and costs attributed to the area this strategy has not yet moved into something tangible. For example, the risk of flooding will be addressed by the delivery of the Flood Barrier which will not be in situ until 2026 and the barrier will help address a current significant constraint on the site. However, we continue to engage with the range of land owners and developers along the Kirkley Waterfront and aim in the shorter term to be delivering pocket developments, such as at Stanley Road within the next 24 months. To date at least 20 homes have been delivered recently with some more smaller sites expected to come forward in the near future.

In addition to focusing on the delivery of the Sustainable Urban Neighbourhood, ESC has also undertaken further due diligence on the site within ESC's ownership. We are actively working with Homes England to improve the viability of the site through technical survey work including aspects such as utility provision and ground conditions. A Project Board including representatives from both ESC and Homes England has been established to help deliver a proposed scheme on the site at Kirkley Waterfront. Homes England has already provided substantial help to the Council to assist with the technical

surveys needed for the site and we are continuing to work with them to bring a scheme from concept to fruition. These discussions have also including the assessment of the potential for modular construction.

At this stage, it was difficult to ascertain the actual development approach for the sites due to the scale and likely high costs of development given the constraints on the brownfield sites, however ESC aim to support Self-builders and small scale developers in discussions with landowners regarding the development of the whole area in accordance with Local Plan Policy WLP8.3 which states:-

Policy WLP8.3 – Self Build and Custom Build

Proposals that would make a proportion of serviced dwelling plots available for sale to self builders or custom builders will be supported where in compliance with all other relevant policies of this Local Plan.

Developments of 100 or more dwellings will be expected to provide 5% self or custom build properties on site through the provision of serviced plots unless this can be satisfactorily demonstrated to be unfeasible.

Once completed and available for development, the serviced plots should be marketed for a period of not less than 12 months. Marketing should be in accordance with the principles set out in Appendix 4. If, following this period, any of the serviced plots remain unsold, they may be built out by the developer.

Proposals which provide a higher amount of self or custom build properties than set out above will also be permitted.

Proposals for 5 or more self build or custom build dwellings in a single site location should be developed in accordance with a set of design principles to be submitted with any application and agreed by the Local Planning Authority

Therefore, whilst this Local Plan brownfield allocation is hugely complex the Council is being proactive about bringing the site forward and will encourage innovative approaches, including potentially showcasing self build and custom build property if it helps achieves this councils vision of regenerating this area as part of the overall regeneration of the town of Lowestoft. Whilst it is not expected that there will be delivery of the larger parcels of the site in the next few years the council will encourage the delivery of some potential smaller sites in the next couple of years which will identify the wider sites potential in collaboration with all partners including Homes England.

Supplementary Question from Councillor Byatt

Councillor Byatt thanked Councillor Cooper for his detailed response and he wished Councillor Ritchie a speedy recovery. He commented that the residents and visitors to Lowestoft could see work progressing on the third crossing and the Flood Risk Management Project. However, the undeveloped land at the Kirkley Waterfront site was an eyesore and gave a bad impression. He asked that Ward Members be kept updated on any future proposals and asked if any small development could be completed on the site to show there was some progress being made on the site.

Response from Councillor Cooper

Councillor Cooper reported that he would feed this back to officers.

N.B. At this point in the proceedings Councillor Gallant reported that there were some issues with the sound for this meeting and some Councillors could not be heard, by the officers and public viewing the meeting on Zoom and YouTube.

Councillor Gallant proposed a short adjournment, which was duly seconded by Councillor Blundell and upon being put to the vote, it was

RESOLVED

That there would be a short adjournment to allow for work to be undertaken to resolve the sound issues at the meeting.

N. B. The meeting was adjourned from 7.02pm to 7.12pm.

(c) Question from Councillor Craig to the Cabinet Member with responsibility for Communities, Leisure and Tourism

There has been recent news coverage of the Government continuing to allow the discharge of treated effluent and overflows of untreated effluent and storm water into our rivers and the sea. Incidents of this nature occur in East Suffolk.

The Rivers Trust maps such incidents from north to south along the crown jewels of our tourist coast at Corton, Lowestoft, Kessingland, Southwold, Dunwich, Thorpeness, Aldeburgh, Orford and Felixstowe and into the Rivers Deben, Blyth and Alde and various small creeks. In addition, this issue also affects water quality in the Broads National Park.

What interaction has there been with water companies and the Environment Agency in relation to the potential damage to the tourist industry in East Suffolk and to the overall well-being of residents?

Response from Councillor Smith

We will respond to all reports of effluent being discharged into water courses or the sea to try to locate the source and either deal with it or draw it to the attention of the relevant agencies (Anglian Water and/or the Environment Agency) to ensure it is dealt with appropriately. Anybody who becomes aware of any such discharge should report it to the Environment Agency by ringing 0800 80 70 60.

The Environment Bill generated some press cover a couple of weeks ago, with lobby groups suggesting the Bill was not addressing the problem adequately. DEFRA responded stating they were confident the Bill would deliver progressive reductions in the harm caused by storm overflows.

They announced an amendment to the Bill which strengthened the powers to ensure that this would happen Environment Bill further strengthened to tackle storm overflows - GOV.UK (www.gov.uk)

It will be for the Environment Agency to enforce whatever new standards are enacted through the system of 'discharge consents' and they will be assisted in this by regular and prompt reporting of any incidents noted by members of the public to their reporting centre – 0800 80 70 60.

Regarding water quality, Anglia Water are currently in the process of carrying out a range of works in and around the bascule bridge. The works include removing old water drainage systems and also providing a wastewater tank which will hold water and stop large volumes of waste being pumped into the sea. This is taking place following a direct request from the Environment Agency and will help to improve water quality.

Supplementary Question from Councillor Craig

Councillor Craig thanked Councillor Smith for her response. She said that whilst we accept the belated response from Ministers that something needs to be done, their amendment to the Environment Bill was weak, with no timescale and will achieve very little on its own. She asked if the Council would write to the Chief Executive of Anglian Water to ask them for further information on the waste water infrastructure servicing East Suffolk and its plans for remedying this unacceptable situation?

Response from Councillor Smith

We will not be writing to any of the regulatory bodies. There was a system in place and this will be managed and enforced by them. Thank you for your questions.

d) Question from Councillor Gandy to the Deputy Leader and Cabinet Member with responsibility for Economic Development

On October 14th I happened to be in Lowestoft High Street and was pleased to see our Chief Executive and other Officers escorting Commissioners from Historic England on a guided walk of the area.

It was reassuring to note that the importance of Lowestoft's heritage was recognised by the presence of Historic England's Chief Executive, Duncan Wilson, on this tour.

I understand that they also visited other areas of the town, including the old Post Office on London Road North as well as other sites within both of Lowestoft's Heritage Action Zones.

What has been the outcome of this visit?

The Chairman reported that Councillor Gandy had given apologies for the meeting this evening. Under Council Procedure Rule 9.4 a Member may not read out another

Member's question. The question could be heard at the next Full Council meeting on 26 January 2022.

7 Petitions

No petitions have been received as provided by Council Procedure Rule 10.

8 Notices of Motion

N.B. Councillor E Brambley Crawshaw left the meeting during the discussion of the first Motion.

The Chairman invited the Monitoring Officer to provide some guidance for Members on the consideration of Motions.

Mr Bing, Head of Legal and Democratic Services and Monitoring Officer, reported that there were 3 Motions to be considered and he drew Members' attention to the flow chart which had been created, to assist with the process for dealing with Motions, as outlined within the Constitution. The first stage of the process was for the Motion to be moved and seconded, the second stage was for Members to decide if they wished to debate the Motion this evening or to refer it to Cabinet or another Committee. If Members had decided to debate the Motion this evening, the process would enter the third stage of debating the Motion, during which the Motion could be amended and then, finally, there would be a vote on whether to approve or reject the Motion.

a) Notice of Motion submitted by Councillor Smith-Lyte

The Chairman invited Councillor Smith-Lyte to read out her Motion.

Councillor Smith-Lyte proposed her Motion and then read out the following:

This Council commits to implementing a change in decision-making governance arrangements, comprising the cessation of the current leader and cabinet model of governance and the implementation of a full committee model of governance. This will be developed during 2021/22 with a view to the arrangements taking effect from the beginning of the 2022/23 municipal year, subject to a legally and constitutionally robust process, led by the council's Audit and Governance committee and agreed by Council.

Councillor Smith-Lyte reported that before 2000, the Committee Model of governance had been widespread amongst Councils. This system allowed for power to be shared widely and the workload was shared evenly over many Councillors. She stated that several Councils who had changed to the Executive (Cabinet) system since 2000 had reverted back to the Committee system - these included North Devon, Basildon and Cheshire East.

The Chairman interjected to clarify that Councillor Smith-Lyte should explain the purpose of the Motion and what she wanted to achieve by it. This was not the

appropriate time for speeches.

Councillor Brambley-Crawshaw sought further clarification as Councillor Smith-Lyte had been invited to read out her Motion and then explain what she wanted to achieve by it and had then been advised that no speeches were allowed at this point. The Chairman advised that if the Motion was approved for debate this evening, that was the correct time for speeches to be made.

The Motion was then seconded by Councillor Fisher.

The Chairman then advised that the Motion had been moved and seconded, the next stage in the process was to decide if the Motion was to be debated this evening or not and he invited Councillor Gallant to speak.

Councillor Gallant then proposed that the Motion be debated this evening, as it was an important matter that a Member had raised and he stated that it should be dealt with by Full Council this evening. This was duly seconded by Councillor Cook.

Councillor Lynch, Chairman of the Audit and Governance Committee, raised concerns that his Committee's workload was already heavy and it would not be able to accommodate this additional piece of work within the next 3.5 months, to allow for the implementation of the new arrangements for the beginning of the 2022/23 municipal year.

There being no further comments from Members, the proposal to discuss the Motion this evening was put to the vote and it was unanimously **CARRIED**.

The Chairman then invited Councillor Smith-Lyte to speak to her Motion.

Councillor Smith-Lyte reported that before 2000, the Committee Model of governance had been widespread amongst Councils. This system allowed for power to be shared widely, in politically balanced committees, and the workload was shared evenly over many Councillors. She stated that several Councils who had changed to the Executive (Cabinet) Model since 2000 had reverted back to the Committee system - these included North Devon, Basildon and Cheshire East. She noted that many of these Councils had Conservative Administrations. This system would bring more Councillors into the decision making process, bring local issues to the table and would stop a few Cabinet Members being overworked, with more meeting invitations than they could possibly attend, as was the case, she believed at East Suffolk. In addition, there had been research undertaken by the Centre for Public Scrutiny (CfPS), which suggested that no system of governance was any financially cheaper to run than another but that the ability to make stream lined decisions was increased with the Committee Model.

The Chairman clarified that the meeting was now in debate and he invited Councillor Gallant to speak.

Councillor Gallant reported that he was surprised to see this Motion come forward for several reasons. In the preparations to become one Council, just over two years ago, several Member Working Groups were formed, which were made up of cross-party groups of Councillors. The Constitution and Governance Member Working Group,

aided by key Officers, specifically worked on implementing good governance and the robust procedural elements designed to underpin the activities of this Council. Together, the cross-party working group agreed on the current Leader and Cabinet Model and built-in the robust checks and balances to ensure transparency and fairness.

Councillor Gallant stated that research clearly showed that the current governance arrangement was far more efficient than the full Committee Model being proposed. The current model was agile and allows the local authority, to react quickly to the needs of our residents and thus deliver against our collective strategic agenda in both a timely and efficient manner. An example of this was how quickly ESC had been able to support our communities at the height of the pandemic. Many councils had needed to avail themselves of the Chief Executives emergency powers to get things done, East Suffolk Council did not.

The proposed Committee Model was widely known to be inefficient, sluggish, and overly focused on operational matters, rather than policy and outcomes. Adopting this Model would see significant increases in administrative processes and procedures, and Member and Officer time would be tied up in more meetings, with reduced outcomes. It fostered a silo way of working, with no consistent overview of the organisational ambitions. ESC had a duty to spend taxpayer money wisely and not on special responsibility allowances for Members, as they sit in endless meetings nor in employing more officers to support the increased bureaucracy. The current Cabinet Model was widely regarded as a cost-effective method of political governance.

Councillor Gallant reported that he was surprised and disappointed to see this Motion come forward this evening. He had widely made it known that the Cabinet were available to all Members, including those of the Opposition, and Cabinet Members and the Leader could be approached directly to discuss their Portfolios or areas of concern. Additionally, this Council had a strong Scrutiny system in place, that ensured all Councillors have a role in the development of Council policy. The system allowed any Councillor to question, challenge and review specific areas of concern in a manner that will allow public debate. The Call-in process further enhanced this opportunity. Members of the Opposition also had an open invitation to both attend and indeed speak at Cabinet meetings.

Councillor Gallant reported that although he was speaking as the Leader of the Council and the Leader of the controlling Group, he didn't believe that only his Group could produce good ideas. This was made further evident by how the Council had collectively developed the Strategic Plan for East Suffolk. Members would recall that the "hothouse" process was transparent and inclusive. Two years on, as ESC delivers against this Plan, the process remains - transparent and inclusive, with full cross-party input into our Strategic Plan Delivery Board.

Councillor Gallant reported that this cross-party working would be further evidenced this evening by the very next Motion, which was submitted by an Opposition Group Leader who had worked together with the relevant Cabinet Member, to ensure that what was proposed worked for all, and sought to deliver meaningful outcomes. To dismantle the effective arrangements that were in place, and to move to a full Committee Model of governance would hinder this authority and significantly slow

down the progress we are making towards delivering on our collective promises to the people of East Suffolk. He confirmed that he would therefore be voting against this Motion and he called for all Members to join him in doing so.

Councillor Rivett stated that East Suffolk Council was not yet 3 years old. The Constitutional Working Group had completed a huge amount of work and we had successfully transitioned from 2 Councils into 1. This Motion should be seen for what it was, which was a vote of 'no confidence' in the Administration. The Administration was able to carry out its business and the Opposition had regular access to the Cabinet Members and Leader and are given many opportunities to challenge and have input, suggesting alternatives to the direction and initiatives of the Council.

Councillor Rivett then asked Members to look at the level of challenge and the provision of alternatives from the Opposition. Between January and October 2021, the Opposition had tabled 3 Motions. They were so concerned with the direction of the Council, that only 3 times have they sought a change in direction. Those Motions included a request for a carbon budget and a citizens assembly for climate change. He took the opportunity to commend Councillor Mallinder for his ongoing hard work, as the Cabinet Member for the Environment. The other Motion had been about appointments to committees and unfortunately, Councillor Rivett stated he had not been able to attend the meeting to participate in that debate. This time, a Committee Model of governance was requested. Councillor Rivett then gave some examples of the amount of work currently underway within his portfolio which included Sizewell C, several off-shore wind farms and energy projects, as well as an increasing number of consultations and queried how that would be covered successfully by the Committee Model. He commented that if the Opposition were so concerned, why was their attendance at Cabinet Meetings so low, as it averaged only 4 Members of the Opposition per meeting? Councillor Rivett stated that the Cabinet was delivering great things and, as such, this Motion should be voted down.

Councillor Byatt stated that it was crucial for the Opposition to be able to continue asking questions and challenging, as there needed to be checks and balances in the decision-making process. He felt it was important to ask questions and have Motions in a public arena and it was not always appropriate to ask Cabinet Members questions outside of Full Council and Committee meetings. He sought assurances that Opposition Members would be able to continue asking questions at meetings, particularly those of the Cabinet. Councillor Byatt stated that the Committee Model of governance required more meetings, more travel, increased costs etc and he would prefer to retain the current Cabinet Model. The Chairman provided reassurance that the Constitution stated, in Cabinet Procedure Rules, paragraph 2.2a, that Members of the Council may attend meetings of the Cabinet and ask questions.

Councillor Mallinder stated that the Leader was inclusive, the Opposition were valued and he was proud of what the Council had achieved to date. The Cabinet Members were all accessible and there was successful cross party working in many ways including on the Environment Task Group. The Opposition were an integral part of how the Council worked. At the moment, he felt that we needed action not words to deal with the climate emergency.

Councillor Deacon reported that he had previously worked under the Committee

Model and he had found it to be cumbersome, longwinded, expensive and slow. In contrast, there were no problems with the current system, he confirmed he would be very reluctant to return to the Committee Model and he would not support this Motion.

Councillor Bird stated that he supported what had previously been said regarding clarity and transparency of the Cabinet Model. He commented that Councillors stood as party political candidates with a manifesto of policies, with the Administration steering the direction of the Council. He queried who would steer the Council, if ESC were working under the Committee Model? As Chairman of the Scrutiny Committee, Councillor Bird stated that accountability was extremely important. The Council currently had a Leader and Portfolio Holders who had clearly defined roles, so that the Scrutiny Committee would know who to approach to answer questions and be held accountable. He queried who would be held responsible when matters were referred from Committee to Committee under the Committee Model? The current system worked well, there was adequate scrutiny and the opportunity to ask meaningful questions, he stated that he saw no reason to change from the Cabinet Model.

Councillor Gooch stated that she welcomed the Motion and the opportunity to debate broader ways of working democratically. She commented that she had no experience of working under the Committee Model personally or operationally. Councillor Gooch did raise concerns about the timing of the Motion, as by the time the Audit and Governance Committee had time to thoroughly review the matter, the Council would be in the run up to the next elections campaign for this Council. She felt that if the Committee Model were to be looked at, it should be considered by the new Administration in 2023.

Councillor Pitchers stated that he had past experience of working under the Committee Model where he had been Chairman of one the Committee's and he felt that it was not a workable Model.

As there was no more debate, the Chairman invited Councillor Fisher, who had seconded the Motion, to sum up. Councillor Fisher stated that given the direction of the debate, he would not try to persuade a large number of people to change their minds this evening.

The Chairman then invited Councillor Smith-Lyte, who had proposed the Motion, to sum up.

Councillor Smith-Lyte stated that, as with Councillor Fisher, she knew when she was beaten. She thanked Councillor Byatt for raising the point that this was the arena for the Opposition to ask questions and putting Motions forward, which was an important part of democracy. She commented that Councillor Rivett's examples of what was happening in his Portfolio had merely demonstrated that the Cabinet Members had far too much to do and would benefit from sharing their workload with others. Councillor Smith-Lyte still maintained that the Committee Model was more democratic and it was clearly not unworkable, as many other Councils of a similar size were using it effectively.

The Chairman then invited Members to vote upon the Motion and it was

RESOLVED

That the Motion was **LOST**.

b) Notice of Motion submitted by Councillor Topping

The Chairman invited Councillor Topping to read out her Motion.

Councillor Topping proposed her Motion and then read out the following:

This Council recognises:

- 1. The East Suffolk Staff Travel Allowance offers members and officers an allowance of £0.45 per mile for the first 10,000 miles. They can also claim 5p per mile for every passenger that they carry. This applies to petrol, diesel and electric cars. Cyclists are offered £0.20 a mile.*
- 2. Incentivising shared travel, reducing emissions and lessening reliance on car-based transport is a vital step towards tackling the climate emergency which this Council declared in 2019.*
- 3. Since March 2020, Council staff have saved almost 5 million miles of home to work commute driving, through remote working. There has been a 66% decrease in tonnes of CO2 equivalent arising from commuting and place of work. Increasing car-sharing and use of public transport could be a way to make sure emissions do not rise back to their pre-COVID levels.*
- 4. Reducing the use of cars offers a way for staff, members, and the Council itself to save money, as well as reducing our carbon footprint and the impact of driving on local air quality and traffic congestion.*

This Council resolves:

- 1. All Ward Members and Officers are encouraged to car-share or use public transport whenever possible in order to reduce unnecessary car journeys, particularly Members travelling from two-Member Wards or staff travelling to the same meeting. This will include an internal communications campaign that will offer information on the benefits of car sharing and using public transport.*
- 2. Where appropriate Members, Officers and groups should be encouraged to use technology (Zoom/Teams) for meetings. Consolidate multiple in person meetings taking place in a particular geographical area in order to minimise travel miles. Utilize electric pool cars and take advantage of cycling racks provided.*

Councillor Mallinder seconded the Motion and reserved his right to speak.

The Chairman then invited Members to consider whether to debate the Motion this evening or not.

Councillor Gallant proposed that the Motion be debated this evening and it was duly seconded by Councillor Rivett. Upon being put to the vote, it was **CARRIED**.

The Chairman invited Councillor Topping to explain the purpose of her Motion.

Councillor Topping stated that on 28 July 2021, East Suffolk Council had a Full Council meeting which took place at High Lodge in Darsham. The venue was difficult to get to when trying to reduce carbon emissions. The options for the 3 Beccles Councillors to get to the meeting were:

a) to borrow Councillor Topping's husband's car and drive the 27.4 miles round trip, or
b) phone a taxi company in Halesworth to collect them from Darsham train station - cycle to Beccles train station, arrive at Darsham train station, taxi to High Lodge, allow the taxi to return to Halesworth and repeat the journey on the way home, which was 26.6 taxi miles round trip on top of the train and cycle miles already undertaken. Instead, they had chosen:

c) which was to cycle to Beccles train station, take the train to Darsham then cycle to High Lodge and then reverse the process at the end of the meeting. This option led to no car miles being used. Councillor Topping commented that much of the cycle track from Darsham train station to High Lodge was overgrown, she reported this and it was cleared in 2 weeks.

Councillor Topping stated that it was not always the easiest method that should be used to undertake Council duties, however she felt that Members should always think about their options and make an informed decision about the method of travel used, making sure they were doing their personal best to reduce their carbon footprint.

The Chairman then opened the debate and invited Councillor Gallant to speak.

Councillor Gallant stated that he wanted to provide clarification, to Members and the Public, that the 45p per mile was for travel for work purposes only and that the 5 million miles that had been saved, would not have received the 45p per mile payment. The 5 million miles saved were from officer's travel from their home to their place of work, which would not have been paid for by the Council.

Councillor Byatt stated that he would like to propose an amendment to the Motion. Everything after 'This Council resolves...' would be replaced with: *'This Council resolves to await the publication of the East Suffolk Climate Action Plan, rather than jumping the gun at this stage, so that full consideration can be given to all the things contained within that Climate Action Plan.'*

The Chairman asked if there was a seconder for Councillor Byatt's proposed amendment and Councillor Deacon seconded the amendment.

The Chairman invited Members to debate the amendment.

Councillor Gallant stated that it was a sound amendment, as of course, the Council could wait. However, he felt that the Council could do something positive in the meantime. The Motion was not something that would cost the Council additional funding, the wording encouraged Members and Officers to do what they could, at this moment in time. Councillor Gallant stated he understood the rationality behind the proposed amendment and waiting but the Council could do something immediately. He stated that the Cabinet Member for the Environment had initiated the conversion of Council vehicles to Hydrogenated Vegetable Oil (HVO), whilst waiting

for more sustainable types of technology to come along. ESC could either do nothing and wait, or ESC could do something and wait. Councillor Gallant supported doing something and waiting and he called for Members not to support the proposed amendment.

Councillor Bird raised a point of order. He asked if Members could have a ruling from the Monitoring Officer about whether the proposed amendment did in fact negate the intention of the original Motion? Mr Bing, Monitoring Officer, stated that the proposed amendment to the Motion clearly deferred or delayed the implementation of the original Motion, it did not negate the meaning.

The Chairman invited Councillor Deacon, as the seconder of the proposed amendment, to speak. Councillor Deacon confirmed that he wished to reserve his right to speak.

There being no further comments, the Chairman invited Members to debate. There being no further debate, the Chairman invited Councillor Deacon to speak as the seconder of the proposed amendment.

Councillor Deacon stated that the majority of the things listed in the original Motion were already being implemented, therefore he saw little point to it. He felt that what Councillor Byatt had suggested in his amendment was to implement all of the recommendations from the Climate Action Plan, when it was available, as it would contain what was in the original Motion, and more. Councillor Deacon commented that he was unclear when the Climate Action Plan report would be available but he believed that the contents of the original Motion were already being implemented and achieved.

The Chairman asked Councillor Topping, as the proposer of the original Motion, if she wished to comment.

Councillor Topping stated that she disagreed with Councillor Deacon. She said that she regularly travelled to Council meetings in Melton and, apart from Councillor Gooch, she had not seen any other Members travel by train. Councillor Topping stated she was not saying that everyone had to use the train, however, if you lived near a train station, why wouldn't you make use of it? Councillor Topping stated that she had been offered lifts from Members of the Opposition travelling to places such as Trinity Park, as she would not be able to get to such places using public transport. She felt that there was more to be done and that more car sharing should be undertaken. The Council needed to act now, there was a climate emergency, it was unclear when the report would be published and we needed to be more forceful in our actions.

Councillor Goldson stated that he was delighted to hear that the Green Party wanted to travel more sustainably. However, the Opposition had just proposed a Motion that ESC moved to change to the Committee Model of governance, which would increase the amount of meetings and, therefore, travel ten-fold. This Council was currently doing all it could and everything in its power to be environmentally friendly.

Councillor Blundell stated that he supported the car sharing issue, however in order to do so, Members should have business cover on their insurance in order to take passengers, which had increased his premium. He also stated that he had chosen not

to claim mileage for attending Council meetings.

The Chairman then invited Councillor Byatt to sum up regarding his proposed amendment.

Councillor Byatt asked, with the greatest respect, not to be lectured about the way in which he travelled to Council meetings. He stated that we were already doing the things mentioned in the original Motion and he clarified that he needed to refer to that, to explain the purpose of his proposed amendment. He asked if the original Motion meant that Officers were not already car sharing etc? The original Motion only contained a small part of what the Council could do and, as he had already mentioned, the Climate Action Plan had been delayed and should be available shortly. There are many more things that the original Motion could have included, such as financial incentives to car share, cycle hire, the help to buy scheme for bicycles. The Chairman reminded Councillor Byatt that his comments should be relevant to his proposed amendment. Councillor Byatt stated that his comments were relevant and that the Council would only have to wait a few weeks for the Climate Action Plan to be published and then the recommendations within that could be fully implemented.

The Chairman then invited Members to vote on the proposed amendment and when it was put to the vote the proposed amendment was **LOST**.

The Chairman invited Members to debate the original Motion.

Councillor Cackett stated that she welcomed the Motion. She felt that public transport was often poor and it was not always possible to car share, as it was impractical. Train times were inconvenient and using the train often meant that meetings had to be left early in order to catch the train home. Cycling was also not practical or suitable for all people, particularly for older people.

Councillor Daly stated that the proposed Motion was not compulsory, it was encouraging everyone to think about things in a slightly different way and to consider green methods of travel. He called for Members to support the Motion.

Councillor Cook stated that during the 2020/21 financial year, £300,000 had been saved from the reduction in mileage claims and the resultant carbon saving. In the 2021/22 financial year to date, finances were still running under budget for mileage claims and this was because the Council had been changing how it did things and it continued to have more meetings on Teams or Zoom. Councillor Cook stated that the Council had also changed its diesel vans to electric vans for Norse, there was an electric bus service Framlingham Ward which travelled from Framlingham to Campsea Ash, the Council had installed electric charging points for its staff and had replaced diesel fuel with HVO for its larger vehicles. He stated that it was difficult not to support the Motion.

Councillor Gooch stated that she supported the Motion. She said that there clearly needed to be increased co-operation and communication within between everyone, as some of the train stations were remote and fairly isolated and there was a significant distance between the 2 Council offices. She stated that everyone should be safe when using public transport, including when waiting for a train and nobody should be waiting

alone.

The Chairman commented that he had to rely on trains or lifts to attend meetings and he regularly arrived at the station to find that he had just missed the train and then had to wait an hour for the next one.

Councillor Pitchers stated that he agreed with Councillor Cook, the Council was already working to reduce its carbon footprint. He stated that he found this Motion to be pointless, as the Council was already doing everything within it, therefore he would be voting against it. He suggested that officers could be asked to send a reminder out to everyone, to encourage car sharing, as appropriate.

There being no further debate, the Chairman invited Councillor Mallinder, as the seconder of the Motion, to speak.

Councillor Mallinder stated that he was delighted to second the Motion and he took the opportunity to remind Members that the Environment was a key theme of the Council and was a founding principle in the Strategic Plan. The Council had recently declared a climate emergency and aimed to be carbon neutral by 2030, had introduced electric vehicles, changed larger vehicles to run on HVO and making sure that our assets were functioning efficiently. The Council was also preserving and championing our natural environment, reducing the use of chemicals and having a clean air strategy. Councillor Mallinder stated that he welcomed this Motion as it highlighted the focus of the Council, working cross-party to set an example to others, to reduce our carbon footprint and Ward Members should be leading on this. He commented that he had upset some of the Councillors in the North of the District by not attending their meetings in person but he had wanted to consolidate his meetings and reduce his carbon footprint, which sometimes meant taking difficult decisions. There was a climate emergency and small changes could make a big difference over time, therefore he was delighted to second the Motion and recommend it to Full Council.

Council Byatt raised a point of order to clarify if he was able to speak now? The Chairman confirmed that he could. Councillor Byatt confirmed that he did not wish to prolong the meeting this evening, but he drew Members' attention to the wording of the Motion and queried if it was only in 2 Member Wards where Members should car share? What about the Wards with 3 Members, such as in Lowestoft? He also queried the word 'encourage', as he felt that it should be made stronger, that all Members and officers would car share wherever practical. He felt that the Motion should be bolder and include that officers will use technology in order to facilitate online meetings. He asked why there was no mention of installing solar panels at our offices? He stated that this Motion only covered a tiny part of what the Council can do, which it was already doing and it could include so much more.

There being no further debate, the Chairman invited Members to vote on the Motion and it was

RESOLVED

That the Motion be **APPROVED** by Full Council.

c) Notice of Motion submitted by Councillor Beavan

The Chairman invited Councillor Beavan to read out his Motion.

Councillor Beavan proposed the following Motion:

This Council urges the government to finally and promptly close the iniquitous loophole that allows second home owners to evade both council tax and rates by pretending to be a holiday let business, even though they do not have to actually let at all.

The Motion was duly seconded by Councillor Daly, who reserved his right to speak.

The Chairman then invited Members to consider whether to debate the Motion this evening or not.

Councillor Gallant proposed that the Motion be debated this evening. He noted that Council had debated this matter before, however, he felt that it would be practical to send the Motion to Cabinet or another Committee. Councillor Patience stated that he wished to ask a question about the Motion and the Chairman advised that the Council was still discussing whether to debate the Motion this evening or not. Councillor Cook duly seconded the proposal to discuss the Motion this evening and upon being put to the vote, it was **CARRIED**.

The Chairman invited Members to debate the Motion.

Councillor Patience sought clarification that no Council Tax or rates were being paid by those people with second homes? Councillor Beavan replied that second homes should pay Council Tax, however several such premises were being classed as a business, a holiday let, therefore they did not have to pay Council Tax as they were able to claim small business rates relief at 100%. He stated that no checks were currently undertaken to ensure that these holiday lets were being let out to tourists.

Councillor Beavan read out a quote from Rishi Sunak, Chancellor of the Exchequer, from 3 years ago. It was unanimously agreed by the Government that the loophole should be closed and it was mentioned again in the Spring of 2020 that the loophole would shortly be closed. He reported that Councillor Cook had also been told that the loophole would be closed in the Autumn of 2021 and again, nothing had happened. Councillor Beavan reiterated that the Government had declared that the loophole would be closed for 3 years and still nothing had happened. Meanwhile, a small minority were still getting away with fraud, whilst young families struggled to pay their bills. During lockdown, people still returned to their second homes in Southwold, one of which was registered as a holiday let and had no customers for the whole year, despite there being enormous demand for holiday let properties. Councillor Beavan confirmed that he had reported the matter to the Council.

Councillor Beavan stated that in his opinion, all holiday lets should be registered with HMRC, under the existing category of a furnished holiday let, and should be required to provide evidence of actually letting the property. This was not a party political matter,

and Councillor Beavan stated that he was grateful for Councillor Gallants support. It was about decency and fairness and the loophole reflected badly on all second home owners. Councillor Beavan stated that this would be a difficult winter for many people, who would struggle to run one home, without having to subsidise others using this loophole. This loophole could be closed quickly and easily and Councillor Beavan asked for the Council's support to do this, for the benefit of our communities.

Councillor Gallant stated that he recognised the situation of individuals using the loophole, with scant regard to the negative impact upon the Council and local residents. However, he stated that a Motion should provide the Council with an opportunity to do something tangible, that would make a difference as the words "Urges the Government" were somewhat empty.

Councillor Gallant stated that Councillor Cook had been working hard, in concert with other councils, to keep this matter on the Governments agenda. The latest update received from the Department for Levelling Up, Housing and Communities, gave appropriate assurances that the regulations necessary to deliver the requisite changes would be taken forward over the autumn period. Therefore, Members could be assured that the Government had committed to doing their part and the progress of this will continue to be monitored.

Councillor Gallant reported that those people who choose to opt out of paying Council Tax should not be availing themselves of the services that the Council provides to its Council Tax payers. He stated that the current systems and processes were not sufficiently robust to ensure that this was not occurring. If an individual home was registered as a business, then it should be treated as a business. For example, if they wanted waste to be collected, then they should be paying a commercial rate.

Councillor Gallant commented that he was pleased to see that both Reydon Parish and Southwold Town Councils had taken local action in recently made and advanced Neighbourhood plans, with policies to ensure that new housing developments were restricted to only be occupied as principal residences. Therefore, all new homes in those areas would be retained as homes and could not be used as holiday lets or second homes without permission. Councillor Gallant stated that he would like to propose an amendment to this Motion, which would create meaningful actions. The proposed amendment was:

'This Council has urged, and will continue to press, the Government to take action to close a loophole that allows second homeowners to falsely claim that their property is a qualifying holiday let in order to avoid paying Council Tax and in order to claim Small Business Rate Relief when, in fact, no such holiday lets are taking place. This Council will work to introduce measures to ensure that premises registered as businesses do not receive free council services that are provided to Council Tax payers. Such services include household waste collection, the free use of Household Waste Recycling Centres and resident only parking schemes.'

Councillor Gallant then called for a seconder. Councillor Cook duly seconded the amendment.

The Chairman invited Members to debate the proposed amendment.

Councillor Byatt stated that he had been happy to second the Motion. He commented that he could understand Councillor Beavan's point of view, however he felt that the Motion should be strengthened, as suggested by Councillor Gallant.

Councillor Bird raised a point of order and asked if the proposer of the original Motion should be asked if they were happy to accept the amendment? The Monitoring Officer provided clarity that the proposer of the original Motion did not need to give their permission for an amendment to be made, there would be a vote in due course.

Councillor Byatt stated that he had been prepared to propose an amendment but was content to proceed with the eloquent amendment proposed by Councillor Gallant. He stated it was deeply concerning if people were able to avoid paying Council Tax and it was only right that those people claiming that their second homes were holiday lets should not avail themselves of the services that Council Tax payers receive. Councillor Byatt was concerned that those businesses may have been able to claim Covid business relief, when they were really second homes and he stated that the Internal Audit Team would be able to investigate these matters further. He stated that he and his Group supported the amended Motion, while acknowledging the good intentions of Councillor Beavan.

Councillor Beavan asked if the amended Motion urged the government to close the loophole? It was confirmed that it did. Councillor Beavan confirmed that he did not have a problem with the amendment but commented it was a pity he did not have sight of it before the meeting, as it would have saved time.

Councillor Mapey commented on the internal mechanisms within the Council, as he ran a pub and therefore paid business rates downstairs and Council Tax upstairs. However, he had been informed that he was unable to have domestic bins on a commercial premises and therefore had been without domestic bins for the past 11 years. He clarified that Environmental Health could decide to inspect the holiday lets as a food premises, check that electrical safety certificates were in order and undertake fire safety inspections.

Councillor Mallinder stated the Councillor Cook was pressuring the Government to close the loophole and he confirmed that he would not tolerate any business using domestic waste services. He was closely monitoring the situation and would investigate bringing in further measures to stop this dishonest behaviour.

The Chairman invited Councillor Cook to speak and he confirmed that he was happy to second the amendment.

Councillor Gallant asked Members to support his practical amendment, which would support the Council. He then took the opportunity to comment upon Councillor Beavan's last statement and said that in accordance with the Constitution, Councillor Beavan should have contacted his Group Leader who would have spoken to Councillor Gallant, as Leader, about the Motion, prior to submitting it to Full Council.

The Chairman then invited Members to vote upon the proposed amendment, which had previously been moved and seconded, and it was **CARRIED**.

The Chairman clarified that the amendment was now the Substantive Motion, which could now be debated.

Councillor Cook reported that the Council remained committed to closing the loophole, the Finance Team had been in touch with Government again and they had received a response on 16 November 2021, which confirmed that the Government was going to change the eligibility criteria, which would require that holiday rentals meet an actual lettings threshold, before being assessed for business rates relief. Further details would be provided shortly by the Government, hopefully before Christmas.

Councillor Gooch thanked Councillor Beavan for raising this matter and she noted that he had been raising this matter as far back as 2018, at the former Waveney District Council. The press had also been highlighting this issue for best part of the last decade and she asked that the loophole just be closed.

Councillor Bird commented that Councillor Beavan would be pleased to know that the Government operated under the Minister and Cabinet Model, which would expedite proceedings, rather than using the cumbersome Committee Model.

There being no comments from Councillor Cook or Councillor Gallant, the Motion was put to the vote and it was

RESOLVED

That the Motion be **APPROVED** by Full Council.

9 Review of Gambling Act 2005 Statement of Principles

Full Council received report **ES/0952**, which was presented by the Cabinet Member for Community Health, regarding the draft Gambling Statement of Principles. It was noted that Section 349 of the Gambling Act 2005 required all Licensing Authorities to prepare and publish a statement of the principles that they propose to apply in exercising their functions under the Act. This statement had to be reviewed every 3 years.

Councillor Rudd stated that East Suffolk Council carried out its last consultation and review in 2018. The current Statement of Principles was published in January 2019 and covered the period 31 January 2019 to 31 January 2022. She reported that the Statement of Principles had been updated and a 4-week consultation had been undertaken from the 26 July 2021 and ended on 22 August 2021. This updated Statement of Principles would cover the period 31 January 2022 to 31 January 2025.

Councillor Rudd stated that there were minimal changes to previous Statement of Principles, which had served the Council well. The changes included the removal of references to Waveney and Suffolk Coastal District Councils and there was also reference to the maximum stake for a B2 category gaming machine reducing from £100 to £2, which came into force in April 2019.

The Licensing Team were continuing to monitor gambling premises in the District. Unfortunately, due to Covid, they had only been able to carry out 2 inspections, one in October and November 2021, neither of which had identified any problems. Councillor Rudd provided reassurance that it was intended that post Covid, more frequent inspections would be undertaken.

Councillor Rudd reported that the District did not appear to have a severe gambling problem, according to the interactive maps, which had been created as part of the data from the Annual Great Britain Treatment & Support Survey and collected by YouGov. These maps indicated that there was a low level of problem gamblers in East Suffolk, however, the data did show a higher demand for Gambling Support Services in Lowestoft. Reassurance was provided that the Council had information on its website to signpost people with addictions to the appropriate support services. Councillor Rudd clarified that the issue of Online Gambling was not an area within the Local Authorities Remit.

Councillor Rudd then moved the recommendations within the report, which were seconded by Councillor Hedgley. The Chairman invited questions for Councillor Rudd.

Councillor Craig asked how the Council could protect children and the vulnerable from gambling? She was concerned that many people spent more money on gambling than they meant to, particularly those affected by mental health issues and she queried the mechanisms that were in place to help people and how problem gamblers could be identified. Councillor Rudd reported that individuals were responsible for their own gambling and the Council could not identify the difference between individuals who had a gambling problem and those who did not. She stated that risk assessments had to be carried out and each gambling premises had to comply with the core objectives within the Gambling Act. The Acting Legal and Licensing Services Manager reported that if an interested party had concerns that the Gambling Objectives weren't being met then they could request a review. The Council also undertook enforcement visits and could undertake its own reviews, if required.

Councillor Byatt asked if there was a map of East Suffolk which showed where the gambling premises were located? He also queried if people with gambling problems tended to be clustered in areas with high numbers of gambling establishments? Councillor Rudd stated that gambling premises were likely to be located in highly populated areas. The Acting Legal and Licensing Services Manager confirmed that the Council does not have a map of licensed premises in the district.

There being no further questions, the Chairman invited Members to debate.

Councillor Gallant provided clarification that problem gamblers came from all walks of life and from all locations, he stated that it was important not to stereotype Lowestoft and its residents. He confirmed that the Council did assist people with a gambling problem, by signposting them to the appropriate sources of support.

Councillor Goldson commented that problem gambling was an addiction, where people were unable to stop and he felt that the worst gambling took place online, which the Council had no control over. He reported that the Government was currently reviewing online gambling and would be introducing increased controls to help protect

people, in due course.

There being no further debate, the recommendation was put to the vote and it was unanimously

RESOLVED

That the revised Gambling Act 2005 Statement of Principles, for publication and implementation on 31 January 2022, be approved.

N.B. Councillors J Fisher, S Plummer and C Topping left the meeting at this point in the proceedings.

10 East Suffolk Council Food and Health and Safety Service Plan 2021-2023

Full Council received report **ES/0958**, which was presented by the Cabinet Member for Community Health, regarding the East Suffolk Food and Health and Safety Service Plan 2021 - 2023. Councillor Rudd reported that this year's plan was bigger and better, with a bold and colourful design, that had been modelled on the Council's Strategic Plan. It was noted that this year five new Level 6 apprenticeships had commenced in Environmental Health and East Suffolk Council was the only local authority to do that on such a scale.

Councillor Rudd explained that the Council was responsible for carrying out official controls inland and at the port. She clarified that official controls meant food safety checks of restaurants and food producers, as well as imported food coming in via Felixstowe Port. Therefore, the Council was obliged to produce a report for the Food Standards Agency that described its activities and the resources provided for it. In parallel, the Council was also required to produce a report on our health and safety enforcement function, this time for the Health and Safety Executive (HSE). Both these Government organisations required specific elements to be included, which explained the breadth and depth of the Food and Health & Safety Service Plan. Councillor Rudd stated that, for the sake of completeness, the Council had also added in the work of the Corporate Health and Safety Team, whose focus is on helping the Council as an employer get things right, in terms of its own health and safety responsibilities.

Councillor Rudd stated that living with Covid-19 restrictions in recent months had given rise to enormous challenges for the Food & Safety Team and, like many other local authorities, they would be busy catching up for some time. At Port Health, Covid-19 had also had a significant impact on their ability to physically inspect as many consignments as usual, but as always, a risk-based approach had been taken to keep the trade flowing, whilst ensuring consumers end up with safe food. Our Corporate Health and Safety team has supported the Council throughout Covid-19, advising on appropriate measures to put in place to protect its staff and enable as many services as possible to continue operating.

Councillor Rudd stated that the work of regulatory services sometimes passed under the radar, as we tend to only hear about things when they go wrong or when

enforcement action makes the headlines. She then commended the report to Members, as a reminder of the enormous array of tasks which our teams carry out, which included: investigating food poisoning and infectious diseases, inspecting fishing boats and ships, registering skin piercers, testing plastic kitchenware at import to ensure it's safe to be in contact with food, checking imported food at Harwich, investigating workplace accidents and deaths, checking food and safety matters at Latitude, shellfish sampling, raw dairy milk sampling, advising all sorts of businesses how to comply with the rules and implementing the new rules for the EU Exit at Felixstowe Port, whilst using our positive status and best practice to influence Government departments who make the new rules for the UK.

Councillor Rudd took the opportunity to thank the officers in Food & Safety, Port Health and Corporate Health & Safety for their endurance, professionalism, flexibility and spirit, and for keeping going through such difficult times to keep us all safe. She also thanked Helen Buckingham for her hard work in covering the role of Head of Environmental Services and Port Health.

The Chairman then invited Members to ask questions to Councillor Rudd.

Councillor Deacon congratulated Councillor Rudd on the report and plan. He queried what checks would be undertaken on incoming goods at Freeport East in future, would they be the same as the checks currently undertaken at Felixstowe Port? Councillor Rudd confirmed that the checks on incoming goods would remain the same.

Councillor Byatt thanked all those involved for their hard work in relation to the report. He drew Members' attention to the laboratory infection reports and the instances of Campylobacter and he queried if it was possible to know where those infections had originated from, in order that he could avoid those food premises? Councillor Rudd reported that the Food Safety Team had that information.

Councillor Mapey, referring to one of the earlier Motions that was debated this evening, then queried if there would be any prioritised interventions planned for holiday let businesses between now and 2023? Or for any second homes which had recently become holiday lets? He asked if they would be added to the list for future inspection? It was confirmed that yes, they could be added to the list and inspected in due course.

Councillor Gooch thanked Councillor Rudd for the report and drew Member's attention to page 155 which referred to water sampling for swimming pools. She queried if, in the long term, the Council might be looking towards ensuring healthy, safe and clean wild water swimming in the district? Currently, there was only one site in the whole of the UK that was suitable for wild swimming, which was in Ilkley, Yorkshire. Councillor Rudd replied that she would need to find out and report back after the meeting.

There being no further questions or debate, Councillor Rudd moved the recommendations, which were seconded by Councillor Jepson. Upon being put to the vote it was unanimously

RESOLVED

1. That the Food Safety and Health & Safety performance against the Service Plan for 2019/20 be noted.
2. That the Service Plan for 2021/23 be approved without amendment.

11 Cabinet Members Report and Outside Bodies Representatives Reports to Council

Full Council received report **ES/0953**, which was presented by the Leader of the Council and provided individual Cabinet Members' reports on their areas of responsibility, as well as reports from those Members appointed to represent ESC on Outside Bodies'. Councillor Gallant stated that the written reports would be taken as read and he invited relevant questions on their contents.

Councillor Pitchers referred to the update from Councillor Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development, and queried when the two Masterplans for the South Seafront and the Scores would be available for Members to view. Councillor Rivett reported that he would find out and circulate that information outside of the meeting.

Councillor Cooper also referred to the update from Councillor Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development, in particular the Energy Projects Update. He noted that £1.7 billion had been allocated by the Chancellor in last months budget for bringing forward new nuclear opportunities. Should Sizewell C be built, it would have a significant impact on local residents and their way of life, and he queried how that money could be used to help residents? Councillor Rivett stated that a decision on Sizewell C was expected from the Secretary of State in mid April 2022. However, there had been no information from Government on how the £1.7 billion would be spent, it was anticipated that further information would be provided in due course. Councillor Rivett provided reassurance that Members would be kept apprised of any developments.

Councillor Patience also referred to the update from Councillor Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development. He queried whether any of the Towns Fund money would be used to regenerate the public side of the tidal gates in Lowestoft? Councillor Rivett reported that £25 million had been awarded by the Towns Fund and an outline business case was being drafted in relation to the projects that could be undertaken. Further information would be provided in due course.

Councillor Gooch referred to the update from Councillor Burroughes, Cabinet Member with responsibility for Customer Services, ICT and Commercial Partnerships. She stated she had recently parked in Lowestoft to attend the Remembrance Day Service and had been disappointed to note all the pay machines were not working and the only way to pay was via Ringo. She queried how the public were able to pay for their parking, if they did not have a smart phone. It was noted that parking had been free of charge on the day in question and Ringo was widely used across the country.

Councillor Patience referred to the update from Councillor Mallinder, Cabinet Member

with responsibility for the Environment. He commented that his Ward, Harbour and Normanston, had the highest levels of flytipping and he had been working closely with Councillor Mallinder to try and reduce this. He commented that he was very pleased that Councillor Mallinder, Chair of the Suffolk Waste Partnership, had invited the new Chair of the Suffolk Fly Tipping Association to the next meeting of the Suffolk Waste Partnership. Councillor Mallinder thanked Councillor Patience for his ongoing work in trying to reduce fly tipping and he stated he was keen to promote a cross party, proactive approach, involving all stakeholders wherever possible.

Councillor Byatt referred to the update from Councillor Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development. He noted the visit on 14 October 2021 from Historic England, which had included presentations and a tour of Lowestoft. He commented that Ward Councillors would expect to be invited to those important meetings, as they had a wealth of knowledge and experience of their Wards, and he requested that Ward Councillors be invited to any such meetings in future. Councillor Rivett noted the comments from Councillor Byatt and he reported that the meeting had been arranged by Historic England and they had been responsible for choosing and inviting the attendees.

The report was received for information.

N.B At this point in proceedings, the Chairman proposed a short adjournment for 10 minutes. This was duly seconded and upon being put to the vote it was

RESOLVED

That there would be a short adjournment, from 9.00pm to 9.10 pm.

N.B. Councillor Smith-Lyte left the meeting during the adjournment.

12 Exempt/Confidential Items

The Chairman reported that in exceptional circumstances, the Council may, by law, exclude members of the public from all, or part, of a decision-making meeting. There were various reasons that the Council, on occasions, has to do this and examples were because a report contained information relating to an individual, information relating to the financial or business affairs of a particular person, or information relating to any consultations or negotiations.

The Chairman reported that Full Council would be considering three exempt matters which were outlined in agenda items 13a, 13b and 14 on the published agenda. They include 2 sets of exempt minutes from 28 July and 22 September 2021 and the main substantive item of business was the East Point Pavilion Construction Contract Update.

The East Point Pavilion Construction Contract Update report set out the recommendation for the budget for capital expenditure for East Point Pavilion to be increased, to ensure East Suffolk Council could award a contract to a successful tender bid to complete the redevelopment programme for the asset. The proposal had the potential to attract local businesses to tender for the construction works and for local people to be employed to deliver the construction contract. On completion, the venture seeks to create a new and exciting food hub and events space that aims to attract food traders to occupy the kiosks within the Pavilion as well as artists, entertainers, comedians, DJs, and bands to feature as part of the events programme. An improved amenity, leisure, food and beverage and evening economy offer alongside improved marketing and promotions are key elements of securing a larger tourist audience. Developments like East Point Pavilion would play a role in this, working in partnership with First Light Festival CIC to create a destination food and events hub.

The Chairman then moved to the vote on the recommendation, as proposed by himself and seconded by Councillor Gallant, and it was

RESOLVED

That under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act.

13a Exempt Minutes - July 2021

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

13b Exempt Minutes - September 2021

- Information relating to any individual.
- Information that is likely to reveal the identity of an individual.
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

14 East Point Pavilion Construction Contract Update

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 9.23 pm.

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FULL COUNCIL
Wednesday, 26 January 2022

Subject	Community Governance Review – East Suffolk
Report by	Councillor Steve Gallant Leader of the Council
Supporting Officer	<p>Karen Last Electoral Services Manager Karen.last@eastsoffolk.gov.uk 01394 444324</p> <p>Stephen Baker Chief Executive Electoral Registration Officer Stephen.Baker@eastsoffolk.gov.uk 01394 444378</p>

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not Applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The purpose of this report is to request Council to commence a Community Governance Review (CGR) of all parish and town councils in the East Suffolk area.

East Suffolk Council has a duty to keep parish arrangements under review and it is considered good practice for a full CGR of parish arrangements to be conducted every 10 to 15 years.

CGRs have been conducted for specific areas in that time by the predecessor councils (Suffolk Coastal and Waveney) but there has not been a district wide review that meets the requirements of the Act.

The Terms of Reference (Appendix A to the report) sets out the scope of the CGR.

Options:

1. To conduct a district wide Community Governance Review in accordance with the published Terms of Reference. This will enable the changes to be included in the revised register on 1 December 2022 and any amended governance arrangements to be in place for elections in May 2023.
2. To conduct a district wide Community Governance Review with amended Terms of Reference. Changes to the timeline could have an impact on the publication of the revised register and the elections in May 2023.
3. To defer a district wide Community Governance Review.

Recommendation/s:

1. That the commencement of a district-wide Community Governance Review be agreed.
2. That the Terms of Reference for the Community Governance Review (Appendix A to the report) be approved.

Corporate Impact Assessment

Governance:

In undertaking the review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972 and Guidance on CGRs issued by the Department of Communities and Local Government and the Local Government Boundary Commission for England in March 2010.

The Draft recommendations will be considered by Council prior to a further consultation stage and the final recommendations will need to be approved by Council prior to the Re-Organisation order being made.

A member working group would be initiated if deemed necessary. This will be dependant on the responses to the initial consultation stage.

ESC policies and strategies that directly apply to the proposal:

None

Environmental:

None

Equalities and Diversity:

No impacts

Financial:

Under the Local Government and Public Involvement in Health Act 2007, local authorities have responsibility for undertaking CGRs. The process is prescribed and involves officer time and other associated costs. These costs will be met from within existing budgets.

Human Resources:

None

ICT:

None

Legal:

Under the Local Government and Public Involvement in Health Act 2007, local authorities have responsibility for undertaking CGRs.

Electoral arrangements put in place by the Local Government Boundary Commission for England as part of the District review and County review are protected for five years and will require the consent of the LGBCE before any Re-Organisation order can be made.

Risk:

East Suffolk Council will write to the LGBCE detailing proposed changes to protected arrangements, if any, to request consent. The LGBCE will consider the request and will seek to ensure that the proposals do not conflict with the original recommendations of their electoral reviews, and that they are fair and reasonable. If consent is not granted, those changes to electoral arrangements cannot be made.

External Consultees:

As part of each stage of the CGR the Council will undertake proportionate consultation with stakeholders and those with an interest, including but not limited to:

- Local Government electors/residents of the district
- Town and parish councils
- Parish meetings
- District councillors
- County councillors
- Members of Parliament
- Suffolk Association of Local Councils

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>CGRs provide councils with an opportunity to review and make changes to community governance arrangements to ensure that town and parish councils provide for cohesive communities, improved community engagement, better local democracy and result in improved effective and convenient delivery of local services.</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	The Local Government and Public Involvement in Health Act 2007 transferred full responsibility for parish reviews, now called Community Government Reviews, to principal councils in England.
1.2	East Suffolk Council has a duty to keep parish arrangements under review and it is considered good practice for a full CGR of parish arrangements to be undertaken every 10 to 15 years.

2 Current position	
2.1	A review in East Suffolk is due and following the implementation of the District arrangements and publication of the County arrangements it is an appropriate time to conduct that review.
2.2	There are no elections scheduled for the review period in 2022.
2.3	Some town and parish councils in the area have expressed an interest in reviewing the size of their council as they are carrying vacancies from one election to the next and are unable to attract candidates.

3 How to address current situation																						
3.1	Carrying out a CGR would afford the Council an opportunity to review parish arrangements to ensure that parish and town councils provide for cohesive communities, improved community engagement, better local democracy and result in improved effective and convenient delivery of local services.																					
3.2	The Terms of Reference are set out in Appendix A to this report.																					
3.3	The indicative timeline and key stages of the CGR are: <table border="1" data-bbox="311 1355 1372 2074"> <thead> <tr> <th>Stage</th> <th>Action</th> <th>Dates</th> </tr> </thead> <tbody> <tr> <td>Commencement</td> <td>Terms of Reference approved by Council.</td> <td>26 January 2022</td> </tr> <tr> <td>Stage One</td> <td>Consultation with Stakeholders – initial submissions invited on future arrangements.</td> <td>Feb-April 2022</td> </tr> <tr> <td>Stage Two</td> <td>1. Consideration of submissions received. 2. Draft recommendations prepared.</td> <td>April – May 2022</td> </tr> <tr> <td>Stage Three</td> <td>Draft recommendations to be considered by Council and approved for further consultation.</td> <td>May 2022 (TBC)</td> </tr> <tr> <td>Stage Four</td> <td>1. Consultation with Stakeholders on draft recommendations. 2. Final recommendations prepared.</td> <td>May – September</td> </tr> <tr> <td>Stage Five</td> <td>Final recommendations to be considered by Council with resolution to make a Re-organisation Order.</td> <td>September 2022 (TBC)</td> </tr> </tbody> </table>	Stage	Action	Dates	Commencement	Terms of Reference approved by Council.	26 January 2022	Stage One	Consultation with Stakeholders – initial submissions invited on future arrangements.	Feb-April 2022	Stage Two	1. Consideration of submissions received. 2. Draft recommendations prepared.	April – May 2022	Stage Three	Draft recommendations to be considered by Council and approved for further consultation.	May 2022 (TBC)	Stage Four	1. Consultation with Stakeholders on draft recommendations. 2. Final recommendations prepared.	May – September	Stage Five	Final recommendations to be considered by Council with resolution to make a Re-organisation Order.	September 2022 (TBC)
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	Completion	Re-organisation Order made.	October 2022
3.4	It should be noted that any Order made following a CGR should, for administrative and financial reasons, take effect on 1 April following the date on which the Order is made. Electoral arrangements will come into force at the first scheduled elections following the date on which the Order is made.		

4 Reason/s for recommendation

4.1	A district-wide CGR should be carried out every 10 to 15 years. A full CGR has not been carried out within that time for East Suffolk Council or the predecessor councils prior to 2019 and is now due.
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Appendices

Appendices:

Appendix A	Community Governance Review 2021-2022 Terms of Reference
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Background reference papers:

Date	Type	Available From
31.03.2010	Guidance on Community Governance Reviews	Guidance on community governance reviews (publishing.service.gov.uk)



East Suffolk Council

Community Governance Review 2021-2022

Terms of Reference

A review of parishes under the Local Government and Public Involvement in Health Act 2007

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Background

East Suffolk Council has resolved to undertake a Community Governance Review (CGR) of the whole of the district. The Council has a duty to keep parish arrangements under review.

In undertaking the review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007 (referred to as 'the 2007 Act'), the relevant parts of the Local Government Act 1972 and Guidance on CGRs issued by the Department of Communities and Local Government and the Local Government Boundary Commission for England in March 2010. Also, the following Regulations which guide, in particular, consequential matters arising from the review: Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625) and Local Government Finance (New Parishes) Regulations 2008 (SI2008/626).

Section 81 of the 2007 Act requires the Council to publish its Terms of Reference for the Review which clearly set out the focus of the review. This document will fulfil that requirement.

The Council is also required to have regard to guidance on CGRs issued by the Secretary of State for Communities and Local Government. This guidance was published in March 2010 and has been carefully considered when drawing up the Terms of Reference and timetable for this review.

What is a Community Governance Review?

A CGR is a legal process whereby Principal Authorities (East Suffolk Council) can consider the following:

- creating, merging, altering or abolishing parishes,
- the naming of parishes and the style for any new parishes,
- the electoral arrangements for parishes, i.e. the ordinary year of election, council size, the number of councillors to be elected to the council and parish warding,
- grouping of parishes under a common parish council or de-grouping parishes.

A CGR must reflect the identities and interests of communities and should take into account the impact of community governance arrangements on cohesion and the size, population and boundaries of a local community or parish.

Why is East Suffolk Council undertaking this review?

A CGR provides principal councils with an opportunity to make changes to community governance arrangements in their area and ensure that such arrangements provide cohesive communities, improved community engagement, better local democracy and result in improved effective and convenient delivery of local services.

East Suffolk Council has not carried out a district wide review since the creation of the new council. However, in order to create East Suffolk Council, the Local Government Boundary Commission for England undertook a district boundary review which came into effect for the elections in 2019 and have since carried out a County Council boundary review for Suffolk which was published in September 2021.

Government guidance states that it is good practice to conduct a full CGR at least every 10 to 15 years and keep the area under review in the meantime.

East Suffolk Council wants parish councils to play an important part in community empowerment at a local level and wants to ensure the parish governance in the district continues to be robust, representative of the locality and able to meet future challenges. It is also important that electoral arrangements are appropriate, equitable and understood by the local electorate.

As new development takes place, it may be that existing parish boundaries are no longer the most appropriate division between parishes. The CGR provides an opportunity for existing boundaries to be reviewed.

Local Government Boundary Commission for England (LGBCE)

Consent will be required by the LGBCE to implement any proposed changes recommended by this CGR. This is because the District and County Council electoral reviews were carried out less than five years ago and CGRs cannot be used as a vehicle to undermine the changes resulting from an electoral review.

As part of an electoral review, the LGBCE is required to have regard to Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). This provides that if a parish is to be divided between different wards or divisions it must also be divided into parish wards, so that each parish ward lies wholly within a single ward or division.

Parish wards created by the LGBCE to facilitate the new district wards and county divisions cannot be abolished as part of this CGR.

What do Parish Councils Do?

Parish Councils represent the most local form of government and can own land and assets, employ staff and provide services at a local level. Parish Councils can provide a local voice for the community responding to consultations and raising concerns with the relevant organisations.

A Parish Council is made up of parish councillors elected by local government electors in the parish with elections taking place every four years. Vacancies within the four year term are filled by co-option or by-election if local government electors request it.

Who will undertake the review?

As the principal authority, East Suffolk Council is responsible for undertaking CGRs within its area. The Council will approve the final recommendations before a Community Governance Order is made.

The main contacts for the review are:

Karen Last, Electoral Services Manager

Tim Willis, Deputy Electoral Services Manager

Consultation

These terms of reference provide the aims of the review, the legislation that guides the process and the areas that the council will consider as part of the review process.

The council will consult widely on the review including but not limited to:

- Local government electors / East Suffolk Council residents
- Parish Councils
- Parish Meetings
- District councillors
- County councillors
- Members of Parliament

Prior to making recommendations or publishing final proposals, the Council will take full account of the views and suggestions put forward by local people and organisations and will comply with the statutory consultation requirements by:

- Consulting local government electors and other persons or bodies which appear to the Council to have an interest in the review,
- Considering any representations received in connection with the review,
- Notifying consultees of the outcome of the review,
- Publishing all decisions taken and the reasons for such decisions.

Information about each stage of the review will be published on the Council's website and available for inspection at East Suffolk House, Station Road, Melton, Woodbridge IP12 1RT and Riverside, 4 Canning Road, Lowestoft NR33 0EQ. Press releases and other publicity will be issued where appropriate.

Timeline of the review

Legislation states that a CGR must be completed within a 12-month period. The CGR commences when the Council publishes its terms of reference and concludes when it publishes the recommendations made in the review.

Review Stages:

Stage	Action	Dates
Commencement	Terms of Reference approved by Council.	26 January 2022
Stage One	Consultation with Stakeholders – initial submissions invited on future arrangements.	Feb-April 2022
Stage Two	1. Consideration of submissions received. 2. Draft recommendations prepared.	April - May 2022
Stage Three	Draft recommendations to be considered by Council and approved for further consultation.	May 2022 (TBC)
Stage Four	1. Consultation with Stakeholders on draft recommendations. 2. Final recommendations prepared.	May – September
Stage Five	Final recommendations to be considered by Council with resolution to make a Re-organisation Order.	September 2022 (TBC)
Completion	Re-organisation Order made.	October 2022

Electoral Forecasts

When considering the electoral arrangements of the parishes in the area, the Council must consider any likely future change in the number or distribution of electors within five years from the day the review commences.

The review will use the latest electorate figures available at a parish level together with the estimated delivery of new dwellings with the five-year period.

Scope of the Review

The Review includes all aspects of community governance arrangements of existing parishes, including:

- To consider the name of existing parishes/parish councils

- To consider the boundaries of existing parishes and whether existing parishes should be split or amalgamated to constitute new parishes or if any new parish councils should be created along with the number of parish councillors to be elected for any parish council, whether new or existing.
- To consider whether any new or existing parish council should be divided into wards (or continue to be divided into wards), including the number and boundaries of any such wards, the number of councillors to be elected for any such ward and the name of any such ward.

Considerations

Legislation requires that the Council must ensure that community governance within the area:

- reflects the identities and interests of the communities in the area,
- is effective and convenient and takes into account any other arrangements for the purpose of community representation or engagement in the area.

In considering proposals for change, the Council will take the following into account:

Parish status (Council or Meeting)

Electorate – existing and forecast growth

The review aims to ensure that parishes reflect community identity and interest and that they are viable administrative and democratic units.

Parishes with 150 or fewer local government electors cannot have a council and can only be a parish meeting (unless the parish already have a council). Between 151 and 999 local government electors the review can recommend that the parish could have a council (optional) and where the parish has 1000 or more local government electors the review must recommend that the parish has a council.

Parish boundaries

The council will consider the effect of new and forecast development activity on existing parish boundaries. Parish boundaries should be easily identifiable and reflect the separation of settlements recognised locally as having their own identity. These boundaries should generally reflect the areas between communities with low populations or physical barriers such as rivers or man-made features such as railways or motorways.

Council size (number of councillors)

The minimum number of parish councillors that a council can have is five. A quorum for a parish council is three or a third, whichever is the greater number.

Electorate	Councillor Allocation
Less than 500	5 – 8
501 – 2,500	6 – 12
2,501 – 10,000	9 – 16
10,001 – 20,000	13 – 27
Greater than 20,000	13 - 31

Government guidance is that representation of areas should be considered on their own merits having regard to population, geography and the pattern of communities. The Council will pay particular attention to existing levels of representation and existing council sizes which have stood the test of time.

In considering requests to change the number of councillors on any individual parish council, the Council will review the electoral history for the parish including the number of contested elections that have been held, the number of vacant seats following normal parish elections (every four years) and whether the council has been able to fill vacancies by means of co-option.

Parish warding

The Council is required to consider the following points when deliberating whether a parish should be divided into wards for the purposes of elections:

- whether the number or distribution of the local government electors for the parish would make a single election of councillors impractical or inconvenient,
- whether it is desirable that any area, or areas, of the parish should be separately represented on the council.

In considering parish wards the Council will ensure that electoral equality is retained (the principal that each person’s vote should be of equal weight so far as possible). This will be achieved by keeping the councillor/elector ratio similar across warded areas.

Parish names and alternative styles for parishes

Alternative styles for parishes were introduced by the 2007 Act which could replace the ‘parish’ style with community, neighbourhood or village. Town status continues to be available to a parish (Section 247 of the Local Government Act 1972) but for as long as a parish has an alternative style it would not be able to have the status of a town and vice versa.

At the request of a parish, the District Council as principal authority can change the name of a parish to reflect the style adopted.

If an existing parish is under review the Council will make recommendations as to whether the geographical name of the parish should change but it will be for the parish council or

meeting to resolve whether the parish should have one of the alternative styles or retain the 'parish' style.

Grouping of parishes

Under Section 91 of the 2007 Act a CGR can recommend the grouping or de-grouping of parishes. In some instances, it may be appropriate to group parishes to allow a common parish council to be formed. De-grouping may also offer the reverse possibility where local communities have expanded.

Any grouping or de-grouping needs to be compatible with the retention of community interests and it would be inappropriate to use it to build artificially large units under single parish councils. However, it could offer a possibility for parishes with fewer than 150 electors to be grouped with other parishes under an elected parish council despite being unable to form a parish council in their own right.

Ordinary year of election

As the District Council is elected every four years on an 'all out' basis, it is proposed to keep the ordinary year of elections for parish councils on the same date.

Reorganisation of Community Governance Orders and Commencement

The review will be completed when the Council resolves to accept the final recommendations and authorises completion of the Reorganisation of Community Governance Order.

Copies of the Order, supporting maps and documents setting out the reasons for the decisions taken will be deposited at the Council offices at East Suffolk House, Station Road, Melton, Woodbridge IP12 1RT and Riverside, 4 Canning Road, Lowestoft NR33 0EQ.

In accordance with the Guidance, the Council will issue maps to illustrate each recommendation at a scale that will not normally be smaller than 1:10,000. These maps will also be deposited with the Secretary of State at the Department for Levelling Up, Housing and Communities. Prints will also be supplied in accordance with regulations to the Secretary of State, the Electoral Commission, the LGBCE, the Office for National Statistics, the Director General of the Ordnance Survey and any other principal council whose area the order relates to. Copies may also be sent to the Audit Commission, the Registrar General, the Land Registry and the Valuation Office Agency.

Any changes to electoral arrangements will come into force at the next ordinary elections for the parish council.

Consequential matters

The Council notes that a Reorganisation Order may cover any consequential matters that appear to the Council to be necessary or proper to give effect to the Order, including:

- the transfer of management or custody or property,
- the setting of precepts for new parishes
- provision with respect to the transfer of any functions, property, rights and liabilities,
- provision for the transfer of staff, compensation for loss of office, pensions and other staffing matters.

In these matters, the Council will be guided by Regulations that have been issued following the 2007 Act. In particular, the Council notes that the Regulations regarding the transfer of property, rights and liabilities require that any apportionments shall use the population of the area as estimated by the Proper Officer of the Council as an appropriate proportion.

Furthermore, the Council notes the Regulations regarding the establishment of a precept for a new parish and their requirements.

Date of publication

These terms of reference will be taken to the East Suffolk Full Council meeting on 26 January 2022 and if approved will be published on 27 January 2022.



FULL COUNCIL
Wednesday, 26 January 2022

Subject	Environmental Climate Change Lead Officer
Report by	Councillor Steve Gallant Leader of the Council
Supporting Officer	Nick Khan Strategic Director nick.khan@eastsoffolk.gov.uk 01502 523606

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The Council has embarked on an ambitious programme to deliver its Strategic Plan which consists of five main themes, one of which is 'Caring for our Environment'. In addition, the Council has also declared a climate emergency and pledged to become a carbon neutral council by 2030.

It is clear that we need to build on the good work we have started in order to respond to the environmental challenge and that this challenge is growing and needs a sustained and effective response. Members will have seen the world's leaders coming together recently in Glasgow for COP26 to negotiate commitments to ensure that global warming is kept well below two degrees Celsius and we all have a role to play in making this a reality.

Defining exactly what the challenge is is difficult. It is also difficult to determine exactly what is meant when we refer to 'the Environment' because it is both broad and complex in nature and greater clarity is therefore required if the efforts of the Council are to be focussed and effective. A failure to define what is being tackled, addressed and worked on will undermine the chances of success. We need a greater understanding of what the challenge is and we need objective and triangulated data to provide an evidence based and informed approach in the context of East Suffolk.

The response needs to engage the whole Council and will need to be both strategic and granular, short and long term. It will require a change in working practices, new energy sources, support for our communities and improved reuse/recycle activities.

Currently, delivering against our environmental and climate change commitments is spread across a number of post holders and service areas with no one person or service area responsible for its coordination.

This report proposes that the Council invests in a new senior 'Environmental Climate Change Lead Officer' post to help coordinate and support the delivery of this critical work. This new post will be the Council's central lead for environmental and climate change work and will further develop the Council's policies and strategies in this area. The postholder will further accelerate the pace of our response, support Members and Officers with their ambitions, and work across the whole Council as well as with external partners and stakeholders. This will ensure that strong links are being made between service areas and the numerous streams of environmental and climate change work which, by their very nature, strongly interrelate with each other.

Ultimately, it will be the role of this postholder to coordinate and help drive the delivery of our ambitious environmental and climate change targets and aspirations. In summary they will do this by:

- Helping to shape policy and strategy.
- Coordinating the delivery of the work.
- Measuring progress.
- Communicating all of this.

Options:

There is an option not to invest in a new post but, instead, to attempt to deliver the widespread changes necessary from within existing resources which is unlikely to achieve the scale and speed of change required.

Recommendation:

That the additional funding required for the new post of Environmental Climate Change Lead Officer be approved in order to ensure that the Council delivers against its environmental ambitions.

Corporate Impact Assessment

Governance:

If approved by Council, recruitment to the post will be undertaken in early 2022 and given the strategic nature of the post, Members and senior Officers will be involved in the appointment process with the support of HR. Meeting the environmental challenge and coordinating the work around it involves the whole Council and all of the various service areas within it. For this reason, it is proposed that the postholder will report directly to the Council's Strategic Director. The postholder will be supported by the Council's existing Environmental Sustainability Officer and will work closely with the Cabinet Member for the Environment.

ESC policies and strategies that directly apply to the proposal:

- East Suffolk Strategic Plan
- East Suffolk Medium Term Financial Strategy

Environmental:

The proposal in this report will drive forward delivery of the objectives contained within the Council's Strategic Plan. It will allow for both a strategic and holistic approach across a diverse area, supporting Members, Officers and a wide range of stakeholders and partners in order to achieve the necessary change.

Equalities and Diversity:

There is no requirement for an Equality Impact Assessment in respect of this report. The recruitment process will be undertaken in accordance with the Council's Equality and Diversity Policy.

Financial:

This new post represents growth to the budget from 2022/23 which equates to £305,800 (salary with oncosts) over the remainder of the current Medium Term Financial Strategy. This figure is made up as follows:

2022/23 - £71,900

2023/24 - £74,900

2024/25 - £77,800

2025/26 - £81,200

This proposal has been discussed with the Financial Services Team and has been included as part of the 2022/23 Budget and updated Medium Term Financial Strategy that will come before Full Council in February 2022.

Human Resources:

This report refers to the creation of a new post and, subject to Council approving the necessary funding, it is proposed that recruitment will begin immediately. An appropriate Job Description has been drafted evaluated.

ICT:

No ICT implications have been identified.

Legal:

No Legal implications have been identified.

Risk:

There is a risk that the Council will be unable to deliver the scale of change required without this additional resource. A failure to define what is being tackled, addressed and worked on will undermine the chances of success.

External Consultees:	None
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>

P18	Skills and training	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
<p>This proposal will strengthen the Council’s ability to effect change through its policies, strategies and initiatives in order to contribute to national, regional and local goals, promoting awareness of emerging environmental issues and the difference East Suffolk Council and its communities can make. This proposal will also provide the key coordination link between all the service areas (as well as with external partners and key stakeholders).</p>			

Background and Justification for Recommendation

1	Background facts
1.1	<p>Purpose of Report:</p> <p>The Council has embarked on an ambitious programme to deliver its Strategic Plan which consists of five main themes, one of which is ‘Caring for our Environment’. In addition, the Council has also declared a climate emergency and pledged to become a carbon neutral council by 2030.</p>
1.2	<p>Whilst the Council has made good progress in responding to the environmental challenge, the challenge is so broad and complex that greater clarity is required if the efforts of the Council are to be properly focussed and effective. We need a greater understanding of what the challenge is in order to optimise our efforts, based on objective and triangulated data.</p>
1.3	<p>The Council’s environmental objectives are ambitious and cover a number of key areas including:</p> <ul style="list-style-type: none"> • Improving the digital knowledge and skills of our workforce, partners, residents and businesses. • Improving connectivity for everyone in the district. • Effecting radical changes to our vehicle fleets, council buildings and housing stock. • Encouraging biodiversity and protecting our natural environment. • Minimising waste, reusing materials and increasing recycling. • Encouraging and investing in renewable energy. • Planning Policy. • Coastal Management. • Air Quality. • Climate Emergency (including supporting the county wide Suffolk Climate Emergency Plan).

1.5	This report proposes that the Council invests funds in a new, strategic, post to help co-ordinate, support and deliver these ambitions. This new post will provide the resource to inform the Council, develop policy and strategies, maintain the momentum of our response, support Members and work across the whole Council to ensure that the environmental challenge is being met and agreed actions delivered.
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2 Current position

2.1	The Council's Environmental Services and Port Health team covers a range of services including Environmental Protection, Environmental Health, Food and Safety, Corporate Health and Safety and Port Health services, as well as supporting the Greenprint Forum and the corporate Health and Wellbeing Group. It consistently delivers high quality services but the demand on these services continues to increase, particularly so since the pandemic began.
2.2	Given the scale of the environmental challenge, it has become apparent that additional resource is required (as outlined above) over and above existing Council resources. The responsibility for responding to the environmental challenge does not sit solely with one specific service area. It is far reaching and every service area has a role to play. The response must therefore engage the whole Council.

3 How to address current situation

3.1	The proposal is to create a new post which will drive forward delivery of the environmental ambitions contained within the Council's Strategic Plan. It will allow for both a strategic and holistic approach across all service areas and will provide support to Members, Officers and a wide range of stakeholders and partners to effect the change required.
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4 Reason/s for recommendation

4.1	The recommendation in this report is considered to strengthen the Council's existing work in relation to the environment and will add capacity.
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Appendices

Appendices:

None.

Background reference papers:

None.



FULL COUNCIL
Wednesday, 26 January 2022

Subject	East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources Councillor Edward Back Assistant Cabinet Member for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsoffolk.gov.uk 01394 444571# Adrian Mills Head of Anglia Revenues Partnership (ARP) Adrian.Mills@angliarevenues.gov.uk 01842 756491

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The purpose of this report is to review the 2021/22 Local Council Tax Reduction Scheme (LCTRS) and consider options for the scheme for 2022/23, as recommended by the Cabinet at its meeting on 4 January 2022.

Options:

Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). Anglia Revenues Partnership (ARP) carried out the annual review of the 2021 scheme and a range of options were considered by the Cabinet at its meeting on 7 September 2021. Cabinet approved that a consultation be undertaken on the following proposed amendments to the East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23:

- Reducing the capital threshold from £16,000 to £10,000 and abolishing tariff income.
- Introducing a fixed rate reduction of £7.40 for non-dependants.
- Further streamlining the claim process.
- Increasing the tolerance for Universal Credit data re-assessments from £65 per month to £100 per month

Recommendation/s:

That the Proposed East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23 attached as Appendix C and incorporating the proposals outlined in the report be approved.

Corporate Impact Assessment

Governance:

None arising directly from this report.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Local Council Tax Reduction Scheme (LCTRS)

Environmental:

None.

Equalities and Diversity:

An Equalities Impact Assessment (EqIA) has been prepared in respect of the proposals recommended in this report. This EqIA will be revised if necessary if the consultation indicates any changes in respect of the impact on one or more Protected Characteristic groups.

Financial:

Although primarily focussed on improving the customer journey, if implemented, the recommended proposals are estimated to generate savings to the East Suffolk Collection

Fund in the region of £97,000, around £13,000 of which would be attributable to East Suffolk Council.

Human Resources:

None arising directly from this report.

ICT:

None arising directly from this report.

Legal:

None arising directly from this report.

Risk:

None arising directly from this report.

External Consultees:

A short consultation exercise took place from 25 October to 26 November 2021. This survey elicited 104 responses. The consultation took the form of an online survey, asking stakeholders for their views on the proposals and any unforeseen impacts. The link to the survey was sent to all Members; made available on the Council and ARP websites; and sent to stakeholders working with individuals who are likely to be affected by the proposals or who represent residents with a protected characteristic, for example, CAB, debt and money management services and local disability groups. Major preceptors were consulted on the proposals by letter. The results of the survey are referred to in the relevant sections of this report, and are shown in summary in Appendix A.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
<p>The LCTRS provides important support to people in East Suffolk, directly contributing to the key theme of Enabling our Communities. The changes proposed for implementation in April 2022 will further reduce customer notifications and contact; further reduce continuous changes to benefits received; and contribute to overall improvement of the customer journey.</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	This is now the ninth year of LCTRS; a locally set scheme that replaced the nationally set Council Tax Benefits (CTB) scheme from April 2013. In 2013/14 a one-off Government grant compensated in part for the reduction in Government funding for the Working Age scheme that year. This meant that the maximum LCTRS awarded was 91.5%. This scheme, adopted by both Suffolk Coastal and Waveney District Councils, has basically been maintained since, and the current East Suffolk LCTRS scheme provides a maximum benefit of 91.5% for working age claimants and the scheme also protects War Pensioners. The aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back into work whilst setting the amount charged at an affordable and recoverable level.
1.2	By setting the amount payable at 8.5% of the charge, in most cases, where a customer is not paying, we can affect recovery through attachment to benefit within a year and so the charge with costs is recoverable. If the amount payable was set higher, then it is possible the debt would not be recoverable and possibly create a culture of non-payment of Council Tax.
1.3	For 2014/2015 to 2017/18 the original scheme was retained, except that allowances and premiums (the amounts of income from state-administered benefits such as Jobseekers' Allowance) were increased in line with other benefits such as Housing Benefit.
1.4	For the 2018/19 scheme there was a consultation on a proposal to harmonise the scheme to DWP welfare reforms introduced for Housing Benefit and LCTRS for Pensioners and introduce closer links to Universal Credit data share for claims, thereby removing the stipulation to make a separate claim. This was subsequently approved and introduced.
1.5	For 2019/20, East Suffolk Council kept the same scheme as its predecessor councils had operated for 2018/19.
1.6	For 2020/21 the only change, after consultation, was to introduce a fluctuating earnings rule to the treatment of Universal Credit. A weekly tolerance level of £15 (£65 monthly) was introduced to reduce the number of monthly reassessments impacting customers every time a revised Universal Credit notification is received.
1.7	Against the uncertain background of the Covid-19 pandemic, Cabinet agreed that there would not be any changes to the LCTRS for 2021/22, with a full review being undertaken this year to develop a range of options for consideration and possible consultation.
2 Current position	
2.1	Councils are required to review their LCTRS schemes annually and consider whether any changes need to be made. Where it is determined to retain the existing scheme, this must be decided by 11 March of the preceding financial year.

2.2	Where councils decide that they wish to amend their schemes they need to consult preceptors and stakeholders and undertake a wider consultation to inform a final scheme design by 28 February of the preceding financial year. Full Council will consequently consider the recommendations of the Cabinet at the meeting on 26 January 2022.
2.3	The current East Suffolk Working Age LCTRS scheme provides a maximum benefit of 91.5% for working age claimants and the scheme also fully protects War Pensioners. The aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back into work whilst setting the amount charged at an affordable and recoverable level during the year.
2.4	A statutory scheme applies to Pensioners who can receive up to a maximum 100% reduction of their Council Tax bill.

3 How to address current situation

3.1	Anglia Revenues Partnership have reviewed the scheme and identified further improvements that could be made. A range of options were considered by the Cabinet at its meeting on 7 September 2021.
3.2	Cabinet approved that a consultation be undertaken on the following proposed amendments to the East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23: <ul style="list-style-type: none"> - Reducing the capital threshold from £16,000 to £10,000 and abolishing tariff income. - Introducing a fixed rate reduction of £7.40 for non-dependants. - Further streamlining the claim process. - Increasing the tolerance for Universal Credit data re-assessments from £65 per month to £100 per month
3.3	Proposals The proposed changes to the East Suffolk Local Council Tax Reduction Scheme that should take effect from 1 April 2022 are as follows. If implemented, these changes would affect: <ol style="list-style-type: none"> 1. the threshold for how much capital a customer can own (for example, savings) and still be entitled to a Council Tax reduction 2. the impact that living with non-dependent adult friends or family members has on the Council Tax reduction that a customer receives 3. the relationship between the application processes for Universal Credit and for Local Council Tax Reduction 4. the way in which fluctuations in a customer's earnings are taken into account in LCTRS
3.4	Proposal 1 It is proposed to lower the 'capital threshold' for Local Council Tax Reduction from £16,000 to £10,000 and remove the requirement to pay a tariff on savings over £6000.
3.5	The capital threshold is the amount of capital (for example, savings) that a customer can own and still receive a reduction on their council tax. This proposal is intended both to ensure support is focused on those customers who most need it and also to remove the need for customers to provide evidence (where there is an

	over £250 change to their capital) of their capital in order for ‘tariff income’ to be calculated. (‘Tariff income’ is a measure that the Government uses for all benefits to calculate how much income a customer could theoretically earn from their capital, even if they don’t earn it).
3.6	<p>Impact of Proposal 1</p> <p>This proposal would result in:</p> <ul style="list-style-type: none"> • A simplified scheme reducing the burden on customer and evidence requirements • Reduced number of claim adjustments as there would be no requirement to notify changes in capital of £250 or more • More streamlined customer experience and reduced processing times for universal credit claims as tariff income details are not provided in DWP data share records • Targeting help to those most in need as those with less capital will receive increased awards and those who no longer qualify will have more than £10,000 capital.
3.7	<p>Modelling suggests that this proposal would have the following impact on customers:</p> <p>Customers with capital above £10,000 will no longer be entitled to LCTRS. This represents 91.5% of every council tax band. These customers would re-enter LCTRS if their capital fell below £10,000. ARP would also have the discretion to use its discretionary hardship funding to support individuals facing difficulties.</p> <p>Simplification would enable us to provide quicker decisions to such customers as the need to manually calculate tariff income would be removed. This option has potential savings of around £17,000. It is estimated that 13 customers would gain under this option with 22 losing.</p> <p>The results from East Suffolk Council’s Consultation show that of the respondents 58.83% were in favour of the proposed changes to the capital rules. This survey detailed that 21.56% disagreed with the proposals and 19.61 % did not know.</p>
3.8	<p>Proposal 2</p> <p>It is proposed to set a fixed deduction of £7.40 on the amount of Council Tax reduction a customer on ‘non-passported benefits’ (see definition below) is entitled to if they live with non-dependent adult family members or friends. Currently, the amount of deduction must be calculated individually and can cause problems when the non-dependent family members or friends refuse to, or forget to, let the customer know about changes in their circumstances.</p>
3.9	<p>Non-passported benefits is a DWP term. ‘Passported’ means people in receipt of DWP prescribed benefits; the income-based elements of Income Support, Jobseekers Allowance and Employment Support Allowance for whom a council does not have to undertake a separate means-tested exercise and evidence gather to determine Council Tax Support or Housing Benefit. ‘Non passported’ means a council must undertake that separate exercise, usually because people have earnings/income exceeding those benefit thresholds. ‘Passported’ customers automatically receive full Council Tax Support up to the non-contribution rate (91.5% for WS residents) or full Housing Benefit whilst non-passported customers</p>

	will have to make some contribution towards the 91.5% charge of their Council Tax; both cohorts must pay the minimum 8.5% as required within East Suffolk's scheme.
3.10	<p>Impact of Proposal 2</p> <p>The proposed change would speed up benefits claims and reduce the number of adjustments needed every time an adult household member's income changed, would provide certainty over LCTRS entitlement, and would also reduce the potential for mistakes which can lead to arrears. Customers who are entitled to a severe disability premium would not be affected by this change and would continue to be exempt from non-dependent deductions</p>
3.11	<p>This proposal would result in:</p> <ul style="list-style-type: none"> • Reduced burden on customer and evidence requirements • Reduced number of claim adjustments as there would be no requirement to notify changes in non-dependent income. This is something the customer is not always aware of or able to obtain verification of themselves • The functionality to verify and receive automatic income updates from DWP and HMRC does not extend to non-dependents meaning verification is always a manual process and the onus is solely on the customer to identify and report changes for their adult household members • More streamlined customer experience and quicker processing times for Universal Credit claims as DWP do not gather details of non-dependents' income and the responsibility on the Local Authority to obtain this missing information delays claim processing • Harmonisation with Universal Credit where there is already a flat-rate non-dependent deduction <p>Delays in and failure to provide non-dependent income details results in incorrect LCTRS awards, often impacting council tax collection and arrears.</p>
3.12	An administrative consequence of this proposal would be that ARP's ability to increase automation and provide decisions to customers in one day would be extended to those with non-dependents, as the need to request follow up details would be removed
3.13	<p>Modelling suggests that this proposal would have the following impact on customers:</p> <p>There are likely to be 223 who will be better off because of this change and 392 customers who would receive less benefit.</p> <p>Meanwhile, there would be a much-reduced risk of incorrect LCTRS awards and arrears, due to the fixed rate.</p>
3.14	<p>The consultation carried out by East Suffolk resulted in 65.85% agreeing with the proposal for a fixed deduction. With only 6.1% disagreeing. The remainder did not know.</p> <p>Of the respondents 70% agreed that £7.40 was the right amount for this fixed deduction.</p>

3.15	<p>Proposal 3</p> <p>East Suffolk Council is proposing to simplify the application process for LCTRS by requiring all customers to apply to DWP rather than direct to the local authority. Whereas previously, customers submitted separate claims for LCTRS, the proposals would mean customers would in future only need to apply for benefits through DWP, who will automatically notify ARP if someone is eligible for LCTRS.</p>
3.16	<p>Impact of Proposal 3</p> <p>This proposal is expected to minimise customer engagement, improve speed of administration and improve processing times for customers by:</p> <ul style="list-style-type: none"> • Clarifying the customer journey by removing any confusion that a separate claim is required • Reducing customer burden to provide evidence through making a non-UC claim • Removing requirement for both DWP and ARP to verify same income details • Maximising customer income by signposting customers to claim Universal Credit • Makes full use of DWP data share functionality <p>There will be no financial impact on customers. Customers who complete a contact form will be advised to complete a Universal Credit application form, which will automatically trigger an application for LCTRS. There will be a fallback option where in exceptional circumstances, a customer could still apply direct to ARP.</p> <p>The results of East Suffolk Council’s Consultation Survey show that 67.11% are in favour of this proposal, 18.42% of respondents did not know and 14.48% disagreed.</p>
3.17	<p>Proposal 4</p> <p>The Council is proposing to adjust the current rule whereby customers’ income can vary up to £65 a month (£15 a week) before a reassessment is required, to £100 a month. Since the £65 threshold was introduced in 2020, ARP have seen a significant reduction in adjustment notifications, direct debit amendments and refunds. It has also given customers greater certainty to enable them to manage their payments and household budgets.</p>
3.18	<p>A review of the current rule suggests that if the threshold was increased from £65 to £100 a month, it would further improve financial certainty for customers and streamline the process.</p>
3.19	<p>ARP will continue to have discretion to review exceptional cases and override the rule, however, this has not been necessary since the £65 threshold was introduced, because most cases have monthly fluctuations which even out any impact over the course of a year.</p>
3.20	<p>Impact of Proposal 4</p> <p>In April 2020 a tolerance rule of £65 per month was introduced which meant we no longer reassessed income changes of less than £15 per week for UC customers.</p>

3.21	UC is designed to be paid monthly, calculated on the customer's circumstances, including Real Time Information (RTI) earnings data from HM Revenue and Customs. Given customers' circumstances, especially earnings, fluctuate, this leads to significant volumes of monthly revised UC awards sent to the Council by the DWP.
3.22	Due to the tolerance rule such customers have seen a reduction by one third in Council Tax adjustment notifications, as well as a reduction in direct debit amendments and the need to request a refund. This has provided greater certainty to customers to enable them to manage their payments and household budgets, with it being well received and working as expected.
3.23	The introduction of a fluctuating earnings rule has been particularly beneficial given the significant increase in the COVID-19 workload for Anglia Revenues Partnership, which peaked at a 500% increase compared to the same point last year, before reducing to 200% and now starting to return to normal levels.
3.24	<p>A review of the tolerance rule suggests increasing the figure from £65 per month to £100 per month would further reduce the need for re-assessments from a third to a half, thereby providing more customers with stable payment arrangements, fewer adjustments and improved financial certainty. By retaining the discretion to review exceptional cases we will be able to override the rule in the case of a single beneficial change being reported. However, ARP are yet to see a case where discretion has been needed with the current £65 tolerance, given most cases have monthly fluctuations reported which evens out any impact of applying the tolerance over the course of a year.</p> <p>The East Suffolk Consultation Survey contains results that 82.67 % of respondents are in favour of this proposal with only 2.67% disagreeing and 14.67% who do not know.</p>

4 Reason/s for recommendation

4.1	These proposed changes are expected to streamline a customer journey; provide certainty and consistency of entitlement; reduced information requirements for customers; and enhance the use of DWP and HMRC data.
4.2	Cabinet considered this report at its meeting on 4 January 2022 and recommended that Full Council approves the Proposed East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23 attached as Appendix C, incorporating the proposals outlined in this report

Appendices

Appendices:	
Appendix A	East Suffolk Council Consultation Survey – Summary of Responses
Appendix B	Equalities Impact Assessment
Appendix C	East Suffolk Council Proposed Local Council Tax Reduction Scheme 2022/23.

Background reference papers:	
None.	

	Proposal 1 Capital changes East Suffolk Council is proposing to lower the 'capital threshold' for Local Council Tax Reduction from £16,000 to £10,000 and remove the requirement to pay a tariff on savings over £6000.	Proposal 2 Fixed deduction. East Suffolk Council is proposing to set a fixed deduction on the amount of Council Tax reduction a customer is entitled to if they live with non-dependent adult family members or friends.	Proposal 2 Is £7.40 the right amount for the deduction? Based on data about average deductions for current claimants, the council is proposing a fixed rate deduction of £7.40 for claimants whose are not in receipt of Income Support, Jobseekers Allowance (Income based), Employment Support Allowance (Income Related). Do you agree that this is the right amount?	Proposal 2 Too high or too low If you answered no to Q3, do you believe this amount is too high or too low?	Proposal 3 Simplification of application process East Suffolk Council is proposing to simplify the application process for LCTRS by requiring all customers to apply to DWP rather than direct to the local authority. Whereas previously, customers submitted separate claims for LCTRS, the proposals would mean customers would in future only need to apply for benefits through DWP, who will automatically notify ARP if someone is eligible for LCTRS. Do you agree with this proposal	Proposal 4 Increase to the amount used for the tolerance rule. The council is proposing to adjust the current rule whereby customers' income can vary up to £65 a month (£15 a week) before a reassessment is required, to £100 a month.
Strongly agree	18.63%	15.85%			25%	30.67%
Agree	40.20%	50.00%	70%	Too High 20%	42.11%	52%
Don't know	19.61%	28.05%			18.42%	14.67%
Disagree	11.76%	4.88%	30%	Too Low 80%	10.53%	2.67%
Strongly disagree	9.80%	1.22%			3.95%	0.00%

East Suffolk - Equality Impact Analysis (EqIA) Agenda Item 11

ES/1018

EqIA reference: **EQIA352910725**

Service area/Team conducting EqIA: **ARP Revenue & Benefits**

Officer conducting the EqIA: **Andrew Rose**

Officer email address: **Andrew.Rose@angliarevenues.gov.uk**

Responsible Cabinet member: **Councillor Maurice Cook**

Title of project/policy/initiative/action relating to this EqIA: **East Suffolk Local Council Tax Reduction Scheme (LCTRS) for 2022/23**

Is this a new project, policy, initiative or action that directly impacts people: **Yes**

Date of EqIA: **2021-07-29**

Does the project/policy/initiative/action relating to this EqIA have the potential for positive or negative impact on any of the protected characteristics?

Characteristic - Impact	Reason
Age: No impact	<p>The East Suffolk Council Tax Support Scheme is based in the national default scheme which was previously the Council Tax Benefit Scheme.</p> <p>The proposed changes may affect working age customers dependent on capital, household circumstances or Council Tax liability, not on the basis on age.</p> <p>Customers of pensionable age (this is defined by legislation, and will change over time as the state retirement age changes upwards) will not be affected by these changes as the Government has specified that they must be protected.</p> <p>All information being published about the changes make reference to the changes only affecting working age customers.</p> <p>Households with children and young adults at school will continue to be supported by Child Benefit and Maintenance being ignored in calculation Council Tax Support assessments.</p>

Characteristic - Impact	Reason
Disability: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability irrespective of disability.</p> <p>Existing protections for customers entitled to a severe disability premium would be retained meaning there would continue to be an exemption from non-dependant deductions.</p> <p>No mitigation is required</p>
Gender reassignment: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability irrespective of a person's gender reassignment.</p> <p>No mitigation is required,</p>
Marriage and civil partnership: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability irrespective of marital or civil partnership status</p> <p>No mitigation is required,</p>
Pregnancy and maternity: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability. There is no impact in relation to pregnancy and maternity.</p> <p>Applicable amounts and premiums remain unchanged.</p> <p>No mitigation required.</p>
Race: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability There is no impact in relation to race of a person.</p> <p>Council Tax Support is a means tested benefit, race is not a factor of the scheme.</p> <p>No mitigation required.</p>

Characteristic - Impact	Reason
Religion or belief: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability There is no impact in relation to religion or belief of a person.</p> <p>No mitigation required.</p>
Sex: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability There is no impact in relation to the sex of person.</p> <p>No mitigation required.</p>
Sexual orientation: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability. There is no impact in relation to sexual orientation of a person.</p> <p>No mitigation required.</p>
Deprivation/Socio-economic Disadvantage: No impact	<p>The changes to the Council Tax Support Scheme may affect working age customers based on either capital, household income or Council Tax liability.</p> <p>These proposed charges will result in some customers receiving more Council Tax Support and some receiving less.</p> <p>The proposed changes aim to target assistance to those customers who have under £10,000 capital and reduce the evidence requirement burden for customers. In addition the proposed changes aim to provide stable payment arrangements and provide financial certainty by applying a standard rate non-dependent deduction and increasing the amount used within the Universal Credit tolerance rule.</p> <p>Mitigation. To continue with the discretion to review exceptional cases to override the Universal Credit tolerance rule in the case of a single beneficial change being reported.</p>

What evidence or data has been collated or used to support the completion of this EqIA **Other**

As a result of undertaking this EqIA do you need to provide information relating to the policy, project, initiative or action to the public in a different language or form and how do you propose to do this: **If the proposed changes are agreed a public consultation will need to be commenced which will be required to be accessible to all customers and stakeholders.**

As a result of completing this EqIA, has the Author, Service team, Project manager made any changes or adjustments to the policy/project/initiative/action: **No**

Is the policy/project/initiative/action subject to equality monitoring: **No**



East Suffolk Council

Council Tax Reduction Scheme 2022/2023
S13A and Schedule 1a of the Local Government Finance Act 1992

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PART 1 Introduction

1.0 Introduction to the Council Tax Reduction Scheme (Council tax reduction)

The following has been adopted by the Council and details the Council Tax Reduction Scheme adopted by the authority from 1st April 2022.

This document details how the scheme will operate for those of statutory pension credit age and working age applicants and in accordance with Section 13a of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2022.

The scheme in respect of pension age applicants is defined by Central Government within the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and the Local Government Finance Act 1992 (as amended). The Council has no discretion in relation to the calculation of council tax reduction in respect of the pension age scheme and it is designed to provide broadly the same level of support provided within the previous (Council Tax Benefit) scheme.

The rates for pensioners will be up-rated by the relevant Statutory Instrument each year in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations as applicable. Further amendments to the Scheme for pensioners may also be prescribed and will therefore have to be adopted.

From 1st April 2018, the rates for non-pensioners will be up-rated each year in line with Department for Work & Pensions social security benefit up-ratings issued each year by the relevant Statutory Instrument.

From 1st April 2022 a flat rate of non-dependant deduction will be taken for claims from persons who are not pensioners. This deduction will then be up-rated each subsequent financial year thereafter by using the same percentage used to increase the non-dependant deduction rates in respect of claims from Pensioners which are up-rated by the relevant Statutory Instrument each year in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations as applicable

PART 2 Interpretation

2.0 Interpretation

(1) In this scheme—

“the 1992 Act” means the Local Government Finance Act 1992;

“Abbeyfield Home” means an establishment run by the Abbeyfield Society including all bodies corporate or unincorporated 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 ¹;

“an AFIP” means an armed forces independence payment payable in accordance with an armed and reserve forces compensation scheme established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004;

“alternative maximum council tax reduction” means the amount determined in accordance with paragraph 31 and Schedule 4:

“applicable amount” means

(a) in relation to a pensioner, the amount calculated in accordance with paragraph 25 and Schedule 2; and

(b) in relation to a person who is not a pensioner, the amount calculated in accordance with

(i) paragraph 26 and Schedule 3; or

(ii) paragraph 28, as the case may be;

“applicant” means a person who has made an application;

“application” means an application for a reduction under this scheme;

“approved blood scheme” means a scheme established or approved by the Secretary of State, or trust established with funds provided by the Secretary of State, for the purpose of providing compensation in respect of a person having been infected from contaminated blood products;”

“assessment period” means

(a) in relation to pensioners:

(i) in relation to the earnings of a self-employed earner, the period determined in accordance with paragraph 43 for the purpose of calculating the weekly earnings of the applicant; or

(ii) in relation to any other income, the period determined in accordance with paragraph 40 for the purpose of calculating the weekly income of the applicant;

(b) in relation to persons who are not pensioners, such period as is set out in paragraphs 47 to 49 over which income falls to be calculated;

“attendance allowance” means

(a) an attendance allowance under Part 3 of the SSCBA;

(b) an increase of disablement pension under section 104 or 105 of that Act;

(c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(d) 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” has the meaning given by the Income Tax Act 2007;

“the benefit Acts” means the SSCBA, the Jobseekers Act 1995, the State Pension Credit Act 2002, the Welfare Reform Act 2007 and the Pensions Act 2014

“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;

“care home” in England 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; and in Wales means a care home service, within the meaning of Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016, which is provided wholly or mainly to adults,

“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;

“child tax credit” means a child tax credit under section 8 of the Tax Credits Act 2002;

“close relative” means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;

“concessionary payment” means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act 2002 are charged;

“contributory employment and support allowance” means an allowance under Part 1 of the Welfare Reform Act 2007(d) as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012(e) 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;

“council tax benefit” means council tax benefit under Part 7 of the SSCBA;

“couple” has the meaning given by paragraph 4;

“designated office” means the office of the authority designated by it for the receipt of application;

(a) by notice upon or with a form supplied by it for the purpose of making an application; 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 and without charge; or

(c) by any combination of the provisions set out in paragraphs (a) and (b);

“disability living allowance” means a disability living allowance under section 71 of the SSCBA;

“earnings” has the meaning given by paragraph 41, 44, 51 or 53 as the case may be;

“the Eileen Trust” means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

“electronic communication” has the same meaning as in section 15(1) of the Electronic Communications Act 2000;

“employed earner” is to be construed in accordance with section 2(1)(a) of the SSCBA 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;

“the Employment, Skills and Enterprise Scheme” means a scheme under section 17A (schemes for assisting persons to obtain employment: “work for your benefit” schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist claimants for job-seekers allowance to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search);

“employment zone” means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and an **“employment zone programme”** means a programme established for such an area or areas designed to assist claimants for a jobseeker's allowance to obtain sustainable employment;

“enactment” includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament or the National Assembly for Wales;

“extended reduction” means a reduction under this scheme for which a person is eligible under Part 12 (extended reductions);

“extended reduction period” means the period for which a person is in receipt of an extended reduction in accordance with paragraph 89, 96 or 101;

“extended reduction (qualifying contributory benefits)” means a reduction under this scheme for which a person is eligible in accordance with paragraph 88 or 95;

“family” has the meaning given by paragraph 6;

“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;

“Grenfell Tower support payment” means a payment made to a person because that person was affected by the fire on 14th June 2017 at Grenfell Tower, or a payment to the personal representative of such a person—

- (a) from the £5 million fund announced on 16th June 2017 for the benefit of certain persons affected by the fire on 14th June at Grenfell Tower and known as the Grenfell Tower Residents’ Discretionary Fund;
- (b) by the Royal Borough of Kensington and Chelsea; or
- (c) by a registered charity;

“guarantee credit” is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002;

“a guaranteed income payment” means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

“housing benefit” means housing benefit under Part 7 of the SSCBA;

“an income-based jobseeker’s allowance” and **“a joint-claim jobseeker’s allowance”** have the meanings given by section 1(4) of the Jobseekers Act 1995;

“income-related employment and support allowance” means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

“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 given by section 2 of the Care Standards Act 2000; and
- (c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

“the Independent Living Fund (2006)” means the Trust of that name established by a deed dated 10th April 2006 and made between the Secretary of State for Work and Pensions of the one part and Margaret Rosemary Cooper, Michael Beresford Boyall and Marie Theresa Martin of the other part;

“invalid carriage or other vehicle” means a vehicle propelled by a petrol engine or by electric power supplied for use on the road and to be controlled by the occupant;

“the London Bombings 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;

“the London Emergencies Trust” means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017;

“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 or the applicant is a member of the work-related activity group.

“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;

“maximum council tax reduction amount” means the amount determined in accordance with paragraph 29;

“member of a couple” means a member of a married or unmarried couple;

“member of the work-related activity group” means a person who has or is treated as having limited capability for work under either —

(a) Part 5 of the Employment and Support Allowance Regulations 2008 other than by virtue of regulation 30 of those Regulations; or

(b) Part 4 of the Employment and Support Allowance Regulations 2013 other than by virtue of regulation 26 of those Regulations;

“MFET Limited” means the company limited by guarantee (number 7121661) of that name, established for the purpose in particular of making payments in accordance with arrangements made with the Secretary of State to persons who have acquired HIV as a result of treatment by the NHS with blood or blood products;

“mobility supplement” means

(a) in relation to pensioners, a supplement to which paragraph 5(1)(a)(vii) of Schedule 5 refers;

(b) in relation to persons who are not pensioners, a supplement to which paragraph 13 of Schedule 8 refers;

“mover” means an applicant who changes the dwelling in which the applicant is resident, and in respect of which the applicant is liable to pay council tax, from a dwelling in the area of the authority to a dwelling in the area of a second authority;

“the National Emergencies Trust” means the registered charity of that name (number 1182809) established on 28th March 2019;

“net earnings” means such earnings as are calculated in accordance with paragraph 42 or 52, as the case may be;

“net profit” means such profit as is calculated in accordance with paragraph 61;

“new dwelling” means, for the purposes of the definition of “second authority” and paragraphs 91, 98 and 103, the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

“non-dependant” has the meaning given by paragraph 9;

“occasional assistance” means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:

(a) meeting, or helping to meet an immediate short-term need—

(i) arising out of an exceptional event or exceptional circumstances, or

(ii) that needs to be met to avoid a risk to the well-being of an individual, and

(b) enabling qualifying individuals to establish or maintain a settled home, and—

(i) **“local authority”** has the meaning given by section 270(1) of the Local Government Act 1972; and

(ii) **“qualifying individuals”** means individuals who have been, or without the assistance might otherwise be

(aa) in prison, hospital, an establishment providing residential care or other institution, or

(bb) homeless or otherwise living an unsettled way of life; and **“local authority”** means a local authority in England within the meaning of the Local Government Act 1972;

“occupational pension” means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

“occupational pension scheme” has the same meaning as in section 1 of the Pension Schemes Act 1993;

“parental bereavement leave” means leave under section 80EA of the Employment Rights Act

1996(6);

“partner”, in relation to a person, means:

- (a) where that person is a member of a couple, the other member of that couple;
- (b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
- (c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

“paternity leave” means a period of absence from work on paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

“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;

“pensionable age” has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995;

“pensioner” has the meaning given by paragraph 3(2)(a);

“person on income support” means a person in receipt of income support;

“person treated as not being in Great Britain” has the meaning given by paragraph 21;

“person who is not a pensioner” has the meaning given by paragraph 3(2)(b);

“personal independence payment” has the meaning given by Part 4 of the Welfare Reform Act 2012;

“personal pension scheme” means:

- (a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993;
- (b) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) of that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 to 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 any marriage to which paragraph 5 applies;

“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 income-related benefit” means

- (a) income support;
- (b) income-based jobseeker's allowance;
- (c) income-related employment and support allowance;

“qualifying person” means—

- (a) a person in respect of whom a Grenfell Tower support payment has been made or payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust 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 benefit”, is to be construed in accordance with Regulation 7(2)(i) of The Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001

“relevant week”, in relation to any particular day, means the week within which the day in question falls;

“remunerative work” has the meaning given by paragraph 10;

“rent” means **““eligible rent””** to which regulation 12 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 ³⁷ refer, less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non-dependant deductions);

“savings credit” is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002;

“Scottish basic rate” means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007(e);

“the Scottish Infected Blood Support Scheme” means the scheme of that name administered by the Common Services Agency (constituted under section 10 of the National Health Service (Scotland) Act 1978(b));

“Scottish taxpayer” has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998(f);

“second authority” means the authority to which a mover is liable to make payments for the new dwelling;

“self-employed earner” is to be construed in accordance with section 2(1)(b) of the SSCBA;

“self-employment route” means assistance in pursuing self-employed earner’s employment whilst participating in:

- (a) an employment zone programme;
- (b) a programme provided by or under arrangements made pursuant to section 2 of the Employment and Training Act 1973 (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.); or
- (c) the Employment, Skills and Enterprise Scheme;

“shared parental leave” means leave under section 75E or 75G of the Employment Rights Act 1996;

“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;

“sports award” means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc. Act 1993 ⁴⁸ 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” means state pension credit under the State Pension Credit Act 2002;

“statutory parental bereavement pay” means a payment to which a person is entitled in accordance with section 171ZZ6 of the Social Security Contribution and Benefits Act 1992(7);

“student” has the meaning given by paragraph 73;

“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, or the 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, that department

or approved by that 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, but 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 Employment and Training Act 1973, or is training as a teacher;

“the Trusts” (except where the context otherwise requires) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust and “Trustees” is to be construed accordingly;

“universal credit” has the meaning given by section 1 of the Welfare Reform Act 2012;

“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 pensioner” means a person in receipt of a war 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 ⁵¹, in so far as such charges are in respect of the dwelling which a person occupies as his home;

“the We Love Manchester Emergency Fund” means the registered charity of that name (number 1173260) established on 30th May 2017;

“the Windrush Compensation Scheme” means—

- (a) the scheme of that name⁽⁸⁾ operated by the Secretary of State for the purpose of compensating individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom; and
- (b) the policy entitled “Windrush Scheme: Support in urgent and exceptional circumstances”⁽⁹⁾ which was operated by the Secretary of State for the purpose of compensating individuals who, for urgent and exceptional reasons, required support in advance of the scheme referred to in paragraph (a) of this definition becoming operational;

“working tax credit” means a working tax credit under section 10 of the Tax Credits Act 2002;

“young person” means a person who falls within the definition of qualifying young person in section 142 of the SSCBA.

(2) In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny must be disregarded if it is less than half a penny and must otherwise be treated as a whole penny.

(3) For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day:

- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995 (circumstances in which a jobseeker's allowance is not payable);

- (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 section 19 or 19A or regulations made under section 17A or 19B of that Act; or
 - (c) in respect of which an income-based 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).
- (4) For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day:
- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act 2007 (disqualification); or
 - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act (employment and support allowance: supplementary provisions) 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.
- (5) For the purposes of this scheme, two persons must be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- (6) In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).
- (7) In these Regulations, references to a person in class A, B or C (as the case may be) is a reference to class A, B or C described in paragraphs 2 to 4 of Schedule 1
- (8) References in these Regulations to an applicant participating as a service user are to—
- (a) a person who is being consulted by or on behalf of—
 - (i) a body which has a statutory duty to provide services in the field of health, social care or social housing; or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services, in their capacity as a user, potential user, carer of a user or person otherwise affected by the provision of those services;
 - (aa) a person who is being consulted by or on behalf of—
 - (i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973(d); or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions, in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
 - (b) the carer of a person consulted as described in sub-paragraph (a) or (aa) where the carer is not being consulted as described in that sub-paragraph.

3.0 Application of scheme: pensioners and persons who are not pensioners

- (1) This scheme applies to—
 - (a) pensioners who fall within any of classes A to C; and
 - (b) persons who are not pensioners who fall within any of classes D to F.
- (2) In this scheme:

- (a) a person is a “pensioner” if—
 - (i) he has attained the qualifying age for state pension credit; and
 - (ii) he is not and, if he has a partner, his partner is not—
 - (aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit; and
- (b) a person is a “person who is not a pensioner” if—
 - (i) he has not attained the qualifying age for state pension credit; or
 - (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is—
 - (aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit.
- (3) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (2) an award of universal credit is to be disregarded during the relevant period.
- (4) In this regulation—
 - “assessment period” has the same meaning as in the Universal Credit Regulations 2013(5);
 - “relevant period” means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends.

4.0 Meaning of “couple”

- (1) In this scheme “couple” means:
 - (a) two people who are married to, or civil partners of, each other and are members of the same household; or
 - (b) two people who are not married to, or civil partners of, each other but are living together as if they were a married couple or civil partners.

5.0 Polygamous marriages

- (1) This paragraph applies to any case where—
 - (a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and
 - (b) either party to the marriage has for the time being any spouse additional to the other party.
- (2) For the purposes of paragraph 4 (meaning of “couple”) neither party to the marriage is to be taken to be a member of a couple.

6.0 Meaning of “family”

- (1) In this scheme “family” means
 - (a) a couple;
 - (b) a 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; or
 - (c) a person who is not a member of a couple and a member of the same household for whom that person is responsible and who is a child or a young person.
- (2) The references to a child or young person in sub-paragraph (1)(b) and (c) include a child or young person in respect of whom section 145A of the SSCBA applies for the purposes of entitlement to child benefit, but only for the period prescribed under section 145A(1).
- (3) The references to a young person in sub-paragraph (1)(b) and (c) do not include a young person who is—

- (a) on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, or has an award of universal credit;
- (b) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies; or
- (c) entitled to an award of universal credit.

7.0 Circumstances in which a person is to be treated as responsible or not responsible for another

- (1) A person is to be treated as responsible for a child or young person who is normally living with him, including a child or young person to whom paragraph 6(2) applies.
- (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 must be treated for the purposes of sub-paragraph (1) as normally living with—
 - (a) the person who is receiving child benefit in respect of that child or young person, 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.
- (3) For the purposes of this scheme a child or young person is 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 paragraph is to be treated as not so responsible.

8.0 Households

- (1) Subject to sub-paragraphs (2) and (3), an applicant and any partner and, where the applicant or his partner is treated (by virtue of paragraph 7) as responsible for a child or young person, that child or young person and any child of that child or young person, are to be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.
- (2) A child or young person is not to 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 22C of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or section 81(2) of the Social Services and Well-being (Wales) Act 2014 (ways in which looked after children are to be accommodated and maintained) or in Scotland boarded out or placed with the applicant or his partner under a relevant enactment or in Wales, placed with the applicant or the applicant's partner by a local authority under section 81 of the Social Services and Wellbeing (Wales) Act 2014 or by a voluntary organisation under section 59(1)(a) of the Children Act 1989; or
 - (b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
 - (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.
- (3) Subject to sub-paragraph (4), sub-paragraph (1) does not apply to a child or young person who is not living with the applicant and who—
 - (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.

- (4) The authority must treat a child or young person to whom sub-paragraph (3)(a) applies as being a member of the applicant's household in any reduction week where—
- (a) that child or young person lives with the applicant for part or all of that reduction week; and
 - (b) the authority considers that it is reasonable to do so taking into account the nature and frequency of that child's or young person's visits.
- (5) In this paragraph “relevant enactment” means:
- (a) the Army Act 1955;
 - (b) the Air Force Act 1955;
 - (c) the Naval Discipline Act 1957;
 - (d) the Matrimonial Proceedings (Children) Act 1958;
 - (e) the Social Work (Scotland) Act 1968;
 - (f) the Family Law Reform Act 1969;
 - (g) the Children and Young Persons Act 1969;
 - (h) the Matrimonial Causes Act 1973;
 - (i) the Children Act 1975;
 - (j) the Domestic Proceedings and Magistrates’ Courts Act 1978;
 - (k) the Adoption and Children (Scotland) Act 2007;
 - (l) the Family Law Act 1986;
 - (m) the Children Act 1989;
 - (n) the Children (Scotland) Act 1995;
 - (na) the Children’s Hearings (Scotland) Act 2011(3); and
 - (o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

9.0 Non-dependants

- (1) In this scheme, “non-dependant” means any person, except someone to whom sub-paragraph (2) applies, who normally resides with an applicant or with whom an applicant normally resides.
- (2) This paragraph applies to—
- (a) any member of the applicant's family;
 - (b) if the applicant is polygamously married—
 - (i) where the applicant has (alone or jointly with his partner) an award of universal credit, any:
 - (aa) party to such a marriage other than the applicant's partner; and
 - (bb) any child or young person who is a member of his household and for whom he or his partner or another party to the polygamous marriage is responsible; or
 - (ii) in any other case, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
 - (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of paragraph 8 (households);
 - (d) subject to sub-paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);
 - (e) subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
 - (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- (3) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is a non-dependant:

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

10.0 Remunerative work

- (1) Subject to the following provisions of this paragraph, a person must be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.
- (2) Subject to sub-paragraph (3), in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard must be had to the average of hours worked over
 - (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
 - (b) in any other case, the period of 5 weeks immediately prior to the date of application, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.
- (3) Where, for the purposes of sub-paragraph (2)(a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work must be disregarded in establishing the average hours for which he is engaged in work.
- (4) Where no recognisable cycle has been established in respect of a person's work, regard must be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- (5) A person must be treated as engaged in remunerative work during any period for which he is absent from work referred to in sub-paragraph (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.
- (6) A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week is to be treated as not being in remunerative work in that week.
- (7) A person must not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave, shared parental leave, parental bereavement

leave or adoption leave, or is absent from work because he is ill.

- (8) A person must not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which—
- (a) a sports award has been made, or is to be made, to him; and
 - (b) no other payment is made or is expected to be made to him.

PART 3 Procedural Matters

11.0 Procedure for reduction applications and appeals against reduction decisions

Schedule 1 contains provisions about the procedure

- (a) by which a person may apply for a reduction under this scheme;
- (b) by which a person may make an appeal against certain decisions of the authority;
- (c) by which a person can apply to the authority for a reduction under section 13A(1)(c) of the 1992 Act.

PART 4 Classes of person entitled to a reduction under this scheme

12.0 Classes of person entitled to a reduction under this scheme

- (1) The classes of person described in paragraphs 13 to 18 are entitled to a reduction under this scheme.
- (2) In those paragraphs, references to the applicant's income or capital include, in a case where that income or capital cannot accurately be determined, references to the applicant's estimated income or capital.

13.0 Class A: pensioners whose income is no greater 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week does not exceed his applicable amount, and
- (f) who has made an application.

14.0 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;
- (e) whose income for the relevant week is greater than his applicable amount;
- (f) 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, and
- (g) who has made an application.

15.0 Class C: alternative maximum council tax reduction – pensioners

- (1) 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;
 - (e) who has made an application; and
 - (f) in relation to whom the condition in sub-paragraph (2) is met.
- (2) The condition referred to in sub-paragraph (1)(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 incomes, of one or more residents to whom this sub-paragraph applies.
- (3) Sub-paragraph (2) 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 (persons disregarded for the purposes of discount), 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.

16.0 Class D: persons who are not pensioners whose income is less than the applicable amount

On any day class D consists of any person who is not 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week is less than his applicable amount, and
- (f) who has made an application.

17. Class E: persons who are not pensioners whose income is greater than the applicable amount

On any day class E consists of any person who is not 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;
- (e) whose income for the relevant week is greater than his applicable amount;
- (f) in respect of whom amount A exceeds amount B where—
 - (i) amount A is the maximum council tax reduction in his 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, and
- (g) who has made an application.

18.0 Class F: alternative maximum council tax reduction – persons who are not pensioners

(1) On any day class F consists of any person who is not 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;
- (e) who has made an application; and
- (f) in relation to whom the condition in sub-paragraph (2) is met.

(2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the person in question 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 incomes, of one or more residents to whom this sub-paragraph applies.

(3) Sub-paragraph (2) 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; and
- (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 for the reduction is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- (d) is not a person who jointly with the applicant for reduction 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.

A19. This is no longer used

19.0 Periods of absence from a dwelling

- (1) A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.
- (2) In sub-paragraph (1), a “period of temporary absence” means
 - (a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as—
 - (i) the person resides in that accommodation;
 - (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
 - (iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks, where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;
 - (b) subject to sub-paragraph (2B), a period of absence within Great Britain not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as:
 - (i) the person intends to return to the dwelling;
 - (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
 - (iii) that period is unlikely to exceed 13 weeks;
 - (c) subject to sub-paragraph (2D), a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as:
 - (i) the person intends to return to the dwelling;
 - (ii) the part of the dwelling in which he usually resided is not let or sub-let;
 - (iii) the person is a person to whom sub-paragraph (3) applies; and
 - (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period; and
 - (d) subject to sub-paragraphs (2F), (3C), (3E) and (3G) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as—
 - (i) the person intends to return to the dwelling;
 - (ii) the part of the dwelling in which he usually resides is not let or sub-let; and
 - (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.
- (2A) The period of 13 weeks referred to in sub-paragraph (2)(b) shall run or continue to run during any period of absence from Great Britain.
- (2B) Where—
 - (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
 - (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and
 - (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, then any day that follows period A and precedes the person’s return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).
- (2C) The period of 52 weeks referred to in sub-paragraph (2)(c) shall run or continue to run during any period of absence from Great Britain.
- (2D) Where —
 - (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
 - (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and
 - (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, then, any day that follows period A and precedes the person’s return to the dwelling, shall not be treated as a period of temporary absence under

sub-paragraph (2)(c).

(2E) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(2F) If the temporary absence referred to in sub-paragraph (2)(d) is in connection with the death of—

- (a) the person's partner or a child or young person for whom the person or the person's partner is responsible;
- (b) the person's close relative;
- (c) the close relative of the person's partner; or
- (d) the close relative of a child or young person for whom the person or the person's partner is responsible, then the period of 4 weeks in the opening words of sub-paragraph (2)(d) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in subparagraph (iii) of that paragraph to a period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).

(3) This sub-paragraph applies to a person who—

- (a) is a person to whom sub-paragraph (3A) applies;
- (b) is resident in a hospital or similar institution as a patient;
- (c) is undergoing, or whose partner or dependent child is undergoing medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- (d) is following a training course;
- (e) is undertaking medically approved care of a person;
- (f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;
- (g) is receiving medically approved care provided in accommodation other than residential accommodation;
- (h) is a student;
- (i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or
- (j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

(3A) This sub-paragraph applies to a person ("P") who is—

- (a) detained in custody on remand pending trial;
- (b) detained pending sentence upon conviction; or
- (c) as a condition of bail required to reside—
 - (i) in a dwelling, other than a dwelling P occupies as P's home; or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007(a), and who is not also detained in custody following sentence upon conviction.

(3B) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the person is a member of Her Majesty's forces posted overseas, a mariner or a continental shelf worker;
- (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3C) Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

- (a) the person intends to return to the dwelling;
- (b) the part of the dwelling in which he usually resided is not let or sub-let;
- (c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

(3D) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;

- (b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of subparagraph (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- (3E) Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (a) the person intends to return to the dwelling;
 - (b) the part of the dwelling in which he usually resided is not let or sub-let;
 - (c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
- (3F) This sub-paragraph applies where—
- (a) a person is temporarily absent from Great Britain;
 - (b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of subparagraph (3);
 - (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- (3G) Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (a) the person intends to return to the dwelling;
 - (b) the part of the dwelling in which he usually resided is not let or sub-let;
 - (c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
- (4) This sub-paragraph applies to a person who is
- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and
 - (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989.
- (5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release—
- (a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;
 - (b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;
 - (c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.
- (6) In this paragraph—
- “continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998(a);
- “designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964(b) as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;
- “mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—
- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and

b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;”;

“medically approved” means certified by a medical practitioner;

“member of Her Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006(c)), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty’s regular forces or reserve forces;

“patient” means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;

“prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;

“residential accommodation” means accommodation which is provided in

- (a) a care home;
- (b) an independent hospital;
- (c) an Abbeyfield Home; or
- (d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

“training course” means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

19A - Transitional provision

- (1) Subject to paragraph (2), the amendments made to paragraph 19 of this scheme by regulation 2(3)(a) of SI 2016 1262 The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016, shall not apply in respect of a person who is temporarily absent from Great Britain on 1st April 2017 until the day that person returns to Great Britain, in such cases paragraph 19 of the 2016/17 Council Tax Reduction Scheme shall apply instead.
- (2) Paragraph (1) does not apply to a person who, on 1st April 2017, is temporarily absent from Great Britain and is—
 - (a) a member of Her Majesty’s forces posted overseas;
 - (b) absent in the capacity of a continental shelf worker; or
 - (c) absent in the capacity of a mariner.
- (3) In this regulation—

“continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

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

 - (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
 - (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;

“member of Her Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the dwelling that the person normally occupies as his home because the person has been posted outside of Great Britain to perform the duties

of a member of Her Majesty's regular forces or reserve forces; and
"prescribed area" means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

PART 5 Classes of person excluded from this scheme

20.0 Classes of person excluded from this scheme

The classes of person described in paragraphs 21 to 24 are not entitled to a reduction under this scheme.

21.0 Class of person excluded from this scheme: persons treated as not being in Great Britain

- (1) The class of person described in this paragraph consists of any person treated as not being in Great Britain.
- (2) Except where a person falls within sub-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.
- (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.
- (4) For the purposes of sub-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 16 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
- (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(10) by virtue of—
 - (a) Omitted, SI 29/2021;
 - (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.
- (4B) Paragraph (4A)(b) does not apply to a person who—
 - (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
 - (b) would have a right to reside under the EEA Regulations (6) 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) A person falls within this sub-paragraph if the person is:
 - (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in 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 (7);
 - (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(8);
 - (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(5) where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession(6) which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005(7);
 - (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, an income-related employment and support allowance; or an award of Universal Credit 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);
- (6) A person falls within this sub-paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.
- (7) A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
- (8) In this paragraph—
- “claim for asylum” has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
 - “EEA national” has the meaning given in regulation 2(1) of the EEA Regulations;
 - “EEA Regulations” means the Immigration (European Economic Area) Regulations 2016(12) 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(9);
 - “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.

22.0 Class of person excluded from this scheme: persons subject to immigration control

- (1) Subject to paragraph (1A), Persons subject to immigration control are not entitled to a reduction under this scheme.
- (1A) A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance⁽⁹⁾ (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 (1).
- (2) "Person subject to immigration control" has the meaning given in section 115(9) of the Immigration and Asylum Act 1999.

23. Class of person excluded from this scheme: capital limit - pensioners

- 23.** (1) The class of person described in this paragraph consists of any person whose capital exceeds £16,000.
- (2) Capital for the purposes of sub-paragraph (1) is to be calculated in accordance with schedule 9 of this scheme, and paragraphs 71 and 72

23A. Class of person excluded from this scheme: capital limit – persons who are not pensioners

- 23A.** (1) The class of person described in this paragraph consists of any person whose capital exceeds £10,000.
- (2) Capital for the purposes of sub-paragraph (1) is to be calculated in accordance with schedule 10 of this scheme, and paragraphs 71 and 73.

PART 6 Applicable amounts

25.0 Applicable amounts: pensioners

- (1) The applicable amount for a pensioner for a week is the aggregate of such of the following amounts as apply in his case—
- (a) an amount in respect of his personal allowance, determined in accordance with paragraph 1 of Schedule 2 (personal allowance);
 - (b) an amount determined in accordance with paragraph 2 of that Schedule in respect of up to two individuals who are either children or young persons and who are members of his family;
 - (c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of that Schedule (family premium);
 - (d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums).
- (1A) For the purposes of sub-paragraph (1)(b) as it applies apart from sub-paragraph (1C), where the family includes more than two individuals who are either children or young persons and under paragraph 2 of that Schedule a different amount applies to different individuals, the two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.
- (1B) Sub-paragraph (1C) applies where—
- (a) (whether or not as part of a tax credit couple as defined in section 3(5A) of the Tax Credits Act 2002) the applicant has an award of child tax credit (whether or not any amount is payable by way of such credit) in respect of a child or young person who is a member of his family; and

(b) the total amount to be included in the applicable amount under sub-paragraph (1)(b) as substituted by sub-paragraph (1C) would be higher than the total amount that would be included under paragraph (1)(b) apart from sub-paragraph (1C).

(1C) Where this paragraph applies, for sub-paragraph (1)(b) substitute—

(d) an amount determined in accordance with paragraph 2 of that Schedule in respect of any child or young person who is a member of his family and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;

(2) In Schedule 2—

“additional spouse” means a spouse of either party to the marriage who is additional to the other party to the marriage;

“patient” means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

26.0 Applicable amounts: persons who are not pensioners

26. (1) Subject to paragraphs 27 and 28, the applicable amount for a week for a person who is not a pensioner is the aggregate of such of the following amounts (as stated in Schedule 3) as may apply in his case—

(a) an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 3;

(b) an amount determined in accordance with paragraph 3 of Schedule 3 in respect of up to two individuals who are either children or young persons and who are members of his family;

(c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of that Schedule (family premium);

(d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums);

(e) the amount of either the –

(i) work-related activity component; or

(ii) support component,

which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);(f) the amount of any transitional addition

which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

(2) In Schedule 3—

“additional spouse” means a spouse by the party to the marriage who is additional to the party to the marriage;

“converted employment and support allowance” means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008;

“patient” means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

(3) For the purposes of paragraph (1)(b), as it applies apart from paragraph (5), where the family includes more than two individuals who are either children or young persons, and, under paragraph 3 of Schedule 3, a different amount applies to different individuals, the

two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.

(4) Paragraph (5) applies where—

- (a) (whether or not as part of a tax credit couple as defined in section 3(5A) of the Tax Credits Act 2002) the claimant has an award of child tax credit (whether or not any amount is payable by way of such credit) in respect of a child or young person who is a member of his family; and
- (b) the total amount to be included in the applicable amount under paragraph (1)(b) as substituted by paragraph (5) would be higher than the total amount that would be included under paragraph (1)(b) apart from paragraph (5).

(5) Where this paragraph applies, for paragraph (1)(b) substitute—

“(b) an amount determined in accordance with paragraph 3 of Schedule 3 in respect of any child or young person who is a member of his family and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;”.

27.0 Polygamous marriages: persons who are not pensioners

. 27. (1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

(2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in his case:

- (a) the amount applicable to him and one of his partners determined in accordance with paragraph 1(3) of Schedule 3 as if he and that partner were a couple;
- (b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of that Schedule in respect of each of his other partners;
- (c) an amount determined in accordance with paragraph 3 of Schedule 3 in respect of up to two individuals who are either children or young persons and for whom he or a partner of his is responsible and who are members of the same household;
- (d) if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of that Schedule (family premium);
- (e) the amount of any premiums which may be applicable to him determined in accordance with Parts 3 and 4 of that Schedule (premiums);
- (f) the amount of either the-
 - (i) work-related activity component; or
 - (ii) support component, which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);
- (g) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

(3) For the purposes of paragraph (2)(c), as it applies apart from paragraph (5), where the claimant and his partners are between them responsible for more than two individuals who are either children or young persons and who are members of the same household, and, under paragraph 3 of Schedule 3, a different amount applies to different individuals, the two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.

(4) Paragraph (5) applies where—

- (a) (as part of a polygamous unit) the claimant has an award of child tax credit (whether or not any amount is payable by way of such credit) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of his family; and

(b) the total amount to be included in the applicable amount under paragraph (1)(c) as substituted by paragraph (5) would be higher than the total amount that would be included under paragraph (2)(c) apart from paragraph (5).

(5) Where this paragraph applies, for paragraph (2)(c) substitute—

“(c) an amount determined in accordance with paragraph 3 of Schedule 3 in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;”.

(6) In this regulation, “polygamous unit” has the same meaning as in regulation 2 of the Tax Credits (Polygamous Marriages) Regulations 2003(b).

27A Transitional provisions for restrictions on amounts for children and young persons

27A.—(1) This regulation applies where, on 31st March 2018, a person is entitled to a council tax reduction under this scheme, and the person is, or the person and the person’s partner are between them, responsible for more than two individuals who are either children or young persons and who are members of the same household (each such individual is referred to as a “protected individual”).

(2) Where this regulation applies, Paragraphs 26(1)(b) and 27(2)(c) do not apply to the person entitled to a reduction referred to in paragraph (1) until—

- (a) the person makes a new application for a council tax reduction under this scheme; or
- (b) the person or the person’s partner (if any) becomes responsible for a new individual, whichever is the first to occur.

(3) Paragraphs (4) to (8) apply where—

- (a) Paragraphs 26(1)(b) and 27(2)(c) apply by virtue of paragraph (2)(b);
- (b) the child tax credit provisions do not apply; and
- (c) the person has not made a new claim for council tax reduction under this scheme.

(4) Notwithstanding the default provisions, a child amount shall be included in the applicable amount in relation to any protected individual, in relation to any time when the person or the person’s partner (if any) is responsible for the individual and the individual is a member of the same household.

(5) Paragraph (6) applies where—

- (a) the person or the person’s partner (if any) is responsible for one or more protected individuals who are members of the same household; and
- (b) either of them is responsible for one or more new individuals who are members of the same household.

(6) Where this paragraph applies, any protected individual for whom the person or the person’s partner is responsible is to be counted for the purpose of deciding whether, under the default provisions, an additional child amount is to be included in the applicable amount with respect to the new individual or individuals referred to in paragraph (5)(b).

(7) Paragraph (8) applies where—

- (a) the number of protected individuals for whom either the person or the person’s partner (if any) is responsible, and who are members of the same household, is one;
- (b) the number of new individuals for whom either the person or the person’s partner is responsible, and who are members of the same household, is two or more; and (c) a different child amount would apply to different individuals.

(8) Where this paragraph applies, the child amounts to be included in the applicable amount shall be—

- (a) the child amount in relation to the protected individual; and
- (b) a child amount in relation to such one of the new individuals as will result in the greatest possible total amount.

(9) Under paragraph (3), for the purposes of determining whether the child tax credit provisions apply, by virtue of Paragraph 25(1B), 26(4) or 27(4) of these regulations where the person or the person’s partner is responsible for one or more protected

individuals, the total amount that would be included in the applicable amount under the default provisions shall be taken to be the total that would be included under paragraphs (4), (6) and (8).

- (10) For the purposes of this regulation—
- (a) “child amount” means the amount determined under whichever is relevant of paragraph 2 of Schedule 2 of these regulations for pensioners and paragraph 3 of Schedule 3 of these regulations for persons who are not pensioners
 - (b) “child tax credit provisions” means the provisions of paragraph 25(1)(b) (as substituted by paragraph 25(1C) for pensioners; the provisions of paragraph of paragraph 26(1)(b) (as substituted by paragraph 26(5) for persons who are not pensioners; the provisions of 27(2)(c) (as substituted by paragraph 27(5) for persons who are not pensioners and in a polygamous marriage.
 - (c) “default provisions” means the provisions of paragraph 25(1)(b) (as substituted by paragraph 25(1C) for pensioners; the provisions of paragraph of paragraph 26(1)(b) (as substituted by paragraph 26(5) for persons who are not pensioners; the provisions of 27(2)(c) (as substituted by paragraph 27(5) for persons who are not pensioners and in a polygamous marriage.
 - (d) “new individual” means a child or young person who is not a protected individual;
 - (e) any reference to an individual being part of the same household means being part of the same household with the person who is entitled to a council tax reduction under this scheme and the person’s partner (if any);
 - (f) a person is to be treated as responsible for a child or young person in the circumstances set out in paragraph 7 of this scheme.

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

- (1) Subject to sub-paragraph (2), in determining the applicable amount for a week of an applicant who is not a pensioner:
- (a) who has, or
 - (b) who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).

- (2) In determining the applicable amount for a week of an applicant who is a member of a polygamous marriage, the fact that two people are husband and wife is to be disregarded if:
- (a) one of them is a party to an earlier marriage that still subsists; and
 - (b) the other party to that earlier marriage is living in the same household.
- (3) The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.
- (4) In this paragraph “maximum amount” means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012 ³³.

PART 7 Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

29.0 Maximum council tax reduction amount under this scheme: pensioners and war pensioners

- (1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is 100 per cent of the amount A/B where:
- (a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject

to any discount which may be appropriate to that dwelling under the 1992 Act; and
(b) B is the number of days in that financial year,
less any deductions in respect of non-dependants which fall to be made under
paragraph 30 (non-dependant deductions: pensioners and persons who are not
pensioners).

- (2) In calculating a person's maximum council tax reduction under this scheme 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 (other than a reduction under this scheme), is to be taken into account.
- (3) where a person's daily award of Council Tax Reduction does not meet 100% of their Council Tax liability, the Council may consider a further award of Council Tax Reduction; (a) where the conditions in Schedule 11 are satisfied and
(b) where in the Council's opinion a person or persons would otherwise suffer extreme or exceptional hardship
- (4) Subject to sub-paragraph (5), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons, in determining the maximum council tax reduction in his case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.
- (5) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, sub-paragraph (4) does not apply in his case.
- (6) The reference in sub-paragraph (4) to a person with whom an applicant is jointly and severally liable for council tax, does not include a student to whom paragraph 75(1) (entitlement of students to a reduction under this scheme) applies.
- (7) In this paragraph "relevant financial year" means, in relation to any particular day, the financial year within which the day in question falls.

29A Maximum council tax reduction amount under this scheme: persons who are not pensioners or war pensioners

- (1) Subject to sub-paragraphs (2) to (5), a person's maximum council tax reduction amount in respect of a day is 91.5 per cent of the amount A/B where:
(a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
(b) B is the number of days in that financial year,
less any deductions in respect of non-dependants which fall to be made under
paragraph 30 (non-dependant deductions: pensioners and persons who are not
pensioners).
- (2) In calculating a person's maximum council tax reduction under this scheme 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 (other than a reduction under this scheme), is to be taken into account.
- (3) where a person's daily award of Council Tax Reduction does not meet 100% of their Council Tax liability, the Council may consider a further award of Council Tax Reduction; (a) where the conditions in Schedule 11 are satisfied and
(b) where in the Council's opinion a person or persons would otherwise suffer extreme or exceptional hardship
- (4) Subject to sub-paragraph (5), where an applicant is jointly and severally liable for council

tax in respect of a dwelling in which he is resident with one or more other persons, in determining the maximum council tax reduction in his case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

- (5) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, sub-paragraph (4) does not apply in his case.
- (6) The reference in sub-paragraph (4) to a person with whom an applicant is jointly and severally liable for council tax, where the applicant is a person who is not a pensioner, does not include a student to whom paragraph 75(1) (entitlement of students to a reduction under this scheme) applies.
- (7) In this paragraph “relevant financial year” means, in relation to any particular day, the financial year within which the day in question falls.

30.0 Non-dependant deductions: pensioners and persons who are not pensioners

- (1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29 and 29A are as prescribed in the relevant “Council Tax Reduction Schemes (Prescribed Requirements) England (Amendment) Regulations produced each year up-rating the amounts for the forth-coming financial year.
- (2) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 30 will be £7.40 per week from 01/04/22. Each financial year thereafter, the non-dependant deduction will be up-rated by the same percentage used to increase the non-dependant deduction rates in respect of claims from Pensioners which are up-rated by the relevant Statutory Instrument each year in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations as applicable.
- (3) Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount is to be deducted.
 - (3A) For claims in respect of Pensioners, only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) and, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount is to be deducted.
 - (3B) For claims in respect of Persons who are not Pensioners, only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit).
- (4) In applying the provisions of sub-paragraph (1) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.
- (5) Where in respect of a day—
 - (a) a person is a resident in a dwelling but is not himself liable for council tax in respect

- of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and
 - (c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant must be apportioned equally between those liable persons.
- (6) No deduction is to be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is—
- (a) severely sight-impaired or blind or treated as such by virtue of paragraph 10 of Schedule 3 (additional condition for the disability premium); or
 - (b) receiving in respect of himself—
 - (i) attendance allowance, or would be receiving that allowance but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (ii) the care component of the disability living allowance, or would be receiving that component but for—
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or
 - (iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.
- (7) No deduction is to be made in respect of a non-dependant if:
- (a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
 - (b) he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) he is a full-time student within the meaning of Part 11 (students); or
 - (d) he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes—
 - (i) “patient” has the meaning given in paragraph 19(6), and
 - (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
 - (e) he is not residing with the applicant because he is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006(10)) who is absent, while on operations, from the dwelling usually occupied as their home.
- (8) No deduction is to be made in respect of a non-dependant:
- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers; or

(c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.

(9) In the application of sub-paragraphs (1) & (2) there is to be disregarded from the non-dependent's weekly gross income—

(a) any attendance allowance, disability living allowance, personal independence payment or AFIP received by him;

(b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the Independent Living Fund (2006) which are paid as income in kind (see sub-paragraph (13)); and

(ba) any Grenfell Tower support payment which is paid as income in kind(see sub-paragraph (13));

(c) the payments set out in sub-paragraph (10).

(10) The payments mentioned in sub-paragraph (9) are—

(a) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the Independent Living Fund (2006);

(aa) any Grenfell Tower support payment;

(b) 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 paragraph (a) refers or from a Grenfell Tower support payment and which is made to or for the benefit of—

(i) 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;

(ii) 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

(iii) 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;

(c) 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 paragraph (a) refers or from a Grenfell Tower support payment and which is made to or for the benefit of—

(i) the person who is suffering from haemophilia or who is a qualifying person;

(ii) 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

(iii) 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;

(d) 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 paragraph (a) refers, or from a Grenfell Tower support payment where—

(i) 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

(ii)the payment is made either

- (aa) to that person’s parent or step-parent, or
- (bb) 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;
- (e) 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 paragraph (a) refers or from a Grenfell Tower support payment, where—
 - (i) 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
 - (ii) the payment is made either
 - (aa) to that person’s parent or step-parent, or
 - (bb) 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;
- (f) in the case of a person to whom or for whose benefit a payment referred to in this sub-paragraph is made, any income which derives from—
 - (i) any payment of income or capital made under or deriving from any of the Trusts referred to in paragraph (a); or
 - (ii) a Grenfell Tower support payment;
 - (g) any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disability was caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.
- (11) An applicant or his partner is severely sight-impaired or blind or treated as such for the purposes of sub-paragraph (6)(a) if the applicant or his partner—
 - (a) is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or
 - (b) is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults); or
 - (c) in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994.
- (11A) For the purposes of sub paragraph (8) “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013
- (12) For the purposes of sub-paragraph (11), a person who has ceased to be registered as severely sight-impaired or blind on regaining his eyesight is nevertheless to be treated as such for a period of 28 weeks following the date on which he ceased to be so registered.
- (13) The reference in sub-paragraph (9)(b) 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.

PART 8 Alternative maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

31.0 Alternative maximum council tax reduction under this scheme: pensioners and persons who are not pensioners

- (1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council

tax reduction: pensioners) or 18 (alternative maximum council tax reduction: persons who are not pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).

- (2) Subject to sub-paragraph (3), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons, in determining the alternative maximum council tax reduction in his case, the amount determined in accordance with Schedule 4 must be divided by the number of persons who are jointly and severally liable for that tax.
- (3) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9 of the 1992 Act (liability of spouses and civil partners), sub-paragraph (2) does not apply in his case.

PART 9 Amount of reduction under this scheme

32.0— Amount of reduction under this scheme: Classes A to F

- (1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.
- (2) Where the person is within class A or D, that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.
- (3) Where the person is within class B or E, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 14(f) or 17(f), as the case may be.
- (4) Where the person is within class C or F, that amount is the amount which is the alternative maximum council tax reduction in respect of the day in the applicant's case.
- (5) Sub-paragraph (6) applies where both:
 - (a) sub-paragraph (2) or sub-paragraph (3), and
 - (b) sub-paragraph (4),apply to a person.
- (6) The amount of the reduction to which the person is entitled is whichever is the greater of:
 - (a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and
 - (b) the amount of the reduction given by sub-paragraph (4).

PART 10 Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

CHAPTER 1 Income and capital: general

33.0 Calculation of income and capital: applicant's family and polygamous marriages

- (1) The income and capital of—
 - (a) an applicant; and
 - (b) any partner of that applicant,is to be calculated in accordance with the provisions of this Part.
- (2) The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any

partner of that applicant.

- (3) Except where paragraph 37 applies, where an applicant or the partner of an applicant is married polygamously to two or more members of his household—
- (a) the applicant must be treated as possessing capital and income belonging to each such member; and
 - (b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

34.0 Circumstances in which income and capital of non-dependant is to be treated as applicant's

- (1) Sub-paragraph (2) applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependant has more income and capital than the applicant.

- (2) Except where—

- (a) the applicant is a pensioner and is on a guarantee credit, or
- (b) the applicant is not a pensioner and is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance,

the authority must treat the applicant as possessing income and capital belonging to that non-dependant and, in such a case, any income and capital which the applicant does possess is to be disregarded.

- (3) Where an applicant is treated as possessing income and capital belonging to a non-dependant under sub-paragraph (2) the income and capital of that non-dependant must be calculated in accordance with the following provisions of this Part in like manner as for the applicant and, except where the context otherwise requires, any reference to the "applicant" is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

CHAPTER 2 Income and capital: pensioners in receipt of guarantee credit or savings credit

35.0 Applicant in receipt of guarantee credit: pensioners

In the case of an applicant who is a pensioner and who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of his capital and income must be disregarded.

36.0 Calculation of applicant's income and capital in savings credit only cases: pensioners

- (1) In determining the income and capital of an applicant who is a pensioner and who has, or whose partner has, an award of state pension credit comprising only the savings credit, subject to the following provisions of this paragraph, the authority must use the calculation or estimate of the applicant's or as the case may be, the applicant's partner's income and capital made by the Secretary of State for the purpose of determining the award of state pension credit [75](#).
- (2) Where the calculation or estimate provided by the Secretary of State includes the amount taken into account in that determination in respect of net income, the authority may only adjust that amount so far as necessary to take into account—
- (a) the amount of any savings credit payable;
 - (b) in respect of any dependent children of the applicant, child care charges taken into account under paragraph 57(1)(c) (calculation of income on a weekly basis);
 - (c) the higher amount disregarded under this scheme in respect of—
 - (i) lone parent's earnings; or
 - (ii) payments of maintenance, whether under a court order or not, which is made or due to be made by
 - (aa) the applicant's former partner, or the applicant's partner's former

- partner; or
 - (bb) the parent of a child or young person where that child or young person is a member of the applicant's family except where that parent is the applicant or the applicant's partner;
 - (d) any amount to be disregarded by virtue of paragraph 10(1) of Schedule 5 (sums disregarded from applicant's earnings: pensioners);
 - (e) the income and capital of any partner of the applicant who is treated as a member of the applicant's household under paragraph 8, to the extent that it is not taken into account in determining the net income of the person claiming state pension credit;
 - (f) paragraph 34 (circumstances in which capital and income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;
 - (g) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable);
 - (h) any amount to be disregarded by virtue of paragraph 6 of Schedule 5 (exempt work).
- (3) Paragraphs 39 to 46 (calculation of income: pensioners) and 57 to 61 (calculation of income: pensioners and persons who are not pensioners) do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).
- (4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 63, 65 to 68 and 70 (calculation of capital: pensioners).
- (5) This sub-paragraph applies if:
- (a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines his capital as being £16,000 or less;
 - (b) subsequent to that determination the applicant's capital rises to more than £16,000; and
 - (c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002.

CHAPTER 3 Income and capital where there is an award of universal credit

37.0 Calculation of income and capital: persons who are not pensioners who have an award of universal credit

- (1) In determining the income of an applicant:
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the amount 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.
- (2) The authority must adjust the amount of the income referred to in sub-paragraph (1) by multiplying the amount by 12 and dividing the product by 52.
- (3) The authority may only adjust the amount of the income as adjusted in accordance with sub-paragraph (2) so far as necessary to take into account—
- (a) the amount of the award of universal credit, determined in accordance with sub-paragraph (4);
 - (b) paragraph 34 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
 - (c) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of

- the 1992 Act (power of billing authority to reduce amount of council tax payable).
- (d) Changes in the amount of universal credit (as adjusted in accordance with paragraph 4) £100.00 per calendar month. If the Council determines that the reduction in the universal credit award has occurred because of a reduction in income as made by the Secretary of State for the purpose of determining the award of universal credit and this lower level of income is likely to continue. The Council has discretion to re-assess entitlement even if the change is less than £100.00 per calendar month on the basis that such a reassessment is beneficial to the customer.
- (4) The amount for the award of universal credit to be taken into account for the purposes of sub-paragraph (3)(a) is to be determined by multiplying the amount of the award of universal credit by 12 and dividing the product by 52.
- (5) Paragraph 34 (income and capital of non-dependant to be treated as applicant's) applies for the purpose of determining any adjustments which fall to be made to the figure for income under sub-paragraph (3).
- (6) 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 the award of universal credit.

CHAPTER 4 Income: other pensioners

38.0 Calculation of income and capital where state pension credit is not payable: pensioners

Where neither paragraph 35 (applicant in receipt of guarantee credit: pensioners) nor 36 (applicant in receipt of savings credit only: pensioners) applies in the applicant's case, his income and capital is to be calculated or estimated in accordance with paragraphs 39 to 46 and 57 to 62 (calculation of income) and Chapter 7 of this Part (calculation of capital).

39.0 Meaning of "income": pensioners

- (1) For the purposes of classes A to C in this scheme, "income" means income of any of the following descriptions:
- (a) earnings;
 - (b) working tax credit;
 - (c) retirement pension income within the meaning of the State Pension Credit Act 2002;
 - (d) income from annuity contracts (other than retirement pension income);
 - (e) a war disablement pension or war widow's or widower's pension;
 - (f) a foreign war disablement pension or war widow's or widower's pension;
 - (g) a guaranteed income payment;
 - (h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, in any case where article 31(2)(c) applies;
 - (i) income from capital other than capital disregarded under Part 1 of Schedule 9;
 - (j) social security benefits, other than retirement pension income or any of the following benefits:
 - (zi) universal credit;
 - (i) disability living allowance;
 - (ii) personal independence payment;
 - (iii) an AFIP;
 - (iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);
 - (v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of that Act (increase for exceptionally severe disablement);

- (vi) child benefit;
- (vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);
- (viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of that Act (increases for dependants);
- (ix) any:
 - (aa) social fund payment made under Part 8 of the SSCBA (the social fund), or
 - (bb) occasional assistance;
- (x) Christmas bonus payable under Part 10 of that Act (Christmas bonus for pensioners);
 - (xi) housing benefit;
 - (xii) council tax benefit;
 - (xiii) bereavement support payment under section 30 of the Pensions Act 2014;
 - (xiv) statutory sick pay;
 - (xv) statutory maternity pay;
 - (xvi) statutory paternity pay payable under Part 12ZA of the SSCBA;
 - (xvii) statutory shared parental pay under Part 12ZC of that Act;
 - (xviii) statutory parental bereavement pay under Part 12ZD of that Act(13);
 - (xix) deleted by SI2014/3255
 - (xx) additional statutory paternity pay payable under Part 12ZA of the SSCBA;
 - (xxi) statutory adoption pay payable under Part 12ZB of that Act (statutory adoption pay);
 - (xxii) Omitted SI 29/2021.
- (xi) carer's allowance supplement payable under section 81 of the Social Security (Scotland) Act 2018(5);
- (xii) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018(14);
- (xiii) funeral expense assistance given in accordance with section 34 of that Act;
- (xiv) any Scottish child payment assistance given in accordance with section 79of that Act(10);
- (xv) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019(11);
- (xvi) short-term assistance given in accordance with regulations under section 36of the Social Security (Scotland) Act 2018(12);
- (xvii) winter heating assistance given in accordance with regulations undersection 30 of that Act;
- (xviii) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;
- (k) all foreign social security benefits which are similar to the social security benefits mentioned above;
- (l) a payment made:
 - (i) under article 30 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 ²⁹ (award for children who have reached the child's age limit), in any case where article 30(1)(b) applies; or
 - (ii) under article 12(8) of that Order (unemployability allowances: children who have reached the child's age limit), in any case where sub-paragraph (b) of that article applies;
- (m) a 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;
- (n) payments under a scheme made under the Pneumoconiosis etc. (Worker's Compensation) Act 1979;
- (o) payments made towards the maintenance of the applicant by his spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by his spouse, civil partner, former spouse or former civil partner, including payments made—
 - (i) under a court order;

- (ii) under an agreement for maintenance; or
- (iii) voluntarily;
- (p) payments due from any person in respect of board and lodging accommodation provided by the applicant;
- (q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (r) 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;
- (s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;
- (t) any sum payable by way of pension out of money provided under—
 - (i) the Civil List Act 1837,
 - (ii) the Civil List Act 1937,
 - (iii) the Civil List Act 1952,
 - (iv) the Civil List Act 1972, or
 - (v) the Civil List Act 1975;
- (u) any income in lieu of that specified in paragraphs (a) to (r);
- (v) any payment of rent made to an applicant who:
 - (i) owns the freehold or leasehold interest in any property or is a tenant of any property;
 - (ii) occupies part of the property; and
 - (iii) has an agreement with another person allowing that person to occupy that property on payment of rent;
- (w) any payment made at regular intervals under an equity release scheme;
- (x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.

(2) Where the payment of any social security benefit referred to in sub-paragraph (1), or retirement pension income to which section 16(1)(za) to (e) of the State Pension Credit Act 2002 applies, is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(4) The adjustments specified in this sub-paragraph are those made in accordance with—

- (a) the Social Security (Overlapping Benefits) Regulations 1979;
- (b) the Social Security (Hospital In-Patients) Regulations 1975;
- (c) section 30DD or section 30E of the SSCBA (reductions in incapacity benefit in respect of pensions and councillor's allowances);
- (d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it.
- (e) section 14 of the Pensions Act 2014 (pension sharing: reduction in sharer's section 4 pension)
- (f) section 45B or 55B of the Social Security Contributions and Benefits Act 1992 (reduction in additional pension in Category A retirement pension and shared additional pension: pension sharing)

(5) In sub-paragraph (1)(w), "equity release scheme" means a loan:

- (a) made between a person (“the lender”) and the applicant;
- (b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and
- (c) which is secured on a dwelling in which the applicant owns an estate or interest and which he occupies as his home.
- (d) in paragraph (J)(ix) “occasional assistance” means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of—
 - (i) meeting, or helping to meet an immediate short-term need—
 - (aa) arising out of an exceptional event or exceptional circumstances, and
 - (bb) that needs to be met to avoid a risk to the well-being of an individual; or
 - (ii) enabling qualifying individuals to establish or maintain a settled home, and “qualifying individuals” means individuals who have been, or without the assistance might otherwise be—
 - (aa) in prison, hospital, an establishment providing residential care or other institution, or
 - (bb) homeless or otherwise living an unsettled way of life.
- (6) In sub-paragraph (5)(d) “local authority” means a local authority in England within the meaning of the Local Government Act 1972(38).

40.0 Calculation of weekly income: pensioners

- (1) Except in a case within sub-paragraph (2), (3A), (4A) or (5),, for the purposes of calculating the weekly income of an applicant who is a pensioner, where the period in respect of which a payment is made:
 - (a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;
 - (b) exceeds a week, the amount to be included in the applicant's weekly income is to 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 a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
 - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;
 - (iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.
- (2) Sub-paragraph (3) applies where:
 - (a) the applicant's regular pattern of work is such that he does not work the same hours every week; or
 - (b) the amount of the applicant's income fluctuates and has changed more than once.
- (3) The weekly amount of that applicant's income is to be determined:
 - (a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or
 - (b) in any other case, on the basis of:
 - (i) the last two payments if those payments are one month or more apart;
 - (ii) the last four payments if the last two payments are less than one month apart; or
 - (iv) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.
- (3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
 - (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
 - (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter,
- regardless of whether those earnings were actually received in that reduction week.

(4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.

(4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
 - (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
 - (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each reduction week thereafter,
- regardless of whether those earnings were actually received in that reduction week.

(5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that payment is to be treated as if made in respect of a period of a year.

(6) This sub-paragraph applies to:

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (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; and
- (c) any payment which is made on an occasional basis.

(7) The period under which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(8) Where payments are made in a currency other than Sterling, the value of the payment is to be determined by taking the Sterling equivalent on the date the payment is made.

(9) The sums specified in Schedule 5 are to be disregarded in calculating—

- (a) the applicant's earnings; and
- (b) any amount to which sub-paragraph (6) applies where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book or work referred to in sub-paragraph (6)(b).

(10) For the purposes of sub-paragraph (9)(b), and for that purpose only, the amounts specified in sub-paragraph (6) is to be treated as though they were earnings.

(11) Income specified in Schedule 6 is to be disregarded in the calculation of the applicant's

income.

- (12) Schedule 9 (capital disregards: pensioners) has effect so that
- (a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and
 - (b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 71 (calculation of tariff income from capital: pensioners).
- (13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

41.0 Earnings of employed earners: pensioners

- (1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner who is a pensioner, means 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;
 - (d) any holiday pay;
 - (e) any payment by way of a retainer;
 - (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - (i) travelling expenses incurred by the applicant between his home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
 - (g) 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;
 - (h) statutory sick pay payable by the employer under the SSCBA;
 - (i) statutory maternity pay payable by the employer under the SSCBA;
 - (j) statutory paternity pay payable under Part 12ZA of that Act;
 - (ja) statutory shared parental pay under Part 12ZC of that Act;
 - (jb) statutory parental bereavement pay under Part 12ZD of that Act(15);
 - (k) deleted by SI2014/3255
 - (l) statutory adoption pay payable under Part 12ZB of that Act;
 - (m) any sums payable under a contract of service-
 - (i) for incapacity for work due to sickness or injury; or
 - (ii) by reason of pregnancy or confinement.
- (2) Earnings does not include—
- (a) subject to sub-paragraph (3), any payment in kind;
 - (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
 - (c) any occupational pension;
 - (d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;
 - (e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996 in respect of unfair dismissal or unlawful discrimination;
 - (f) any payment in respect of expenses arising out of the applicant participating as a service user.

- (3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(g).

42.0 Calculation of net earnings of employed earners: pensioners

- (1) For the purposes of paragraph 57 (calculation of income on a weekly basis), the earnings of an applicant who is a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 40(5) and Schedule 5 (sums to be disregarded from earnings: pensioners), be his net earnings.
- (2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—
- (a) any amount deducted from those earnings by way of:
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
 - (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 sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and
 - (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay, statutory shared parental pay, statutory parental bereavement pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.
- (3) In this paragraph “qualifying contribution” means any sum which is payable periodically as a contribution towards a personal pension scheme.
- (4) The amount in respect of any qualifying contribution is to 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 paragraph the daily amount of the qualifying contribution is to 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 or 366 in a leap year;
 - (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.
- (5) Where the earnings of an applicant are determined under paragraph 40(2)(b) (calculation of weekly income: pensioners) his net earnings is to be calculated by taking into account those earnings over the assessment period, less:
- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax, or in the case of a Scottish taxpayer, the Scottish basic rate, applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate, or the Scottish basic rate, of tax is to be applied and the amount of the personal reliefs deductible under this sub-paragraph is to be calculated on a pro rata basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
 - (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated

were actual earnings.

43.0 Calculation of earnings of self-employed earners: pensioners

- (1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self-employed earner, the weekly amount of his earnings is to be determined by reference to his average weekly earnings from that employment:
 - (a) over a period of one year; or
 - (b) where the applicant has recently become engaged in that employment or there has been a change which is likely to affect the normal pattern of business, over such other period (“computation period”) as may, in the particular case, enable the weekly amount of his earnings to be determined more accurately.
- (2) For the purposes of determining the weekly amount of earnings of an applicant to whom sub-paragraph (1)(b) applies, his earnings over the computation period are to be divided by the number equal to the number of days in that period and the product multiplied by 7.
- (3) The period over which the weekly amount of an applicant's earnings is calculated in accordance with this paragraph is to be his assessment period.

44.0 Earnings of self-employers earners: pensioners

- (1) Subject to sub-paragraph (2), “earnings”, in the case of employment as a self-employed earner who is a pensioner, means the gross income of the employment.
- (2) “Earnings” in the case of employment as a self-employed earner does not include:
 - (a) where an applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation for which payment is made, those payments;
 - (b) any payment made by a local authority to an applicant—
 - (i) with whom a person is accommodated by virtue of arrangements made under section 22C of the Children Act 1989 or, as the case may be, section 26 or 26A of the Children (Scotland) Act 1995 or in Wales placed with the applicant or the applicant’s partner by a local authority under section 81 of the Social Services and Well-being (Wales) Act 2014; or
 - (ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009 or who is a kinship carer under those Regulations;
 - (c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);
 - (d) 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—
 - (i) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (ii) a voluntary organisation;
 - (iii) the person concerned where the payment is for the provision of accommodation in respect of the meeting of that person’s needs under section 18 or 19 of the Care Act 2014 (duty and power to meet needs for care and support);
 - (iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006;
 - (v) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006; or
 - (vi) the persons concerned where the payment is for the provision of accommodation to meet that person’s needs for care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult)
 - (da) any payment or part of a payment made by a local authority in accordance with

section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person (“A”) which A passes on to the applicant where A—

- (i) was formerly in the applicant’s care;
- (ii) is aged 16 or over; and
- (iii) continues to live with the applicant;

(db) any payments made to an applicant under section 73(1)(b) of the Children and Young People (Scotland) Act 2014 (kinship care assistance: further provisions)

(e) any sports award.

45.0 Notional income: pensioners

- (1) An applicant who is a pensioner is to be treated as possessing:
 - (a) subject to sub-paragraph (2), the amount of any retirement pension income—
 - (i) for which no claim has been made; and
 - (ii) to which he might expect to be entitled if a claim for it were made;
 - (b) income from an occupational pension scheme which the applicant elected to defer.
- (2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred—
 - (a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;
 - (b) a shared additional pension payable under section 55A or 55AA of the SSCBA;
 - (c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965.
 - (d) in the case of a state pension under Part 1 of the Pensions Act 2014, in the circumstances specified in section 17(7) and (8) of that Act.
- (3) For the purposes of sub-paragraph (2), entitlement has been deferred—
 - (a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;
 - (b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA; and
 - (c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965.
- (4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit:
 - (a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;
 - (b) fails to purchase an annuity with the funds available in that scheme; and
 - (c) either—
 - (i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or
 - (ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or
 - (iii) income withdrawal is not available to him under that scheme.
- (5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.
- (6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the rate of the annuity which may have been purchased with the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

- (7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).
- (8) In sub-paragraph (4), “money purchase benefits” has the same meaning as in the Pension Schemes Act 1993.
- (9) Subject to sub-paragraphs (10), (11A), (11B) and (12), a person is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under this scheme or increasing the amount of the reduction.
- (10) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension or benefit where a person, having made an election in favour of that increase of pension or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.
- (11) In sub-paragraph (10), “lump sum” means a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005.
- (11A) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension under section 8(2) of the Pensions Act 2014, alters that choice in accordance with Regulations made under section 8(7) of that Act in favour of a lump sum.
- (11B) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension in accordance with Regulations made under section 10 of the Pensions Act 2014, which include provision corresponding or similar to section 8(2) of that Act, alters that choice in favour of a lump sum, in accordance with Regulations made under section 10 of that Act, which include provision corresponding or similar to Regulations made under section 8(7) of that Act.
- (11C) In sub-paragraph (11A), “lump sum” means a lump sum under section 8 of the Pensions Act 2014.
- (11D) In sub-paragraph (11B), “lump sum” means a lump sum under Regulations made under section 10 of the Pensions Act 2014 which include provision corresponding or similar to section 8 of that Act.
- (12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.
- (13) Where an applicant is in receipt of any benefit 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 must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects to apply, to the date on which the altered rate is to take effect.
- (14) In the case of an applicant who has, or whose partner has, an award of state pension credit comprising only the savings credit, where the authority treats the applicant as possessing any benefit at the altered rate in accordance with sub-paragraph (13), the authority must—
(a) determine the income and capital of that applicant in accordance with paragraph

36(1) (calculation of applicant's income in savings credit only cases: pensioners) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter; and

(b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the relevant authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

(15) For the purposes of sub-paragraph (9), a person is not to be regarded as depriving himself of income where:

(a) his rights to benefits under a registered pension scheme are extinguished and in consequence of this he receives a payment from the scheme, and

(b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004 ⁹⁸.

(16) In sub-paragraph (15), "registered pension scheme" has the meaning given in section 150(2) of the Finance Act 2004.

46.0 Income paid to third parties: pensioners

(1) Any payment of income, other than a payment specified in sub-paragraph (2) or (3), to a third party in respect of an applicant who is a pensioner is to be treated as possessed by the applicant.

(2) Sub-paragraph (1) does not apply in respect of a payment of income made 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—

(a) 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;

(b) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(c) the person referred to in paragraph (a) and his partner does not possess, or is not treated as possessing, any other income apart from that payment.

(3) Sub-paragraph (1) does not apply in respect of any payment of income other than earnings, or earnings derived from employment as an employed earner, arising out of the applicant participating as a service user.

CHAPTER 5 Income: persons who are not pensioners

47.0 Average weekly earnings of employed earners: persons who are not pensioners

(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as an employed earner his average weekly earnings must be estimated by reference to his earnings from that employment—

(a) over a period immediately preceding the reduction week in which the application is made or treated as made and being a period of—

(i) 5 weeks, if he is paid weekly; or

(ii) 2 months, if he is paid monthly; or

(b) whether or not paragraph (a)(i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

(2) Where the applicant has been in his employment for less than the period specified in sub-

paragraph (1)(a)(i) or (ii)—

- (a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings must be estimated by reference to those earnings;
- (b) in any other case, the authority must estimate the applicant's average weekly earnings ⁹⁹.

(3) Where the amount of an applicant's earnings changes the authority must estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed 52 weeks.

(4) For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraphs 51 and 52 (earnings of employed earners: persons who are not pensioners).

48.0 Average weekly earnings of self-employed earners: persons who are not pensioners

(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as a self-employed earner his average weekly earnings must be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed a year.

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61 and 62 (earnings, and net profit, of self-employed earners).

49.0 Average weekly income other than earnings: persons who are not pensioners

(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period must not in any case exceed 52 weeks; and nothing in this paragraph authorises an authority to disregard any such income other than that specified in Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners).

(2) The period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(3) For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 54 (calculation of income other than earnings: persons who are not pensioners).

50.0 Calculation of weekly income of employed earners: persons who are not pensioners

(1) For the purposes of paragraphs 47 (average weekly earnings of employed earners), 49 (average weekly income other than earnings) and 59 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made—

- (a) does not exceed a week, the weekly amount is to be the amount of that payment;
- (b) exceeds a week, the weekly amount is to be determined—
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.

(2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the

weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

51.0 Earnings of employed earners: persons who are not pensioners

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner of a person who is not a pensioner, means any remuneration or profit derived from that employment and includes:

- (a) any bonus or commission;
- (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- (c) any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - (i) travelling expenses incurred by the applicant between his home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- (g) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- (h) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- (i) any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);
- (j) any statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- (k) any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;
- (l) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001.

(2) Earnings does not include—

- (a) subject to sub-paragraph (3), any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any payment in respect of expenses arising out of the applicant's participation in a service user group.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(l).

52.0 Calculation of net earnings of employed earners: persons who are not pensioners

(1) For the purposes of paragraph 47 (average weekly earnings of employed earners: persons who are not pensioners), the earnings of an applicant who is not a pensioner derived or

likely to be derived from employment as an employed earner to be taken into account must, subject to sub-paragraph (2), be his net earnings.

- (2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).
- (3) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (6) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—
 - (a) any amount deducted from those earnings by way of—
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
 - (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 sub-paragraph (5) in respect of any qualifying contribution payable by the applicant; and
 - (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.
- (4) In this paragraph “qualifying contribution” means any sum which is payable periodically as a contribution towards a personal pension scheme.
- (5) The amount in respect of any qualifying contribution is to 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 paragraph the daily amount of the qualifying contribution is to 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 or 366 in a leap year;
 - (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.
- (6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to F), his net earnings is to be calculated by taking into account those earnings over the assessment period, less:
 - (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
 - (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

53.0 Earnings of self-employed earners: persons who are not pensioners

- (1) Subject to sub-paragraph (2), “earnings”, in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.
- (2) “Earnings” does not include any payment to which paragraph 31 or 32 of Schedule 8 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor does it include any sports award.
- (3) This paragraph applies to:
 - (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982,where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.
- (4) Where the applicant's earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by:
 - (a) the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus
 - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) as appropriate in the applicant's case.

54.0 Calculation of income other than earnings: persons who are not pensioners

- (1) For the purposes of paragraph 49 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income: persons who are not pensioners).
- (2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule 8.
- (3) Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under sub-paragraph (1) must be the gross amount payable.
- (4) Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- (5) Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or

child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

- (6) Sub-paragraphs (7) and (8) apply where—
- (a) a relevant payment has been made to a person in an academic year; and
 - (b) that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.
- (7) 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 sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula—
- $$\frac{A - (B \times C)}{D}$$
- Where
- (a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);
 - (b) 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) C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 81(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;
 - (d) D = the number of reduction weeks in the assessment period.
- (8) 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 sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula in sub-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, less any deduction under paragraph 81(5).
- (9) In this paragraph—
- “academic year” and “student loan” have the same meanings as in Part 11 (students);
- “assessment period” means
- (a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;
 - (b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—
 - (i) the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
 - (ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person,whichever of those dates is earlier;
- “quarter” in relation to an assessment period means a period in that year beginning on—
- (c) 1st January and ending on 31st March;

- (d) 1st April and ending on 30th June;
 - (e) 1st July and ending on 31st August; or
 - (f) 1st September and ending on 31st December;
- “relevant payment” means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 76(7) or both.

- (10) For the avoidance of doubt there must be included as income to be taken into account under sub-paragraph (1)—
- (a) any payment to which paragraph 41(2) or 51(2) (payments not earnings) applies; or
 - (b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

55.0 Capital treated as income: persons who are not pensioners

- (1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £10,000, be treated as income.
- (2) Any payment received under an annuity is to be treated as income.
- (3) Any earnings to the extent that they are not a payment of income is to be treated as income.
- (4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.
- (5) Where an agreement or court order provides that payments must 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 by virtue of this Part), is to be treated as income.

56.0 Notional income: persons who are not pensioners

- (1) An applicant who is not a pensioner is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.
- (2) Except in the case of—
 - (a) a discretionary trust;
 - (b) a trust derived from a payment made in consequence of a personal injury;
 - (c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
 - (d) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);
 - (e) any sum to which paragraph 51(a) of Schedule 10 refers;
 - (f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;
 - (g) child tax credit;
 - (h) working tax credit, or

- (i) any sum to which sub-paragraph (11) applies, any income which would become available to the applicant upon application being made, but which has not been acquired by him, is to 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.
- (3) Any payment of income, other than a payment of income specified in sub-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) must, 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) must, where it is not a payment referred to in 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) must 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.
- (4) Sub-paragraph (3) does not apply in respect of a payment of income made—
- (a) under or by 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 Employment and Training Act 1973 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 1996;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - (d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;
 - (e) in respect of a person's participation in the Mandatory Work Activity Scheme;
 - (f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
 - (g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

- (5) Where an applicant is in receipt of any benefit 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 must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects, to the date on which the altered rate is to take effect.
- (6) Subject to sub-paragraph (7), where—
- (a) an 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 must 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.
- (7) Sub-paragraph (6) does 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 1996, 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.
- (8) In sub-paragraph (7)(c) "work placement" means practical work experience which is not undertaken in expectation of payment.
- (9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.
- (10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 42(2) or 52(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and his net earnings are to 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 basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA 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.

(11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group.

CHAPTER 6 Income: further provisions applying to pensioners and persons who are not pensioners

57.0 Calculation of income on a weekly basis

- (1) Subject to paragraph 60 (disregard of changes in tax, etc.), the income of an applicant is to be calculated on a weekly basis—
- (a) by estimating the amount which is likely to be his average weekly income in accordance with this Part;
 - (b) by adding to that amount the weekly income calculated—
 - (i) if the applicant is a pensioner, under paragraph 71 (tariff income: pensioners);
 - (ii) if the applicant is a person who is not a pensioner, under paragraph 72 (tariff income: persons who are not pensioners); and
 - (c) deducting from the sum of paragraphs (a) and (b) any relevant child care charges to which paragraph 58 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.
- (2) The conditions of this paragraph are that—
- (a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in sub-paragraph (3) otherwise applies in his case; and
 - (b) that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.
- (3) The maximum deduction to which sub-paragraph (1)(c) above refers is to be—
- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week;
 - (b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300 per week.

58.0 Treatment of child care charges

- (1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and—
- (a) is a lone parent and is engaged in remunerative work;
 - (b) is a member of a couple both of whom are engaged in remunerative work; or
 - (c) is a member of a couple where one member is engaged in remunerative work and the other—
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

- (2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—
- (a) is paid statutory sick pay;
 - (b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;
 - (c) is paid an employment and support allowance;
 - (d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987; or
 - (e) is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- (3) This sub-paragraph applies to a person who was engaged in remunerative work immediately before—
- (a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - (b) the first day of the period in respect of which earnings are credited, as the case may be.
- (4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- (5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (10).
- (6) The charges are paid by the applicant for care which is provided—
- (a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - (b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- (7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (8) and are not paid—
- (a) in respect of the child's compulsory education;
 - (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with paragraph 7 (circumstances in which a person is treated as responsible or not responsible for another); or
 - (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.
- (8) The care to which sub-paragraph (7) refers may be provided—
- (a) out of school hours, by a school on school premises or by a local authority—
 - (i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - (ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - (b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or

- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
 - (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010; or
 - (e) by—
 - (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010; or
 - (ii) local authorities registered under section 83(1) of that Act, where the care provided is child minding or day care of children within the meaning of that Act; or
 - (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
 - (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
 - (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
 - (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
 - (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of “childcare” for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
 - (k) by a foster parent or kinship carer under the Fostering Services Regulations 2011, or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
 - (ka) by a foster parent under the Fostering Panels (Establishment and Functions) (Wales) Regulations 2018(30) or a person with whom a child is placed under regulation 26 of the Care Planning, Placement and Case Review (Wales) Regulations 2015 (temporary approval of a relative, friend or other person connected with the child) or regulation 28 of those Regulations (temporary approval of a particular prospective adopter) in relation to a child other than one whom the foster parent is fostering or the person is looking after; or
 - (l) by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 ¹⁰² and being a regulated activity prescribed by those Regulations or by a person who is employed, or engaged under a contract for services, to provide care and support by the provider of a domiciliary support service within the meaning of Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016; or
 - (m) by a person who is not a relative of the child wholly or mainly in the child's home.
- (9) In sub-paragraphs (6) and (8)(a), “the first Monday in September” means the Monday which first occurs in the month of September in any year.
- (10) Relevant child care charges must be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.
- (11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where—
- (a) the applicant is a pensioner and the other member of the couple is aged not less than 80;
 - (b) the applicant is a pensioner and the other member of the couple is aged less than 80, and—

- (i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and
- (ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component on account of his having limited capability for work; or the other member of the couple would be a member of the work-related activity group;
- (d) the applicant is not a pensioner, the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (e) the other member of the couple would be a member of the support group or by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013(a);
- (f) he is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- (g) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013(a); for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (h) there is payable in respect of him one or more of the following pensions or allowances—
 - (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;
 - (ii) attendance allowance under section 64 of the SSCBA;
 - (iii) severe disablement allowance under section 68 of the SSCBA;
 - (iv) disability living allowance under section 71 of the SSCBA;
 - (v) personal independence payment;
 - (vi) an AFIP;
 - (vii) increase of disablement pension under section 104 of the SSCBA;
 - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;
- (ix) main phase employment and support allowance;
- (i) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (h) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;
- (j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for—
 - (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (ii) an abatement as a consequence of hospitalisation;
- (k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under

- section 86 of the Welfare Reform Act 2012 (hospital in-patients);
- (l) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
 - (m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
 - (n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.
- (12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.
- (13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the person, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter to apply to him for so long as he has, or is treated as having, limited capability for work.
- (14) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person—
- (a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for—
 - (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (ii) an abatement as a consequence of hospitalisation;
 - (b) to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
 - (c) who is registered as severely sight-impaired in a register kept under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994 or is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or
 - (d) who ceased to be registered as blind or severely sight-impaired in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- (15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave, shared parental leave, parental bereavement leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (16) (“the relevant period”) provided that—
- (a) in the week before the period of maternity leave, paternity leave, shared parental leave, parental bereavement leave or adoption leave began he was in remunerative work;
 - (b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and

(c) he is entitled to either statutory maternity pay under section 164 of the SSCBA [105](#), statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act, statutory shared parental pay by virtue of section 171ZU or 171ZV of that Act, statutory parental bereavement pay by virtue of section 171ZZ6 of that Act; or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave, shared parental leave, parental bereavement leave, or adoption leave commences and ends on—

(a) the date that leave ends;

(b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay, statutory shared parental pay, statutory parental bereavement pay or statutory adoption pay ends, the date that entitlement ends; or

(c) if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay, statutory paternity pay or, statutory shared parental pay, statutory parental bereavement pay, or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends, whichever occurs first.

(17) In sub-paragraphs (15) and (16)—

(a) “qualifying support” means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987 [106](#); and

(b) “child care element” of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph “applicant” does not include an applicant

(a) who has, or

(b) who (jointly with his partner) has, an award of universal credit.

59.0 Calculation of weekly income from tax credits

(1) This paragraph applies where an applicant receives a tax credit.

(2) Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in sub-paragraph (3).

(3) Where the instalment in respect of which payment of a tax credit is made is—

(a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;

(b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;

(c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;

(d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

(4) For the purposes of this paragraph “tax credit” means child tax credit or working tax credit.

60.0 Disregard of changes in tax, contributions etc.

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

(a) in the basic or other rates of income tax;

(aa) in the Scottish basic or other rates of income tax;

- (b) in the amount of any personal tax reliefs under Chapters 2, 3, and 3A of Part 3 of the Income Tax Act 2007;
- (c) in the rates of national insurance contributions payable under the SSCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, the lower or upper limits applicable to Class 4 contributions under that Act or the amount specified in section 11(4) of that Act (small profits threshold in relation to Class 2 contributions);
- (d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the SSCBA, or a state pension under Part 1 of the Pensions Act 2014;
- (e) in the maximum rate of child tax credit or working tax credit, for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

61.0 Calculation of net profit of self-employed earners

- (1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners: persons who are not pensioners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must 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 who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less—
 - (i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions of self-employed earners); and
 - (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium;
 - (c) in the case of a self-employed earner who is not a pensioner 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 social security contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and
 - (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

- (2) There must be disregarded from the net profit of an applicant who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

- (3) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (9) applies, be calculated by taking into account the earnings of the employment over the assessment period less—
 - (a) subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - (b) an amount in respect of—
 - (i) income tax; and
 - (ii) national insurance contributions payable under the SSCBA, calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and
 - (c) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

- (4) For the purposes of sub-paragraph (1)(b) the net profit of the employment is to be

calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

- (5) Subject to sub-paragraph (6), no deduction is to be made under sub-paragraph (3)(a) or (4), in respect of—
- (a) any capital expenditure;
 - (b) the depreciation of any capital asset;
 - (c) any sum employed or intended to be employed in the setting up or expansion of the employment;
 - (d) any loss incurred before the beginning of the assessment period;
 - (e) the repayment of capital on any loan taken out for the purposes of the employment;
 - (f) any expenses incurred in providing business entertainment; and
- (g) in the case of an applicant who is not a pensioner, any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.
- (6) A deduction is to be made under sub-paragraph (3)(a) or (4) in respect of the repayment of capital on any loan used for—
- (a) the replacement in the course of business of equipment or machinery; or
 - (b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- (7) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (3)(a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- (8) For the avoidance of doubt—
- (a) a deduction must not be made under sub-paragraph (3)(a) or (4) in respect of any sum unless it has been expended for the purposes of the business;
 - (b) a deduction must be made thereunder in respect of—
 - (i) the excess of any value added tax paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment.
- (9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less—
- (a) an amount in respect of—
 - (i) income tax; and
 - (ii) national insurance contributions payable under the SSCBA, calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and
 - (b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (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 must not be offset against his earnings in any other of his employments.
- (11) The amount in respect of any qualifying premium is to 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 paragraph the daily amount of the

qualifying premium must be determined—

- (a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and dividing the product by 355 or 366 in a leap year;
- (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.

(12) In this paragraph, “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 application.

62.0 Calculation of deduction of tax and contributions of self-employed earners

- (1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or (9)(a)(i) (calculation of net profit of self-employed earners) must be calculated—
 - (a) on the basis of the amount of chargeable income, and
 - (b) as if that income were assessable to income tax at the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances.
- (2) But, if the assessment period is less than a year, the earnings to which the basic rate or the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph must be calculated on a pro rata basis.
- (3) The amount to be deducted in respect of national insurance contributions under paragraph 60(1)(b)(i), (3)(b)(ii) or (9)(a)(ii) is the total of—
 - (a) the amount of Class 2 contributions payable under section 11(2) or, as the case may be, 11(8) of the SSCBA 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 that 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 must be reduced pro rata; and
 - (b) the amount of Class 4 contributions (if any) which would be payable under section 15 of the SSCBA (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 must be reduced pro rata.
- (4) In this paragraph “chargeable income” means
 - (a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under sub-paragraph (3)(a) or, as the case may be, (5) of paragraph 61;
 - (b) in the case of employment as a child minder, one-third of the earnings of that employment.

CHAPTER 7 Capital

63.0 Calculation of capital

- (1) The capital of an applicant to be taken into account must be, subject to sub-paragraph (2), the whole of his capital calculated in accordance with this Part and (in the case of persons who are not pensioners) any income treated as capital under paragraph 64 (income treated as capital: persons who are not pensioners).
- (2) There must be disregarded from the calculation of an applicant's capital under sub-

paragraph (1), any capital, where applicable, specified in—
(a) Schedule 9, in relation to pensioners;
(b) Schedule 10, in relation to persons who are not pensioners.

- (3) In the case of an applicant who is a pensioner, his capital is to be treated as including any payment made to him by way of arrears of—
(a) child tax credit;
(b) working tax credit;
(c) state pension credit,
if the payment was made in respect of a period for the whole or part of which a reduction under this scheme was allowed before those arrears were paid.
- (4) The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

64.0 Income treated as capital: persons who are not pensioners

- (1) This paragraph applies in relation to persons who are not pensioners.
- (2) Any bounty derived from employment to which paragraph 9 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) applies and paid at intervals of at least one year is to be treated as capital.
- (3) Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E is to be treated as capital.
- (4) Any holiday pay which is not earnings under paragraph 41(1)(d) or 51(1)(d) (earnings of employed earners) is to be treated as capital.
- (5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 50 or 51 of Schedule 10 (capital disregards: persons who are not pensioners), any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.
- (6) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.
- (7) 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, is to be treated as capital.
- (8) There is to 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.
- (9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.
- (10) Any arrears of working tax credit or child tax credit must be treated as capital.

65.0 Calculation of capital in the United Kingdom

Capital which an applicant possesses in the United Kingdom is to 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.

66.0 Calculation of capital outside the United Kingdom

Capital which an applicant possesses in a country outside the United Kingdom must 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.

67.0 Notional capital

- (1) An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to a reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with paragraph 68 (diminishing notional capital rule).
- (2) A person who is a pensioner who disposes of capital for the purpose of—
 - (a) reducing or paying a debt owed by the applicant; or
 - (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case, is to be regarded as not depriving himself of it.
- (3) Sub-paragraphs (4) to (6) apply in relation to applicants who are not pensioners.
- (4) 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 9; or
 - (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
 - (e) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a); or
 - (f) any sum to which paragraph 51(a) of Schedule 10 refers; or
 - (g) child tax credit; or
 - (h) working tax credit, any capital which would become available to the applicant upon application being made, but which has not been acquired by him, is to be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.
- (5) Any payment of capital, other than a payment of capital specified in sub-paragraph (6), 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) must, 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) must, where it is not a payment referred to in 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 the family) must 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.
- (6) Sub-paragraph (5) does 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 Employment and Training Act 1973 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 1996;
- (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 Work for Your Benefit Pilot Scheme;
- (d) in respect of a person's participation in the Mandatory Work Activity Scheme;
- (e) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
- (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
- (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
- (iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- (7) 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 must, notwithstanding paragraph 63 (calculation of capital) be disregarded; and
- (b) he must, subject to sub-paragraph (8), 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 Chapter apply for the purposes of calculating that amount as if it were actual capital which he does possess.
- (8) 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 sub-paragraph (7) is to be disregarded.
- (9) Where an applicant is treated as possessing capital under any of sub-paragraphs (1), (4) or (5) the foregoing provisions of this Chapter apply for the purposes of calculating its amount as if it were actual capital which he does possess.

68.0 Diminishing notional capital rule: pensioners

- (1) Where an applicant who is a pensioner is treated as possessing capital under paragraph 67(1) (notional capital), the amount which he is treated as possessing—
 - (a) in the case of a week that is subsequent to—
 - (i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, is to be reduced by an amount determined under sub-paragraph (3);
 - (b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied, is to be reduced by the amount determined under sub-paragraph (5).
- (2) This sub-paragraph applies to a reduction week where the applicant satisfies the conditions that—
 - (a) he is in receipt of a reduction under this scheme; and
 - (b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.
- (3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) must be equal to the aggregate of—
 - (a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;
 - (b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002 (notional capital);
 - (c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (notional capital);
 - (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and
 - (e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- (4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under this scheme in the relevant week but for paragraph 67(1).
- (5) In such a case the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(b) is equal to the aggregate of—
 - (a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

- (b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;
 - (c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;
 - (d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and
 - (e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.
- (6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—
- (a) dividing the relevant amount by the number equal to the number of days in that part-week, and
 - (b) multiplying the result of that calculation by 7.
- (7) The amount determined under sub-paragraph (5) is to be re-determined under that sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case—
- (a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and
 - (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.
- (8) The conditions are that—
- (a) a further application is made 26 or more weeks after—
 - (i) the date on which the applicant made an application in respect of which he was first treated as possessing the capital in question under paragraph 67(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to a reduction under this scheme, whichever last occurred; and
 - (b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).
- (9) The amount as re-determined pursuant to sub-paragraph (7) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.
- (10) For the purposes of this paragraph—

“part-week” —

- (a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction in council tax under this scheme is allowed;
- (b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;
- (c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means—
 - (i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - (ii) any other period of less than a week for which it is payable;

“relevant week” means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of paragraph 67(1)—

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

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

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

69.0 Diminishing notional capital rule: persons who are not pensioners

- (1) Where an applicant who is not a pensioner is treated as possessing capital under paragraph 67(1) (notional capital), the amount which he is treated as possessing—
 - (a) in the case of a week that is subsequent to—
 - (i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, is to be reduced by an amount determined under sub-paragraph (3);
 - (b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied, is to be reduced by the amount determined under sub-paragraph (5).
- (2) This sub-paragraph applies to a reduction week (or, in the case of persons who are not pensioners, part-week) where the applicant satisfies the conditions that—
 - (a) he is in receipt of a reduction in council tax under this scheme; and
 - (b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.
- (3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) is equal to the aggregate of—
 - (a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;
 - (b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
 - (c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction

- week to which sub-paragraph (2) refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (notional capital);
- (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and
- (e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- (4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is not a pensioner and would have been entitled to a reduction in council tax in the relevant week but for paragraph 67(1).
- (5) In such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of—
- (a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 67(1);
- (b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to—
- (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
- (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;
- (c) if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;
- (d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and
- (e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.
- (6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—
- (a) dividing the relevant amount by the number equal to the number of days in that part-week, and
- (b) multiplying the result of that calculation by 7.
- (7) The amount determined under sub-paragraph (5) is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case—
- (a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that—

(a) a further application is made 26 or more weeks after—

(i) the date on which the applicant made an application for a reduction under this scheme in respect of which he was first treated as possessing the capital in question under paragraph 67(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which he last made an application under this scheme which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to a reduction under this scheme, whichever last occurred; and

(b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (6) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

(10) For the purposes of this paragraph—
“part-week”

(a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction under this scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means—

(i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and

(ii) any other period of less than a week for which it is payable;

“relevant week” means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of paragraph 67(1)—(a) was first taken into account for the purpose of determining his entitlement to a reduction; or

(b) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to a reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, a reduction, and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week; “relevant subsequent week” means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

70.0 Capital jointly held

Except where an applicant possesses capital which is disregarded under paragraph 67(7) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Chapter 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.

71.0 Calculation of tariff income from capital: pensioners

The capital of an applicant who is a pensioner, calculated in accordance with this Part [107](#), is to

be treated as if it were a weekly income of—

- (a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and
- (b) £1 for any excess which is not a complete £500.

72.0 This is no longer used

PART 11 Students

CHAPTER 1 General

73.0 Interpretation

(1) In this Part—

“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 is to 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 sections 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 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 considers that it is reasonable for the following persons to contribute towards the holder's expenses—
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent;or
- (iv) the holder's spouse or civil partner;

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

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

“education authority” means a government department, a local authority as defined in section

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

“full-time course of study” means a full-time course of study which

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 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, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 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 in the student's learning agreement signed on behalf of the establishment which is funded by the Secretary of State for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- (c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

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

“grant” (except in the definition of “access funds”) means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

“grant income” means

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

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

“last day of the course” means

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

“period of study” means

- (a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- (b) in the case of a course of study for more than one year, in the first or, as the case may

be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, that 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 1996;

“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 includes, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Students' Allowances (Scotland) Regulations 2007.

- (2) For the purposes of the definition of “full-time student” in sub-paragraph (1), a person must 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) subject to sub-paragraph (3), 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.

- (3) For the purposes of paragraph (a) of sub-paragraph (2), the period referred to in that paragraph includes—
- (a) where a person has failed examinations or has failed successfully to 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.
- (4) In sub-paragraph (2), “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.

74.0 Treatment of students

This scheme has effect in relation to students who are not pensioners subject to the following provisions of this Part.

75.0 Students who are excluded from entitlement to a reduction under this scheme

- (1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7)—
- (a) full-time students, and
 - (b) students who are persons treated as not being in Great Britain.
- (2) Sub-paragraph (1)(b) does not apply to a student—
- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) who is a lone parent;
 - (c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
 - (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
 - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
 - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
 - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

- (i) who is—
 - (i) aged under 21 and whose course of study is not a course of higher education,
 - (ii) aged 21 and attained that age during a course of study which is not a course of higher education, or
 - (iii) a qualifying young person or child within the meaning of section 142 of the SSCBA (child and qualifying young person);
 - (j) in respect of whom—
 - (i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) of 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 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.
- (3) Sub-paragraph (2)(i)(ii) only applies to an applicant until the end of the course during which the applicant attained the age of 21.
- (4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph must, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.
- (5) In sub-paragraph (2)(i) 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.
- (6) A full-time student to whom sub-paragraph (2)(i) applies must be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.
- (7) Sub-paragraph (1)(b) does not apply to a full-time student for the period specified in sub-paragraph (8) if—
- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is—
 - (i) engaged in caring for another person; or
 - (ii) ill;
 - (b) he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
 - (c) he is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).
- (8) The period specified for the purposes of sub-paragraph (7) is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before—
- (a) the day on which he resumes attending or undertaking the course; or

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

CHAPTER 2 Income

76.0 Calculation of grant income

- (1) The amount of a student's grant income to be taken into account in assessing his income must, subject to sub-paragraphs (2) and (3), be the whole of his grant income.
- (2) There must 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 the United Kingdom and there is no applicable amount in respect of him;
 - (f) intended to meet the cost of books and equipment;
 - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
 - (h) intended for the child care costs of a child dependant;
 - (i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.
- (3) Where a student does not have a student loan and is not treated as possessing such a loan, there must 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.
- (4) There must 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.
- (5) Subject to sub-paragraphs (6) and (7), a student's grant income must be apportioned—
- (a) subject to sub-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.
- (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 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- (7) In a case where a student is in receipt of a student loan or where he could have acquired a

student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither sub-paragraph (6) nor paragraph 80(2) (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

- (8) In the case of a student on a sandwich course, any periods of experience within the period of study must be excluded and the student's grant income must 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.

77.0 Calculation of covenant income where a contribution is assessed

- (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 must be the whole amount of the covenant income less, subject to sub-paragraph (3), the amount of the contribution.
- (2) The weekly amount of the student's covenant must be determined—
- (a) by dividing the amount of income which falls to be taken into account under sub-paragraph (1) by 52 or 53, whichever is reasonable in the circumstances; and
 - (b) by disregarding £5 from the resulting amount.
- (3) For the purposes of sub-paragraph (1), the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 76(2)(g) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

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

- (1) Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows—
- (a) any sums intended for any expenditure specified in paragraph 76(2)(a) to (e) necessary as a result of his attendance on the course must be disregarded;
 - (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;
 - (c) there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 76(2)(f) and (3) had the student been in receipt of the standard maintenance grant; and
 - (d) the balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.
- (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 must be calculated in accordance with paragraphs (a) to (d) of sub-paragraph (1), except that—
- (a) the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 76(2)(a) to (e); and
 - (b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 76(2)(f) and (g) and (3).

79.0 Relationship with amounts to be disregarded under Schedule 8

No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 8 (disregard of certain charitable and voluntary, etc., payments).

80.0 Other amounts to be disregarded

- (1) For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 81 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 76(2) (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.
- (2) But sub-paragraph (1) applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 76(2) or (3), 77(3), 78(1)(a) or (c) or 81(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

81.0 Treatment of student loans

- (1) A student loan is to be treated as income.
- (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 is to be apportioned equally between the weeks in the period beginning with—
 - (i) except in a case where sub-paragraph (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, the 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 is to be apportioned equally between the weeks in the period—
 - (i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and
 - (ii) 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 authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has 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 is to be apportioned equally between the weeks in the period beginning with—
 - (i) except in a case where sub-paragraph (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 coincides 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 is to be apportioned equally between the weeks in the period beginning with the earlier of—
- (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June, and, in all cases, from the weekly amount so apportioned £10 is to be disregarded.
- (3) A student is to 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.
- (4) Where a student is treated as possessing a student loan under sub-paragraph (3), the amount of the student loan to be taken into account as income must be, subject to sub-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.
- (5) There must be deducted from the amount of income taken into account under sub-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.
- (6) 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.

82.0 Treatment of payments from access funds

- (1) This paragraph applies to payments from access funds that are not payments to which paragraph 85(2) or (3) (income treated as capital) applies.
- (2) A payment from access funds, other than a payment to which sub-paragraph (3) applies, must be disregarded as income.
- (3) Subject to sub-paragraph (4) of this paragraph and paragraph 40 of Schedule 8 (disregards in the calculation of income other than earnings: persons who are not pensioners)—
- (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, must be disregarded as income to the extent of £20 per week.

(4) Where a payment from access funds is made—

(a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or

(b) before the first day of the course to a person in anticipation of that person becoming a student, that payment must be disregarded as income.

83.0 Disregard of contribution

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 must be disregarded for the purposes of assessing that other partner's income.

84.0 Further disregard of student's income

Where any part of a student's income has already been taken into account for the purposes of assessing his entitlement to a grant or student loan, the amount taken into account must be disregarded in assessing that student's income.

85.0 Income treated as capital

(1) Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.

(2) An amount paid from access funds as a single lump sum must be treated as capital.

(3) An amount paid from access funds 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, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

86.0 Disregard of changes occurring during summer vacation

In calculating a student's income the authority must 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.

PART 12 Extended reductions

CHAPTER 1 Extended reductions: pensioners

87.0 Extended reductions: pensioners

Paragraphs 88 to 93 apply in relation to applicants who are pensioners.

88.0 Extended reductions (qualifying contributory benefits): pensioners

- (1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes A to C is entitled to an extended reduction (qualifying contributory benefits) where—
 - (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
 - (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more;
 - (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
 - (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.
- (2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes A to C where—
 - (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
 - (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
 - (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

89.0 Duration of extended reduction period (qualifying contributory benefits): pensioners

- (1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends—
 - (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

90.0 Amount of extended reduction (qualifying contributory benefits): pensioners

- (1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of—
 - (a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within any of classes A to C in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
 - (b) the amount of reduction under this scheme to which the applicant would be entitled under by virtue of falling within any of classes A to C for any reduction week during the extended reduction period, if paragraph 88 (extended reductions (qualifying contributory benefits): pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes A to C, if paragraph 88 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
- (3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, the authority must not award a reduction in pursuance of that application during the extended reduction period.

91.0 Extended reductions (qualifying contributory benefits)—movers: pensioners

- (1) This paragraph applies—
 - (a) to a mover; and
 - (b) from the Monday following the day of the move.
- (2) The amount of the extended reduction (qualifying contributory benefits) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.
- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to—
 - (a) the second authority; or
 - (b) the mover directly.

92.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C

- (1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 88(1)(b), that reduction does not cease to have effect until the end of the extended reduction period.
- (2) Part 13 (when entitlement begins and change of circumstances) does not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 90(1)(a) or paragraph 91(2) (amount of extended reduction — movers: pensioners).

93.0 Continuing reductions where state pension credit claimed: pensioners

- (1) This paragraph applies where—
 - (a) the applicant is entitled to a reduction under this scheme;
 - (b) sub-paragraph (2) is satisfied; and
 - (c) either—
 - (i) the applicant has attained the qualifying age for state pension credit or, [up to and including 5th December 2018] if his entitlement to income-based jobseeker's allowance or income-related employment and support allowance continued beyond that age, has attained the age of 65; or
 - (ii) the applicant's partner has actually claimed state pension credit.
- (2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that—
 - (a) the applicant's award of—
 - (i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or
 - (ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit or, [up to and including 5th December 2018] the age of 65; and
 - (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.
- (3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.
- (4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.
- (5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—
 - (a) the whole of the income and capital of the applicant is to be disregarded;
 - (b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.
- (6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated—
 - (a) the applicant's council tax liability has increased; or
 - (b) a change in the deduction under paragraph 30 falls to be made.

CHAPTER 2 Extended reductions: persons who are not pensioners

94.0 Extended reductions: persons who are not pensioners

Paragraphs 95 to 104 apply in relation to applicants who are not pensioners.

95.0 Extended reductions: persons who are not pensioners

- (1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is entitled to an extended reduction where—
 - (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
 - (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more; and
 - (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.
- (2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.
- (3) For the purpose of this paragraph, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they must be treated as being entitled to and in receipt of jobseeker's allowance.
- (4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where—
 - (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
 - (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
 - (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).
- (5) This paragraph does not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987 (remunerative work: housing costs) applied to that applicant.

96.0 Duration of extended reduction period: persons who are not pensioners

- (1) Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends—
 - (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

97.0 Amount of extended reduction: persons who are not pensioners

- (1) For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of—
 - (a) the amount of the reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
 - (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 95 (extended reductions: persons who are not pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 95 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
- (3) Where an applicant is in receipt of an extended reduction under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

98.0 Extended reductions—movers: persons who are not pensioners

- (1) This paragraph applies—
 - (a) to a mover; and
 - (b) from the Monday following the day of the move.
- (2) The amount of the extended reduction awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income-related benefit.
- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to—
 - (a) the second authority; or
 - (b) the mover directly.

99.0 Relationship between extended reduction and entitlement to a reduction by virtue of classes D to F

- (1) Where an applicant's entitlement to a reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 95(1)(b), that entitlement does not cease until the end of the extended reduction period.
- (2) Paragraphs 106 and 107 do not apply to any extended reduction payable in accordance with paragraph 95(1)(a) or 98(2) (amount of extended reduction—movers: persons who are not pensioners).

100.0— Extended reductions (qualifying contributory benefits): persons who are not pensioners

- (1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is entitled to an extended reduction (qualifying contributory benefits) where—
 - (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
 - (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more;
 - (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
 - (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.
- (2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where—
 - (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
 - (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
 - (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

101.0 Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners

- (1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends—
 - (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant entitled to the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

102.0— Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners

- (1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of—
 - (a) the amount of reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;

- (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 100 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 100 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
 - (3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

103.0 Extended reductions (qualifying contributory benefits)—movers: persons who are not pensioners

- (1) This paragraph applies—
 - (a) to a mover; and
 - (b) from the Monday following the day of the move.
- (2) The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.
- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to—
 - (a) the second authority; or
 - (b) the mover directly.

104.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to F

- (1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 100(1)(b), that reduction does not cease until the end of the extended reduction period.
- (2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction—movers: persons who are not pensioners).

CHAPTER 3 Extended reductions: movers in the authority's area

105.0 Extended reductions: applicant moving into the authority's area

Where—

- (a) an application is made to the authority (“the current authority”) for a reduction under this scheme, and
- (b) the applicant, or the partner of the applicant, is in receipt of an extended reduction from—
 - (i) another billing authority in England; or
 - (ii) a billing authority in Wales,
 the current authority must reduce any reduction to which the applicant is entitled under this scheme by the amount of that extended reduction.

PART 13 When entitlement begins and change of circumstances

106.0 Date on which entitlement begins

- (1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.
- (2) Where a person is otherwise entitled to a reduction under this scheme 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 application is made or is treated as made, he is so entitled from that reduction week.

107.0 Date on which change of circumstances is to take effect

- (1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc.) applies and subject to Paragraph 107A and the following provisions of this paragraph and (in the case of applicants who are pensioners) paragraph 108 (change of circumstance where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.
- (2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.
- (3) Subject to sub-paragraph (4), 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.
- (4) Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under section 11 or 11A of that Act (discounts), it takes effect from the day on which the change in amount has effect.
- (5) Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.
- (6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
- (7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.
- (8) Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, 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 takes 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.

- (9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.
- (9)(a) with effect from 6th December 2018, sub paragraphs 10, 11, 12 and 13 apply only to persons who have attained pensionable age
- (10) Sub-paragraph (11) applies if—
- (a) [up to and including 5th December 2018] the applicant or his partner has attained the age of 65; and
 - (b) either—
 - (i) a non-dependant took up residence in the applicant's dwelling; or
 - (ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 30 increased.
- (11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.
- (12) In sub-paragraph (11), but subject to sub-paragraph (13), “the effective date” means
- (a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since—
 - (i) the date on which the applicant's entitlement to a reduction under this scheme first began; or
 - (ii) the date which was the last effective date in respect of such a change, whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;
 - (b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.
- (13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.
- (14) Where the Relevant Benefit rule applies, the change shall take effect from the date on which entitlement arises to the relevant benefit or to an increase in the rate of that relevant benefit.

107A When beneficial changes of circumstances take effect

- (1) for the purposes of determining the date on which a new decision is to take effect, in a case where-
- (a) the change of circumstances is a change of circumstances that is required by regulations to be notified; and
 - (b) that change of circumstances is notified more than one month after it occurs, or such longer period as may be allowed under regulation 107.B; and
 - (c) the new decision is advantageous to the claimant,

the date of notification of the change of circumstances shall be treated as the date on which the change of circumstances occurred.

107B Conditions for accepting a delay in notification of a change

- (1) For the purposes of making a decision under regulation 107.A (1), a longer period of time may be allowed for the notification of a change of circumstances in so far as it affects the effective date of the change where the conditions specified in the following provisions of this regulation are satisfied.

- (2) An application for the purposes of paragraph (1) shall
- (a) include particulars of the change of circumstances and the reasons for the failure to notify the change of circumstances on an earlier date and
 - (b) be made within 13 months of the date on which the change occurred.
- (3) An application for the purposes of paragraph (1) shall not be granted unless the appropriate relevant authority is satisfied that-
- (a) it is reasonable to grant the application;
 - (b) the change of circumstances notified by the applicant is relevant to the decision which is to be superseded; and
 - (c) special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to notify the change of circumstances within one month of the change occurring.
- (4) In determining whether it is reasonable to grant the application, the appropriate relevant authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the change of circumstances occurred and the date the application for a superseding decision is made, the more compelling should be the special circumstances on which the application is based.
- (5) In determining whether it is reasonable to grant an application, no account shall be taken of the following-
- (a) that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by these Regulations); or
 - (b) that the Upper Tribunal or a court has taken a different view of the law from that previously understood and applied.
- (6) An application under this regulation which has been refused may not be renewed.

107(C) Meaning of Excess Reduction

In this Part “excess council tax reduction” means any amount which has been allowed by way of council tax reduction and to which there was no entitlement under these Regulations (whether on the initial decision as subsequently revised or superseded or further revised or superseded) and includes any excess which arises by reason of—

- (a) a reduction in the amount a person is liable to pay in respect of council tax in consequence of—
 - (i) regulations made under section 13(1) of the 1992 Act (reduction in the amount of a person’s council tax); or
 - (ii) any discount to which that tax is subject by virtue of section 11 or 79 of that Act;
- (b) a substitution under sections 31 (substituted amounts) of a lesser amount for an amount of council tax previously set by the relevant authority under section 30(5) of that Act (amount set for council tax).

107(D) Recoverable Excess Reduction

—(1) Any excess reduction, except reduction to which paragraph (2) applies, shall be recoverable.

(2) Subject to paragraph (4), (5) and (6) and excepting any excess reduction arising in consequence of a reduction in tax or substitution to which regulation 107C refers, this paragraph applies to excess reduction allowed in consequence of an official error, where the claimant or a person acting on his behalf or any other person to whom the excess reduction is allowed could not, at the time the reduction was allowed or upon the receipt of any notice relating to the allowance of that reduction, reasonably have been expected to realise that it was excess reduction.

(3) In paragraph (2), “excess reduction allowed in consequence of an official error” means an adjustment caused by a mistake made whether in the form of an act or omission by—

- (a) the relevant authority;
- (b) an officer or person acting for that authority;

- (c) an officer of—
 - (i) the Department for Work and Pensions; or
 - (ii) the Commissioners for Her Majesty's Revenue and Customs, acting as such; or
- (d) a person providing services to the Department or to the Commissioners referred to in (c), where the claimant, a person acting on his behalf or any other person to whom the reduction is made, did not cause or materially contribute to that mistake, act or omission.

(4) Paragraph (2) shall not apply with respect to excess reduction to which regulation 107C(a) and (b) refers.

(5) Where in consequence of an official error a person has been awarded excess reduction, upon the award being revised or superseded any excess reduction which remains credited to him by the relevant authority in respect of a period after the date of the revision or supersession, shall be recoverable (Council Tax Reduction awarded in advance).

(6) Paragraph (2) shall not apply with respect to excess reduction which has occurred due to a change in Universal Credit where the UCDS record has been actioned by the Local Authority within one calendar month of its receipt.

107(E) Authority by which recovery may be made

The relevant authority which allowed the recoverable excess reduction may recover it.

107(F) Person from whom recovery may be sought

—(1) Subject to paragraph (2), recoverable excess reduction shall be due from the claimant or the person to whom the excess reduction was allowed.

108.0 Change of circumstances where state pension credit in payment

- (1) Sub-paragraphs (2) and (3) apply where—
 - (a) the applicant is in receipt of state pension credit;
 - (b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and
 - (c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under this scheme.
- (2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in—
 - (a) an increase in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or
 - (b) a decrease in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which—
 - (i) the local authority receives notification from the Secretary of State of the increase in the amount of state pension credit; or
 - (ii) state pension credit is increased,whichever is the later.
- (3) Where the change of circumstance ("the relevant change") is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces—
 - (a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or
 - (b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which—

- (i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or
 - (ii) state pension credit is reduced, whichever is the later.
- (4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction he receives under this scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.
- (5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which—
- (a) the authority receives notification from the Secretary of State of the award of state pension credit; or
 - (b) entitlement to state pension credit begins, whichever is the later.
- (6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is—
- (a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and
 - (b) a change of circumstances which is a relevant determination, each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in sub-paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).
- (7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.
- (8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 93 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.
- (9) In this paragraph—
- “official error” means an error made by
- (a) the authority or a person—
 - (i) authorised to carry out any function of the authority relating to this scheme; or
 - (ii) providing services relating to this scheme directly or indirectly to the authority;
 or
 - (b) an officer of—
 - (i) the Department for Work and Pensions; or
 - (ii) the Commissioners of Inland Revenue, acting as such, but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;
- “relevant calculation or estimate” means the calculation or estimate made by the Secretary of State of the applicant's or, as the case may be, the applicant's partner's income and capital for the purposes of the award of state pension credit;
- “relevant determination” means a change in the determination by the authority of the applicant's income and capital using the relevant calculation or estimate, in accordance with paragraph 36(1).

PART 14 Application (including duties to notify authority of change of circumstances)

109.0 Making an application

- (1) In the case of—
 - (a) a couple or (subject to paragraph (b)) 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; or
 - (b) in the case of members of a polygamous marriage to whom paragraph 37 (income and capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

- (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 [115](#) 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 [116](#), the Enduring Powers of Attorney Act 1985 [117](#) 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.

- (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 this scheme and to receive and deal on his behalf with any sums payable to him.

- (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).

- (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 must terminate when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

- (6) Anything required by this 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.

- (7) The authority must—
- (a) inform any person making an application of the duty imposed by paragraph 115(1)(a);
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

110.0 Date on which an application is made

- (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 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 which he occupies as his home, and
 - (iii) the application to the authority 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 to the authority 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) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and
 - (ii) where the applicant makes an application for a reduction under this 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 the 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 the application is received at the designated office.

- (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, or an award of universal credit is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under—
- (a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
 - (b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days), have been entitled to that allowance.
 - (c) In a case where an award of universal credit has been made, regulation 19A (waiting days) of the Universal Credit Regulations 2013 (as amended)
- (3) Where the defect referred to in paragraph 7 of Schedule 1 to this scheme (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 on the application.
- (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.
- (5) The conditions are that—
- (a) where paragraph 4(a) of Schedule 1 (incomplete form) applies, the authority receives at its designated office 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 paragraph 4(b) of Schedule 1 (application not on approved form or further information requested by authority) applies—
 - (i) the approved form sent to the applicant is received at the designated office 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 under paragraph 4 of that Schedule 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 designated office 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.
- (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 this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.
- (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 this 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 this 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.

(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 for income support, a jobseeker's allowance or an employment and support allowance.

111.0 Back-dating of applications: pensioners

- (1) Subject to sub-paragraph (2), the time for the making of an application under this scheme by a pensioner is as regards any day on which, apart from satisfying the condition of making an application, the applicant is entitled to such a reduction, that day and the period of three months immediately following it.
- (2) In any case where paragraph 110(1)(a) applies, sub-paragraph (1) does not entitle a person to apply for a reduction under this scheme in respect of any day earlier than three months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987).

112.0 Back-dating of applications: persons who are not pensioners

- (1) Where an applicant who is a person who is not a pensioner—
 - (a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and
 - (b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period), the application is to be treated as made on the date determined in accordance with sub-paragraph (2).
- (2) That date is the latest of—
 - (a) the first day from which the applicant had continuous good cause;
 - (b) the day 6 months before the date the application was made;
 - (c) the day 6 months before the date when the applicant requested that the application should include a past period.

113.0 Information and evidence

- (1) Subject to sub-paragraph (3), a person who makes an application for a reduction under this 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.
- (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.
- (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 scheme¹¹⁸;
 - (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.
- (4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under this 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 the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this 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.
- (5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.
- (6) Where a request is made under sub-paragraph (4), the authority must—
 - (a) inform the applicant or the person to whom a reduction under this scheme has been awarded of his duty under paragraph 115 (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 115, 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 is to be notified.
- (7) This sub-paragraph applies to any of the following payments—
 - (a) a payment which is—
 - (i) disregarded under paragraph 28 of Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or
 - (ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, the, the Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund;
 - (aa) a Grenfell Tower support payment;
 - (b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 30(9)(b) or (c) (payment made under certain trusts etc.) or paragraph 2(b) or (c) of Schedule 4 (payments made under certain trusts etc.) other than a payment under the Independent Living Fund (2006).
- (8) Where an applicant or a person to whom a reduction under this 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.

113A SUSPENSION AND TERMINATION OF REDUCTION AND OTHER MATTERS, : persons who are not pensioners

Cases where a relevant authority may suspend

1.—

(1) A relevant authority may suspend, in whole or in part any reduction in the amount that a person is or will become liable to pay in respect of council tax,

in the circumstances prescribed in paragraph (2).

(2) The prescribed circumstances are where—

(a) it appears to the relevant authority that an issue arises whether—

(i) the conditions for entitlement to council tax reduction are or were fulfilled; or

(ii) a decision as to an award of such a reduction should be amended as per regulation 107

Making or restoring reductions suspended

2.—in a case to which regulation 1(2)(a) applies, where the relevant authority is satisfied that the reduction so suspended is properly payable and no outstanding issues remain to be resolved the relevant authority shall, so far as practicable, restore the reduction within 14 days of the decision to make or restore that reduction.

Suspension for failure to furnish information etc.

3.—

(1) The relevant authority may suspend in whole or in part—

(a) any reduction in the amount that a person is or will become liable to pay in respect of council tax, in relation to persons who fail to comply with the information requirements as defined in regulation 113

(2) The prescribed persons are—

(a) a person in respect of whom a reduction has been suspended under regulation 1 above;

(b) a person who has made an application for a decision of the relevant authority to be amended;

(c) a person in respect of whom a question has arisen in connection with a reduction award and who fails to comply with the requirement in regulation 113 to furnish information or evidence needed for a determination whether a decision on an award should be amended.

(3) The relevant authority shall notify any person to whom paragraph (2) refers of the requirements of this regulation.

(4) A person to whom paragraph (2) refers must—

(a) furnish the information or evidence needed within a period of—

(i) one month beginning with the date on which the notification under paragraph (3) was sent to him; or

(ii) such longer period as the relevant authority considers necessary in order to enable him to comply with the requirement ; or

(b) satisfy the relevant authority within the period provided for in paragraph (4)(a) that—

(i) the information or evidence so required does not exist; or

(ii) it is not possible for him to obtain the information or evidence so required.

(5) Where a person satisfies the requirements in paragraph (4), the relevant authority shall, so far as practicable, make, or as the case may be restore, the payment within 14 days of the decision to make or restore that payment.

Termination in cases of a failure to furnish information

4.—

- (1) A person in respect of whom payment of benefit or a reduction has been suspended—
 - (a) under regulation 1 and who subsequently fails to comply with an information requirement; or
 - (b) under regulation 3 for failing to comply with such a requirement,shall cease to be entitled to the reduction from the date on which the reduction was suspended.
- (2) Paragraph (1) does not apply—
 - (a) subject to sub-paragraph (b), where not more than one month has elapsed since the end of the period under regulation 3(4) for the provision of information;
 - (b) where a reduction has been suspended in part under regulation 1 or regulation 3.

114.0 Amendment and withdrawal of application

- (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.
- (2) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the amendment may also be made by telephone.
- (3) Any application amended in accordance with sub-paragraph (1) or (2) is to be treated as if it had been amended in the first instance.
- (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.
- (5) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the withdrawal may also be made by telephone.
- (6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- (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.

114A. Nil award of Council Tax Reduction

- (1) Subject to paragraph (2), an application to a reduction under this scheme, made in accordance with Part 1 of Schedule 1 (Procedural Matters), will remain effective until the amount of reduction determined subsequent to that application reduces to nil upon which a new application, made in accordance with the Schedule, will be required to receive a further reduction under this scheme.
- (2) Where any of the following apply, a new application for a reduction is not required and the original application remains in force:
 - (a) Where the decision that a reduction amount should be nil is subsequently changed and there is entitlement to a reduction amount from the date the reduction was previously determined to be nil; or
 - (b) Where entitlement to a reduction is calculated in accordance with Paragraph 38 (Calculation of income and capital: persons who are not pensioners, who have an award of universal credit), will remain effective until the amount of reduction determined subsequent to that application reduces to nil unless the customer has a change in circumstances while in receipt of Universal Credit and they should then contact the Local Authority requesting their claim to be re-commenced. The Local Authority will award Council Tax Reduction up to six months prior to the date of request providing there was a Council Tax Reduction entitlement for that period.
 - (c) Where any period of nil entitlement is determined for a closed period in the past, the award of council tax reduction is treated as continuous.

115.0 Duty to notify changes of circumstances

- (1) Subject to sub-paragraphs (3) and (9) for pensioners and
Subject to sub-paragraphs (3), (6) and (7) for persons who are not pensioners, the 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 this scheme) including at any time while the applicant is in receipt of such a reduction.
- (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 this 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 or for the purposes of Part 1 of Schedule 1 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.
- (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 this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- (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.
- (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.
- (6) The duty imposed on a person by sub-paragraph (1) includes—
- (a) in the case of a person falling within class C (pensioners: 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;
 - (b) in the case of a person falling within class F (persons who are not pensioners: 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 income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the date when this occurs.
- (7) A person who has been awarded a reduction under this scheme who is also on state pension credit must report—
- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;
 - (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks or where the absence is from Great Britain, which exceeds or is likely to exceed 4 weeks.

- (8) In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only the savings credit must also report—
- (a) changes affecting a child living with him which may result in a change in the amount of reduction under this scheme allowed in his case, but not changes in the age of the child;
 - (b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £16,000;
 - (c) any change in the income or capital of—
 - (i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 34 (circumstances in which income of a non-dependant is to be treated as applicant's); or
 - (ii) a person to whom paragraph 36(2)(e) (partner treated as member of the household under paragraph 8) refers, and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.
- (9) A person who is entitled to a reduction under this scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).

115A – Situations when the Local Authority can disregard passported benefit awards

(115A) If information has been obtained which indicates that an award of Income Support, Income Based Job Seeker's Allowance, Income-related Employment and Support Allowance or Universal Credit is incorrect and there is an ongoing DWP investigation awaiting a decision, the Local Authority can ignore the award of Income Support, Income Based Job Seeker's Allowance, Income-related Employment and Support Allowance or Universal Credit and should recalculate the award of Council Tax Reduction using the information that has been obtained.

PART 15 Decisions by authority

116.0 Decision by authority

The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 110 and 113 and Part 1 of Schedule 1 being satisfied, or as soon as reasonably practicable thereafter.

117.0 Notification of decision

- (1) The authority must notify in writing any person affected by a decision made by it under this 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.
- (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 115(1)(b);
 - (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.
- (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.

- (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 this scheme relating to the procedure for making an appeal.
- (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.
- (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.
- (7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).
- (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 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 under paragraph 109(3).

PART 16 Circumstances in which a payment may be made

118.0— Payment where there is joint and several liability

- (1) Where—
 - (a) a person is entitled to a reduction under this scheme in respect of his liability for the authority's council tax as it has effect in respect of a 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 refers would be inappropriate, it may make a payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.
- (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.
- (3) Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 109(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 109(5), the amount of the reduction may be paid to that person.

Schedule 1
Procedural matters

PART 1 Procedure by which a person may apply for a reduction under this scheme

A1. An application for a reduction under this scheme from a person who is not a pensioner should be made via the Department for Work and Pensions (DWP) when making a new claim for Universal Credit.

- (a) The following Universal Credit notification from the Department for Work and Pensions will be accepted as a claim for Council Tax Reduction:
 - (i) Universal Credit Data Share (UCDS) First payment file.

1. Paragraphs 2 to 7 apply to an application for a reduction under this scheme from the following persons:

- (a) those in receipt of a legacy benefit (Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Housing Benefit, Child Tax Credit and Working Tax Credit).
- (b) those claiming or already in receipt of Universal Credit.
- (c) customers not required to claim Universal Credit, such as war pensioners and widows.
- (d) Persons who are not pensioners who choose not to claim Universal Credit

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) Department for Work and Pension Local Authority Input Document (LAID) and Local Authority Customer Information (LACI) where they declare an intention to claim a Council Tax Reduction.

3.

(1) An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

4.

(1) Where an application made in writing is defective because—

- (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
- (b) it was made in writing but not on the form supplied for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

5.

(1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

6.

In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

7.

- (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
- (2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

PART 2 Procedure by which a person may make an appeal against certain decisions of the authority

8.

A person who is aggrieved by a decision of the authority which affects—

- (a) the person's entitlement to a reduction under this scheme, or
- (b) the amount of any reduction under this scheme, may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

9.

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.

10.

Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

PART 3 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

11.

- (1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made
 - (a) in writing;
 - (b) by means of an electronic communication in accordance with Part 4 of this Schedule;
 - or
 - (c) where the authority has published a telephone number for the purposes of receiving such applications, by telephone.
- (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 this scheme, that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A(1)(c).

PART 4 Electronic communication

12. Interpretation

In this Part—

“information” includes an application, certificate, notice or other evidence;

“official computer system” means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

13.— Conditions for the use of electronic communication

- (1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.
- (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.

- (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.
- (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.
- (5) The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this Part of this Schedule.
- (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.
- (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.
- (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 Part of this Schedule.

14. Use of intermediaries

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.

15.— Effect of delivering information by means of electronic communication

- (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 this scheme, on the day the conditions imposed—
- (a) by this Part; and
 - (b) by or under an enactment,
- are satisfied.
- (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).
- (3) Information must 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.

16. Proof of identity of sender or recipient of information

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.

17.— Proof of delivery of information

- (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 must be 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.
- (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 must be presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.
- (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 must be presumed to be that recorded on an official computer system.

18. Proof of content of information

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 must be presumed to be that recorded on an official computer system.

Schedule 2
Applicable amounts: pensioners

1. Personal allowance

The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 25(1)(a). *(Amounts quoted are for 2019/2020. See CTRS Prescribed Requirements Regulations (as amended) for amounts for subsequent years)*

Column (1)	Column (2)
Person, or couple	Amount
(1) Single applicant or lone parent who has attained pensionable age before 1 st April 2021-	£181.00
(2) Couple where one or both members have attained pensionable age before 1 st April 2021-	£270.60
(3) If the applicant is a member of a polygamous marriage and one or more members of the marriage have attained pensionable age before 1 st April 2021	
(a) for the applicant and the other party to the marriage;	(a) £270.60;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £89.60.
(4) Single applicant or lone parent who has attained pensionable age on or after 1st April 2021	£177.10
(5) Couple where both members have attained pensionable age on or after 1st April 2021	£270.30
(6) If the applicant is a member of a polygamous marriage and all members of the marriage have attained pensionable age on or after 1st April 2021—	
(a) for the applicant and the other party to the marriage;	(a) £270.30
(b) for each additional spouse who is a member of the same household as the applicant	(b) £93.20

2.— Child or young person amounts

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of paragraph 25(1)(b) and will be up-rated each year in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations ..

Column (1)	Column (2)
Child or young Person	Amount
Person in respect of the period—	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	(a) £65.62;
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	(b) £65.62

(2) In column (1) of the table “the first Monday in September” means the Monday which first occurs in the month of September in any year.

3. Family premium

The amount for the purposes of paragraph 25(1)(c) in respect of a family of which at least one member is a child or young person –

- (a) is £17.45 in respect of a reduction week which begins in the period beginning with 1st April 2016 and ending with 30th April 2016;
- (b) is nil in respect of a reduction week which begins after 1st May 2016.

3A.—(1) Subject to paragraph (2), the amendment in regulation 3(b) does not apply to a person who, on 30th April 2016, 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 is—

- (a) a member of a family of which at least one member is a child or young person; or
- (b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if—

- (a) sub-paragraph (a) or (b) of that paragraph ceases to apply; or
- (b) the person makes a new application for a reduction under an authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this regulation—

- (a) "the Act" means the Local Government Finance Act 1992;
- (b) "child", "family", "partner", "polygamous marriage" and "young person" have the meanings given by regulation 2 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

4. Premiums

The premiums specified in Part 4 are, for the purposes of paragraph 25(1)(d), applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5.

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provision of those Regulations, he would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973, or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 9, a person is to be treated as being in receipt of a carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP.

6.— Severe disability premium

- (1) The condition is that the applicant is a severely disabled person.
- (2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if—
 - (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3) —
 - (i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; and
 - (ii) subject to sub-paragraph (6), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and
 - (iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013(a) in respect of caring for him;
 - (b) in the case of an applicant who has a partner—
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP;
 - (ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and
 - (iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing, and either a person is entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer element in respect of caring for only one of the couple or, if he is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance or has such an award of universal credit in respect of caring for either member of a couple or any of the members of the marriage.
- (3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is severely sight-impaired or blind or is treated as such within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if he were not a partner of the applicant.
- (4) For the purposes of sub-paragraph (3), a person is blind or severely sight-impaired if he is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994, or is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014.
- (5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind or severely sight-impaired on regaining his eyesight is nevertheless to be treated as such and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.
- (6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—
 - (a) a person receiving attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3)

of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; or

- (b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated—

(a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if he would, but for his being a patient for a period exceeding 28 days, be so in receipt, notwithstanding section 86 of that Act and regulations made thereunder;

(c) as being in receipt of an AFIP if he would be so in receipt but for a suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

(d) as being entitled to and in receipt of a carer's allowance or having an award of universal credit which includes the carer element if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt or have such an award of universal credit.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (b) —

(a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and

(b) references to a person being in receipt of a carer's allowance or as having an award of universal credit which includes the carer element include reference to a person who would have been in receipt of that allowance or had such an award of universal credit but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit).

7. Enhanced disability premium

(1) The condition is that—

(a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act; or

(b) (as the case may be) the daily living component of personal independence payment is, or would, but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act,

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

8. Disabled child premium

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household—

(a) is in receipt of disability living allowance, personal independence payment or is no longer in receipt of such allowance or payment because he is a patient, provided that the child or young person continues to be a member of the family; or

- (b) is blind within the meaning of paragraph 6(4) or treated as blind in accordance with paragraph 6(5); or
- (c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

9. Carer premium

- (1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance.
- (2) Where a carer premium has been awarded but—
 - (a) the person in respect of whose care the carer's allowance has been awarded dies; or
 - (b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance,
 this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).
- (3) The relevant date for the purposes of sub-paragraph (2) is—
 - (a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or beginning with the date of death if the date occurred on a Sunday);
 - (b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.
- (4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

10. Persons in receipt of concessionary payments

For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

11. Person in receipt of benefit

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

**Part 4
Amounts of premium specified in Part 3**

12. Amounts of premium specified

The premiums specified in Parts 2 – 4 of this Schedule will be up-rated each year in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations.

Provision	Amount
(1) Severe Disability Premium, (a) where the applicant satisfies the condition in paragraph 6(2)(a);	(a) £59.50;

Provision	Amount
(b) where the applicant satisfies the condition in paragraph 6(2)(b)—	(b)
(i) in a case where there is someone in receipt of a carer's allowance or who has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013, or if he or any partner satisfies that condition only by virtue of paragraph 6(7);	(i) £59.50;
(i) in a case where there is no-one in receipt of such an allowance or such an award of universal credit.	(ii) £119.00.
(2) Enhanced disability premium.	(2) £23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 are satisfied.
(3) Disabled Child Premium.	(3) £57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied
(4) Carer Premium.	(4) £33.30 in respect of each person who satisfies the condition specified in paragraph 9.

Schedule 3
Applicable amounts: persons who are not pensioners

Personal allowances

1.

The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 26(1)(a) and 27(2)(a) and (b)—

Column (1)	Column (2)
Person or couple	Amount
(1) A single applicant who—	(1)
(a) is entitled to main phase employment and support allowance;	(a) £71.70;
(b) is aged not less than 25;	(b) £71.70;
(c) is aged not less than 18 but less than 25.	(c) £56.80.
(2) Lone parent.	(2) £71.70.
(3) Couple.	(3) £112.55.

2.

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

- (a) paragraph 18 is satisfied in relation to the applicant; or
- (b) the applicant is entitled to a converted employment and support allowance.

3.—

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraphs 26(1)(b) and 27(2)(c)—

Column (1)	Column (2)
Child or Young person	Amount
Person in respect of the period—	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£65.62
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£65.62

(2) In column (1) of the table in sub-paragraph (1), “the first Monday in September” means the Monday which first occurs in the month of September in any year.

Family premium

4.—

- (1) The amount for the purposes of paragraphs 26(1)(c) and 27(2)(d) in respect of a family of which at least one member is a child or young person is—
- (a) where the applicant is a lone parent to whom sub-paragraph (2) applies, £22.20;
 - (b) in any other case, £17.40.
 - (c) is nil in respect of a reduction week which begins after 1st April 2018.
- (1A)(a) Subject to paragraph (b), the amendment in paragraph 1(c) does not apply to a person who, on 1st April 2018, 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 is—
- (i) a member of a family of which at least one member is a child or young person; or
 - (ii) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
- (b) Paragraph 4(1c) applies if—
- (i) the person makes a new application for a reduction under an authority's scheme under section 13A(2) of the Act after 1st April 2018.
- (c) For the purposes of this regulation—
- (i) "the Act" means the Local Government Finance Act 1992;
 - (ii) "child", "family", "partner", "polygamous marriage" and "young person" have the meanings given by regulation 2 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.
- (2) The amount in sub-paragraph (1)(a) is applicable to a lone parent—
- (a) who was entitled to council tax benefit on 5th April 1998 and whose applicable amount on that date included the amount applicable under paragraph 3(1)(a) of Schedule 1 to the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as in force on that date; or
 - (b) on becoming entitled to council tax benefit where that lone parent—
 - (i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and
 - (ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006, and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.
- (3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6th April 1998—
- (a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to
 - (i) council tax benefit (in relation to the period prior to 1st April 2013), and
 - (ii) a reduction under this scheme (in relation to the period commencing on 1st April 2013);
 - (b) the applicant has not ceased to be a lone parent;
 - (c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and support allowance or a combination of those benefits;
 - (d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and

- (e) a premium under paragraph 9 or a component under paragraph 21 or 22 has not become applicable to the applicant.
- (4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where he was not, or had ceased to be, so entitled and—
- (a) throughout that period, he had been awarded housing benefit and his applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or
 - (b) he would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and his applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

Premiums

5.

Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraphs 26(1)(d) and 27(1)(e) (premiums), applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.

6.

Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is applicable to him and, if they are different amounts, the higher or highest amount applies.

7.

The following premiums, namely—

- (a) a severe disability premium to which paragraph 11 applies;
 - (b) an enhanced disability premium to which paragraph 12 applies;
 - (c) a disabled child premium to which paragraph 13 applies; and
 - (d) a carer premium to which paragraph 14 applies,
- may be applicable in addition to any other premium which may apply under this Schedule.

8.

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973 or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012.

9. Disability premium

The condition is that—

- (a) where the applicant is a single applicant or a lone parent, he has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 is satisfied; or
- (b) where the applicant has a partner, either—
 - (i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) or (b) is satisfied by him; or
 - (ii) his partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) is satisfied by his partner.

10. Additional condition for the disability premium

(1) Subject to sub-paragraph (2) and paragraph 8, the additional condition referred to in paragraph 9 is that either—

(a) the applicant or, as the case may be, his partner—

(i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or

(ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act, or a state pension under part 1 of the Pensions Act 2014 and the applicant remained continuously entitled to—

(aa) council tax benefit (in relation to the period prior to 1st April 2013, and

(bb) a reduction under this scheme (in relation to the period commencing on 1st April 2013), and

if the long-term incapacity benefit was payable to his partner, the partner is still a member of the family; or

(iii) was in receipt of attendance allowance or disability living allowance but payment of benefit has been suspended in accordance with regulations made under section 113(2) of the SSCBA or otherwise abated as a consequence of the applicant or his partner becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(iv) was in receipt of personal independence payment, but payment of that benefit has been suspended in accordance with section 86 of the Welfare Reform Act 2012 as a consequence of the applicant becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(v) was in receipt of an AFIP, but payment has been suspended in accordance with any terms of the armed and reserve forces compensation scheme which allow for suspension because a person is undergoing medical treatment in a hospital or similar institution; or

(vi) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972; or

- (vii) is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994 or is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or
- (b) the applicant—
- (i) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work); and
- (ii) has been incapable, or has been treated as incapable, of work for a continuous period of not less than—
- (aa) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;
- (bb) in any other case, 364 days.
- (2) For the purposes of sub-paragraph (1)(a)(vii), a person who has ceased to be registered as blind or severely sight-impaired on regaining his eyesight is nevertheless to be treated as such and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.
- (3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, if he then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work he is, on again becoming so incapable of work, immediately thereafter to be treated as satisfying the condition in sub-paragraph (1)(b).
- (4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, he is to continue to be treated as satisfying that condition for any period spent by him in undertaking a course of training provided under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.
- (5) For the purposes of sub-paragraph (1)(b), where any two or more periods of incapacity are separated by a break of not more than 56 days, those periods are to be treated as one continuous period.
- (6) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of section 30B(4)(a) of the Act (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt of short-term incapacity benefit at such a rate but for the fact that the rate of short-term incapacity benefit already payable to him is or was equal to or greater than the long-term rate.
- (7) In the case of an applicant who is a welfare to work beneficiary (a person to whom regulation 13A(1) of the Social Security (Incapacity for Work) (General) Regulations 1995 applies, and who again becomes incapable of work for the purposes of Part 12A of the SSCBA)—
- (a) the reference to a period of 8 weeks in sub-paragraph (3); and
- (b) the reference to a period of 56 days in sub-paragraph (5),
- in each case is to be treated as a reference to a period of 104 weeks.
- (8) The applicant is not entitled to the disability premium if he has, or is treated as having, limited capability for work.

11. Severe disability premium

- (1) The condition is that the applicant is a severely disabled person.
- (2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if—
 - (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—
 - (i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
 - (ii) subject to sub-paragraph (4), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and
 - (iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA in respect of caring for him;
 - (b) in the case of an applicant who has a partner—
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
 - (ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, all the partners of that marriage are in receipt of such an allowance; and
 - (iii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing, and either a person is entitled to and in receipt of a carer's allowance in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any partner of a polygamous marriage.
- (3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of paragraph 10(1)(a)(v) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if he were not a partner of the applicant.
- (4) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—
 - (a) a person receiving attendance allowance, or disability living allowance by virtue of the care component at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012; or
 - (b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(v) and (2).
- (5) For the purposes of sub-paragraph (2)(b) a person is to be treated—
 - (a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;
 - (b) as being entitled to and in receipt of a carer's allowance if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.

- (6) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b), no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid.
- (7) In sub-paragraph (2)(a)(iii) and (b), references to a person being in receipt of a carer's allowance include references to a person who would have been in receipt of that allowance but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit provisions).

12. Enhanced disability premium

- (1) Subject to sub-paragraph (2), the condition is that—
- (a) the Secretary of State has decided that the applicant has, or is to be treated as having, limited capability for work-related activity; or
 - (b) the care component of disability living allowance is, or would be payable at the highest rate prescribed under section 72(3) of the SSCBA, but for a suspension of benefit in accordance with regulations made under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation be payable at the highest rate prescribed under section 72(3) of the SSCBA in respect of—
 - (i) the applicant; or
 - (ii) a member of the applicant's family, who has not attained the qualifying age for state pension credit; or
 - (c) the daily living component of personal independence payment is, or would be payable at either rate under Part 4 of the Welfare Reform Act 2012, but for a suspension of benefit in accordance with section 86 of the Welfare Reform Act 2012 in respect of—
 - (i) the applicant; or
 - (ii) a member of the applicant's family, who has not attained the qualifying age for state pension credit.
- (2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).
- (3) The condition is not satisfied if the person to whom sub-paragraph (1) refers is—
- (a) an applicant who—
 - (i) is not a member of a couple or a polygamous marriage; and
 - (ii) is a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges) and has been for a period of more than 52 weeks; or
 - (b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11)(i) and has been for a period of more than 52 weeks.

13. Disabled child premium

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household—

- (a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or
- (b) is blind or treated as blind within the meaning of paragraph 10; or
- (c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

14. Carer premium

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but—

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance, the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

(a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;

(b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which—

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

15. Persons in receipt of concessionary payments

For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

16. Persons in receipt of benefit for another

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

17. Amounts of Premiums Specified

(1) Disability Premium—

Premium	Amount
(a) where the applicant satisfies the condition in paragraph 9(a);	(a) £31.00;
(b) where the applicant satisfies the condition in paragraph 9(b).	(b) £44.20.
(2) Severe Disability Premium—	(2)
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	(a) £59.50;
(b) where the applicant satisfies the condition in paragraph 11(2)(b)—	
(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 11(5);	(b)(i) £59.50;
(i) in a case where there is no-one in receipt of such an allowance.	(b)(ii) £119.00.
(3) Disabled Child Premium.	(3) £57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 13 is satisfied.
(4) Carer Premium.	(4) £33.30 in respect of each person who satisfies the condition specified in paragraph 14.
(5) Enhanced disability premium	(5)
	(a) £23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied;
	(b) £15.15 in respect of each person who is neither—
	(i) a child or young person; nor
	(ii) a member of a couple or a polygamous marriage,
	in respect of whom the conditions specified in paragraph 12 are satisfied;
	(c) £21.75 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage.

18. The components

Subject to paragraph 20 the applicant is entitled to one, but not both, of the components in paragraph 21 or 22 if—

- (a) the applicant or the applicant's partner has made a claim for employment and support allowance;
- (b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work or limited capability for work-related activity; and
- (c) either—
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work related activity component arises does not apply) applies.

19.

Subject to paragraph 20, the applicant is entitled to one, but not both, of the components in paragraphs 21 and 22 if the applicant or his partner is entitled to a converted employment and support allowance.

20.

- (1) The applicant has no entitlement under paragraph 21 or 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10.
- (2) Where the applicant and the applicant's partner each satisfies paragraph 21 or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

21. The work-related activity component

- (1) The applicant is entitled to the work-related activity component under this scheme if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work and receives the Employment and Support Allowance work-related activity component by virtue of The Employment and Support Allowance and Universal Credit (Miscellaneous Amendments and Transitional and Savings Provisions) Regulations 2017.

22. The support component

The applicant is entitled to the support component if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity.

23. Amount of Components

The amount of the work-related activity component is £28.45.

24.

The amount of the support component is £34.80.

25. Transitional Addition

- (1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")—
 - (a) is entitled to a converted employment and support allowance; or
 - (b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2008 and—

- (i) is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2008; and
- (ii) is not in receipt of an income-related employment and support allowance, unless the amount of the transitional addition calculated in accordance with paragraph 28 would be nil.

- (2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—
- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
 - (b) the termination of the applicant's award of reduction under this scheme;
 - (c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;
 - (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
 - (e) 5th April 2020.

26.

- (1) This paragraph applies where—
- (a) the applicant's entitlement to a transitional addition ends, by virtue of the termination of the applicant's award of reduction, under—
 - (i) paragraph 25(2)(b);
 - (ii) sub-paragraph (3)(b); or
 - (iii) paragraph 27(3)(b);
 - (b) within 12 weeks of that termination but before 5th April 2020 the applicant again becomes entitled to a reduction under this scheme;
 - (c) in the reduction week in which the applicant again becomes entitled to a reduction under this scheme the relevant person is entitled to an employment and support allowance which is not income-related; and
 - (d) at the date on which the applicant again becomes entitled to a reduction under this scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.
- (2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.
- (3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—
- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
 - (b) the termination of the applicant's award of a reduction under this scheme;
 - (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);
 - (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
 - (e) 5th April 2020.

27.

- (1) This paragraph applies where—
- (a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under—
 - (i) paragraph 25(2)(c);
 - (ii) paragraph 26(3)(c); or
 - (iii) sub-paragraph (3)(c);
 - (b) before 5th April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;
 - (c) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and
 - (d) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.
- (2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.
- (3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—
- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
 - (b) the termination of the applicant's award of a reduction under this scheme;
 - (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);
 - (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
 - (e) 5th April 2020.

28. Amount of Transitional Addition

- (1) Subject to paragraph 29, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.
- (2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person—
- (a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and
 - (b) Amount B is the basic amount that applied on that day as a result of that decision.
- (3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations—
- (a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and
 - (b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.

(4) In this paragraph and paragraph 29, "basic amount" means the aggregate of such amounts as may apply in the applicant's case in accordance with paragraph 26(1)(a) to (e) or paragraph 27(2)(a) to (g) (applicable amounts).

29.

- (1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant's basic amount, the transitional addition that applies immediately before the change of circumstances must be reduced by the amount by which Amount C exceeds Amount D.
- (2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition must be reduced to nil.
- (3) Amount C is the basic amount that applies as a result of the increase.
- (4) Amount D is the basic amount that applied immediately before the increase.

Schedule 4
Amount of alternative maximum council tax reduction: pensioners and persons who are not pensioners

(1) Subject to paragraphs 2 and 3, the alternative maximum council tax reduction in respect of a day for the purpose of paragraph 31 (alternative maximum council tax reduction: pensioners and persons who are not pensioners) is determined in accordance with the following Table *and in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment), the rates for pensioners will be up-rated by the relevant Statutory Instrument each year, and in this Table—*

- (a) “second adult” means any person or persons residing with the applicant to whom paragraph 15(2) (class C) or 18(2) (class F) (as the case may be) applies; and
- (b) “persons to whom paragraph 75(1) of this scheme applies” includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule “council tax due in respect of that day” means the council tax payable under section 10 of the 1992 Act less:

- (a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under this scheme); and
- (b) in a case to which sub-paragraph (c) in column (1) of the table below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

(1)	(2)
Second adult	Alternative maximum council tax reduction
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance—	(b)
(i) is less than £183.00 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £183.00 per week but less than £239.00 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 75(1) of this scheme applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.	(c) 100 per cent of the council tax due in respect of that day.

2.

In determining a second adult's gross income for the purposes of this Schedule, the following must be disregarded from that income—

- (a) any attendance allowance, any disability living allowance, any personal independence payment under Part 4 of the Welfare Reform Act 2012 or an AFIP;
- (b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and
- (c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

3.

Where there are two or more second adults residing with the applicant for a reduction under this scheme and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 to the 1992 Act, his income must be disregarded in determining the amount of any alternative maximum council tax reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

Schedule 5
Sums disregarded from applicant's earnings: pensioners

- 1.**
Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to—
- (a) £25 in the case of a lone parent;
 - (b) £20 in any other case.
- 2.**
In a case where an applicant is a lone parent, £25 of earnings.
- 3.**
- (1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £20.
 - (2) This paragraph applies to employment—
 - (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
 - (ab) as a part-time fire-fighter employed by a fire and rescue authority created by an order under section 4A of the Fire and Rescue Services Act 2004;
 - (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005(11);
 - (c) as an auxiliary coastguard in respect of coast rescue activities;
 - (d) in the manning or launching of a lifeboat if the employment is part-time;
 - (e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001.
 - (3) If
 - (a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and
 - (b) either of them has, or both of them have, other earnings, so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.
- 4.**
- (1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.
 - (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.
 - (3) In this paragraph the applicant or his partner is a carer if paragraph 14 of Part 3 of Schedule 3 (amount applicable for carers) is satisfied in respect of him.
- 5.**
- (1) £20 is disregarded if the applicant or, if he has a partner, his partner—
 - (a) is in receipt of—
 - (i) long-term incapacity benefit under section 30A of the SSCBA;
 - (ii) severe disablement allowance under section 68 of that Act;
 - (iii) attendance allowance under sections 64 of that Act;
 - (iv) disability living allowance;
 - (v) personal independence payment;
 - (vi) an AFIP;
 - (vii) 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;

- (viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002; or
- (ix) main phase employment and support allowance; or

- (b) is or are registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994 or is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or
- (c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than—
 - (i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the Act, 196 days;
 - (ii) in any other case, 364 days; or
- (d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act 1997 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either—
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 or regulation 7 of the Employment and Support Allowance Regulations 2013 (circumstances where the condition that the assessment phase has ended before entitlement to the support component arising does not apply) applies.

- (2) Subject to sub-paragraph (3), £20 is disregarded if the applicant or, if he has a partner, his partner has, within a period of 8 weeks ending on the day in respect of which the applicant or his partner attains the qualifying age for state pension credit, had an award of housing benefit or council tax benefit or been in receipt of a reduction under this scheme and—
 - (a) £20 was disregarded in respect of earnings taken into account in that award; and
 - (b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.

- (3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's—
 - (a) entitlement to housing benefit; or
 - (b) receipt of a reduction under a council tax reduction scheme; or
 - (c) employment,

following the first day in respect of which that benefit is awarded under this scheme.

- (4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that, where the applicant has a partner, both the applicant and his partner satisfy the requirements of this paragraph.

6.—

- (1) Where—

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
 - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
 - (c) paragraph 35 (applicant in receipt of guarantee credit: pensioners) does not apply,
- the amount specified in sub-paragraph (7) (“the specified amount”).

- (2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.
- (3) Notwithstanding paragraph 33 (calculation of income and capital of members applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).
- (4) Where A's earnings are less than the specified amount, there is also to be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.
- (5) This sub-paragraph applies to a person who is—
- (a) in receipt of a contributory employment and support allowance;
 - (b) in receipt of incapacity benefit;
 - (c) in receipt of severe disablement allowance;
 - (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- (6) "Exempt work" means work of the kind described in;
- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be); or
 - (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,
- and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.
- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).
- 7.**
Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 6 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full amount disregarded thereunder.
- 8.**
Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule—
- (a) £5 is to be disregarded if an applicant who has no partner has earnings;
 - (b) £10 is to be disregarded if an applicant who has a partner has earnings.
- 9.**
Any earnings, other than earnings referred to in paragraph 40(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.
- 10.—**
- (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

- (2) The conditions of this sub-paragraph are that—
- (a) the applicant, or if he has a partner, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or
 - (b) the applicant—
 - (i) is, or any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) if he is a member of a couple—
 - (aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and
 - (bb) his family includes at least one child or young person; or
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) is, or if he has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) above is satisfied in respect of that person.
- (3) The following are the amounts referred to in sub-paragraph (1)—
- (a) any amount disregarded under this Schedule;
 - (b) the amount of child care charges calculated as deductible under paragraph 57(1)(c) (deductions from income of certain child care charges); and
 - (c) £17.10.
- (4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph was a reference to 30 hours.
- 11.**
Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

Schedule 6
Amounts to be disregarded in the calculation of income other than earnings: pensioners

1.

In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, any of the following—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 2 or 3);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (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) a pension paid by a government to victims of National Socialist persecution.

2.

The whole of any amount included in a pension to which paragraph 1 relates in respect of—

- (a) the applicant's need for constant attendance;
- (b) the applicant's exceptionally severe disablement.

3.

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.

4.

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.

5.

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6.—

(1) Any payment which is—

- (a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person—
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and
- (b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph “the Dispensing Instruments” means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

- 7.**
£15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the SSCBA.
- 8.**
£15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the SSCBA.
- 9.**
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 whom 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, 100 per cent. of such payments; or
 - (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent. of the excess over £20.
- 10.**
If the applicant—
- (a) owns the freehold or leasehold interest in any property or is a tenant of any property; and
 - (b) occupies a part of that property; and
 - (c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and—
 - (i) the amount paid by that person is less than £20 per week, the whole of that amount; or
 - (ii) the amount paid is £20 or more per week, £20.
- 11.**
Where an applicant receives income under an annuity purchased with a loan, which satisfies the following conditions—
- (a) that the loan was made as part of a scheme under which not less than 90 per cent. of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as “the annuitants”) who include the person to whom the loan was made;
 - (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65 or, if it was higher at the time, pensionable age;
 - (c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;
 - (d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as his home at the time the interest is paid; and
 - (e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,
- the amount, calculated on a weekly basis, equal to—
- (i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;
 - (ii) in any other case, the interest which is payable on the loan without deduction of such a sum.
- 12.—**
- (1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by Trustees in exercise of a discretion exercisable by them.
 - (2) This sub-paragraph applies to payments made to the applicant by Trustees in exercise of a discretion exercisable by them for the purpose of—
 - (a) obtaining food, ordinary clothing or footwear or household fuel;

- (b) the payment of rent, council tax or water charges for which that applicant or his partner is liable;
 - (c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002.
- (3) In a case to which sub-paragraph (2) applies, £20 or—
- (a) if the payment is less than £20, the whole payment;
 - (b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g), £10 or the whole payment if it is less than £10; or
 - (c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 and—
 - (i) he has no disregard under paragraph 1(a) to (g), £5 or the whole payment if it is less than £5;
 - (ii) he has a disregard under paragraph 1(a) to (g), nil.
- (4) For the purposes of this paragraph, “ordinary clothing or footwear” means clothing or footwear for normal daily use, but does not include school uniforms, or clothing and footwear used solely for sporting activities.
- 13.**
Any increase in pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 paid in respect of a dependent other than the pensioner's partner.
- 14.**
Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.
- 15.**
Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or, as the case may be, the applicant's partner for an injury suffered by him.
- 16.**
Any income which is payable outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 17.**
Any banking charges or commission payable in converting to Sterling payments of income made in a currency other than Sterling.
- 18.**
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, 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.
- 19.—**
- (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 bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980, and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 18, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount is to 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. *In line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment), the rates for pensioners will be up-rated by the relevant Statutory Instrument each year*

20.—

(1) Where an applicant's applicable amount includes at least one child or young person, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

21.

Except in a case which falls under paragraph 10 of Schedule 5, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

22.

Where the total value of any capital specified in Part 2 (capital disregarded only for the purposes of determining deemed income) of Schedule 9 does not exceed £10,000, any income actually derived from such capital.

23.

Except in the case of income from capital specified in Part 2 of Schedule 9, any actual income from capital.

24.

Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.

25.

Any victims' payment under the Victims' Payments Regulations 2020(13).

Schedule 7
Sums disregarded in the calculation of earnings: persons who are not pensioners

1.

In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—

(a) where—

(i) the employment has been terminated because of retirement; and

(ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions, any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;

(b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—

(i) any payment of the nature described in—

(aa) paragraph 51(1)(e) (retainer), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and

(ii) any award, sum or payment of the nature described in—

(aa) paragraph 51(1)(g) or (i) (compensation etc. relating to employment), or

(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),

including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;

(c) where before the first day of entitlement to a reduction under this scheme—

(i) the employment has not been terminated, but

(ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc.).

2.

In the case of an applicant who, before the first day of entitlement to a reduction under this scheme—

(a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and

(b) has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings paid or due to be paid in respect of that employment except—

(i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);

(ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc.).

3.

In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.

4.—

(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component under Schedule 3 (applicable amounts: persons who are not pensioners).

(3) This paragraph applies where—

- (a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium under Schedule 3; and
- (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.

5.

In a case where the applicant is a lone parent, £25.

6.—

(1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

7.

Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment—

- (a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;
- (b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

8.

In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

9.—

(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as—

- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
- (c) an auxiliary coastguard in respect of coast rescue activities;

(d) a person engaged part-time in the manning or launching of a life boat;

(e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;

but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment—

(a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;

(b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

10.

Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.

11.

In a case to which none of the paragraphs 4 to 10 applies, £5.

12.—

(1) Where—

(a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;

(b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and

(c) paragraph 14 does not apply,

the amount specified in sub-paragraph (7) (“the specified amount”).

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple (“A”) it does not apply to the other member of that couple (“B”) except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

(5) This sub-paragraph applies to a person who is—

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance; or

(d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

- (6) "Exempt work" means work of the kind described in
- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or (as the case may be)
 - (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13.

Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 8 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

14.

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

15.

Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

16.

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17.

Any earnings of a child or young person.

18.—

- (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £17.10.

(2) The conditions of this sub-paragraph are that—

- (a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant—

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and—

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his applicable amount includes a family premium under paragraph 4 of Schedule 3; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and—

(aa) the applicant's applicable amount includes a disability premium under paragraph 9, the work-related activity component under paragraph 21 or the support component under paragraph 22 of Schedule 3 respectively;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in paragraph (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or

(c) the applicant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

(3) The following are the amounts referred to in sub-paragraph (1) —

(a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12;

(b) the amount of child care charges calculated as deductible under paragraph 57(1)(c); and

(c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph were a reference to 30 hours.

19.

In this Schedule “part-time employment” means employment in which the person is engaged on average for less than 16 hours a week.

Schedule 8
Sums disregarded in the calculation of income other than earnings: persons who are not pensioners

1.
Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.
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.
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.
4.
Any amount paid by way of tax on income which is to be taken into account under regulation 30 (calculation of income other than earnings).
5.
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) a volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 56(5) (notional income: persons who are not pensioners).
6.
Any payment in respect of expenses arising out of the applicant's participation in a service user group.
7.
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.
8.
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.
9.
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.
10.
Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
11.
Any disability living allowance, personal independence payment or an AFIP.
12.
Any concessionary payment made to compensate for the non-payment of—
(a) any payment specified in paragraph 11 or 14;
(b) income support;
(c) an income-based jobseeker's allowance;
(d) an income-related employment and support allowance.
13.
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.
14.
Any attendance allowance.
15.
Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

16.—

(1) Any payment—

(a) by way of an education maintenance allowance made pursuant to—

- (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc.);
- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
- (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to—

- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers 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
- (c) 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).

17.

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.

18.—

(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 Employment and Training Act 1973 or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.

(2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

19.—

(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 paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
- (d) a payment under an annuity purchased—

- (i) pursuant to any agreement or court order to make payments to the applicant; or
- (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
- (e) a payment (not falling within 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) does 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.

20.

Subject to paragraph 40, any of the following, namely—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 13 or 14);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (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 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.

21.

Subject to paragraph 40, £15 of any—

- (a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;
- (b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

22.—

- (1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 10.
- (2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 but only to the extent of—
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of ““water charges”” in paragraph 2(1) (interpretation) applies to sub-paragraph (2) of this paragraph with the omission of the words ““in so far as such charges are in respect of the dwelling which a person occupies as his home””.

23.

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, 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.

24.—

(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 bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 23, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount must 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.

25.

Any payment made to the applicant by a child or young person or a non-dependant.

26.

Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family—

- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
- (b) where the aggregate of any such payments is £20 or more per week, £20.

27.

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, 100 per cent of such payments;
- (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.

28.—

- (1) Any income in kind, except where paragraph 54(10)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 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.

29.

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.

30.—

- (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 (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 (Northern Ireland) Order 1995, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (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.

31.

Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made—

- (a) by a local authority under—
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
- (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

32.

Any payment made to the applicant or his partner for a person (“the person concerned”), who is not normally a member of the applicant's household but is temporarily in his care, by—

- (a) a health authority;
- (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
- (c) a voluntary organisation;
- (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or

(f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

33.

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).

34.—

(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.

35.—

(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) is only to 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, (1)(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).

36.

Any payment of income which by virtue of paragraph 64 (income treated as capital: persons who are not pensioners) is to be treated as capital.

37.

Any—

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

38.

Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).

39.

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.

40.

The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 33(3) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 77(2)(b) and paragraph 78(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.

41.—

(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 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 benefit a 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 is to 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.

42.

Any housing benefit.

43.

Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

44.

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.

45.

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).

46.—

(1) Any payment or repayment made—

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).

47.

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).

48.

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.

49.—

(1) Where an applicant's applicable amount includes an amount by way of family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50.—

(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 sub-paragraph (1) —

“child maintenance” means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under—

(a) the Child Support Act 1991;

(b) the Child Support (Northern Ireland) Order 1991;

(c) a court order;

(d) a consent order;

(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

“liable relative” means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

51.

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.

52.

Any guardian's allowance.

53.—

(1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that 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.

54.

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.

55.

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56.—

(1) Any payment which is—

(a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person—

(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and

(ii) whose service in such capacity terminated before 31st March 1973; and

(b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph “the Dispensing Instruments” means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

57.

Any council tax benefit to which the applicant is entitled.

58.

Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 7, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

59.

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).

60.—

(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) applies only in respect of payments which are paid to that person from the special account.

61.—

(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.

62.

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.

63.

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.

64.

Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.

65.—

(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.

66.

Any payment of child benefit.

67

Any Bereavement Support Payment under section 30 of the Pensions Act 2014 (bereavement support payment) except any such payment which is disregarded as capital under paragraph 12(1)(g) or 65 of Schedule 10.

Schedule 9
Capital disregards: pensioners

Capital disregards: pensioners

1. 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.
2. 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.
3. 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.
4. Any premises occupied in whole or in part—
 - (a) by a person who is a relative of the applicant or his partner 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 does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. 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.
6. Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from his former partner or the dissolution of a 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.
7. Any premises where the applicant is taking reasonable steps to dispose of the whole of his interest in 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.
8. All personal possessions.
9. 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 those assets.
10. The assets of any business owned in whole or in part by the applicant if—
 - (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 application for a reduction under this scheme is 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.

11. The surrender value of any policy of life insurance.
12. The value of any funeral plan contract; and for this purpose, ““funeral plan contract”” means a contract under which—
- (a) the applicant makes one or more payments to another person (““the provider””);
 - (b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on his death; and
 - (c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on his death.
13. Where an ex-gratia payment has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment 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, an amount equal to that payment.
- 14.—(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or an applicant's partner who is—
- (a) a diagnosed person;
 - (b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or
 - (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.
- (2) Where a trust payment is made to—
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies 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 applies for the period beginning on the date on which the trust payment is made and ending two years after that date.
- (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 an applicant's partner who is—
- (a) the diagnosed person;
 - (b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or
 - (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.
- (4) Where a payment such as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending two years after that date.
- (5) In this paragraph, a reference to a person—
- (a) being the diagnosed person's partner;
 - (b) acting in place of the diagnosed person's parents,
- at the date of the diagnosed person's death includes 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 or an independent hospital.
- (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 Creutzfeldt-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 Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions; “trust payment” means a payment under a relevant trust.

15.

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 civil partner or the applicant's partner's deceased spouse or 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.

16.—

(1) Any payment made under or by—

- (a) 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, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as “the Trusts”); or, or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as “the Trusts”); or
- (b) the Independent Living Fund (2006).

(1A) Any Grenfell Tower support payment

(1B) Any payment made by the Child Migrants Trust (registered charity number 1171479) under the scheme for former British child migrants.

(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 or from a Grenfell Tower support payment and which is made to or for the benefit of that person's partner or former partner—

- (a) from whom he is not, or where that person has died was not, estranged or divorced, or
- (b) 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.

(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 which derives from a payment made under or by any of the Trusts or from a Grenfell Tower support payment and which is made to or for the benefit of the person who is suffering from haemophilia or who is a qualifying person.

(4) Sub-paragraph (3) does not apply if—

- (a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or
- (b) 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.

(5) 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 or from a Grenfell Tower support payment, 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 who is or had been a member of that person's household; 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 or a student who has not completed his full-time education and has no parent or step-parent, to any person standing in the place of his parent, but only for a period from the date of the payment until the end of two years from that person's death.

(6) 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 or from a Grenfell Tower support payment, 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 who was or had been a member of his household; 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 or a student who had not completed his full-time education and had no parent or step-parent, to any person standing in place of his parent, but only for a period of two years from the relevant date.

(7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from—

- (a) any payment of income or capital made under or deriving from any of the Trusts; or
- (b) a Grenfell Tower support payment.

16A. Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

17.—

(1) An amount equal to the amount of any payment made in consequence of any personal injury to the applicant or, if the applicant has a partner, to the partner.

(2) Where the whole or part of the payment is administered—

- (a) by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998, or the Court of Protection, or on behalf of a person where the payment can only be disposed of by order or direction of any such court;
- (b) in accordance with an order made under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules; or
- (c) in accordance with the terms of a trust established for the benefit of the applicant or his partner, the whole of the amount so administered.

18.

Any amount specified in paragraph 19, 20, 21 or 25 for a period of one year beginning with the date of receipt.

19.

Amounts paid under a policy of insurance in connection with the loss of or damage to the property occupied by the applicant as his home and to his personal possessions.

20.

So much of any amounts paid to the applicant or deposited in the applicant's name for the sole purpose of—

- (a) purchasing premises which the applicant intends to occupy as his home; or
- (b) effecting essential repairs or alterations to the premises occupied or intended to be occupied by the applicant as his home.

21.—

- (1) Subject to paragraph 22 any amount paid—
- (a) by way of arrears of benefit;
 - (b) by way of compensation for the late payment of benefit;
 - (c) in lieu of the payment of benefit;
 - (d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;
 - (e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000 under a scheme known as “Supporting People” or section 91 of the Housing (Scotland) Act 2001;
 - (f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in this paragraph “occasional assistance” has the same meaning as in Part 2 - Interpretations).
 - (g) to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant’s entitlement to contributory employment and support allowance, being an amount to which paragraph 22(1A) does not apply.
- (2) In sub-paragraph (1), “benefit” means
- (a) attendance allowance under section 64 of the Act;
 - (b) disability living allowance;
 - (c) personal independence payment;
 - (d) an AFIP;
 - (e) income support;
 - (f) income-based jobseeker's allowance;
 - (g) state pension credit;
 - (h) housing benefit;
 - (i) council tax benefit;
 - (j) child tax credit;
 - (k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the Act (increase for exceptionally severe disablement);
 - (l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;
 - (m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (n) working tax credit;
 - (o) income-related employment and support allowance;
 - (p) social fund payments under Part 8 of the SSCBA;
 - (q) universal credit;
 - (r) maternity allowance under section 35 of the SSCBA(17) (state maternity allowance for employed or self-employed earner);
 - (s) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;
 - (t) funeral expense assistance given in accordance with section 34 of that Act;
 - (u) any Scottish child payment assistance given in accordance with section 79 of that Act(14);
 - (v) any assistance given in accordance with the Carer’s Assistance (Young Carer Grants) (Scotland) Regulations 2019;
 - (w) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018; or
 - (x) winter heating assistance given in accordance with regulations under section 30 of that Act.
- (3) In sub-paragraph (1) “contributory employment and support allowance” means an allowance under Part 1 of the Welfare Reform Act 2007(15) as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act

2012(16) that remove references to an income-related allowance.

- 22.**—(1) Subject to sub-paragraph (3), any payment of £5,000 or more which has been made to rectify, or to compensate for, an official error or an error on a point of law relating to a relevant benefit and which has been received by the applicant in full on or after the day on which he became entitled to a reduction under this scheme.
- (1A) Subject to paragraph (3), any payment of £5,000 or more received by the applicant in full on or after the day on which the applicant became entitled to a reduction under an authority's scheme which has been made to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance.
- (1B) In sub-paragraph (1A) "contributory employment and support allowance" has the meaning in paragraph 21(3).
- (2) Subject to sub-paragraph (3), the total amount of any payments disregarded under—
- (a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987;
 - (b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996(a);
 - (c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006;
 - (d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002,
 - (e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008(b),
 - (f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013(12) where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.
 - (g) regulations 10A to 10C of the Universal Credit (Transitional Provisions) Regulations 2014(17).
- (3) Any disregard which applies under sub-paragraph (1), (1A) or (2) has effect until the award comes to an end.
- (4) In this paragraph—
- "the award", except in sub-paragraph (2), means
- (a) the award of a reduction under the authority's scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and
 - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant—
 - (i) is the person who received the relevant sum;
 - (ii) is the partner of that person; or
 - (iii) was the partner of that person at the date of his death; "official error"
 - (a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and
 - (b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;
- "the relevant date" means the date on which the application for a reduction under this scheme was made;
- "relevant benefit" means any benefit specified in paragraph 21(2); and
- "the relevant sum" means the total amount referred to in sub-paragraph (1).
- 23.** Where a capital asset is held in a currency other than Sterling, any banking charge or commission payable in converting that capital into Sterling.
- 24.** The value of the right to receive income from an occupational pension scheme or a personal pension scheme.
- 25.** Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 6 (amounts to be disregarded in the calculation of income other than earnings) or of any amount

which is disregarded under paragraph 5 or 6 of that Schedule.

26.The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27.—(1) Subject to sub-paragraph (2), where an applicant falls within class C (alternative maximum council tax reduction: pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class B and class C.

28. Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum;

(b) the amount of that lump sum, but only for so long as that person does not change that election in favour of an increase of pension or benefit.

28A. Where a person chooses a lump sum under section 8(2) of the Pensions Act 2014 or in accordance with Regulations made under section 10 of that Act which include provision corresponding or similar to section 8(2) of that Act, or fails to make a choice, and a lump sum payment has been made, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum; or

(b) the amount of that lump sum, but only for so long as that person does not alter that choice in favour of an increase of pension.

29. Any payments made by virtue of regulations made under—

(a) by virtue of regulations made under section 57 of the Health and Social Care Act 2001 (direct payments);

(b) Deleted by SI/2014/513

(c) by virtue of regulations made under sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);

(d) by virtue of regulations made under Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972 (general social welfare); or

(e) by virtue of regulations made under section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002 (direct payments);

(f) under sections 31 to 33 of the Care Act 2014 (direct payments), or;

(g) by virtue of regulations made under section 50 or 52 of the Social Services and Well-being (Wales) Act 2014 (direct payments).

29ZA Any payment made as a direct payment as defined in section 4(2) of the Social Care (Self-directed Support) (Scotland) Act 2013.

29A. A payment made under the Age-Related Payments Regulations 2013(13).

29B. Any payments to an applicant made under section 49 of the Children and Families Act 2014(a)(personal budgets and direct payments).

29C. (1) Any payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care)(a).

(2) Any payment or part of a payment made by a local authority in accordance with that section to a person (“A”) which A passes on to the applicant where A—

(a) was formerly in the applicant’s care;

(b) is aged 16 or over; and

(c) continues to live with the applicant.

29D.Any lump sum payment made in accordance with regulation 24 of the Victims’ Payments Regulations 2020.

29E.Any sum paid by means of assistance in accordance with the Carer’s Assistance (Young Carer Grants) (Scotland) Regulations 2019.

29F.Any sum paid by means of winter heating assistance in accordance with regulations under section 30 of the Social Security (Scotland) Act 2018.

Part 2

Capital disregarded only for the purposes of determining deemed income

30.The value of the right to receive any income under a life interest or from a life rent.

- 31.**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.
- 32.**The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 33.**Where property is held under a trust, other than—
- (a) a charitable trust within the meaning of the Charities Act 1993; or
 - (b) a trust set up with any payment to which paragraph 16 applies, and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

Schedule 10
Capital disregards: persons who are not pensioners

Capital disregards: persons who are not pensioners

1.
Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment.
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 but only for 52 weeks beginning with the date of receipt of the payment.
4.
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, but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.
5.
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.
6.
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.
7.
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 does 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.
8.
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.
9.
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.
10.
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.
- 11.—
 - (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 application for a reduction under this scheme is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.
- (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.
- (4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

12.—

- (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of—
 - (a) any payment specified in paragraphs 11, 13 or 14 of Schedule 8;
 - (b) an income-related benefit under Part 7 of the SSCBA;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit;
 - (f) an income-related employment and support allowance,
 - (g) bereavement support payment under section 30 of the Pensions Act 2014, but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.
- (2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as “the relevant sum”) and is—
 - (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and
 - (b) received by the applicant in full on or after 14th October 2001,
 sub-paragraph (1) has effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the period of an award of a reduction under this scheme, for the remainder of that period if that is a longer period.
- (3) For the purposes of sub-paragraph (2), “the period of an award of a reduction under this scheme” means
 - (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
 - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant—
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

13.

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.

14.

Any sum—

- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 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.

15.

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 a reduction under this scheme or to increase the amount of that reduction.

16.

The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

17.

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.

18.—

(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).

19.

The value of the right to receive any income under a life interest or from a life rent.

20. The value of the right to receive any income which is disregarded under paragraph 15 of Schedule 7 or paragraph 29 of Schedule 8.

21. The surrender value of any policy of life insurance.

22.

Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

23.

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).

24.—

- (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.

25.

Any—

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

26.

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.

27.

Any capital which by virtue of paragraph 55 or 81 (capital treated as income: persons who are not pensioners, treatment of student loans) is to be treated as income.

28.

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.

29.—

- (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
 - (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person 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) Sub-paragraph (3) does not apply if—
 - (a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or
 - (b) 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.

- (5) 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.
- (6) 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 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.
- (7) In the case of a person to whom or for whose benefit a 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.
- (8) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts is to 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.

30.—

- (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.

31.

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.

32.

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.

- 33.**
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.
- 34.**
Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 35.**
The value of the right to receive an occupational or personal pension.
- 36.**
The value of any funds held under a personal pension scheme.
- 37.**
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.
- 38.**
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).
- 39.**
Any payment made pursuant to section 2 of the Employment and Training Act 1973 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.
- 40.**
Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
- 41.**
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.
- 42.**
Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 8 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
- 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);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies), but only for a period of 52 weeks from the date of receipt of the payment or repayment.
 - (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

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), but only for a period of 52 weeks from the date of receipt of the payment.

45.

Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).

46.

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.

47.

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.

48.

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.

49.—

- (1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.
- (2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F.

50.—

- (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.

51.

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.

52.

Any payment to the applicant as holder of the Victoria Cross or George Cross.

53.

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.

54.—

- (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.

55.—

(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 the Welsh Ministers 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

(c) 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).

56.

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.

57.

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.

58.

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 internment 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.

59.—

(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 applies 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 applies 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 applies 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 applies 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 applies 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 applies 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 includes 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.

60.

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.

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 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 sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

63.

Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

64.

Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

65.

Any bereavement support payment in respect of the rate set out in regulations 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment), but only for a period of 52 weeks from the date of receipt of the payment.

Schedule 11
Additional awards due to exceptional and/or extreme Hardship

Discretionary Exceptional hardship payments

- 1.** (1) The Council may make discretionary payments by way of financial assistance (“exceptional hardship payments”) Under section 13A(1)(a) of the 1992 Act to persons who—
- (a) are entitled a council tax reduction under the Council’s Local Council Tax Reduction Scheme and
 - (b) appear to such an authority to require some further financial assistance (in addition to the reduction to which they are entitled) in order to meet Council tax liability.
- (2) Subject to paragraph (3) the council has a discretion—
- (a) as to whether or not to make exceptional hardship payments in a particular case; and
 - (b) as to the amount of the payments and the period for, or in respect of which, they are made.
- (3) Paragraphs (1) and (2) shall not apply in respect of council tax liability for any period before 1 April 2013

Circumstances in which Exceptional hardship payments may be made

- 2.** For the purposes of the Council Tax Reduction Scheme, the prescribed circumstance in which exceptional hardship payments may be made is where a person has made a claim for an exceptional hardship payment and the requirement for financial assistance does not arise as a consequence of—
- (a) a liability to meet council tax payments in a case where the person is not entitled to a council tax reduction under the scheme;
 - (b) a liability to meet council tax where an alternative maximum council tax benefit is payable;
 - (c) a reduction of an amount of benefit by virtue of section 46(11) of the Child Support Act 1991;
 - (d) a reduction of a specified amount of benefit by virtue of section 2A of the Social Security Administration Act 1992;
 - (e) a reduction in the amount of a jobseeker’s allowance payable by virtue of section 17 of the Jobseekers Act 1995;
 - (f) the non-payability of a jobseeker’s allowance or a reduction in the amount of a jobseeker’s allowance payable, pursuant to a decision made by virtue of section 19 or 20A of the Jobseekers Act 1995;
 - (g) the suspension of payment of an amount of benefit by virtue of section 21, 22 or 24 of the Social Security Act 1998 or section 68 of, and paragraphs 13 and 14 of Schedule 7 to, the Child Support, Pensions and Social Security Act 2000.
- (f) any factor that the Council considers that the person or persons entitled to a council tax reduction under this scheme could have taken reasonable actions to avoid or mitigate.

Limit on the amount of the discretionary exceptional hardship payment that may be made

- 3.** The amount of a discretionary exceptional hardship payment (if calculated as a weekly sum) shall not exceed, in a case where the need for further financial assistance arises as a consequence of the liability to make payments in respect of council tax, an amount equal to the weekly amount of council tax liability of that person calculated on a weekly basis.

Period for, or in respect of which, discretionary exceptional hardship payments may be made

- 4.** The Council shall restrict the period for or in respect of which discretionary exceptional hardship payments may be made to such period as it considers appropriate in the particular circumstances of a case.

Form, manner and procedure for claims

- 5.—**(1) A claim for Exceptional Hardship payment must be:
- (a) in writing or, in such form and manner as is accepted;
 - (b) from—
 - (i) a person entitled to either council tax reduction; or
 - (ii) where it appears reasonable in the circumstances of a particular case, an authorised person acting on behalf of a person so entitled.
- (2) an award of entitlement to exceptional hardship will be paid directly to the person’s Council Tax account to the person entitled council tax reduction,.

(3) The council shall give a person who has claimed discretionary exceptional hardship payments or who has requested a review of a decision made in respect of his claim, written notice of its decision in respect of that claim or review and the reasons for that decision as soon as is reasonably practicable.

Provision of information

6. A person claiming or receiving exceptional hardship payments shall provide the council with the following information—

- (a) particulars of the grounds of claim or, as the case may be, particulars of the grounds for a review;
- (b) changes in circumstances which may be relevant to the continuance of discretionary payments, and such other information as may be specified by the council within such time as the council thinks appropriate.

Reviews

7.—(1) The Council may review any decision it has made with respect to the making, cancellation or recovery of discretionary exceptional hardship payments in such circumstances as it thinks fit.

(2) Without prejudice to the generality of paragraph (1) above, the council may, on any such review, cancel the making of further such payments and recover a payment already made where that authority has determined that—

- (a) whether fraudulently or otherwise, any person has misrepresented, or failed to disclose, a material fact and, as a consequence of that misrepresentation or failure to disclose, a payment has been made; or
- (b) an error has been made when determining the application for a payment, and as a consequence of that error, a payment had been made which would not have been made but for that error.

FULL COUNCIL
Wednesday, 26 January 2022

Subject	Treasury Management Strategy Statement for 2022/23 & Treasury Management Investment Strategy for 2022/23
Report by	Councillor Edward Back Assistant Cabinet Member for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsoffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report sets out the Council's Treasury Management Strategy for 2022/23 and the Treasury Management Investment Strategy for 2022/23 and covers:

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy; and
- the investment strategy

Options:

To comply with the CIPFA Treasury Management Code the report is required to be produced and presented to members, and consequently, no other options have been considered.

Recommendation/s:

That the Treasury Management Strategy Statement and the Treasury Management Investment Strategy for 2022/23 be approved.

Corporate Impact Assessment

Governance:

The report complies with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management code to provide information and scrutiny on the Councils Treasury Management function.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Strategic Plan

Environmental:

No impacts.

Equalities and Diversity:

No impacts.

Financial:

Management of the Council's cash flows, banking and capital market transactions.

Human Resources:

No impacts.

ICT:

No impacts.

Legal:

No impacts.

Risk:

Treasury Management in Local Government is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Services and in this context is the “management of the Council’s cash flows, its banking and its capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”. This Council has adopted the Code and complies with its requirements.

External Consultees: None

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being, and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education, and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

Production of the Treasury Management Strategy Statement for 2022/23 & Treasury Management Investment Strategy for 2022/23 is a requirement under the CIPFA Treasury Management Code demonstrating the Council's governance of its investment and loans portfolio.

Background and Justification for Recommendation

1 Background facts	
1.1	Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and 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.
1.2	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 2017 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.
1.3	CIPFA's Treasury Management Code is being revised and is currently at consultation stage, with the outcome and updates to the code are expected to be implemented in 2023/24 strategies. In the event of an earlier implementation the Council will update the Treasury Management Strategy and provide an update in the Mid-Year report to members in September.
2 Current position	
2.1	The Treasury Management Strategy for 2022/23 set out in Appendix A covers: Treasury management issues: <ul style="list-style-type: none">• the current treasury position.• treasury indicators which limit the treasury risk and activities of the Council.• prospects for interest rates.• the borrowing strategy; and• the investment strategy.
3 How to address current situation	
3.1	The report recommends that the Treasury Management Strategy for 2022/23 and the Treasury Management Investment Strategy for 2022/23 be reviewed and commented upon and recommended for approval.
4 Reason/s for recommendation	
4.1	The CIPFA Treasury Management code requires the strategies to be produced and presented at Full Council prior to the start of the financial year.

Appendices

Appendices:

Appendix A	Treasury Management Strategy Statement 2022/23
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Appendix B	Treasury Management Investment Strategy 2022/23
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Background reference papers:

None.

Treasury Management Strategy Statement 2022/23

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and 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 2017 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 income are considered in the Investment Strategy.

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, the likelihood of higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) held Bank Rate at 0.10% in November 2021 and maintained its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 7-2 to keep rates on hold and 6-3 to maintain the asset purchase programme. Within the announcement the MPC suggested interest rates would be increased soon, but not to the 1% level expected by financial markets. Within the November 2021 Monetary Policy Report, the Bank expected consumer price index (CPI) inflation to peak at around 5% in April 2022 before falling back as the impact from higher energy prices fade and demand slows.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and have steadily edged down throughout the year to almost pre-pandemic levels. The improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will rise in calendar Q2 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks shift towards the downside.

Gilt yields had increased sharply on the back of higher inflation and anticipated central bank action, however in its November MPC meeting, the committee noted that market expectations for rates were excessive, and yields have since fallen back. Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.60%, 1.0%, and 1.35% respectively. The risks around the gilt yield forecast are judged to be broadly balanced in the near-term and to the downside over the remainder of the forecast horizon. As ever, there will almost certainly be short-term volatility due to economic and political uncertainty and events.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.10%, and that new long-term loans will be borrowed at an average rate of 2.50%.

Local Context

On 30th November 2021, the Council held £77.09m of borrowing and £143m of investments and is set out in further detail at Appendix B. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2022/23 and in the subsequent years.

Borrowing Strategy

The Council currently holds £77.09m of loans, a decrease of £160k on the previous year which is due to the principal repayment on one of current loans. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £153m.

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 is able to 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 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs; ensure the delivery of the Capital Programme; 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 in order 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 local Pension Fund).
- capital market bond investors.
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues; and

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; and
- 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.

LOBOs: The Council does not hold any LOBO's (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates,

following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

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.

Debt rescheduling: The PWLB allows Council's 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.

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 £119.67 million and £163.45 million.

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, in order to maintain the spending power of the sum invested.

Negative interest rates: The COVID-19 pandemic had increased the risk that the Bank of England would set its Bank Rate at or below zero, which would feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates would be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2022/23. This is especially the case for the estimated £30m that is available for longer-term investment. The majority of the Council's surplus cash is currently invested in either short-term unsecured bank deposits or Local Authority deposits. This diversification will represent a substantial change in strategy over the coming year.

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 internally managed 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 table 1 below, subject to the cash limits (per counterparty) and the time limits shown. These limits exclude any interest payments which will be paid to the Council periodically.

Table 1: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25 m	Unlimited
Banks (unsecured) *	13 months	£25 m	Unlimited
Building societies (unsecured) *	13 months	£15m	£15m
Registered providers (unsecured) *	5 years	£25m	£25m
Money market funds *	n/a	£20m	Unlimited
Strategic pooled funds	n/a	£20m	£50m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£10 m

*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 £20m 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 Authority 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 Authority 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 Authority'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 Authority's investment at risk.

Banks 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.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they 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 to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, 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 a zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £50,000 per company as part of a diversified pool in order to spread the risk widely.

Registered providers (unsecured): Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly 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.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity, and property funds 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 (REIT): Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

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 £20m 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 “rating watch negative” or “credit watch negative”) 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 via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment return to fall but will protect the principal sum invested.

Investment limits: In order that investment balances are not put at too higher risk the maximum that will be lent to any one organisation (other than the UK Government) will be £25 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries, and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 2: Additional Investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Foreign countries	£4m per country

Liquidity management: The Council uses purpose-built cash flow forecasting software 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 at least two 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.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The lower the score the lower the risk is.

	2021/22 Q2	Target
Portfolio average credit score	4.8	4

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	Target
Total cash available within 3 months	£30.00m

Interest rate exposures: This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£150,000
Upper limit on one-year revenue impact of a 1% fall in interest rate	£150,000

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

Maturity structure of borrowing: This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	50%	0%

12 months and within 24 months	50%	0%
24 months and within 5 years	75%	0%
5 years and within 10 years	75%	0%
10 years and within 20 year	75%	0%
20 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than one year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2021/22	2022/23	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£40.0m	£40.0m	£30.0m	£30.0m	£30.0m

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e., prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement, and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2021/2022 Limit £m	2022/2023 Limit £m	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m
Borrowing	153.00	153.00	153.00	153.00	153.00
Total Debt	153.00	153.00	153.00	153.00	153.00

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m
Borrowing	155.00	155.00	155.00	155.00	155.00
Total Debt	155.00	155.00	155.00	155.00	155.00

Related Matters

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 considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating derivative exposures. An allowance for credit risk calculated using the methodology on 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.

Housing Revenue Account: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive (MiFiD): The Council has opted up to professional client with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Finance Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2022/23 is £0.65 million, based on an average investment portfolio of £110 million at an average interest rate of 0.59%. The budget for debt interest paid in 2022/23 is £2.39 million, based on an average debt portfolio of £65.80 million at an average interest rate of 3.25%. If actual levels of investments and borrowing, and 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 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher 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 Chief Finance Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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

Treasury Management Code update

In February 2021 CIPFA consulted on a revised Treasury Management Code guidance with consultation closing in April 2021. More than 100 responses from Local Authorities and their representative Treasury Management Advisors were received with a summary of the consultation and proposals published in July 2021. A second technical consultation on the proposals opened in September 2021 and closed in November 2021 with publication of the second consultation in December 2021.

The primary changes to the Treasury Management Code focus on:

- Inclusion of a Liability Benchmark for borrowing
- A policy relating to environmental, social and governance (ESG) investment considerations
- Renaming of the “Principal sums invested for periods longer than a year” indicator to “long-term treasury management investments” and includes a category for total amounts invested in longer term instruments with no fixed maturity date.
- Inclusion of an appropriate measure of price risk and report on movements in fair value of longer term investments

With many Capital and Treasury Management strategies currently being written and approved by councils the revised Treasury Management Code requirements will be implemented as part of a “soft launch” and expected to take effect in 2023/24 strategies.

Annex A – Arlingclose Economic & Interest Rate Forecast October 2021

Underlying assumptions:

- The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit
- While Q2 UK GDP expanded more quickly than initially thought, the ‘pingdemic’ and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support
- Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher
- The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.
- Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Forecast:

- Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank’s desire to move from emergency levels as by fears of inflationary pressure.
- Investors have priced in multiple rises in Bank Rate to 1% by 2024. While we believe Bank Rate will rise, it is by a lesser extent than expected by markets
- Gilt yields have risen sharply as investors factor in higher interest rate and inflation expectations. From here, we believe that gilt yields will be broadly steady, before falling as inflation decreases and market expectations fall into line with our forecast

- The risk around our forecasts for Bank Rate is to the upside over the next few months, shifting to the downside in the medium term. The risks around the gilt yield forecasts are initially broadly balanced, shifting to the downside later

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.15	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	-0.15	-0.15	-0.15	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
3-month money market rate													
Upside risk	0.10	0.15	0.20	0.20	0.30	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	0.10	0.15	0.35	0.40	0.45	0.60	0.65	0.65	0.60	0.60	0.60	0.60	0.60
Downside risk	0.00	-0.05	-0.25	-0.25	-0.30	-0.45	-0.50	-0.50	-0.45	-0.45	-0.45	-0.45	-0.45
5yr gilt yield													
Upside risk	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.65	0.65	0.65	0.65	0.65	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Downside risk	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
10yr gilt yield													
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	1.05	1.05	1.05	1.05	1.05	1.05	1.00	0.95	0.95	0.95	0.90	0.90	0.90
Downside risk	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.30	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.40	1.40	1.40	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Downside risk	-0.35	-0.40	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50yr gilt yield													
Upside risk	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.30	1.30	1.30	1.30	1.25	1.25	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

PWLB certainty rate = relevant gilt yield + 0.80%

Annex B – Existing Investment & Debt Portfolio Position

	Nov-21 Actual Portfolio £m
External borrowing:	
Public Works Loan Board	77.09
Local authorities	0
Other loans	0
Total external borrowing	77.09
Other long-term liabilities:	
Leases	5.77
Total other long-term liabilities	
Total gross external debt	82.86
Treasury investments:	
The UK Government	
Local Authorities	99.50
Other Government entities	
Secured investments	
Banks (unsecured)	20.00
Building societies (unsecured)	
Registered providers (unsecured)	
Money Market Funds	10.00
Strategic Pooled Funds	18.95
Real Estate investment trusts	
Other investments	
Total treasury investments	148.45
Net debt	-65.59

Annex C – Summary of Existing Debt & Investment Portfolio Position as at November 2021

Debt Portfolio:

Type of Loan	Start Date	Maturity	Principal	Interest Rate	GF/HRA
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Maturity Loans

Fixed	30/11/1995	30/09/2024	2,000,000	8.375%	GF/HRA
Fixed	19/12/1996	31/03/2022	1,000,000	7.875%	GF/HRA
Fixed	10/08/2007	31/03/2055	3,000,000	4.550%	GF/HRA
Fixed	28/03/2012	28/03/2039	10,000,000	3.470%	HRA
Fixed	28/03/2012	28/03/2036	10,000,000	3.420%	HRA
Fixed	28/03/2012	28/03/2027	10,000,000	3.010%	HRA
Fixed	28/03/2012	28/03/2041	10,000,000	3.490%	HRA
Fixed	28/03/2012	28/03/2032	10,000,000	3.300%	HRA
Fixed	28/03/2012	28/03/2042	8,000,000	3.500%	HRA
Variable	28/03/2012	28/03/2022	10,286,000	0.920%	HRA

Equal Instalments of Principle (EIP)

Fixed	15/05/2015	15/11/2035	2,800,000	3.69%	GF
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Annuity

Fixed	10/09/1968	26/08/2028	6,184.66	7.62%	GF/HRA
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Total 77,092,185

Investment Portfolio:

Counterparty	Type of investment	Principal Balance	Duration	Start Date	Effective Maturity	Interest Rate
Bank 1	Instant Access	10,000,000	Overnight	N/A	N/A	0.05%
Bank 2	Instant Access	10,000,000	Overnight	N/A	N/A	0.05%
		20,000,000				
Local Authority 1	Fixed Term	5,000,000	1 Year	25/02/2021	24/02/2022	0.15%
Local Authority 2	Fixed Term	5,000,000	9 months	12/03/2021	10/12/2021	0.20%
Local Authority 3	Fixed Term	3,000,000	1 Year	20/04/2021	20/04/2022	0.14%
Local Authority 4	Fixed Term	5,000,000	1 Year	20/04/2021	14/04/2022	0.15%
Local Authority 5	Fixed Term	5,000,000	1 Year	30/06/2021	29/06/2022	0.35%
Local Authority 6	Fixed Term	4,000,000	1 Year	28/07/2021	27/07/2022	0.35%
Local Authority 7	Fixed Term	2,000,000	6 months	24/05/2021	24/11/2021	0.05%
Local Authority 8	Fixed Term	3,000,000	6 months	27/05/2021	26/11/2021	0.05%
Local Authority 9	Fixed Term	5,000,000	1 Year	27/09/2021	26/09/2022	0.18%
Local Authority 10	Fixed Term	2,000,000	6 months	03/06/2021	03/12/2021	0.05%
Local Authority 11	Fixed Term	3,000,000	6 months	04/06/2021	03/12/2021	0.05%
Local Authority 12	Fixed Term	1,000,000	6 months	10/06/2021	10/12/2021	0.06%
Local Authority 13	Fixed Term	3,500,000	6 months	24/06/2021	23/12/2021	0.06%
Local Authority 14	Fixed Term	5,000,000	1 Year	29/10/2021	28/10/2022	0.12%
Local Authority 15	Fixed Term	5,000,000	1 Year	30/06/2021	29/06/2022	0.10%
Local Authority 16	Fixed Term	1,000,000	6 months	05/07/2021	05/01/2022	0.06%
Local Authority 17	Fixed Term	2,000,000	6 months	29/07/2021	31/01/2022	0.05%
Local Authority 18	Fixed Term	5,000,000	1 Year	25/10/2021	24/10/2022	0.18%
Local Authority 19	Fixed Term	5,000,000	1 Year	29/10/2021	28/10/2022	0.18%
Local Authority 20	Fixed Term	5,000,000	1 Year	27/09/2021	26/09/2022	0.10%
Local Authority 21	Fixed Term	5,000,000	1 Year	22/09/2021	21/09/2022	0.10%
Local Authority 22	Fixed Term	5,000,000	2 Years	01/09/2020	01/09/2022	0.90%
Local Authority 23	Fixed Term	5,000,000	2 Years	09/10/2020	10/10/2022	0.90%
Local Authority 24	Fixed Term	5,000,000	2 Years	24/08/2020	24/08/2022	0.90%
Local Authority 25	Fixed Term	5,000,000	2 Years	29/09/2021	29/09/2023	0.20%
		99,500,000				
Money Market Fund (MMF)	Instant Access	10,000,000	Overnight	N/A	N/A	0.03%
		10,000,000				
Pooled Fund 1	Notice - Long Term	9,203,489	N/A	29/11/2017	N/A	3.91%
Pooled Fund 2	Notice - Long Term	4,774,348	N/A	25/11/2019	N/A	3.91%
Pooled Fund 3	Notice - Long Term	4,976,324	N/A	17/10/2019	N/A	2.60%
		18,954,161				
		Total				
		148,454,161				

Appendix B

Investment Strategy Report 2022/23

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 regenerate and provide service delivery in the locality

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 £100 million and £130 million during the 2022/23 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 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

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. In order 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	31.3.2021 actual			2022/23
	Balance owing £000	Loss allowance £000	Net figure in accounts £000	Approved Limit £000
Subsidiaries	0	0	0	10,000
Suppliers	0	0	0	0
Local businesses	0	0	0	500
Local charities & Community Groups	0	0	0	500
Parish Councils	0	0	0	500
Housing associations	0	0	0	5,000
Residents	0	0	0	0
Employees	0	0	0	0
TOTAL	0	0	0	15,100

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

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by presenting a full business detailing.

- Market assessment – evidencing an independent assessment of the market that the Council is/will be competing in, the nature and level of competition, how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements
- External Advisor Assessment – All service loans will be subject to assessment by the Council’s External Treasury Advisor and a report will be included within the business case.
- Any external advice will be presented to the Audit & Governance, Scrutiny, Cabinet and Council Committees for approval
- Credit Ratings may be used to assess the risk appetite and will be subject to regular monthly review.

Annual Reporting:

- Reporting – As a minimum Service departments will provide an annual report to Council which will include an update on the investment and an independent external review.

Service Investments: Shares

Contribution: The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth.

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 company	31.3.2021 actual			2022/23
	Amounts invested £000	Gains or losses £000	Value in accounts £000	Approved Limit £000
Subsidiaries	0	0	0	5,000
Suppliers	0	0	0	500
Local businesses	0	0	0	500
TOTAL	0	0	0	6,000

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding shares by presenting a full business detailing.

- Market assessment – evidencing an independent assessment of the market that the Council is/will be competing in, the nature and level of competition, how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements
- External Advisor Assessment – All service loans will be subject to assessment by the Council’s External Treasury Advisor and a report will be included within the business case.
- Any external advice will be presented to the Audit & Governance, Scrutiny, Cabinet and Council Committees for approval
- Credit Ratings may be used to assess the risk appetite and will be subject to regular monthly review.

Annual reporting:

- Reporting – As a minimum Service departments will provide an annual report to Council which will include an update on the investment and an independent external review.

Liquidity: The maximum period for which funds may be prudently committed is for 5 years, after which subject to satisfactory review this may be renewed annually for a 1-year period.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Councils upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition

Regeneration/Service Investments: Property

Contribution: The Council invests in local property to facilitate regeneration and provide service delivery. The income from these investments will repay any borrowing used in the purchase and to provide a maintenance budget without putting further pressure on the Councils finances.

Table 1: Property held for investment purposes in £ millions

Property	Actual	31.3.2021 Actual	
	Purchase cost £000	Gains or (losses) £000	Value in accounts £000
Investment Property - shop	166	34	200
Investment Property - shop	1,433	-1,118	315
Investment Property - shop	2,358	-1,443	915
Investment Property - Business Park	2,355	250	2,605
Investment Property - Business Centre	851	114	965
TOTAL	7,163	-2,163	5,000

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

The fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss. However, the Council fully expects the fair value to increase following significant works to the adjoining car park, with the fair value expected to increase to that nearing the original purchase price.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by assessing the viability of the cost of financing the investment against the return on investment in terms of receivable income. Investments that are subject to short leases are unlikely to be considered due to the high risk of potential voids.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed; the Council ensures that borrowing is on an equal instalment basis and that revenue budgets cover the cost of the loan repayment.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

The Council does not have any current financial guarantees and all loans are through the Public Works Loan Board (PWLb).

Capacity, Skills and Culture

Elected members and statutory officers: It is important that the members and officers involved in the Treasury Management function have appropriate capacity, skills, and information to enable them to take informed decisions on specific investments, to assess the risk and strategic objectives and to ensure that the Council's risk exposure is managed. Periodically the Council's external Treasury advisors, Arlingclose will hold member training sessions which will provide members with a raft of technical advice specifically designed for the Council's environment. Additionally, Officers have a wide range of information available to them from various sources such as the Chartered Institute of Public Finance and Accountancy (CIPFA), Arlingclose and Room 151. Officers will also attend a number of courses/seminars throughout the year and have periodical strategic meetings with the Council's treasury advisors.

Property Investment deals: Officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local Authorities operate and have access to a number of external bodies who can provide specific advice and direction.

Corporate governance: All of the Council's procedures provide a corporate governance arrangement that ensure accountability and for decision making on investment activities and ensure that the Council's Chief Finance Officer/Section 151 Officer is fully briefed on the Council's investment position at any one time.

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.

Table 2: Total investment exposure in £millions

	31.03.2021	31.03.2022	31.03.2023
Total investment exposure	Actual £000	Forecast £000	Forecast £000
Treasury management investments	130.60	110.00	110.00
Property investments	2.96	2.80	2.64
TOTAL INVESTMENTS	133.56	112.80	112.64
Guarantees issued on loans	77.25	65.80	65.64
TOTAL EXPOSURE	-56.31	-47.00	-47.00

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 following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 3: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2021 Actual £000	31.03.2022 Forecast £000	31.03.2023 Forecast £000
Property Investments	2.96	2.80	2.64

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.

Table 4: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual	2021/22 Forecast	2023/2024 Forecast
Short & Long Term Treasury Management investments	0.33%	0.22%	0.35%
Long Term Treasury Management property investments	4.40%	3.91%	4.00%
Long Term Treasury Management multi asset investments	3.35%	2.60%	3.00%
Property Investments	3.84%	4.07%	4.50%
ALL INVESTMENTS	12.07%	10.80%	11.85%



FULL COUNCIL

Wednesday, 26 January 2022

Subject	Capital Strategy 2022/23 to 2025/26
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsoffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The Capital Strategy (**Appendix A**) gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability

Options:

To comply with the CIPFA Prudential code the report is required to be produced and presented to members, and consequently, no other options have been considered.

Recommendation/s:

That the Capital Strategy 2022/23 to 2025/26 be approved.

Corporate Impact Assessment

Governance:

The report complies with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code to provide information and scrutiny on the Council's Capital Strategy.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Strategic Plan

Environmental:

No impacts.

Equalities and Diversity:

No impacts.

Financial:

Management of the Council's capital budget plans and the impact on the council's cash flows transactions.

Human Resources:

No impacts.

ICT:

No impacts.

Legal:

No impacts.

Risk:

Noncompliance with CIPFA's Prudential Code

External Consultees:	None
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being, and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education, and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
Production of the Capital Strategy is a requirement under the CIPFA Prudential Code demonstrating the Council's governance of its capital plans.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Capital Strategy (Appendix A) gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability.
2 Current position	
2.1	Section 2 of the Strategy outlines the planned Capital Programme 2022/23 to 2025/26 and the way in which it is to be financed, including the revised 2021/22 Capital Programme. The overall planned expenditure is £334.65 million (General Fund £256.86 million and HRA £77.79million) over 2021/22 to 2025/26. The 2022/23 planned capital expenditure is £69.78 million.
2.2	Section 3 of the Strategy refers to the Asset Management Strategy, this highlights the treatment of asset disposals and the continuation of the prudent policy of not anticipating capital receipts before they are received.
2.3	Section 4 covers Treasury Management, including both borrowing and investments. Treasury Management is a well-established Council activity that operates within a tightly controlled framework.
2.4	Section 5 presents the Council's approach to Service Investments and the joint venture commitments with the Norse Group for a package of services including Refuse Collection, Cleansing and Maintenance.
2.5	Section 6 explores the Council's other financial liabilities, both in terms of existing commitments (e.g., the Pension Fund deficit) and guarantees.
2.6	Section 7 explores the in-built revenue implications within the Capital Programme, its financing costs and evaluates its overall "prudence, affordability and sustainability".
2.7	Section 8 explains how the Strategy is underpinned by a systematic approach to obtaining and maintaining the necessary knowledge and skills required, to operate effectively, whilst (simultaneously) adequately protecting the Council's financial risk exposure and wider interests.
2.8	The Strategy concludes in Section 9 which includes an explicit statement by the CFO in accordance with the Prudential Code, providing assurance to Members that the Capital Strategy as a whole is affordable, and that risk has been identified and is being adequately managed. It also provides an update on the proposed implementation in the revision to the Prudential Code which is currently completing the consultation stage.
3 How to address current situation	
3.1	The Capital Strategy is a critical component in the delivery of many ambitions included within the Strategic Plan. It is not only essential to achieving one of the three overarching strategic priorities of the Plan ("Financial Sustainability") but is also vital in the delivery of a vast range of service development and delivery initiatives.

4 Reason/s for recommendation

4.1	Approval of the Capital Strategy by Full Council is a requirement under the CIPFA Prudential Code.
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Appendices

Appendices:

Appendix A	Capital Strategy 2022/23 to 2025/26
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Background reference papers:

None.

APPENDIX A

East Suffolk Council Capital Strategy 2022/23 – 2025/26

1) Introduction

1.1 This Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability. It has purposely been written in an accessible style to enhance understanding of what can be very technical areas.

2) Capital Expenditure and Financing

2.1 Expenditure

2.1.1 Capital expenditure occurs when the Council spends money on assets such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example individual assets costing below £10,000 are not capitalised and are charged to revenue in year.

2.1.2 Further details on the Council's capitalisation policy can be found in the 2020/21 Statement of Accounts:

- [Note 1 \(n\)](#)

2.1.3 In 2022/23, East Suffolk Council is planning total capital expenditure of £69.78 million (and £333.66 million over the next four years) as summarised in Table 1 below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
General Fund Services	16,169	45,135	68,643	79,238	47,764
Council Housing (HRA)	6,836	24,643	19,233	13,540	13,540
TOTAL	23,005	69,778	87,876	92,778	61,304

2.1.4 The main General Fund capital projects scheduled for 2022/23 are as follows:

- *Felixstowe North - Garden Neighbourhood Regeneration Project (£3.5 million)* - Provision within the programme to provide a new leisure centre and associated infrastructure. This project will require significant borrowing therefore a business case will be presented to Council in respect of further progression of the Leisure Centre element of the project land and prior to any further commitment in tendering for construction and entering into new borrowing for the project.
- *Felixstowe South – public realm and Martello Café (£1.5 million)* - Development of South Seafront area and Martello Café Felixstowe. The total project cost being £5.75m.
- *Lowestoft Barnards Way (£3 million)* – redevelopment of site to provide start up units.

- *Lowestoft Beach Hut Replacement (£1 million)* – phase 2, replacement of beach huts following the demolition, reconstruction of the Cliff face and installation of beach hut frame.
- *Lowestoft Flood Risk Management/Tidal Barrier (£13.91 million)* – currently the highest value scheme that the Council has with a budget allocation of £96.47 million included for Phase 1 works (Tidal Walls, Pluvial and Fluvial) and for Phase 2 works (the Tidal Gate).
- *Newcombe Road, Lowestoft – (£2.8 million)* – redevelopment of site to provide start up units to facilitate regeneration in Lowestoft.
- *Pakefield Coastal Resilience project (£1.79 million) - New accelerated project due to rapid increase of coastal erosion*
- *Railway Building, Lowestoft (£1.5 million)* – Purchase and development of building contained within the Railway site.
- *Southwold Caravan Site (£1.64 million)* – redevelopment and enhancement of the Caravan site.
- *Towns Fund (£4.94 million)* - Following a successful bid to the Government’s £3.6 billion Towns Fund, Lowestoft was awarded £24.9 million to invest in the regeneration of the town, driving economic growth and acting as a catalyst for future investment. The Council has provisionally earmarked an additional £10m of East Suffolk Council funding (subject to business case) to facilitate these projects. Any additional award of external funding will reduce the Councils £10m commitment accordingly.
- *Thorpeness flood defence (£3.3 million)* - Strengthen the soft bag defences installed in 2010/11 that were damaged by unusually high erosion pressure in 2013.

2.1.4 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that the Council’s housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.

2.1.5 Capital investments include loans and shares made for service purposes and property to be held primarily for financial return in line with the definition in the CIPFA Treasury Management Code.

2.2 Governance

2.2.1 The evaluation, prioritisation, and acceptance of capital schemes onto the Capital Programme is carried out in accordance with strict criteria that ensures that new schemes reflect Council priorities and can be delivered within available resources (e.g., due priority is given to schemes yielding savings and/or generating income as well as meeting a Council priority). Proposals are shaped by senior managers in consultation with councillors and considered at the Head of Service budget meetings (in October/November each year) which also includes the Strategic Director responsible for the service area, the Chief Finance Officer (CFO) and relevant members of the finance team. The Head of Housing budget meeting also considers the HRA capital programme.

2.2.2 The draft Capital Programme is then subjected to formal Scrutiny prior to setting the budget followed by Full Council approval).

2.3 Financing

2.3.1 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council’s own resources (revenue, reserves, and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is presented in Table 2 below.

Table 2: Capital Financing

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
External sources (Grants)	5,966	25,698	37,598	50,238	45,134
Revenue resources	11,640	26,475	20,228	13,340	13,470
Debt	5,399	17,605	30,050	29,200	2,700
TOTAL	23,005	69,778	87,876	92,778	61,304

2.3.2 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 “Minimum Revenue Provision” (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are presented in Table 3 below.

Table 3: Replacement of prior years' Debt Finance

	2021/22 Actual	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
Minimum Revenue Provision (MRP)	1,058	1,264	1,735	2,452	2,573
Capital Receipt (HRA)	1,438	6,292	8,065	2,450	2,450

2.3.3 The Council's annual MRP statement can be found at Annex A below.

2.3.4 The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP. The CFR is expected to increase by £71.53 million between 2021/22 and 2025/26 which is due to capital projects being financed through borrowing. Based on the above figures for expenditure and financing, the Council's estimated CFR is presented in Table 4 below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
General Fund services CFR	61,392	77,733	106,048	132,796	132,923
Council housing (HRA) CFR	67,210	67,210	67,210	67,210	67,210
TOTAL CFR	128,602	144,943	173,258	200,006	200,133

3) Asset Management

3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term

financial planning horizon is a major priority. An updated Asset Management Strategy (AMS) was approved in July 2019, broken down into four key components:

- Administrative Improvements.
- Compliance and Sustainability.
- A strategic approach to assets; and
- Reducing expenditure and increasing income.

The AMS takes a longer-term view comprising:

- ‘Good’ information about existing assets.
- The optimal asset base for the efficient delivery of Council objectives.
- The gap between existing assets and optimal assets.
- Strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds - known as capital receipts - can be spent on new assets or to repay debt. Repayments of loans and investments also generate capital receipts. Table 5 below summarises the overall budget projections for capital receipts.

Table 5: Capital Receipts

	2020/21 Actual	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Asset sales	-58	0	0	0	0	0
HRA Asset Sales	-1,545	-1,000	0	0	0	0
TOTAL	-1,603	-1,000	0	0	0	0
General Fund Loans repaid	160	680	160	1,200	160	160
HRA Loans repaid	0	10,766	0	960	0	0
TOTAL	160	11,446	160	2,160	160	160

3.2.2 The Council operates a deliberately prudent policy of not assuming future capital receipts within its general fund capital income projections. The most significant capital receipt likely to be received during the timescale of this Strategy relates to the disposal of the former headquarters of Suffolk Coastal District Council at Melton Hill, Woodbridge and the value of capital receipts assumed within the Capital Programme will be updated to reflect this when they are realised. The redevelopment of the Jubilee Beach huts in Lowestoft will also attract a capital receipt when the beach huts are sold and revenue income on the allocation that the Council will hold for rental opportunity. The allocation of sales and rental will be determined upon completion of the project to allow for flexibility in market take up.

4) Treasury Management

4.1 Introduction

4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

4.1.2 Due to decisions taken in the past, the Council currently (30th November 2021) has borrowing of £77.09 million at an average interest rate of 4.39% and £143 million in treasury investments at an average consolidated rate of 0.78%.

4.2 Borrowing

4.2.1 The Council's main objective when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.25%) and long-term fixed rate loans where the future cost is likely to be higher than the current 2.50%.

4.2.2 Projected levels of the Council's total outstanding debt (which comprises borrowing, leases and transferred debt) are shown below in Table 6, compared with the Capital Financing Requirement (Table 4 above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
Debt (incl. leases)	76,985	94,108	121,654	150,284	152,470
Capital Financing Requirement	128,602	144,943	173,258	200,006	200,133

4.2.3 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this in the medium term.

Liability Benchmark

4.2.4 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the minimum amount of borrowing required to keep investments at minimum liquidity level. This assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end. The Liability Benchmark shows that based on the current capital plans there is no requirement to borrow in 2021/22 and 2022/23, however the Council will need to borrow in 2023/24 to 2025/26 due to the reduction in financial resources available.

Table 7: Borrowing and the Liability Benchmark

	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast	2025/26 forecast
	£000's	£000's	£000's	£000's	£000's
Outstanding Borrowing	65,807	65,647	63,487	63,286	63,167
Planned CFR Borrowing	4,341	16,341	28,315	26,748	127
Total Borrowing Requirement	70,148	82,078	91,802	90,034	63,294
Liability Benchmark	-46,053	-24,122	6,243	31,691	31,818

Affordable Borrowing Limit

- 4.2.6 The Council is legally obliged to set an affordable borrowing limit (also termed the “Authorised Limit” for external debt) each year. In line with statutory guidance, a lower “Operational Boundary” is also sets as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit
	£000's	£000's	£000's	£000's	£000's
Authorised limit – borrowing	148,380	148,380	148,380	148,380	148,380
Authorised limit – leases	6,620	6,620	6,620	6,620	6,620
Authorised limit – total external debt	155,000	155,000	155,000	155,000	155,000
Operational boundary – borrowing	146,380	146,380	146,380	146,380	146,380
Operational boundary – leases	6,620	6,620	6,620	6,620	6,620
Operational boundary – total external debt	153,000	153,000	153,000	153,000	153,000

- 4.2.7 Further details on borrowing are contained in the [Treasury Management Strategy](#)

4.3 Investments

- 4.3.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

(Treasury Management) Investment Strategy

- 4.3.2 The Council’s [Investment Strategy](#) is to prioritise security and liquidity over yield; focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with other local authorities or selected high-quality banks, to minimise the risk of loss.
- 4.3.3 Table 9 below summarises the Council’s current and forecast treasury investments.

Table 9: Treasury Management Investments

	2021/22 current	2022/23 forecast	2023/24 forecast	2024/25 forecast	2025/26 forecast
	£000's	£000's	£000's	£000's	£000's
Near-term investments	75,000	75,000	70,000	60,000	50,000
Longer-term investments	40,000	25,000	20,000	20,000	20,000
TOTAL	115,000	100,000	90,000	80,000	70,000

4.4 Risk Management

4.4.1 The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

4.5 Governance

4.5.1 Treasury management decisions are made daily and are therefore delegated to the CFO, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on treasury management are also approved by the Council (following recommendation from Audit and Governance Committee), whereas mid-year updates are reported exclusively to the Audit and Governance Committee.

5) Investments for Service Purposes

5.1 As published in the Councils Statement of Accounts 2020/21 at 31st March 2021, the Council held net investments as follows:

- Suffolk Coastal Norse Limited - the Council has held a 20% equity share since April 2009. The Council's share of Net Assets / (Liabilities) at 31st March 2020 was (£587,000); and
- Waveney Norse Limited – the Council has held a 19.9% equity share since April 2008. The Council's share of Net Assets / (Liabilities) at 31st March 2020 was £500,000.

Governance

5.3 Decisions on service investments are made by the Council's Cabinet and require the support of a full business case. The Council is also represented on the boards of both Norse joint venture companies.

6) Other Liabilities

6.1.1 Outstanding Commitments

6.1.2 The Council also has the following outstanding commitments:

- A commitment to achieve a fully funded position on the Pension Fund (over a 20-year period from 2013 to 2033). The deficit was valued at £84.28 million as at 31st March 2021, from 2020/21 the deficit payment was incorporated into the primary employers' pension contribution rate rather than an annual lump sum payment; and
- The Council has also set aside £13.24 million (as at 31st March 2021) to cover the financial risk associated with Business Rates appeals lodged with the Valuation Office Agency (VOA).

6.2 Guarantees

6.2.1 The Council became "self-financing" in respect of its retained housing stock (in the former Waveney district) from April 2012. The self-financing regime applied to all authorities and replaced the former housing subsidy system whereby the Council made annual subsidy payments to the Government funded from its HRA. Its introduction entailed a one-off redistribution of 'debt' between local authorities, and locally this resulted in the Council taking on PWLB loans, which it is required to service (instead of making housing subsidy payments).

6.2.2 A 30-year Business Plan for the Council’s HRA has been developed, which is currently generating sufficient rental income each year to run an efficient and effective housing management service, whilst at the same time servicing the outstanding debt (which is scheduled for repayment in full by March 2042 i.e., within the 30-year timeframe). However, if the HRA is unable to repay the outstanding debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The remaining balance on HRA debt as at 31st March 2021 was £71 million.

6.3 Governance

6.3.1 Decisions on incurring new discretionary liabilities are taken by Directors and Heads of Service in consultation with the CFO. For example, in accordance with the Financial Procedure Rules (Part 3 of the Constitution, Paragraph 2.1.25), credit arrangements – such as leasing agreements – cannot be entered into without the prior approval of the CFO.

7) Revenue Implications

7.1 Financing Cost

7.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, Business Rates, and general Government grants.

Table 10: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs (£m)	838	1,005	1,395	2,069	2,190
Proportion of Net Revenue Stream	2.88%	3.54%	4.77%	6.87%	7.27%

Table 11: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (HRA)

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs (£m)	4,312	7,917	5,739	7,125	7,125
Proportion of Net Revenue Stream	20.25%	36.52%	25.85%	31.30%	31.30%

7.1.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many [occasionally up to 50] years into the future.

7.2 “Prudence, Affordability and Sustainability”

7.2.1 The CFO is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable, and sustainable based on the following:

Prudence

- Prudential indicators 10 and 11 presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:

- *Prudential Indicator 10 (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term.
- *Prudential Indicator 11 (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan, which is a fully-costed strategy that will see all outstanding debt repaid by 2042/43.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost-effective manner.

Affordability

- The estimated general fund ‘revenue consequences’ of the Capital Programme (£6.659 million over four years) have been included in the draft 2022/23 Budget and Medium-Term Financial Strategy (MTFS), extending to 2025/26; and
- The MTFS is underpinned by a Reserves Strategy, which includes contingency funds in the event that projections are not as expected (further supported by CFO report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

Sustainability

- Capital schemes that are expected to deliver long-term revenue savings and regenerate the area are given due priority. For example, the Lowestoft Tidal Barrier (unlocking brownfield development sites and providing a boost to future income from Business Rates and Council Tax), the Towns Fund Project which will look to regenerate Lowestoft Town Centre and seek to attract external interest and investment in the Town.
- As explained in Section 3.1 above, the Asset Management Strategy represents an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

8) Knowledge and Skills

8.1 Officers

8.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* - the Chief Finance Officer (CFO) is a qualified (CIPFA) accountant with many years of experience. The Council sponsors junior staff to study for relevant professional qualifications including AAT, CIPFA and ACCA. The Council also pays for (and ensures attendance on) training courses and conferences across all aspects of accounting, including (especially) Treasury Management to keep professional client status under “MIFID II” (the “Markets in Financial Instruments Directive”, incorporated into UK law in November 2017); and

- *Property* – the Asset and Investment Manager (AIM) – a qualified (MRICS) surveyor, with many years of experience – is responsible for Asset Management within the Council. The Asset Management service is well resourced and comprises the Estates Management, Building Services and Development functions of the Council. Each function is headed by an appropriately qualified professional within their individual specialism (e.g., the Building Services team is led by Member of the Chartered Institute of Builders). As with Finance, the Council is strongly committed to supporting both professional and wider staff development within its Asset Management function, with the number of qualified RICS surveyors continuing to increase in recent years. The AIM will also play a key role in the Council’s approach to commercial investment and trading (highlighted above in Section 6).

8.1.2 The Council also has a separate Housing team that is responsible for overseeing social housing developments within the district.

8.2 External Advisors

8.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisers and consultants that are experts/specialists in their field. The Council currently employs Arlingclose Limited as Treasury Management advisers, and the Asset Management team will appoint property advisors (e.g., development managers, valuers etc.) to support their work where required. The approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with risk.

8.3 Councillors

8.3.1 Specifically with regard to Treasury Management, the Council acknowledges the importance of ensuring that members have appropriate capacity, skills, and information to effectively undertake their role. To this end, newly elected East Suffolk councillors with Treasury Management responsibilities will receive tailored training sessions from the Council’s Treasury Management advisers (Arlingclose), and regular refresher sessions will also be undertaken for the Audit and Governance Committee.

9) CFO Statement on the Capital Strategy

9.1 Prudential Code

9.1.1 Paragraph 24 of the Prudential Code determines that...” the Chief Finance Officer should report explicitly on the affordability and risk associated with the Capital Strategy”.

9.1.2 Accordingly, it is the opinion of the CFO that the Capital Strategy as presented is affordable, and associated risks have been identified and are adequately managed.

9.2 Affordability

9.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2.1) is supported by a robust and resilient MTFs extending through until 2025/26 that contains adequate revenue provision, including sufficient reserves in the event that plans and assumptions do not materialise as expected.
- *Asset Management* – as presented above (in Section 3.1) the Asset Management Strategy is taking a strategic longer-term (i.e., beyond 2024/25) view of the Council’s asset base. A

fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which is reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and

9.3 Risk

9.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- *Treasury Management Strategy* – the Council is in the process of formally approving its Treasury Management Strategy for 2022/23 in accordance with CIPFA’s “Treasury Management in the Public Services: Code of Practice 2017”. That Strategy was developed by the Council’s (professionally qualified and experienced) Finance team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance.
- *Investment Strategy* – the Council is also formally approving an Investment Strategy for 2022/23 in accordance with MHCLG’s “Statutory Guidance on Local Government Investments (3rd Edition) 2018”. As with the Treasury Management Strategy, the Investment Strategy was developed by the Finance team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance; and

9.3.2 In addition, the CFO is satisfied that there are no major omissions – in terms of financial liabilities – from the Capital Programme in the medium-term.

9.4 Capital Strategy Updates

9.4.1 The Capital Strategy is a ‘living document’ and will be periodically – usually annually – updated to reflect changing local circumstances and other significant developments.

9.4.2 Prudential Code update: In February 2021 CIPFA consulted on a revised Prudential Code guidance with consultation closing in April 2021. More than 100 responses from Local Authorities and their representative Treasury Management Advisors were received with a summary of the consultation and proposals published in July 2021. A second technical consultation on the proposals opened in September 2021 and closed in November 2021 with publication of the second consultation in December 2021.

The primary changes to the Prudential code focus on:

- Local Authorities must not borrow to invest for the primary purpose of commercial return
- prudence – investment/spending decisions that increase the capital financing requirement (CFR) unless directly or primarily related to the functions of the authority will be viewed as not being prudent.
- sale of commercial investments to be considered as an alternative to new borrowing for service purposes
- Prudential Indicators to be monitored and reported to members at least quarterly as part of regular budget monitoring
- new prudential indicators will be required to show income from commercial and service investments to net revenue stream.

9.4.3 With many Capital and Treasury Management strategies being written and approved by Councils the revised Prudential Code requirements will be implemented as part of a “soft launch” and expected to take effect in 2023/24 strategies.

Annual Minimum Revenue Provision Strategy

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the 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 the Council to have regard to the Ministry for Housing, Communities and Local Government's Guidance on Minimum Revenue Provision.
2. The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The Guidance requires the Council to approve an Annual MRP Statement each year and recommends several options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
4. For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant Public Works Loan Board rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
5. Capital expenditure incurred during 2022/23 will not be subject to a charge until 2023/24.



FULL COUNCIL

Wednesday, 26 January 2022

Subject	Capital Programme 2022/23 to 2025/26
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsoffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

As part of the budget setting process, the Council is required to agree a programme of capital expenditure for the coming four years. The capital programme plays an important part in the delivery of the Council's Medium-Term Financial Strategy (MTFS), which in turn supports wider service delivery. The report sets out the Council's Capital Programme including revisions to the current programme for the financial years 2021/22 to 2025/26.

Options:

The Capital Programme forms part of the Council's Budget and Policy Framework. The Council is required to set an annual budget and therefore no other options have been considered.

Recommendation/s:

1. That the General Fund capital programme for 2021/22 to 2025/26 including revisions as shown in Appendix B be approved.
2. That the Housing Revenue Account capital programme for 2021/22 to 2025/26 including revisions as shown in Appendix G be approved.

Corporate Impact Assessment

Governance:

As set out in the Council's Financial Procedure Rules, the Chief Finance Officer is responsible for preparing and submitting capital budgets to Cabinet and Council

ESC policies and strategies that directly apply to the proposal:

- East Suffolk Council Strategic Plan
- East Suffolk Council Medium Term Financial Strategy
- East Suffolk Council Treasury Management Strategy and Treasury Management Policy
- East Suffolk Council Capital Strategy
- Annual Governance Statement
- Financial Procedure Rules

Environmental:

All projects in the Programme are intended to contribute to the Strategic Plan Priority of Caring for our environment.

Equalities and Diversity:

No direct impact from this report, where subsequent individual business cases are presented Equality Impact Assessments are prepared.

Financial:

All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves, and capital receipts) or debt (borrowing and leasing). 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 “Minimum Revenue Provision” (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Council’s cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP. The CFR is expected to increase by £71.53 million between 2021/22 and 2025/26 which is due to capital projects being financed through borrowing. Statutory guidance is that debt should remain below the CFR.

The Council expects to comply with this in the medium term, but the scale of the Capital Programme as currently drafted is such that the Council would begin to approach its borrowing limits over the life of the proposed programme if other sources of finance were not available. The programme as presented does not pre-empt the realisation of capital receipts, although, as referred to in the Capital Strategy, significant receipts are currently expected in respect of the former SCDC Melton Hill offices and Jubilee Beach Huts in Lowestoft. The financing of the programme will be revised when these are received.

In addition, external funding is expected to be secured in respect of other major projects in the Programme, assisting the overall position and the ability of the Council to deliver on its Strategic Plan.

Human Resources:

No impacts directly arising from this report.

ICT:

No impacts directly arising from this report.

Legal:

No impacts directly arising from this report.

Risk:

No impact directly arising from this report.

External Consultees:	External consultation has been carried out on a range of individual projects and programmes within the overall Capital Programme, and a number of programmes such as the Lowestoft Flood Risk Management Project and the Lowestoft Town Investment Plan feature programme boards which include key external stakeholders as part of their governance arrangements.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>

P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being, and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education, and influence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

The Capital Programme forms part of the Council’s Budget and Policy Framework and outlines the Council’s capital investment in the assets, services, and infrastructure of the district in accordance with the key priorities and objectives of the Strategic Plan.

Background and Justification for Recommendation

1	Background facts
1.1	The Capital Programme feeds directly into the Council’s MTFS which in turn is the mechanism by which the key Strategic Plan objective of Financial Sustainability will be delivered over the medium term. The Capital Programme contributes directly to the Council’s specific actions within the Strategic Plan and identifies the financing for these projects.

2 Current position

2.1 Capital expenditure within the Council is split into two main components, the General Fund Capital Programme, and the Housing Revenue Account (HRA) Capital Programme.

The capital programme has been compiled taking account of the following main principles, to:

- maintain an affordable four-year rolling capital programme.
- ensure capital resources are aligned with the Council's Strategic Plan,
- maximise available resources by actively seeking external funding and disposal of surplus assets; and
- not to anticipate receipts from disposals until they are realised

2.2 General Fund Capital Programme Summary

Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset.

Following the review and revisions to programme by project officers the revised capital programme has been reviewed by the Asset Management Group along with the Chief Finance Officer and is presented at:

- Appendix A :- General Fund Capital Programme 2021/22 to 2025/26 Summary, shows a summary of the capital programme and planned financing.
- Appendix B :- General Fund Capital Programme Revisions 2021/22 to 2025/26, shows budget revisions to previously approved projects
- Appendix C:- General Fund Capital Programme 2021/22 to 2025/26 extract of budget increases greater than £1m and budget decreases greater than £0.10m.
- Appendix D:- General Fund Capital Programme 2021/22 to 2025/26 New Projects, shows the new projects being recommended for approval and inclusion within the existing programme as shown in appendix B.
- Appendix E:- General Fund Capital Programme 2021/22 to 2025/26 Extract of Externally Funded Projects, is an extract of the programme showing all projects which are subject to external grants/contributions.

The General Fund capital programme for 2021/22 through to 2025/26 has a total financing requirement of £262.05m which will be financed through both internal and external resources.

The programme from 2021/22 to 2025/26 benefits from £161.11m (62%) of external grants and contributions, the use of £12.10m (5%) of reserves and internal/external borrowing of £87.64m (33%).

Where projects have identified external funding, if this is not secured then those projects will look to secure other funding or will not be pursued. Similarly with projects funded by borrowing these will require robust business cases to underpin

	the investment. Where any project is identified as having a significant borrowing requirement (over £10 million) the project business case should be presented to Council for approval prior to the borrowing being secured.
2.3	<p>Housing Revenue Account (HRA) Capital Programme Summary</p> <p>Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset.</p> <ul style="list-style-type: none"> • Appendix F:- HRA Capital Programme 2021/22 to 2025/26 Summary shows a summary of the capital programme and planned financing. • Appendix G:- HRA Capital Programme 2021/22 to 2025/26, shows an update to the HRA capital budgets. <p>The HRA capital programme for 2021/22 through to 2025/26 has a total budget requirement £77.79m which will be financed through both internal and external resources.</p> <p>The programme from 2021/22 to 2025/26 relies upon £3.53m (5%) of external grants and contributions, the use of £35.31m (45%) of capital reserves, direct revenue financing of £18.26m (23%) and £20.70m (27%) of capital receipt.</p>

3 How to address current situation

3.1	<p>The General Fund and Housing Revenue Account capital programmes which were previously been approved by Full Council on 27 January 2021 have been updated to reflect the most current required budget and are fully detailed in the appendices to this report.</p> <p>New General Fund capital projects have been identified as part of the budget setting process and the required new capital budget request process review has been undertaken. These projects are shown in Appendix C.</p>
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4 Reason/s for recommendation

4.1	The Council's constitution requires the CFO to prepare and present Full Council the Council's capital programme for approval.
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Appendices

Appendices:	
Appendix A	General Fund Capital Programme 2021/22 to 2025/26 Summary
Appendix B	General Fund Capital Programme Revisions 2021/22 to 2025/26
Appendix C	General Fund Capital Programme 2021/22 to 2025/26 extract of budget increases greater than £1m and budget decreases greater than £0.10m.
Appendix D	General Fund Capital Programme 2021/22 to 2025/26 New Projects
Appendix E	General Fund Capital Programme 2021/22 to 2025/26 Extract of Externally Funded Projects
Appendix F	HRA Capital Programme 2021/22 to 2025/26 Summary

Background reference papers:

None.

Appendix A

General Fund Capital Programme 2021/22 to 2025/26 Summary

SUMMARY - GENERAL FUND PROGRAMME	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	£000 Total
	£000 Current Budget	£000 Revised Budget	£000 Revised Budget	£000 Revised Budget	£000 Revised Budget	£000 Revised Budget	
Capital Expenditure							
Economic Development & Regeneration	1,456	956	4,943	11,409	10,289	9,259	36,856
Environmental Services & Port Health	150	400	406	50	50	50	956
Financial Services	3,873	100	400	0	0	0	500
ICT Services	804	327	527	450	250	250	1,804
Operations	17,750	9,765	21,477	33,925	31,075	505	96,747
Planning & Coastal Management	19,344	4,169	19,432	22,009	36,774	36,200	118,584
Housing Improvement	1,399	1,100	1,000	1,000	1,000	1,500	5,600
Long Term Debtors	10,000	0	1,000	0	0	0	1,000
Total Capital Expenditure	54,776	16,817	49,185	68,843	79,438	47,764	262,047
Financed By:-							
Borrowing	25,470	5,435	20,255	30,050	29,200	2,700	87,640
Capital Receipt	0	0	0	0	0	0	0
Contributions	0	400	300	0	0	0	700
Grants	21,413	5,357	24,210	37,218	49,363	44,259	160,407
Reserves	7,893	5,625	4,420	1,575	875	805	13,300
Total Financing	54,776	16,817	49,185	68,843	79,438	47,764	262,047

Appendix B

General Fund Capital Programme Revisions 2021/22 to 2025/26

TYPE	Strategic Theme	ECONOMIC DEVELOPMENT & REGENERATION	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Revised Budget	
Grant Assisted	Enabling our Communities	Ness Point Regeneration Project	280	280	0	0	0	0	0	0	0	EG/ER
Grant Assisted	Growing our Economy	Towns Fund - Delivery	0	0	0	143	0	149	0	149	149	EG
Grant Assisted/Match Funding	Growing our Economy	Towns Fund - Cultural Quarter (Phase 1)	0	0	800	600	1,800	6,000	12,100	8,640	9,110	EG/IB
Grant Assisted	Growing our Economy	Towns Fund -Station Quarter (Main Railway Building)	0	0	150	0	750	0	0	0	0	EG
Grant Assisted	Growing our Economy	Towns Fund -Station Quarter (Former Post & Sorting Office)	500	0	3,330	3,000	0	0	0	0	0	EG/IB
Grant Assisted	Growing our Economy	Towns Fund -Station Quarter (Public Realm)	0	0	500	0	500	830	0	0	0	EG
Grant Assisted	Growing our Economy	Towns Fund - Historic Quarter	0	0	700	1,000	2,600	2,210	0	0	0	EG
Grant Assisted	Growing our Economy	Towns Fund - Port Gateway Improvement Project	0	0	300	100	2,400	1,050	0	1,500	0	EG
Grant Assisted/ ESC Funding	Growing our Economy	Towns Fund - Seafront Vision Delivery	0	0	200	100	1,100	1,170	0	0	0	EG
Grant Assisted	Growing our Economy	Lowestoft Former Post & Sorting Office - Façade refurbishment	676	676	0	0	0	0	0	0	0	EG/ER
Total Budgeted Expenditure			1,456	956	5,980	4,943	9,150	11,409	12,100	10,289	9,259	
Financed By:-												
Internal Funding:												
Internal Borrowing			0	0	0	1,000	0	3,000	0	4,500	2,500	
Capital Receipt			0	0	0	0	0	0	0	0	0	
Reserve			453	453	0	0	0	0	0	0	0	
			453	453	0	1,000	0	3,000	0	4,500	2,500	
External Funding:												
Grants			1,003	503	5,980	3,943	9,150	8,409	12,100	5,789	6,759	
Contributions			0	0	0	0	0	0	0	0	0	
Borrowing			0	0	0	0	0	0	0	0	0	
			1,003	503	5,980	3,943	9,150	8,409	12,100	5,789	6,759	
Total Budgeted Financing			1,456	956	5,980	4,943	9,150	11,409	12,100	10,289	9,259	

Project	Description
Ness Point Regeneration Project	The Lowestoft Ness Regeneration Scheme (East of England Park project) aims to create a visitor destination that celebrates the culture and heritage of its location.
Towns Fund	Towns Fund Grant investment of £24.9m in projects to regenerate the town, driving economic growth and acting as a catalyst for future investment, rising to £35.9m with the addition of matched funding (subject to ESC business case)
Lowestoft Former Post & Sorting Office - Façade refurbishment	Restoration of the façade of Lowestoft's former Post Office on London Road North.

Funding Type Key:

CR Capital Receipt	EG External Grant
EB External Borrowing	ER Earmarked Reserve
EC External Contribution	IB Internal Borrowing

TYPE	Strategic Theme	ENVIRONMENTAL SERVICES & PORT HEALTH	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
cyclical Replacement	Delivering Digital Transformation	Port Health	150	400	150	406	50	50	50	50	50	ER
Total Budgeted Expenditure			150	400	150	406	50	50	50	50	50	
Financed By:-												
Internal Funding:												
Internal Borrowing			0	0	0	0	0	0	0	0	0	
Capital Receipt			0	0	0	0	0	0	0	0	0	
Reserve			150	400	150	406	50	50	50	50	50	
			150	400	150	406	50	50	50	50	50	
External Funding:												
Grants			0	0	0	0	0	0	0	0	0	
Contributions			0	0	0	0	0	0	0	0	0	
Borrowing			0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	
Total Budgeted Financing			150	400	150	406	50	50	50	50	50	

Project	Description
Port Health	Capital expenditure for the function of the Port Health Service

TYPE	Strategic Theme	FINANCIAL SERVICES	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Health & Safety	Enabling our Communities	House Purchase - Blackstock	23	0	0	0	0	0	0	0	0	ER
Income Generation	Maintaining Financial Sustainability	Commercial Investment	150	0	0	0	0	0	0	0	0	IB
Income Generation	Maintaining Financial Sustainability	Commercial Investment - Building/Land Acquisition	3,500	0	0	0	0	0	0	0	0	IB
Statutory	Enabling our Communities	Short Term Transit Site	200	100	300	400	0	0	0	0	0	ER
Total Budgeted Expenditure			3,873	100	300	400	0	0	0	0	0	
Financed By:-												
Internal Funding:												
Internal Borrowing			3,650	0	0	0	0	0	0	0	0	
Capital Receipt			0	0	0	0	0	0	0	0	0	
Reserve			223	100	300	400	0	0	0	0	0	
			3,873	100	300	400	0	0	0	0	0	
External Funding:												
Grants			0	0	0	0	0	0	0	0	0	
Contributions			0	0	0	0	0	0	0	0	0	
Borrowing			0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	
Total Budgeted Financing			3,873	100	300	400	0	0	0	0	0	

Project	Description
House Purchase - Blackstock	Purchase of investment property
Commercial Investment	Commercial Investment budget to facilitate project for commercial investment, subject to a business
Commercial Investment - Building/Land acquisition	Commercial Investment budget to be used for the purchase of properties/land subject to a business case
Short Term Transit Site	Evaluation of Short Term Transit Sites

TYPE	Strategic Theme	ICT SERVICES	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
cyclical Replacement	Delivering Digital Transformation	Corporate IT Requirements	627	327	50	350	450	450	250	250	250	ER
cyclical Replacement	Delivering Digital Transformation	Members Webcasting	177	0	0	177	0	0	0	0	0	ER
Total Budgeted Expenditure			804	327	50	527	450	450	250	250	250	
Financed By:-												
Internal Funding:												
Internal Borrowing			0	0	0	0	0	0	0	0	0	0
Capital Receipt			0	0	0	0	0	0	0	0	0	0
Reserve			804	327	50	527	450	450	250	250	250	
			804	327	50	527	450	450	250	250	250	
External Funding:												
Grants			0	0	0	0	0	0	0	0	0	0
Contributions			0	0	0	0	0	0	0	0	0	0
Borrowing			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total Budgeted Financing			804	327	50	527	450	450	250	250	250	

Project	Description
Corporate IT Requirements	Corporate refresh of hardware and updating of current systems
Members Webcasting	Installation of webcasting facility for Council meetings

TYPE	Strategic Theme	OPERATIONS	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Health & Safety	Maintaining Financial Sustainability	Aldeburgh Shelter	6	0	0	0	0	0	0	0	0	ER
cyclical Replacement	Maintaining Financial Sustainability	Bath Tap Chalets, Felixstowe	100	0	500	100	0	500	0	0	0	ER
cyclical Replacement	Caring for our Environment	Bawdsey Quay	57	0	0	0	0	0	0	0	0	ER
cyclical Replacement	Caring for our Environment	Brackenbury Beach Hut replacement Handrailing	88	88	0	0	0	0	0	0	0	ER
cyclical Replacement	Enabling our Communities	Bungay LC redevelopment	306	0	0	0	0	0	0	0	0	IB
cyclical Replacement	Caring for our Environment	Cemeteries	395	395	0	0	0	0	0	0	0	IB
Health & Safety	Caring for our Environment	Cliff House Chalets Felixstowe	10	10	0	0	0	0	0	0	0	ER
cyclical Replacement	Caring for our Environment	Cliff House, Felixstowe	250	0	750	250	0	750	0	0	0	IB/ER
cyclical Replacement	Maintaining Financial Sustainability	Clifflands car park, Felixstowe	100	100	0	0	0	0	0	0	0	ER
Income Generation	Enabling our Communities	Community Asset transfer fund	125	100	125	100	125	100	125	100	0	ER
Health & Safety	Enabling our Communities	Coronation Sports Ground	45	0	25	0	0	0	0	0	0	ER
cyclical Replacement	Enabling our Communities	East Point Pavilion	678	1,183	0	250	0	0	0	0	0	ER
cyclical Replacement	Maintaining Financial Sustainability	Estates Management	200	200	200	200	200	200	200	200	200	ER
cyclical Replacement	Caring for our Environment	Felixstowe Lighting	37	0	0	0	0	0	0	0	0	ER
Income Generation	Maintaining Financial Sustainability	Felixstowe North - Garden Neighbourhood Regeneration Project (Leisure Centre)	88	22	10,000	0	10,000	17,500	5,000	17,500	0	EB
Income Generation	Maintaining Financial Sustainability	Felixstowe North - Garden Neighbourhood Regeneration Project (Leisure Centre Land Purchase & Access Road)	0	0	0	1,500	0	4,500	0	3,000	0	EB
Income Generation	Maintaining Financial Sustainability	Felixstowe North - Garden Neighbourhood Regeneration Project (Infrastructure)	0	0	0	2,000	0	2,000	6,000	2,000	0	EB
Health & Safety	Maintaining Financial Sustainability	Felixstowe Seafront Gardens Handrailing	15	0	0	0	0	0	0	0	0	ER
cyclical Replacement	Maintaining Financial Sustainability	Felixstowe Sea Front Shelters	67	67	0	0	0	0	0	0	0	ER
cyclical Replacement	Growing our Economy	Felixstowe South - Public Realm and Martello Tower	583	250	0	1,500	0	2,000	0	2,000	0	IB
Health & Safety	Enabling our Communities	Felixstowe Sports Hub	197	197	0	0	0	0	0	0	0	ER
cyclical Replacement	Caring for our Environment	Fishing Hut Felixstowe	30	30	0	0	0	0	0	0	0	ER
Health & Safety	Caring for our Environment	Footway Lighting Works - Northern (cyclical replacement)	94	94	30	0	30	0	30	0	30	ER
Income Generation	Maintaining Financial Sustainability	Former Deben High School Felixstowe	3,200	850	2,350	2,350	0	0	0	0	0	IB
Health & Safety	Enabling our Communities	Leisure Centre Brackenbury	40	40	0	0	0	0	0	0	0	ER

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Health & Safety	Enabling our Communities	Leisure Centre Deben	36	36	0	0	0	0	0	0	0	0	ER
Health & Safety	Enabling our Communities	Leisure Centre Leiston	26	26	0	0	0	0	0	0	0	0	IB
Health & Safety	Enabling our Communities	Leisure Centre Lowestoft	0	166	0	0	0	0	0	0	0	0	IB
Health & Safety	Enabling our Communities	Leisure Centre Lowestoft (Roof)	770	770	0	1,200	0	0	0	0	0	0	IB/ER
Health & Safety	Growing our Economy	Lowestoft Beach Hut - demolition/wall stabilisation	260	155	0	0	0	0	0	0	0	0	ER
Health & Safety	Growing our Economy	Lowestoft Beach Hut -replacement Beach Huts phase 2	1,000	1,000	0	0	0	0	0	0	0	0	IB
Health & Safety	Growing our Economy	Lowestoft Beach Hut -replacement Beach Huts phase 3	500	0	100	500	0	100	0	0	0	0	IB
Health & Safety	Enabling our Communities	Lowestoft Boardwalk	48	48	0	0	0	0	0	0	0	0	ER
Income Generation	Maintaining Financial Sustainability	New Beach Hut Sites - Felixstowe (BV&AP)	939	6	750	0	250	0	0	0	0	0	IB
Income Generation	Maintaining Financial Sustainability	Newcombe Road Lowestoft	150	150	2,800	2,800	0	0	0	0	0	0	EB
Income Generation	Caring for our Environment	Northern Car Park Works	220	0	0	220	0	0	0	0	0	0	IB
Health & Safety	Maintaining Financial Sustainability	Orford Road Felixstowe Access Ramp	95	95	0	0	0	0	0	0	0	0	ER
Health & Safety	Enabling our Communities	Play Areas (District wide)	200	200	200	0	200	0	0	0	0	0	IB
Health & Safety	Caring for our Environment	Public Conveniences Programme	1,115	730	0	345	0	0	0	0	0	0	IB
Income Generation	Enabling our Communities	Railway Building - Lowestoft	1,500	0	0	1,500	0	0	0	0	0	0	EB
Health & Safety	Caring for our Environment	Ravine (Jubilee) Bridge	320	0	0	1,000	0	0	0	0	0	0	EC/IB
Income Generation	Growing our Economy	Royal Plain - Crazy Golf enhancement	200	200	0	0	0	0	0	0	0	0	IB
cyclical Replacement	Enabling our Communities	Royal Plain - Fountain enhancement	200	0	200	0	0	0	0	0	0	0	ER
Health & Safety	Maintaining Financial Sustainability	Rushmere St Andrew Church Wall	35	35	0	0	0	0	0	0	0	0	ER
Income Generation	Maintaining Financial Sustainability	Seafront Gardens Beach Hut Sites & Relocations	495	495	0	0	0	0	0	0	0	0	IB
Health & Safety	Maintaining Financial Sustainability	Southwold Caravan Site redevelopment	1,050	0	0	1,640	0	0	0	0	0	0	EB
cyclical Replacement	Caring for our Environment	Southwold Harbour - Pump out station	80	80	0	0	0	0	0	0	0	0	ER
Income Generation	Maintaining Financial Sustainability	Southwold Harbour - Visitor Moorings	200	0	250	450	0	0	0	0	0	0	ER
Health & Safety	Caring for our Environment	Southwold Harbour South Pier	50	50	150	150	6,000	6,000	6,000	6,000	0	0	EG
Income Generation	Maintaining Financial Sustainability	Southwold landing Stage	0	60	0	0	0	0	0	0	0	0	ER
Health & Safety	Caring for our Environment	St Marys Church Woodbridge - Wall	150	150	0	0	0	0	0	0	0	0	ER
cyclical Replacement	Caring for our Environment	Various pumping stations	300	300	0	0	0	0	0	0	0	0	ER

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cyclical Replacement	Governance	Operational Grounds Equipment	75	187	25	25	25	25	25	25	25	ER
cyclical Replacement	Governance	Operational Vehicles/Equipment	1,025	700	500	250	500	250	500	250	250	ER
Total Budgeted Expenditure			17,750	9,265	18,955	18,330	17,330	33,925	17,880	31,075	505	
Financed By:-												
Internal Funding:												
Internal Borrowing			8,596	4,788	3,400	5,615	450	2,850	0	2,000	0	
Capital Receipt			0	0	0	0	0	0	0	0	0	
Reserve			5,813	3,535	2,605	2,825	880	1,075	880	575	505	
			14,409	8,323	6,005	8,440	1,330	3,925	880	2,575	505	
External Funding:												
Grants			728	770	150	150	6,000	6,000	6,000	6,000	0	
Contributions			0	0	0	300	0	0	0	0	0	
Borrowing			2,613	172	12,800	9,440	10,000	24,000	11,000	22,500	0	
			3,341	942	12,950	9,890	16,000	30,000	17,000	28,500	0	
Total Budgeted Financing			17,750	9,265	18,955	18,330	17,330	33,925	17,880	31,075	505	

Project	Description
Aldeburgh Shelter	Refurbishment of shelter. New roof required - end of life. Redecoration and replacement benches.
Bath Tap Chalets,	Structural works and refurbishment
Bawdsey Quay	Sewage system, clearance of car park and signage works
Brackenbury Beach Hut replacement Handrailing	Replacement safety railing along concrete terrace for beach huts.
Bungay LC redevelopment	Redevelopment of Leisure Centre
Cemeteries	£395k for purchase of land to extend cemetery provision across the district
Cliff House Chalets	Upgrade of internal and external staircases
Cliff House, Felixstowe	Development of site
Clifflands car park,	Car Park surface replacement
Community Asset transfer	Site investment to enable transfer of assets
Coronation Sports Ground	Demolition of small toilet block and upgrade of electric supply
East Point Pavilion	Redevelopment of the East Point Pavilion complex
Estates Management	A planned preventative maintenance list of works required on Council owned properties throughout the district
Felixstowe Lighting	Cyclical replacement of footway lighting
Felixstowe North - Garden Neighbourhood Regeneration Project (Leisure Centre)	Provision of new leisure centre site including purchase of site and access road
Felixstowe North - Garden Neighbourhood Regeneration Project (Infrastructure)	Infrastructure development to enable housing development
Felixstowe Seafront Gardens Handrailing	Installation of handrailing
Felixstowe Sea Front	Refurbishment of 6 sea front shelters in Felixstowe
Felixstowe South - Public Realm and Martello Tower	Development of South Seafront area and Martello Café Felixstowe
Felixstowe Sports Hub	ESC is working with key sports clubs in Felixstowe including, football, cricket, rugby and hockey in order to provide separate hubs in Felixstowe that each sport can develop and grow.
Fishing Hut Felixstowe	Rebuilding of fishing hut next to Felixstowe Pier that burnt down in 2019
Footway Lighting Works - Northern (cyclical)	Cyclical replacement of footway lighting
Former Deben High School Felixstowe	Purchase and development of former school site
Leisure Centre Brackenbury	Planned preventative maintenance works required to ensure the immediate running of the facility.
Leisure Centre Deben	Planned preventative maintenance works required to ensure the immediate running of the facility.
Leisure Centre Leiston	Leiston is the second of the leisure redevelopment programme. The Leiston redevelopment will bring the 1970's sports centre and the 1980's swimming pool up to date providing a quality leisure provision that includes a 60 plus station gym, new changing rooms for both the swimming pool and separate for the sports centre and dance studios.
Leisure Centre Lowestoft	Refurbishment of Leisure Centre
Leisure Centre Lowestoft (Roof)	Refurbishment of Leisure Centre roof to enhance the life of the asset and to protect against water ingress
Lowestoft Beach Hut - demolition/wall stabilisation	Demolition of existing structures and stabilisation of the cliff wall

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Lowestoft Beach Hut - replacement Beach Huts phase 2	Installation of beach hut shelf and beach huts
Lowestoft Beach Hut - replacement Beach Huts phase 3	Extension of replacement of existing beach huts
Lowestoft Boardwalk	Seafront boardwalk to enable pedestrian wheeled access to the beach
Felixstowe (BV&AP)	Proposed investment in additional Beach Hut sites
Newcombe Road Lowestoft	Redevelopment of site to provide start up units
Northern Car Park Works	Planned preventative maintenance works
Orford Road Felixstowe Access Ramp	Replacement of disabled access ramp near new café site
Play Areas (District wide)	Upgrade and refurbishment of district wide play areas
Public Conveniences	Upgrade and refurbishment of district wide public conveniences
Railway Building - Lowestoft	Purchase and development of building contained within the Railway site
Ravine Bridge	Structural works and refurbishment works to part owned bridge
Royal Plain - Crazy Golf enhancement	Crazy Golf redevelopment to coincide with East Point Pavilion refurbishment
Royal Plain - Fountain enhancement	Fountain enhancement to coincide with East Point Pavilion refurbishment
Rushmere St Andrew Church	Refurbishment of closed church yard wall
Seafront Gardens Beach Hut Development	Development of Seafront Gardens site for new beach huts
Southwold Caravan Site redevelopment	Refurbishment of existing caravan site
Southwold Harbour - Pump out station	Enhancement of pump out station
Southwold Harbour - Visitor Moorings	Visitor moorings enhancement
Southwold Harbour South Pier	Enhancement of pier
Southwold Landing Stage	Purchase of landing stage
St Marys Church Woodbridge - Wall	Refurbishment of closed church yard wall
Various pumping stations	Replacement and enhancement of pumping stations
Operational Grounds Equipment	Replacement lawn tractors/mowers
Operational	Purchase of Vehicles for operational use
Wickham Market Churchyard Boundary Wall	Replacement of closed churchyard wall

TYPE	Strategic Theme	PLANNING & COASTAL MANAGEMENT	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Grant Assisted	Caring for our Environment	Bawdsey East Lane	35	0	0	35	0	0	0	0	0	EG
Health & Safety	Caring for our Environment	Coast Protection - Minor Capital Works	611	75	200	200	200	200	200	200	200	IB
Health & Safety	Caring for our Environment	Corton & North Corton Hybrid Scheme	200	50	200	200	7,000	7,000	7,000	7,000	0	EG
Statutory	Caring for our Environment	Lowestoft Flood Risk Management Project Phase 1 (Tidal Walls, Pluvial & Fluvial)	4,977	1,800	0	6,000	0	4,000	0	0	0	EG
Statutory	Caring for our Environment	Lowestoft Flood Risk Management Project Phase 2 (Tidal Gate)	12,029	384	7,907	7,907	10,809	10,809	19,574	29,574	36,000	EG
Statutory	Caring for our Environment	Slaughden Coast/Estuary	35	0	0	0	0	0	35	0	0	EG
Statutory	Caring for our Environment	Southwold Harbour Fender	1,100	1,100	0	0	0	0	0	0	0	IB/EG
Statutory	Caring for our Environment	Thorpeness (Externally Funded)	200	50	3,300	3,300	0	0	0	0	0	EG
Health & Safety	Caring for our Environment	Thorpeness Emergency Works	0	690	0	0	0	0	0	0	0	EC/EG
Statutory	Caring for our Environment	Pakefield Coastal Resilience project	157	20	1,790	1,790	0	0	0	0	0	ER/EG
Total Budgeted Expenditure			19,344	4,169	13,397	19,432	18,009	22,009	26,809	36,774	36,200	
Financed By:-												
Internal Funding:												
		Internal Borrowing	611	475	200	200	200	200	200	200	200	
		Capital Receipt	0	0	0	0	0	0	0	0	0	
		Reserve	450	310	115	115	0	0	0	0	0	
			1,061	785	315	315	200	200	200	200	200	
External Funding:												
		Grants	18,283	2,984	13,082	19,117	17,809	21,809	26,609	36,574	36,000	
		Contributions	0	400	0	0	0	0	0	0	0	
		Borrowing	0	0	0	0	0	0	0	0	0	
			18,283	3,384	13,082	19,117	17,809	21,809	26,609	36,574	36,000	
Total Budgeted Financing			19,344	4,169	13,397	19,432	18,009	22,009	26,809	36,774	36,200	

Project	Description
Bawdsey East Lane SMP Review	Review of Coastal processes around East Lane and works required for retaining shingle around Holesley bay
Coast Protection - Minor Capital Works	The Coastal Management Team carries out a comprehensive programme of inspections which highlight when repair and maintenance works need to be carried out. This ensures that the defences are
Corton & North Corton Hybrid Scheme	This item is for ESC contribution to privately funded works to part remove and part rebuild in rock, defences to the north of Corton Village that were abandoned after failure in line with 2010 Shoreline
Lowestoft Flood Risk Management Project Phase 1 & 2	A major project to construct a permanent tidal wall which will be built around the harbour to protect Lowestoft from future tidal surges, with a tidal gate located near to the Bascule Bridge to prevent surge water entering Lake Lothing. Including the interim measure of temporary flood barriers
Slaughden Coast/Estuary SMP Policy review	Innovative scheme South of Aldeburgh likely to be delivered by a consortium of public and private partners to provide 20 years of resilience to the town and the Alde & Ore Estuary, offering scope for
Southwold Harbour Fender	Southwold Harbour fender remedial works following damage to the fender which was originally
Thorpeness (Externally Funded)	Strengthen the soft bag defences installed here in 2010/12 that were damaged by unusually high erosion pressure in 2013.
Thorpeness Emergency Works	Installation of a 35-metre rock revetment to protect
Pakefield Coastal Resilience project	New accelerated project due to rapid increase of coastal erosion.

TYPE	Strategic Theme	GENERAL FUND - HOUSING IMPROVE	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Grant Assisted	Enabling our Communities	Disabled Facilities Grant	1,399	1,100	1,500	1,000	1,500	1,000	1,500	1,000	1,500	EG
Total Budgeted Expenditure			1,399	1,100	1,500	1,000	1,500	1,000	1,500	1,000	1,500	
Financed By:-												
Internal Funding:												
Internal Borrowing			0	0	0	0	0	0	0	0	0	0
Capital Receipt			0	0	0	0	0	0	0	0	0	0
Reserve			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
External Funding:												
Grants			1,399	1,100	1,500	1,000	1,500	1,000	1,500	1,000	1,500	
Contributions			0	0	0	0	0	0	0	0	0	0
Borrowing			0	0	0	0	0	0	0	0	0	0
			1,399	1,100	1,500	1,000	1,500	1,000	1,500	1,000	1,500	
Total Budgeted Financing			1,399	1,100	1,500	1,000	1,500	1,000	1,500	1,000	1,500	

Project	Description
Disabled Facilities Grant	HIA Disabled Facilities Grant works

TYPE	Strategic Theme	GENERAL FUND - LONG TERM DEBTO	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Governance	Maintaining Financial Sustainability	LATCO - Loan funding	10,000	0	0	1,000	0	0	0	0	0	IB
Total Budgeted Expenditure			10,000	0	0	1,000	0	0	0	0	0	
Financed By:-												
Internal Funding:												
Internal Borrowing			10,000	0	0	1,000	0	0	0	0	0	0
Capital Receipt			0	0	0	0	0	0	0	0	0	0
Reserve			0	0	0	0	0	0	0	0	0	0
			10,000	0	0	1,000	0	0	0	0	0	0
External Funding:												
Grants			0	0	0	0	0	0	0	0	0	0
Contributions			0	0	0	0	0	0	0	0	0	0
Borrowing			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total Budgeted Financing			10,000	0	0	1,000	0	0	0	0	0	0

Project	Description
LATCO	Loan to the LATCO for investment purposes

TYPE	Strategic Theme	OPERATIONS	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
			£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Income Generation	Financial Sustainability	Barnards Way, Lowestoft	0	500	0	3,000	0	0	0	0	0	ER/IB
Health & Safety	Financial Sustainability	Council Offices Leiston	0	0	0	67	0	0	0	0	0	ER
Health & Safety	Enabling our Communities	Felixstowe Beach Shower	0	0	0	10	0	0	0	0	0	ER
Income Generation	Enabling our Communities	Memorial Wall Felixstowe	0	0	0	45	0	0	0	0	0	ER
Health & Safety	Caring for our Environment	Woodbridge Model Boat Pond	0	0	0	25	0	0	0	0	0	ER
Total Budgeted Expenditure			0	500	0	3,147	0	0	0	0	0	
Financed By:-												
Internal Funding:												
Internal Borrowing			0	0	0	3,000	0	0	0	0	0	0
Capital Receipt			0	0	0	0	0	0	0	0	0	0
Reserve			0	500	0	147	0	0	0	0	0	0
			0	500	0	3,147	0	0	0	0	0	0
External Funding:												
Grants			0	0	0	0	0	0	0	0	0	0
Contributions			0	0	0	0	0	0	0	0	0	0
Borrowing			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total Budgeted Financing			0	500	0	3,147	0	0	0	0	0	0

Project	Description
Barnards Way, Lowestoft	Development of site for small industrial units for service delivery
Council Offices Leiston	Replacement/enhancement to the external fabric of the building to meet Health & Safety requirements and to ensure the building remains watertight
Felixstowe Beach Shower	Installation of outside beach shower to facilitate beach swimming
Memorial Wall Felixstowe	Development of a memorial wall site to enable the purchasing and display of memorial plaques by the public
Woodbridge Model Boat Pond	Refurbishment of model boat pond boundary posts and water treatment system

2021/22 £000	2021/22 £000	2022/23 £000	2022/23 £000	2023/24 £000	2023/24 £000	2024/25 £000	2024/25 £000	2025/26 £000
Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Revised Budget

Capital Programme total	54,776	16,817	40,332	49,185	46,489	68,843	58,589	79,438	47,764
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Appendix C

2021/22 to 2025/26 - BUDGET INCREASES ABOVE £1M	Current Budget £000	Revised Budget £000	Variance £000	Funding Type
Towns Fund - Cultural Quarter (Phase 1)	14,700	24,350	9,650	EG/IB
Felixstowe North - Garden Neighbourhood Regeneration Project (Leisure Centre, Land Purchase & Access Road)	31,088	50,022	18,934	EB
Felixstowe South - Public Realm and Martello Tower	583	5,750	5,167	ER
Lowestoft Flood Risk Management Project Phase 1 (Tidal Walls, Pluvial & Fluvial)	4,977	11,800	6,823	EG
Lowestoft Flood Risk Management Project Phase 2 (Tidal Gate)	50,319	84,674	34,355	EG
Totals	101,667	176,596	74,929	

Notes:

Towns Fund - Cultural Quarter (Phase 1) - Allocation of £10m of unsecured matched funding to facilitate further project and funding opportunities (subject to further ESC business case)

Felixstowe North - Garden Neighbourhood Regeneration Project - increase in budget due to land purchase, access road requirements and estimated design build costs for an environmentally friendly Leisure Centre

Felixstowe South - Public Realm and Martello Tower

Lowestoft Flood Risk Management Project Phase 1 (Tidal Walls, Pluvial & Fluvial) - increase in budget due to tidal gate requirements with anticipated external funding to cover the increase

Lowestoft Flood Risk Management Project Phase 2 (Tidal Gate) increase in budget due to tidal gate requirements with anticipated external funding to cover the increase

2021/22 to 2025/26 - BUDGET DECREASES ABOVE £100k	Current Budget £000	Revised Budget 2021-22 to 2025-26 £000	Variance £000	Funding Type
LATCO - Loan funding (<i>revised as part of budget revision</i>)	10,000	1,000	-9,000	EB
Commercial Investment - Building/Land Acquisition (<i>removed as part of CIPFA review</i>)	3,500	0	-3,500	IB
Operational Vehicles/Equipment (<i>transfer from purchasing to leasing</i>)	2,775	1,700	-1,075	ER
New Beach Hut Sites - Felixstowe (BV&AP) (<i>revised as part of budget revision</i>)	1,939	6	-1,933	IB
Play Areas (District wide) (<i>revised as part of budget revision</i>)	600	200	-400	IB
Bungay LC redevelopment (<i>revised as part of budget revision</i>)	306	0	-306	IB
Commercial Investment (<i>removed as part of CIPFA review</i>)	150	0	-150	EG
Totals	19,270	2,906	- 16,364	

Appendix D

General Fund Capital Programme 2021/22 to 2025/26 New Projects

Strategic Theme	OPERATIONS	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	Funding Type
		£000	£000	£000	£000	£000	£000	£000	£000	£000	
		Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	Revised Budget	Current Budget	
Maintaining Financial Sustainability	Barnards Way, Lowestoft	0	500	0	3,000	0	0	0	0	0	ER/IB
Maintaining Financial Sustainability	Council Offices Leiston	0	0	0	67	0	0	0	0	0	ER
Enabling our Communities	Felixstowe Beach Shower	0	0	0	10	0	0	0	0	0	ER
Enabling our Communities	Memorial Wall Felixstowe	0	0	0	45	0	0	0	0	0	ER
Enabling our Communities	Woodbridge Model Boat Pond	0	0	0	25	0	0	0	0	0	ER
Total Budgeted Expenditure		0	500	0	3,147	0	0	0	0	0	
Financed By:-											
Internal Funding:											
	Internal Borrowing	0	0	0	3,000	0	0	0	0	0	0
	Capital Receipt Reserve	0	0	0	0	0	0	0	0	0	0
		0	500	0	147	0	0	0	0	0	0
		0	500	0	3,147	0	0	0	0	0	0
External Funding:											
	Grants	0	0	0	0	0	0	0	0	0	0
	Contributions	0	0	0	0	0	0	0	0	0	0
	Borrowing	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0
Total Budgeted Financing		0	500	0	3,147	0	0	0	0	0	0

Project	Description
Barnards Way, Lowestoft	Development of site for small industrial units for service delivery
Council Offices Leiston	Replacement/enhancement to the external fabric of the building to meet Health & Safety requirements and to ensure the building remains watertight
Felixstowe Beach Shower	Installation of outside beach shower to facilitate beach swimming
Memorial Wall Felixstowe	Development of a memorial wall site to enable the purchasing and display of memorial plaques by the public
Woodbridge Model Boat Pond	Refurbishment of model boat pond boundary posts and water treatment system

Appendix E

General Fund Capital Programme 2021/22 to 2025/26 Extract of Externally Funded Projects

2021/22 to 2025/26 EXTERNALLY FUNDED PROJECTS	Total Budget £000	External Funding £000	ESC Funding £000
Ness Point Regeneration Project	280	49	231
Towns Fund - Delivery	590	590	0
Towns Fund - Cultural Quarter (Phase 1)	24,350	14,350	10,000
Towns Fund -Station Quarter (Former Post & Sorting Office)	3,000	2,000	1,000
Towns Fund -Station Quarter (Public Realm)	830	830	0
Towns Fund - Historic Quarter	3,210	3,210	0
Towns Fund - Port Gateway Improvement Project	2,650	2,650	0
Towns Fund - Seafront Vision Delivery	1,270	1,270	0
Former Post & Sorting Office - Façade refurbishment	676	454	222
East Point Pavilion	1,433	720	713
Ravine Bridge	700	300	400
Southwold Harbour South Pier	12,200	12,200	0
Bawdsey East Lane	35	35	0
Corton & North Corton Hybrid Scheme	14,250	14,250	0
Lowestoft Flood Risk Management Project Phase 1 (Tidal Walls, Pluvial & Fluvial)	11,800	11,800	0
Lowestoft Flood Risk Management Project Phase 2 (Tidal Gate)	84,674	84,674	0
Southwold Harbour Fender	1,100	700	400
Thorpeness Flood Defence	3,350	3,350	0
Thorpeness Emergency Works	690	400	290
Pakefield Coastal Resilience project	1,810	1,675	135
Disabled Facilities Grant	5,600	5,600	0
Totals	174,498	161,107	13,391

Appendix F

HRA Capital Programme 2021/22 to 2025/26 Summary

SUMMARY -HRA CAPITAL PROGRAMME	2021/22 £000 Current Budget	2021/22 £000 Revised Budget	2022/23 £000 Revised Budget	2023/24 £000 Revised Budget	2024/25 £000 Revised Budget	2025/26 £000 Revised Budget	Total
Capital Expenditure							
Housing Repairs	5,781	2,007	6,640	2,890	2,890	2,890	17,317
Housing Project Development	1,915	1,787	3,875	2,650	2,650	2,650	13,612
New Build Programme	15,016	3,042	14,128	13,693	8,000	8,000	46,863
Total Capital Expenditure	22,712	6,836	24,643	19,233	13,540	13,540	77,792
Financed By:-							
HRA DRF	5,369	2,237	5,923	3,748	3,175	3,175	18,258
Capital Receipt	5,329	1,438	6,292	8,065	2,450	2,450	20,695
Contributions	205	205	458	0	0	0	663
Grants	848	4	730	380	875	875	2,864
Reserves	10,961	2,952	11,240	7,040	7,040	7,040	35,312
Total Financing	22,712	6,836	24,643	19,233	13,540	13,540	77,792

Appendix G

HRA Capital Programme 2021/22 to 2025/26

HOUSING REPAIRS	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
	£000 Original	£000 Revised	£000 Revised	£000 Revised	£000 Revised	£000 Revised
Bathrooms	60	150	100	100	100	100
Central Heating/Boilers	440	580	500	500	500	500
Demolition - Garages	0	40	0	0	0	0
Disabled Works	180	200	180	180	180	180
Door entry system & doors - Park Rd & The Hemplands	70	100	0	0	0	0
Energy Efficiencies Work	200	60	200	500	500	500
Environmental Works	5	5	10	10	10	10
External Doors	20	10	20	20	20	20
Heat Metering	100	0	100	0	0	0
Housing Repair Vans	330	0	550	210	210	210
Kitchens - Programmed & Responsive	500	300	650	650	650	650
Re-Roofing	450	250	450	450	450	450
Rewiring	230	250	250	250	250	250
St Peters Court - Fire Risk Assessment	0	40	50	0	0	0
St Peters Court - Internal Dec's	0	0	200	0	0	0
St Peters Court - Lift	125	0	300	0	0	0
St Peters Court - Open Reach	51	0	60	0	0	0
St Peters Court - Remove Cladding & Change windows	3,000	20	3,000	0	0	0
Windows	20	2	20	20	20	20
Total Budgeted Expenditure	5,781	2,007	6,640	2,890	2,890	2,890
Financed By :-						
Housing Revenue Account	0	0	0	0	0	0
Housing Revenue Account Reserves	5,781	2,007	6,640	2,890	2,890	2,890
	5,781	2,007	6,640	2,890	2,890	2,890

Project	Description
Bathrooms	Replacement and improvements to bathrooms and layouts to the housing stock.
Central Heating/Boilers	A rolling programme has been established which provides replacement heating appliances, boilers
Demolition - Garage	Demolition of garages and construction of parking area
Disabled Works	These works provide disabled adaptations to the Council's housing stock to improve the living
Door Entry System - Park Road & The Hemplands	New door entry system
Energy Efficiency Works	Energy improvement works to properties, examples could be electrical improvements to blocks of
Environmental Works	Works controlled by tenants for environmental improvements, examples could be additional
External Doors	A rolling programme provides replacement doors to the housing stock.
Heat Metering	Works to be compliant with the Heat metering network regulations. Every communal system
Housing Repair Vans	Cyclical renewal of Housing vans
Kitchens - Programmed & Responsive	Replacement and improvements to kitchens and layouts to the housing stock.
Re-Roofing	A rolling programme provides replacement roofs to the housing stock.
Rewiring	Rewiring to the housing stock.
St Peters Court - Fire Assessment	Fire Assessment of the St Peters Court tower block
St Peters Court - Internal Dec's	Repair and renew internal services including redcoration
St Peters Court - Lift	Replacement of St Peters Court Lift
St Peters Court - Openreach	Removal of old telecommunications wiring (H&S)
St Peters Court - Remove Cladding & Change	Removal of cladding and replacement of windows
St Peters Court - Sprinkler System	Installation of sprinkler system
Windows	A rolling programme provides replacement windows to the housing stock.

HOUSING PROJECT DEVELOPMENT	2021/22 £000 Original	2021/22 £000 Revised	2022/23 £000 Revised	2023/24 £000 Revised	2024/25 £000 Revised	2025/26 £000 Revised
Projects						
New accommodation Project	0	0	0	0	0	0
Consultancy Compliance requirements	0	100	400	0	0	0
Redevelopment Programme						
Reconversions	185	150	260	150	150	150
Retrofitting	0	0	1,800	1,000	1,000	1,000
Expenditure on Housing Acquisitions	1,080	1,227	500	500	500	500
Expenditure on Housing Redevelopment	650	310	915	1,000	1,000	1,000
Total Budgeted Expenditure	1,915	1,787	3,875	2,650	2,650	2,650
Financed By :-						
Housing Revenue Account	1,421	1,117	1,049	300	300	300
Housing Revenue Account Reserves	434	666	2,766	2,350	2,350	2,350
External Funding	60	4	60	0	0	0
	1,915	1,787	3,875	2,650	2,650	2,650

Project	Description
New Office Accommodation	Provision for alternative depot office accommodation.
Consultancy Compliance requirements	Repairs & Maintenance Projects to be identified

NEW BUILD PROGRAMME	2021/22 £000 Original	2021/22 £000 Revised	2022/23 £000 Revised	2023/24 £000 Revised	2024/25 £000 Revised	2025/26 £000 Revised
New Builds	15,016	3,042	14,128	13,693	8,000	8,000
Total Budgeted Expenditure	15,016	3,042	14,128	13,693	8,000	8,000
Financed By :-						
Housing Revenue Account	3,947	1,120	4,814	3,448	2,875	2,875
Housing Revenue Account Reserves	7,891	1,717	8,126	9,865	4,250	4,250
External Funding	3,178	205	1,188	380	875	875
	15,016	3,042	14,128	13,693	8,000	8,000

Project	Description
New Builds	Provision of new housing

Programme Total	22,712	6,836	24,643	19,233	13,540	13,540
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FULL COUNCIL

Wednesday, 26 January 2022

Subject	Arrangements for the appointment of External Auditors
Report by	Councillor Edward Back Assistant Cabinet Member for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsoffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The purpose of this report is to update members on the appointment process for external auditors for the 5-year period from the financial year beginning 2023/24 and recommends continuing with the Public Sector Audit Appointments Ltd (PSAA) procurement route.

Audit & Governance Committee approved this report on 13th December 2021 recommending that Full Council continues to 'opt-in' to the sector led body, Public Sector Audit Appointments Ltd (PSAA), for the independent appointment of the Council's external Auditor for 5 years from the financial year 2023/24.

Options:

All options are detailed further in this report, but can be summarised as follows:

1. Procurement of external auditors via the PSAA route (recommended)
2. Form an East Suffolk Council Auditor Panel and conduct a stand-alone procurement exercise.
3. Join with other local authorities, establishing a Joint Auditor Panel and joint procurement.

Recommendation/s:

That the Council:

1. Notes the arrangements and options for appointing External Auditors to audit the Final Accounts of the Council from 2023/24 for a 5-year period, and that the practical deadline to opt-in is 11th March 2022.
2. Approves to 'opt-in' to the sector led body, Public Sector Audit Appointments Ltd (PSAA), for the independent appointment of the Council's external Auditor for 5 years from the financial year 2023/24.

Corporate Impact Assessment

Governance:

Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint an external auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

ESC policies and strategies that directly apply to the proposal:

The appointment of external auditors does not link directly to the Council's policies and strategies, however through securing external assurance over the Council's governance, financial statements, and value for money, this will assist to achieve the priorities of the Strategic Plan.

Environmental:

No impact

Equalities and Diversity: No impact
Financial: The appointment method of external auditors will affect the fee charged to the Council.
Human Resources: No impact
ICT: No impact
Legal: No impact
Risk: Failure to appoint an external auditor in the timescales required. Section 12 of the Local Audit and Accountability Act 2014 (the Act) makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.

External Consultees:	Public Sector Audit Appointments Ltd (PSAA) Suffolk Chief Finance Officers
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>

P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
A sector led body has the opportunity to negotiate contracts with firms nationally, maximising the opportunity for the most economic and efficient approach for procurement of external audit on behalf of East Suffolk Council.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Local Audit and Accountability Act 2014 brought the Audit Commission to a close, with it formally closing on 31 March 2015. Transitional arrangements for the appointment of external auditors, and the setting of audit fees for all local government and NHS bodies in England were established, and at the end of the transitional arrangements, public bodies were asked to specify their preferred method of appointing external auditors. Following this a sector led body, the Public Sector Audit Appointments Ltd (PSAA) was chosen.
1.2	It was believed that a sector led body had the opportunity to negotiate contracts with firms nationally, maximising the opportunity for the most economic and efficient approach for procurement of external audit on behalf of the whole sector. The scheme was designed to save time and resources for local government bodies and, through collective procurement, secure the best prices without compromising on audit quality.
1.3	Legislation requires a resolution of Council if a local authority wishes to opt-in to the national arrangement with the PSAA. Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the Authority must consult and take

	<p>account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant authority is a local authority operating an executive arrangement, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements.</p> <ul style="list-style-type: none"> • Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority. • Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.
1.4	East Suffolk Council agreed to use the PSAA as its route to select its external auditors, Ernst & Young, for the remaining term of the five years from 1 April 2019 (ending the financial year 2022/23).

2 Current position

2.1	East Suffolk Council now needs to decide how best to appoint its external auditors for the five-year period from 2022/23.						
2.2	The Department of Levelling Up, Housing and Communities has confirmed that PSAA will continue in its role as the Appointing Person for the next appointment of external auditors. The proposed contract duration is five years, with an option to extend for a further one or two years with supplier agreement using a single tender, restricted procedure.						
2.3	<p>Indicative timescales for the PSAA process are as follows:</p> <table border="1" data-bbox="343 1503 1305 1736"> <tr> <td>Mar-22</td> <td>Deadline for eligible bodies to notify PSAA of their decision to opt in</td> </tr> <tr> <td>Jun-22</td> <td>PSAA will award new contracts</td> </tr> <tr> <td>Dec-22</td> <td>PSAA Board will confirm auditor appointments for 2023/24</td> </tr> </table>	Mar-22	Deadline for eligible bodies to notify PSAA of their decision to opt in	Jun-22	PSAA will award new contracts	Dec-22	PSAA Board will confirm auditor appointments for 2023/24
Mar-22	Deadline for eligible bodies to notify PSAA of their decision to opt in						
Jun-22	PSAA will award new contracts						
Dec-22	PSAA Board will confirm auditor appointments for 2023/24						
2.4	<p>The PSAA scheme aims to secure the delivery of an audit service of the required quality for every opted in body at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services. PSAA plans to provide:</p> <ul style="list-style-type: none"> • a transparent and independent auditor appointment; • ongoing management of any independence issues; • proportionate PSAA costs and redistribution of any surpluses; 						

	<ul style="list-style-type: none"> • independent scrutiny of every additional fee proposal; • a sector led collaborative scheme as the way to get the best deal for the sector; • dedicated, experienced team; • key updates to all Section 151 officers and Audit Committee Chairs; • avoid the need to establish an auditor panel and undertake an auditor procurement; • same auditor appointment to significant collaborations or joint working initiatives. <p>It is understood that the PSAA also have a number of initiatives it would like to consider as part of the upcoming national procurement in order to send a strong message to the market and to open up greater competition. The Local Government Association (LGA) will also continue to work with Public Sector Audit PSAA and government on the need for a better, more robust market for local audit with more qualified audit firms and greater numbers of qualified auditors. It also recognises that this is a long-term process and needs to be funded properly over the longer term. LGA’s view is that the national framework remains the best option for councils. They believe that in a suppliers’ market it is imperative that councils act together to have the best chance of influencing the market and for nationally coordinated efforts to improve the supply side of the market to be effective.</p>
2.5	<p>It must be noted that the way the external audit procurement has operated over the last couple of years has been disappointing. There are a limited number of firms in the market to provide sufficient public sector audits and too few qualified auditors employed by those firms. This has led to a situation where many audits have been delayed, as East Suffolk Council has experienced recently. A lack of capacity in the audit market has been exacerbated by increased requirements placed on external auditors by the audit regulator, and the drive for audit quality has resulted in auditors needing more assurance. In turn this additional work has driven higher fees which is likely to continue.</p>
2.6	<p>As the client in the contract, East Suffolk also has little influence over what it is procuring. The nature and scope of the audit is determined by codes of practice and guidance and the regulation of the audit market is undertaken by a third party, currently the Financial Reporting Council.</p>

3 How to address current situation

3.1	<p>As well as opting-in with the PSAA, there are two other options to consider.</p>
3.2	<p>East Suffolk could make a stand-alone appointment. To do this the Council will need to set up an Auditor Panel. The members of the panel must be wholly (or a majority) independent members as defined by the Act. Independent members for this purpose are independent appointees; this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Council’s external audit. A</p>

	<p>new independent auditor panel established by the Council will be responsible for selecting the auditor. Advantages and disadvantages of this option are as follows:</p> <p>Advantages:</p> <ul style="list-style-type: none"> - Setting up an auditor panel allows the Council to take maximum advantage of the new local appointment regime and have local input to the decision. <p>Disadvantages:</p> <ul style="list-style-type: none"> - Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the region of £15,000, plus on-going expenses and allowances. - The Council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts. - The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.
3.3	<p>The other option is for East Suffolk to set up a Joint Auditor Panel and establish local joint procurement arrangements. As with the stand-alone appointment option, this will need to be constituted of wholly (or a majority) independent appointees (members). Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council will need to liaise with other local authorities to assess the appetite for such an arrangement. Initial discussions between Suffolk Chief Finance Officers s have established that our neighbouring authorities do not intend to pursue such an arrangement at present. Advantages and disadvantages of this option are as follows:</p> <p>Advantages:</p> <ul style="list-style-type: none"> - The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities. - There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the audit firms. <p>Disadvantages:</p> <ul style="list-style-type: none"> - The decision-making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used, or possibly only one elected member representing each Council, depending on the constitution agreed with the other bodies involved. - The choice of auditor could be complicated where individual Councils have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the Council. Where this occurs, some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel selects a firm that is conflicted for this Council, then the Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

4 Reason/s for recommendation

4.1	It is believed that the best option for East Suffolk is to coordinate our efforts through the national arrangements to ensure that our voice (as clients) is heard to tackle some of the challenges currently being experienced. It is therefore recommended that East Suffolk opt into the PSAA arrangements for the procurement appointing process. It is felt that this is our best option to work alongside other Councils and influence a particularly difficult market.
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Appendices

Appendices:

None.

Background reference papers:

None.



FULL COUNCIL

Wednesday, 26 January 2022

Subject	Authorisation of Officers: Attendance at Magistrates' Court
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Chris Bing Monitoring Officer & Head of Legal and Democratic Services chris.bing@eastsoffolk.gov.uk 01394 444408

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To recommend that Thereza (Terri) Lawson, Jak Miller, Caroline Greig, Gillian Juby, Peter Seeley, Steven Oxborough, Lucy Talbot, Nigel Adams, Feria Siblon, Jade Ellis, Kieran Kingston-Mills, Arthur Roberts and Lesley Walker be authorised to represent East Suffolk Council in the Magistrates' Court in accordance with Section 223 of the Local Government Act 1972.

Options:

No other options were considered.

Recommendation/s:

That Thereza (Terri) Lawson, Jak Miller, Caroline Greig, Gillian Juby, Peter Seeley, Steven Oxborough, Lucy Talbot, Nigel Adams, Feria Siblon, Jade Ellis, Kieran Kingston-Mills, Arthur Roberts and Lesley Walker be authorised to represent East Suffolk Council in the Magistrates' Court in accordance with Section 223 of the Local Government Act 1972.

Corporate Impact Assessment

Governance:

None.

ESC policies and strategies that directly apply to the proposal:

None.

Environmental:

None.

Equalities and Diversity:

None.

Financial:

None.

Human Resources:

None.

ICT:

None.

Legal:

Officers will be authorised to represent East Suffolk Council in the Magistrates' Court in accordance with Section 223 of the Local Government Act 1972.

Risk:

None.

External Consultees:	None.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
Therefore, to have a number of officers authorised to appear in court will provide resilience and effective cover, thus improving our ability to recover Council Tax.			

Background and Justification for Recommendation

1 Background facts	
1.1	Section 223 of the Local Government Act 1972 allows local authorities to authorise officers who do not necessarily have legal qualifications (as solicitors, barristers or legal executives) to represent the Council in the Magistrates' Court.
1.2	The Section 223 power is used very widely by local authorities; in particular most district and unitary authorities have been using this power for many years to authorise recovery officers to appear in the local Magistrates' Courts in Council Tax and Business Rate enforcement cases.

2 Current position	
2.1	East Suffolk Council is one of five authorities which form part of the Anglia Revenues Partnership. The Partnership operates under a Partnership Agreement approved by the council.
2.2	The officers currently listed in East Suffolk Council's Constitution as being authorised by East Suffolk Council to appear in the Magistrates' Court are Thereza Lawson, Paul Montgomery and Joanna Andrews. Paul and Joanna no longer work for the Council and so their names can be deleted from this list.

3 How to address current situation	
3.1	Thereza (Terri) Lawson is an employee of East Suffolk Council. She is to retain her authorisation to appear in court under section 223 and represent East Suffolk Council.
3.2	Caroline Greig is an employee of East Suffolk Council. She is to be authorised to appear in the Magistrates' Court.
3.3	Gillian Juby is an employee of East Suffolk Council. She is to be authorised to appear in the Magistrates' Court.
3.4	Peter Seeley is an employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act he is also being put at the disposal of East Suffolk Council, and it is therefore possible for this council to authorise him to appear in court under section 223.
3.5	Steven Oxborough is an employee of Breckland District Borough Council. In accordance with Section 113 of the 1972 Act he is also being put at the disposal of East Suffolk Council, and it is therefore possible for this council to authorise him to appear in court under section 223.
3.6	Jak Miller is employee of East Suffolk Council. He is to be authorised to appear in the Magistrates' Court.
3.7	Lucy Talbot is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act she is to obtain authorisation to appear in court under section 223 and represent East Suffolk Council.
3.8	Nigel Adams is employee of Fenland Council. In accordance with Section 113 of the 1972 Act he is to obtain his authorisation to appear in court under section 223 and represent East Suffolk Council.

3.9	Feria Siblon is employee of Breckland Council. In accordance with Section 113 of the 1972 Act she is to obtain her authorisation to appear in court under section 223 and represent East Suffolk Council.
3.10	Jade Ellis is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act she is to obtain her authorisation to appear in court under section 223 and represent East Suffolk Council.
3.11	Kieran Kingston-Mills is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act he is to obtain his authorisation to appear in court under section 223 and represent East Suffolk Council.
3.12	Arthur Roberts is employee of West Suffolk Council. In accordance with Section 113 of the 1972 Act he is to obtain his authorisation to appear in court under section 223 and represent East Suffolk Council.
3.13	Lesley Walker is employee of Breckland Council. In accordance with Section 113 of the 1972 Act she is to obtain her authorisation to appear in court under section 223 and represent East Suffolk Council.
3.14	As part of the shared services arrangements between East Suffolk Council and the Anglia Revenues Partnership, in order to improve the flexibility and efficiency of local tax enforcement, it is proposed that these officers be authorised under section 223 to represent this Council in the Magistrates' Court.

4 Reason/s for recommendation

4.1	To authorise Thereza (Terri) Lawson, Jak Miller, Caroline Greig, Gillian Jubby, Peter Seeley, Steven Oxborough, Lucy Talbot, Nigel Adams, Feria Siblon, Jade Ellis, Kieran Kingston-Mills, Arthur Roberts and Lesley Walker to appear in the Magistrates' Court for East Suffolk Council.
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Appendices

Appendices:

None.

Background reference papers:

None.



FULL COUNCIL

Wednesday, 26 January 2022

Subject	Calendar of Meetings for 2022-23
Report by	Councillor Steve Gallant Leader of the Council
Supporting Officer	Chris Bing Monitoring Officer and Head of Legal and Democratic Services Chris.bing@eastsoffolk.gov.uk 01394 444408

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To seek approval for the Calendar of Meetings for the 2022 /23 municipal year.

The Calendar of Meetings provides the framework for the democratic and decision-making processes that will underpin the delivery of the key priorities identified within the Council's East Suffolk Strategic Plan.

Options:

None. The Calendar of Meetings provides the framework for the Council's democratic and decision-making processes and is a statutory requirement. It also enables all Members of the Council to plan and insert proposed meeting dates in their diaries in advance and allows the public and press to view future meeting dates.

Recommendation:

That the Calendar of Meetings for 2022/23 be approved.

Corporate Impact Assessment

Governance:

There are statutory and constitutional requirements to hold Council meetings to formulate decisions and to approve policies / strategies. The publication of Agendas and reports for meetings are undertaken in accordance with statutory requirements.

Meetings have been scheduled to enable effective decision-making whilst making the best use of resources. The meetings have also been programmed to ensure that decision-making is undertaken in a timely way to help with the implementation of Council strategies, plans, priorities and in fulfilling statutory and constitutional obligations.

Publication of the Calendar of Meetings allows the public to know in advance when Council and Committee meetings are being held.

ESC policies and strategies that directly apply to the proposal:

Not applicable

Environmental:

Not applicable

Equalities and Diversity:

Our meetings will be convened in venues that meet the requirements of the Equality Act 2010, in terms of public accessibility, in order to ensure access to Council meetings for all. Both East Suffolk House and Riverside meeting the Equality Act 2010 requirements for public accessibility.

In addition, copies of the Agenda, reports or supporting documentation can be made available in large print, Braille or in a different language, on request.

<p>Financial:</p> <p>The cost of administering all of the proposed meetings can be met from within existing budgets.</p>
<p>Human Resources:</p> <p>Not applicable.</p>
<p>ICT:</p> <p>The public can view Council meetings (including Committees and Sub-Committees) online, via YouTube, when 'open' items of business are being considered. The Agenda and accompanying 'open' reports for meetings are made available to view on the Council's website.</p>
<p>Legal:</p> <p>There are statutory and constitutional requirements to hold Council meetings to formulate decisions and to approve policies / strategies. The publication of Agendas and reports for meetings are undertaken in accordance with statutory requirements.</p> <p>Meetings have been scheduled to enable effective decision-making whilst making the best use of resources. The meetings have also been programmed to ensure that decision-making is undertaken in a timely way to help with the implementation of Council strategies, plans, priorities and in fulfilling statutory and constitutional obligations.</p> <p>Publication of the Calendar of Meetings allows the public to know in advance when Council and Committee meetings are being held.</p>
<p>Risk:</p> <p>Not applicable.</p>

External Consultees:	External consultation is not necessary. However, due care has been taken not to hold meetings at the same time as other nearby local authorities such as Suffolk County Council.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>

P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
There are statutory and constitutional requirements to hold Council meetings to formulate decisions and to approve policies / strategies. The publication of Agendas and reports for meetings are undertaken in accordance with statutory requirements.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Calendar of Meetings provides the framework for the Council's democratic and decision-making processes and is a statutory requirement.
1.2	It also enables all Members of the Council to plan and insert proposed meeting dates in their diaries in advance and allows the public and press to view future meeting dates.
1.3	The publication of Agendas and reports for meetings must be undertaken in accordance with statutory requirements.
1.4	It is important that the Council's meetings are programmed to ensure that decision-making is undertaken in a timely way to help with the implementation of Council strategies, plans, priorities and in fulfilling statutory and constitutional obligations.
2 Current position	
2.1	The Council has a current Calendar of Meetings for 2021-22, which was approved by Full Council at its meeting in January 2021. This enabled the effective

	consideration of Council business and covered the period from May 2021 to May 2022.
2.2	Previously, the start time of meetings has been standardised in order to give consistency and to accommodate the anticipated volume of business.
2.3	The Chairman of the Council / Chairmen of Committees have the power to call additional or 'Extraordinary' meetings when required, to accommodate urgent or unscheduled items of business or to change a meeting date to reflect unexpected circumstances (eg bad weather etc).

3 How to address current situation

3.1	It is therefore best practice for Full Council to approve a Calendar of Meetings for 2022-23, as recommended within the report.
3.2	The Calendar, once approved, will be publicised and will be available to view on the Council's website: www.eastsuffolk.gov.uk
3.3	The meeting papers for Full Council, Cabinet and the Committees are also available to view on the website.
3.4	The majority of the Council's meetings are available to view on the Council's YouTube channel, when 'open' items of business are being considered.

4 Reason for recommendation

4.1	To enable the effective scheduling of Council business for 2022/23.
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Appendices

Appendices:

Appendix A	The proposed Calendar of Meetings for 2022-23
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Background reference papers:

None

EAST SUFFOLK COUNCIL - CALENDAR OF MEETINGS 2022/23

Committee	MEETING DATE												
	2022								2023				
	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
◆ CABINET BRIEFING ** Tuesday at 4.30pm	17	14	19	16	20	18	15	14	17	21	21	18	16
CABINET Tuesday at 6.30pm	3	7	5		6	4	1	6	3	7	7	4	2
FULL COUNCIL Wednesday at 6.30pm	25		27		28		23		25	22	22		24
SCRUTINY COMMITTEE Thursday at 6.30pm	19	16	14		15	27	17	15	19	16	16	20	18
AUDIT & GOVERNANCE COMMITTEE Monday at 6.30pm			25		12			12			13		
STRATEGIC PLANNING COMMITTEE Monday at 10.30am		6			5			5			6		
PLANNING COMMITTEE NORTH Tuesday at 2pm	10	14	12	9	13	11	8	13	10	14	14	11	9
PLANNING COMMITTEE SOUTH Tuesday at 2pm	24	28	26	23	27	18	22	20	24	28	28	25	23
LICENSING COMMITTEE Monday at 6.30pm			18			17			16			17	
LICENSING SUB-COMMITTEE (Ad hoc)													
SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE Thursday at 4.00pm													
ARP JOINT COMMITTEE Tuesday at 11am		21			20			13			2		

COMMUNITY PARTNERSHIPS AND COMMUNITY PARTNERSHIP BOARD

	2022										2023				
	DAY	TIME	MAY 2022	JUNE 2022	JULY 2022	AUG 2022	SEPT 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APRIL 2023	MAY 2023
Aldeburgh, Leiston & Saxmundham Community Partnership	Ad-hoc	3.30pm													
Beccles, Bungay, Halesworth & Villages Community Partnership	Mon	6pm													
Carlton Colville, Kessingland, Southwold & Villages Community Partnership	Weds	Ad-hoc													
Felixstowe Peninsula Community Partnership	Ad-hoc	2pm													
Framlingham, Wickham Market & Villages Community Partnership	Thurs	6pm													
Kesgrave, Rushmere, Martlesham, Carlford & Fynn Valley Community Partnership	Ad-hoc	Ad-hoc													
Lowestoft & Northern Parishes Community Partnership	Weds	6pm													
Melton, Woodbridge & Deben Peninsula Community Partnership	Ad-hoc	4.30pm													
Community Partnership Board	Mon	6pm		13			5			5			6		

<p>Key to Symbols:</p> <ul style="list-style-type: none"> ◆ Private meeting ** Remote meeting ~ Extraordinary Meeting <ul style="list-style-type: none"> - Meetings held at East Suffolk House, Melton, are indicated in yellow (on Page 1) - Meetings held at Riverside, Lowestoft are indicated in blue (on Page 1) - Meetings held at the Meeting Room, Breckland House, St Nicholas Street, Thetford, IP24 1BT are indicated in green - Meetings held at Stella Peskett Millenium Hall, Might's Road, Southwold, IP18 6BE are indicated in grey 	<p>Bank & Public Holidays</p> <p>2022 – 3 January, 15 & 18 April, 2 May, 2 & 3 June, 29 Aug, 26 & 27 December</p> <p>2023 – 2 January, 7 & 10 April, 1 & 29 May</p> <p>Notable Dates</p> <p>31 May & 1 June 2022 – Suffolk Show</p> <p>Pre-Election Period (purdah) - dates to be confirmed</p> <p>4 May 2023 – District & Parish Elections</p> <p>28 – 30 June 2022 – LGA Conference</p> <p>21-24 July 2022 – Latitude Festival</p>	<p>Please check the Council's website for more details and the papers for each meeting</p> <p>Please refer to published agenda for confirmation of meeting arrangements</p> <p>Please take notice that there are likely to be items at the aforementioned meetings that will be taken in private session. The most common reasons for the press and public being excluded are: information relating to any individual, information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information).</p>
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FULL COUNCIL

Wednesday, 26 January 2022

Subject	Scrutiny Committee's recommendations considered by Cabinet on 7 December 2021
Report by	Councillor Steve Gallant Leader of Council
Supporting Officer	Chris Bing Head of Legal and Democratic Services & Monitoring Officer Chris.Bing@east Suffolk.gov.uk 01394 444408

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

In accordance with Paragraph 8C8 of the Scrutiny Procedure Rules in the Constitution, Full Council is required to consider Scrutiny Committee recommendations, made in relation to their reviews on Housing Development and Waste Management, which the Cabinet on 7 December 2021 was unable to agree in whole, or in part.

Scrutiny Committee's recommendations were detailed in the appendices to the Cabinet reports:

- ES/0963 by the Cabinet Member with responsibility for the Environment in relation to the Scrutiny Committee review of Waste Management.
- ES/0964 by the Cabinet Member with responsibility for Housing in relation to the Scrutiny Committee review of Housing Development

Options:

No other options were considered as the Constitution requires that this procedure be followed.

Recommendation/s:

That Full Council notes and affirm Cabinet's decisions of 7 December 2021 on Scrutiny Committee recommendations to Cabinet in reports ES/0963 and ES/0964

Corporate Impact Assessment

Governance:

Paragraph 8C8 of the Scrutiny Procedure Rules in the Constitution requires that, if following careful and proper consideration by the Cabinet of any report (or reports) from the Scrutiny Committee:

(a) The Cabinet is unable to agree in whole or in part with any recommendations in the report (or majority report if there be also a minority report) and proposes a decision at variance in whole or in part with any recommendations.

Or

(b) The Cabinet in agreeing with any recommendations in the report (or majority report) is thereby supporting proposals that would require in whole or in part a departure from or change to the Council's existing Budgetary and/or Policy Framework.

The recommendations in the report (or majority report) of the Scrutiny Committee and the recommendations of the Cabinet, shall stand referred to the next available meeting of the Council for further consideration. The Proper Officer shall ensure that the item is placed in the agenda for the next Council meeting.

After due consideration, the decision of the Council shall be final.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council's Constitution – Scrutiny Procedure Rules.

Environmental:

Not applicable.

Equalities and Diversity:

Not applicable.

Financial:

Not applicable.

Human Resources:

Not applicable.

ICT:

Not applicable.

Legal:

To accord with the Council's Constitution.

Risk:

To avoid any reputational damage from not complying with the Council's Constitution.

External Consultees:	Not applicable
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
To accord with the Council's Constitution and ensure good governance for the benefit of residents and ratepayers within the District.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Constitution requires Full Council to consider any Scrutiny Committee recommendations that are rejected wholly or in part by Cabinet.
1.2	On 7 December 2021, Cabinet received three reports containing recommendations from the Scrutiny Committee following their reviews in relation to Empty Homes, Housing Development and Waste Management.
1.3	Cabinet agreed the Empty Homes recommendation but rejected the recommendation relating to Housing Development. The Scrutiny Committee made 14 recommendations in relation to Waste Management, 7 of which were not agreed by Cabinet.

2 Current position	
2.1	<p>Housing Development</p> <p>The Scrutiny Committee had recommended:</p> <p style="padding-left: 40px;">That Cabinet be asked to support this Committee’s recommendation for Officers to draw up a Business Case, within 3 months of the Cabinet decision, on the resources required in order to increase the existing target of delivering 50 new build Council houses per annum to 100 new build Council houses per annum.</p>
2.2	<p>At Cabinet on 7 December 2021, the Cabinet Member with responsibility for Housing, Councillor Kerry, asked Cabinet not to accept the recommendation from the Scrutiny Committee, at this time, citing a number of other factors that needed to be considered before a Business Case could be produced such as:</p> <ul style="list-style-type: none"> • The need to consider the energy efficiency of its 4,500 Housing Revenue Account owned properties. • To understand the impact of key changes that would impact on the Housing Revenue Account’s Business Plan, including the Building Safety Bill, the Retrofit agenda, the changes in the way ESC could use Right to Buy receipts and the removal of the debt cap. <p>Councillor Bird, Chairman of the Scrutiny Committee had urged Cabinet to support the recommendation by emphasising that the Scrutiny Committee had not recommended increasing the council house building target, but merely to produce a business case to quantify the impact and cost of so increasing the target.</p> <p>The Leader and the Cabinet Member with responsibility for Housing had repeated the need for evaluation to take place at this time, especially the cost, of retrofitting existing Council houses. The Leader had also stated that the Team was focussed heavily on a whole number of issues; and there was little point in asking them to produce a Business Case when Cabinet's view was already known.</p> <p>The Cabinet resolved that the recommendation made by the Scrutiny Committee be rejected.</p>

2.3	<p>Waste Management</p> <p>At Cabinet on 7 December 2021, Councillor Mallinder, the Cabinet Member with responsibility for the Environment, in referring to the recommendations put forward by the Scrutiny Committee, stated that ESC was doing much of the work already and going forward, with the move to a Local Authority Trading Company delivering waste services, there would be a review of practices. Councillor Mallinder had also reported that the Environmental Bill would bring a complete change of how household waste would be collected.</p> <p>The Leader had referred to the Suffolk Waste Partnership (SWP) and stated that if the Scrutiny Committee made a suggestion that was Suffolk-wide, then it needed to be considered by the SWP rather than ESC. The Leader was of the view that it was not the role of the Scrutiny Committee to ask Cabinet to ask somebody else to do something; he added that the Scrutiny Committee could, if it so wished, contact the Chair of the SWP, who happened to also be Councillor Mallinder, regarding initiatives.</p> <p>Cabinet resolved to support the response to the Scrutiny Committee recommendations outlined by the Cabinet Member with responsibility for the Environment in report ES/0963.</p>
2.4	<p>Full Council is asked to note the responses to the following recommendations which were effectively accepted:</p> <p>1. That, within six months of receipt of this report, Cabinet seeks the creation of a more integrated approach to waste management by closer working between Norse Commercial Services and the Council’s Environmental Enforcement Team.</p> <p>This action is already in place, the processes of delivery of our services relies on full integration of both East Suffolk and Norse - education and enforcement is a continued policy.</p> <p>2. That, within three months of receipt of this report, Cabinet reviews the current staffing level of Waste Management Officers and consider increasing the establishment by a further three Officers.</p> <p>Resources will be considered and discussed with Norse. ESC is looking at proposals to create a stronger strategic waste function within the authority and will review the resources allocated to this area as part of this review.</p> <p>3. That, within three months of receipt of this report, Cabinet seeks a review of the current schedule of lay-by clearing to ensure it is operating at maximum efficiency.</p> <p>All waste services are monitored and periodically updated. This ongoing review will now be led through our new Waste and Business Improvement Manager.</p> <p>4. In welcoming the trial of sensors on bins, the Committee recommends that, within three months of receipt of this report, Cabinet seeks trials of the following</p>

	<p>additional measures to aid the reporting of full bins – (a) a Quick Response (QR) matrix barcode (or two dimensional code) on bins that identifies specific locations and when the bins are nearing capacity; and (b) that the Council’s current online reporting system be enhanced, perhaps to mirror the reporting system of Highways at the county council, so that it tells a user if an incident of fly-tipping has already been reported.</p> <p>In order to test its effectiveness, a trial can be carried out within six months. If it proves to be successful, we could consider a wider rollout. There is a massive transformation piece being undertaken at present in waste and we need to be mindful of our resources.</p> <p>5. Having considered the fly-tipping initiative implemented in Northamptonshire in partnership with the Police and Crime Commissioner (PCC), the Committee recommends that, within six months of receipt of this report, Cabinet seeks exploration of the replication of this initiative, including funding contributions from the PCC (which aids private landowners to deal with fly-tipping and receives funding from the PCC for the tackling of littering issues as anti-social behaviour)</p> <p>This request will be referred to the Suffolk Waste Partnership. The PCC covers the entire county and therefore ESC cannot negotiate this in isolation. It should be noted however that waste enforcement responsibilities fall to ESC and the Environment Agency, not the police.</p> <p>6. The Committee acknowledged the benefit of school visits to the Energy from Waste facility for school parties but wished to recommend that, within two months of receipt of this report, the Cabinet Member for The Environment seek the incorporation of the RSPCA’s Generation Kind initiative in the curriculum (which highlights the damage done to wildlife by litter)</p> <p>This recommendation will be raised with the Suffolk Waste Partnership. ESC does not have the staff to engage with schools or have any controls over the curriculum.</p> <p>7. That, in general, campaigns such as that launched on 17 June to help people understand recycling requirements, be expanded beyond social media to ensure as wide an audience as possible and avoid digital exclusion</p> <p>This recommendation will be raised at the Suffolk Waste Partnership, who plan and resource these campaigns.</p>
2.5	Full Council is asked to consider the following recommendations made by the Scrutiny Committee which the Cabinet resolved not to accept:
2.5.1	<p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the responsible Government Minister to seek a fully digitised and traceable waste management service.</p> <p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies Highways England to seek a review of its current policy so</p>

	<p>that electronic anti-littering message signs can be displayed again on the overhead gantries on both carriageways of the A14 between Ipswich and Felixstowe.</p> <p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the Port of Felixstowe to seek improved and affordable facilities for drivers at the Port (to minimise littering in lay-bys and potential health hazards).</p> <p>It is not realistic for Cabinet to lobby on an endless list of issues to Government Departments and / or other agencies. It is open for Scrutiny Committee to do so if they wished.</p>
2.5.2	<p>That, with three months of receipt of this report, Cabinet explores the possibility of financial assistance/grants to residents on low income or in receipt of Universal Credit towards the cost of collection of large and bulky items</p> <p>This recommendation is not supported. It will be very difficult, in practise, for Norse to determine whether someone is in receipt of UC when they bill for a collection. Therefore, it is open to abuse. In addition, it starts a precedent of reductions in fees and charges for people in receipt of UC that would in practise mean the council subsidising refuse services, adding pressure to the system.</p> <p>This has been raised with our Housing Team who have in turn spoken with Housing Associations to give assistance.</p> <p>Residents need to take responsibility for their actions, the message the cabinet member of the environment will be articulating is reuse, repropose and reduce.</p>
2.5.3	<p>That, within two months of receipt of this report, Cabinet authorises the Fixed Penalty Notice for littering to be increased to the maximum amount permissible and, in addition, that those being sent a FPN also receive a leaflet explaining the impact of their actions on the environment (rather than an ashtray)</p> <p>This recommendation is not supported. Each individual case will continue to be looked at on its own merits. Applying the maximum penalty has its drawbacks, as the larger the fine the greater number of people will default leading to increased workload with follow-up and prosecutions.</p>
2.5.4	<p>That, within two months of receipt of this report, Cabinet seeks a communication campaign to advise residents of how to find reputable waste management carriers and what licensing documentation to seek before hiring</p> <p>The Environment Agency licence waste carriers and already publicise the rules around this. Our message to residents is that they need to be responsible for checking any company credentials and illustrate how to do this.</p>
2.5.5	<p>That, within three months, the Community Partnership Board be asked to consider providing funding towards the prevention of littering (it is suggested that this be implemented along the lines of the Local Area Committees scheme successfully implemented by Sheffield City Council).</p>

	The Community Partnership Board is responsible for allocating funds in line with its own priorities and does not seek outside recommendations for projects. It is not the role of Scrutiny or indeed Cabinet to seek to influence this process.
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3 How to address current situation

3.1	Full Council can either note and affirm Cabinet’s decisions on Scrutiny Committee’s recommendations, or they can approve Scrutiny Committee’s recommendations. The Council’s decision is final.
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4 Reason/s for recommendation

4.1	Cabinet gave careful consideration to all of Scrutiny Committee’s recommendations on Housing Development and Waste Management and provided reasons for accepting some recommendations and rejecting others, at its meeting on 7 December 2021.
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Appendices

Appendices:

Appendix A	Report ES/0964 by the Cabinet Member with responsibility for Housing in relation to the review on Housing Development
Appendix B	Report ES/0963 by the Cabinet Member with responsibility for the Environment in relation to the Scrutiny Committee review on Waste Management.
Appendix C	Minutes of the Cabinet Meeting held on 7 December 2021.

Background reference papers:

None



CABINET

Tuesday, 07 December 2021

Subject	Review of Housing Development: Recommendations from Scrutiny Committee
Report by	Councillor Richard Kerry Cabinet Member with responsibility for Housing
Supporting Officers	Heather Tucker and Bridget Law Head of Housing heather.tucker@eastsoffolk.gov.uk 01502 523144 Bridget Law Development Programme Manager bridget.law@eastsoffolk.gov.uk 01502 523449

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not Applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report provides a response to the Scrutiny Committee's recommendation following an in-depth review which took place at its meeting on 16 September 2021.

The review conducted by the Scrutiny Committee was an update of the overall progress of the Housing Development Strategy with particular focus on the ambition to build 50 Council houses per annum and the implications of the staff resources available to achieve that target.

The Scrutiny Committee having considered the contents of the report, the responses to its questions and the matters raised in debate, discussed the merits of recommending to Cabinet that the target be increased from 50 to 100 new builds per annum.

Given, however, that it was not possible at this stage to determine what the implications this recommendation would have on staffing and budgets, it was felt more appropriate to recommend to Cabinet that a Business Case be drawn up to identify and quantify the implications first.

Options:

The Cabinet can either choose to accept or reject the recommendation by Scrutiny Committee for the development of a Business Case to identify the opportunities available to increase the build target from 50 to 100 homes per annum.

Recommendation/s:

That Cabinet rejects the recommendation by the Scrutiny Committee.

Corporate Impact Assessment

Governance:

This report has been prepared in response to a recommendation made by the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions.

ESC policies and strategies that directly apply to the proposal:

[We are East Suffolk Strategic Plan 2020-24](#)
[ESC HRA Business Plan 2018-2048](#)
[ESC Housing Strategy 2017-23](#)
[ESC Housing Development Strategy 2020-24](#)

Environmental:

East Suffolk Council Housing Development Strategy 2020-24: The Strategy identifies "Environmental Sustainability" as an essential element in the creation of homes and

communities in which people want to live and work. It notes that lowering the whole-life carbon footprint of properties will help tenants save money and deliver lasting environmental, social and economic benefits. A number of innovative design solutions across several projects recognise the benefit of fabric first principles and the value of carbon neutral design.

In drawing up a Business Case, the potential environmental impact of increasing the number of Council houses built per annum would be identified.

Equalities and Diversity:

The supply of new build properties from the development programme must deliver the housing needs of residents in the district with the right homes, regarding mix and tenure, in the right locations.

Financial:

As of 31 March 2022, the HRA's Council Housing debt will be just over £60m and this needs to be repaid in full by 2041-42. As of 31 March 2021, the HRA had 4459 properties with a market value of £585.7m demonstrating that a £60m debt position was relatively low and could be increased if required.

The HRA has approximately £21m in income per annum, with fixed expenditure of £16m. Leaving £5m per annum to contribute to debt repayments and invest in the HRA Capital Programme. The HRA Capital Programme approved at Full Council on 27 January 2021 included £7.725m for redevelopment projects and £42.121m for new build development from 2021-22 to 2024-25.

To achieve a target to build more Council houses would require more funding, however, it was clear from the evidence provided to the Scrutiny Committee that the HRA could borrow additional funding if it wished.

Human Resources:

Over the last 18 months, the Housing Development Team has been expanded to help assess development opportunities, creating a development pipeline and enabling the year-on-year projected completions to increase. In addition, further specialisms in areas such as development contracting, construction law and commercial procurement were required, as well as external legal and procurement advice on particularly complex projects requiring construction sector expertise.

A Business Case would be able to identify additional staff/roles that would be required if the target to build Council houses was increased.

ICT:

The recent purchase of ARGUS developer software will help the Team to manage complex, multi-staged development projects with confidence.

The use of this software is helping the Council to assess development opportunities with a more commercial focused view ensuring the most appropriate use of HRA finance and bringing transparency to risks, helping to progress the building of additional new homes.

Legal:

Discussions are currently being held with the Head of Legal and Democratic Services concerning future specialised construction and development legal support for the HRA.

Increasing the target for new builds further was likely to increase the need for this support.. The Business Case would help identify the support needed and the associated costs.

Risk:

All projects within the Housing Development Programme have a project specific risk assessment carried out at the commencement of the project to identify potential risks to the delivery of the project and provide mitigation recommendations. The most common risks were not being able to successfully deliver the project brief within budget and on time, however, other risks included changes in the housing market, skills shortages or economic and political changes impacting the construction sector directly such as the availability of raw materials and imported goods. Risks have a potential to impact on multiple projects within the Programme.

Increasing the target for new builds within the existing HRA Development programme would likely increase the risk of delivery due to the availability of land, resource and funding. Increasing the Councils development programme across multiple sectors and tenures would spread risk of successfully delivering a programme. However, a successful delivery model would need to be defined and tested prior to consideration. Individual project risks would remain however the ability to take a more commercial approach may mean measured risks could be taken to reduce cost / programme and ultimately improve efficiently.

External Consultees:	Not applicable.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>

P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
<p>How does this proposal support the priorities selected?</p> <p>The Council's Housing Development Programme's primary objective is to meet housing need by providing high quality sustainable housing at affordable rents or sale values and to develop appropriate housing solutions in all areas of East Suffolk which are effective and cost efficient.</p> <p>Increasing the target of new builds will provide even more high-quality sustainable housing solutions for East Suffolk residents.</p>			

Background and Justification for Recommendation

1 Background facts	
1.1	<p>The Committee considered the Cabinet Member's report on the Housing Development Programme at its meeting on 24 September 2020 and recommended to Cabinet "That the Scrutiny Committee welcomed and encouraged the Housing portfolio's ambition to build 50 Council houses per annum. The Committee, mindful of the limited resources available, recommended to Cabinet that it explore the potential for modular construction, carbon neutral where possible, on appropriate sites at the earliest and most realistic opportunity".</p> <p>An update was requested in one year to review the overall programme and, if necessary, the implications of staffing resources on the attainment of the ambition.</p> <p>That update was considered by the Committee at its meeting on 16 September 2021.</p>

1.2	<p>The Cabinet Member's update report provided details of the latest position with regards to new stock being added to the HRA portfolio.</p> <p>The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee.</p>
1.3	<p>The following aspects of this topic were raised and discussed with the Cabinet Member and Officers at the meeting:</p> <ul style="list-style-type: none"> • the targets for East Suffolk under the Government's Affordable Homes Programme • Right to Buy and the impact on stock numbers • housing waiting lists and the need to review the Gateway to Home Choice Scheme • the current staffing levels in the Housing Development Team • the budget available to build and the implications of borrowing more money • the cost of purchasing land and the need to ensure value for money whilst providing new affordable housing in the places that residents need it • the lack of and price of building materials • the challenges of building environmentally sustainable housing.
1.4	<p>There is appreciation of the aspiration and desire for East Suffolk to commit to building additional Affordable Housing units, but there are a number of other factors we need to consider, before we can produce a Business Case such as the one requested by the Scrutiny Committee.</p>

2 Current position

2.1	<p>The current position with regards to the Council's progress on its Housing Development Programme are detailed in the Cabinet Member's report with additional information provided at the Scrutiny Committee meeting. It is not, therefore, proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the Cabinet Member's report and minutes of the meeting for this information.</p>
2.2	<p>In July 2019, East Suffolk Council voted unanimously to step up its positive work on environmental issues to tackle the issue of climate change. As part of this work, East Suffolk Council needs to consider the energy efficiency of its 4,500 Housing Revenue Account owned properties.</p>
2.3	<p>The level of work and investment required in the stock is not yet fully understood. Work is underway to try and understand the true cost and scale of the issue. However, it is without doubt going to be at considerable expense.</p>
2.4	<p>The Housing Revenue Account (HRA) has its own Business Plan, which was written in 2018 and since it was produced, we have seen a number of key changes, which will impact on what we choose to do in the future. These include the Building Safety Bill, the Retrofit agenda, the changes in the way we can use Right to Buy receipts and the removal of the debt cap.</p>
2.5	<p>Therefore, we will need to conduct a fundamental review of the Business Plan, which incorporates more than just development, so we can set a clear direction on future spend required within the HRA.</p>

3 How to address current situation	
3.1	The Scrutiny Committee noted that the current target had not always been met due to various factors, however, it was also clear from the evidence that there is a demand for more affordable housing for East Suffolk residents.
3.2	Although the Committee were of a mind to recommend that the target for new build Council houses be increased to provide more affordable housing, they recognised that building Council houses had budgetary and resource implications. Members also noted the challenges of building new Council houses, some of which were ongoing such as the impact of Right to Buy and the size of the Housing Development Team, whilst others were potentially short term issues such as the cost of materials and shortage in skilled labour.
3.3	A suggestion was made by the Strategic Director that rather than recommending the target be increased, it would be more beneficial to recommend to Cabinet that a Business Case be drawn up to identify and quantify the impact and cost of increasing the target from 50 to 100 new build Council houses per annum. This would enable Cabinet to assess the cost benefit ratio for providing the additional Council housing balanced against the costs required for other competing demands on the HRA budget such as making the existing stock more sustainable.
3.4	The Committee, in forming its recommendation, wished to offer a constructive friend's view of the current situation. In conducting the review, it was, as always, the Committee's intention to challenge in a positive way that might also add value and assistance rather than criticism.

4 Reason/s for recommendation	
4.1	It is proposed that Cabinet reject the recommendation from Scrutiny Committee to develop a business case to increase the target of affordable homes being delivered annually.
4.2	As stated above, there are a number of demands on the Housing Revenue Account at present, particularly in relation to the ambitious target to make the stock more energy efficient by 2030.
4.3	Therefore, at this time, it is not recommended we carry out one piece of work in isolation and instead allow officers to review all the demands on the HRA, in conjunction with the HRA Business Plan.

Appendices

Appendices:	
Appendix A	Review of Housing Development by the Scrutiny Committee

Background reference papers:	
None.	

APPENDIX A



CABINET

Tuesday, 07 December 2021

Subject	Review of Housing Development
Report by	Chairman of the Scrutiny Committee – Councillor Stuart Bird
Supporting Officer	Sarah Davis Democratic Services Officer Sarah.davis@east Suffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report provides a summary of the Scrutiny Committee’s findings following an in-depth review which took place at its meeting on 16 September 2021.

The review was an update of the overall progress of the Housing Development Strategy with particular focus on the ambition to build 50 Council houses per annum and the implications of the staff resources available to achieve that target.

The Cabinet Member’s report, when published on the Council’s website, included an appendix detailing written questions submitted by the Committee’s Members in advance and the responses that Officers, in agreement with the Cabinet Member, had subsequently provided.

The minutes from the 16 September 2021 meeting form an appendix to this report.

Options:

The Scrutiny Committee having considered the contents of the report, the responses to its questions and the matters raised in debate, discussed the merits of recommending to Cabinet that the target be increased from 50 to 100 new builds per annum.

Given, however, that it was not possible at this stage to determine what the implications this recommendation would have on staffing and budgets, it was felt more appropriate to recommend to Cabinet that a Business Case be drawn up to identify and quantify the implications first.

Recommendation:

That Cabinet be asked to support this Committee's recommendation for Officers to draw up a Business Case, within 3 months of the Cabinet decision, on the resources required in order to increase the existing target of delivering 50 new build Council houses per annum to 100 new build Council houses per annum.

When Cabinet receives this report, it is asked that, where it is proposed that a recommendation be accepted, Cabinet provides a clear commitment on its delivery and to what timescales. Similarly, where it is proposed that a recommendation is not accepted, Cabinet provides its detailed and substantive reasons for refusal.

Corporate Impact Assessment

Governance:

This report has been prepared on behalf of the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Strategic Plan 2020-24
East Suffolk Housing Strategy 2017-23
East Suffolk Council Housing Development Strategy 2020-24
East Suffolk Council HRA Business Plan 2018-2048

Environmental:

East Suffolk Council Housing Development Strategy 2020-24: The Strategy identifies "Environmental Sustainability" as an essential element in the creation of homes and communities in which people want to live and work. It notes that lowering the whole-life carbon footprint of properties will help tenants save money and deliver lasting environmental, social and economic benefits. A number of innovative design solutions across several projects recognise the benefit of fabric first principles and the value of carbon neutral design.

In drawing up a Business Case, the potential environmental impact of increasing the number of Council houses built per annum would be identified.

Equalities and Diversity:

The supply of new build properties from the development programme must deliver the housing needs of residents in the district with the right homes, regarding mix and tenure, in the right locations.

Financial:

As of 31 March 2022, the HRA's Council Housing debt will be just over £60m and this needs to be repaid in full by 2041-42. As of 31 March 2021, the HRA had 4459 properties with a market value of £585.7m demonstrating that a £60m debt position was relatively low and could be increased if required.

The HRA has approximately £21m in income per annum, with fixed expenditure of £16m. Leaving £5m per annum to contribute to debt repayments and invest in the HRA Capital Programme. The HRA Capital Programme approved at Full Council on 27 January 2021 included £7.725m for redevelopment projects and £42.121m for new build development from 2021-22 to 2024-25.

To achieve a target to build more Council houses would require more funding, however, it was clear from the evidence provided to the Scrutiny Committee that the HRA could borrow additional funding if it wished.

Human Resources:

Over the last 18 months, the Housing Development Team has been expanded to help assess development opportunities, creating a development pipeline and enabling the year-on-year projected completions to increase. In addition, further specialisms in areas such as development contracting, construction law and commercial procurement were required, as well as external legal and procurement advice on particularly complex projects requiring construction sector expertise.

A Business Case would be able to identify additional staff/roles that would be required if the target to build Council houses was increased.

ICT:

The recent purchase of ARGUS developer software will help the Team to manage complex, multi-staged development projects with confidence.

Formally recording information and using software will help the Council to take a more commercial view and bring transparency to risks, helping to progress the building of additional new homes.

Legal:

Discussions are currently being held with the Head of Legal and Democratic Services concerning future specialised construction and development legal support for the HRA.

Increasing the target for new builds was likely to increase the need for this support but the costs might be mitigated by economies of scale. The Business Case would help identify the support needed and the associated costs.

Risk:

All projects within the Housing Development Programme have a project specific risk assessment carried out at the commencement of the project to identify potential risks to the delivery of the project and provide mitigation recommendations. The most common risks were not being able to successfully deliver the project brief within budget and on time, however, other risks included changes in the housing market, skills shortages or economic and political changes impacting the construction sector directly such as the availability of raw materials and imported goods. Risks have a potential to impact on multiple projects within the Programme.

Increasing the target for new builds was likely to increase the risk, however, it was felt that perhaps economies of scale and the right procurement process might mitigate some of this risk, both of which can be identified as part of the Business Case process.

External Consultees:	Not applicable.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>

T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
<p>The Council's Housing Development Programme's primary objective is to meet housing need by providing high quality sustainable housing at affordable rents or sale values and to develop appropriate housing solutions in all areas of East Suffolk which are effective and cost efficient.</p> <p>Increasing the target of new builds will provide even more high quality sustainable housing solutions for East Suffolk residents.</p>			

Background and Justification for Recommendation

5 Background facts	
1.1	<p>The Committee considered the Cabinet Member's report on the Housing Development Programme at its meeting on 24 September 2020 and recommended to Cabinet "That the Scrutiny Committee welcomed and encouraged the Housing portfolio's ambition to build 50 Council houses per annum. The Committee, mindful of the limited resources available, recommended to Cabinet that it explore the potential for modular construction, carbon neutral where possible, on appropriate sites at the earliest and most realistic opportunity".</p> <p>An update was requested in one year to review the overall programme and, if necessary, the implications of staffing resources on the attainment of the ambition.</p> <p>That update was considered by the Committee at its meeting on 16 September 2021.</p>
1.2	<p>The Cabinet Member's update report provided details of the latest position with regards to new stock being added to the HRA portfolio.</p> <p>The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee.</p>

1.3	<p>The following aspects of this topic were raised and discussed with the Cabinet Member and Officers at the meeting:</p> <ul style="list-style-type: none"> • the targets for East Suffolk under the Government’s Affordable Homes Programme • Right to Buy and the impact on stock numbers • housing waiting lists and the need to review the Gateway to Home Choice Scheme • the current staffing levels in the Housing Development Team • the budget available to build and the implications of borrowing more money • the cost of purchasing land and the need to ensure value for money whilst providing new affordable housing in the places that residents need it • the lack of and price of building materials • the challenges of building environmentally sustainable housing.
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6 Current position

2.1	<p>The current position with regards to the Council’s progress on its Housing Development Programme are detailed in the Cabinet Member’s report with additional information provided at the Scrutiny Committee meeting. It is not, therefore, proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the Cabinet Member’s report and minutes of the meeting for this information.</p>
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7 How to address current situation

3.1	<p>The Scrutiny Committee noted that the current target had not always been met due to various factors, however, it was also clear from the evidence that there is a demand for more affordable housing for East Suffolk residents.</p>
3.2	<p>Although the Committee were of a mind to recommend that the target for new build Council houses be increased to provide more affordable housing, they recognised that building Council houses had budgetary and resource implications. Members also noted the challenges of building new Council houses, some of which were ongoing such as the impact of Right to Buy and the size of the Housing Development Team, whilst others were potentially short term issues such as the cost of materials and shortage in skilled labour.</p>
3.3	<p>A suggestion was made by the Strategic Director that rather than recommending the target be increased, it would be more beneficial to recommend to Cabinet that a Business Case be drawn up to identify and quantify the impact and cost of increasing the target from 50 to 100 new build Council houses per annum. This would enable Cabinet to assess the cost benefit ratio for providing the additional Council housing balanced against the costs required for other competing demands on the HRA budget such as making the existing stock more sustainable.</p>
3.4	<p>The Committee, in forming its recommendation, wished to offer a constructive friend’s view of the current situation. In conducting the review, it was, as always,</p>

	the Committee’s intention to challenge in a positive way that might also add value and assistance rather than criticism.
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8 Reason for recommendation

4.1	Having considered all the information provided and having heard the views of the Cabinet Member and key Officers, the Scrutiny Committee wished to make constructive suggestions to help bring long term empty properties back into use.
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Annexes

Annexes:	
Annex A	Confirmed minutes of the Scrutiny Committee – 16 September 2021

Background reference papers:		
Date	Type	Available From
	None, save the minutes of the meeting held in September 2020 and the published report for the meeting in September 2021	www.eastsuffolk.gov.uk



CABINET

Tuesday, 07 December 2021

Subject	Review of Waste Management: Recommendations from Scrutiny Committee
Report by	Councillor James Mallinder Cabinet Member with responsibility for The Environment
Supporting Officer	Kerry Blair Head of Operations 01502 523007 kerry.blair@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Wards Affected:	All Wards
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Purpose and high-level overview

Purpose of Report:

The purpose of this report is to respond to the recommendations arising from the Scrutiny Committee review of the Council's Waste Management service.

Options:

Each recommendation has been considered in turn and a response provided.

Recommendation/s:

That Cabinet notes the response to the recommendations in the Scrutiny Committee Review of the Council's response to Waste Management.

Corporate Impact Assessment

Governance:

The Scrutiny Committee has a role to scrutinise and review the action of the Council and has developed a set of recommendations to be considered in relation to Waste Management.

ESC policies and strategies that directly apply to the proposal:

None.

Environmental:

The work covered in this report covers several important environmental issues for East Suffolk Council.

It includes recommendations on the enforcement of littering, and the way that East Suffolk Council manages flytipping.

Equalities and Diversity:

No impact.

Financial:

Additional resources may be required in order to deliver the work outlined by the Scrutiny Committee. At this stage, the financial impact has not been calculated. The approach taken will be to work with the council's waste collection operator to identify how improved outcomes can be delivered within existing budgets.

Human Resources:

No impact.

ICT:

No impact.

Legal:

No impact.

Risk:

No risks associated with these recommendations have been identified.

External Consultees: None.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary Priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
<p>Many of the actions issues identified in the committee recommendations relate to making improvements in cleanliness to the public realm. Therefore, the biggest impact of this work will be to maximise community pride – by taking action on what matters most.</p>			

In addition, improved waste disposal – putting the right object in the correct bin – will mean that the council minimises waste, and increases recycling, another key council priority.

Background and Justification for Recommendation

1 Background facts	
1.1	The primary purpose of the Scrutiny Committee review was to constructively review performance in terms of the Council's response to Waste Management. In summary, a comprehensive review of all aspects of waste management in the district, to include litter, fly-tipping, recycling, waste education, penalty impositions etc.
1.2	The Council's response was considered in two parts at two separate Scrutiny Committee meetings. At the first meeting, in March 2021, the Committee received a report dealing with fly tipping and enforcement. At the second meeting, in June 2021 the Committee received a report covering contamination, collection issues, littering, the public realm and civic pride.
1.3	The report attached to this report as Appendix A is the recommendations to Cabinet and the response to each individual recommendation is set out below.
2 Current position	
2.1	Each of the recommendations in the Scrutiny Committee Report is provided in full below, followed by the response.
2.2	<p>That, within six months of receipt of this report, Cabinet seeks the creation of a more integrated approach to waste management by closer working between Norse Commercial Services and the Council's Environmental Enforcement Team.</p> <p>This is action is already in place, the processes of delivery of our services relies on full integrated of both East Suffolk and Norse - education and enforcement is a continued policy.</p>
2.3	<p>That, within three months of receipt of this report, Cabinet reviews the current staffing level of Waste Management Officers and consider increasing the establishment by a further three Officers.</p> <p>Resources will be considered and discussed with Norse. ESC is looking at proposals to create a stronger strategic waste function within the authority and will review the resources allocated to this area as part of this review.</p>
2.4	<p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the responsible Government Minister to seek a fully digitised and traceable waste management service.</p> <p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies Highways England to seek a review of its current policy so that electronic anti-littering message signs can be displayed again on the overhead gantries on both carriageways of the A14 between Ipswich and Felixstowe.</p> <p>That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the Port of Felixstowe to seek improved and affordable</p>

	<p>facilities for drivers at the Port (to minimise littering in lay-bys and potential health hazards).</p> <p>It is not realistic for Cabinet to lobby on an endless list of issues to Government Departments and / or other agencies. It is open for Scrutiny Committee to do so if they wished.</p>
2.5	<p>That, within three months of receipt of this report, Cabinet seeks a review of the current schedule of lay-by clearing to ensure it is operating at maximum efficiency.</p> <p>All waste services are monitored and periodically updated. This ongoing review will now be led through our new Waste and Business Improvement Manager.</p>
2.6	<p>In welcoming the trial of sensors on bins, the Committee recommends that, within three months of receipt of this report, Cabinet seeks trials of the following additional measures to aid the reporting of full bins – (a) a Quick Response (QR) matrix barcode (or two dimensional code) on bins that identifies specific locations and when the bins are nearing capacity; and (b) that the Council's current online reporting system be enhanced, perhaps to mirror the reporting system of Highways at the county council, so that it tells a user if an incident of fly-tipping has already been reported.</p> <p>In order to test its effectiveness, a trial can be carried out within six months. If it proves to be successful, we could consider a wider rollout. There is a massive transformation piece being undertaken at present in waste and we need to be mindful of our resources.</p>
2.7	<p>Having considered the fly-tipping initiative implemented in Northamptonshire in partnership with the Police and Crime Commissioner (PCC), the Committee recommends that, within six months of receipt of this report, Cabinet seeks exploration of the replication of this initiative, including funding contributions from the PCC (which aids private landowners to deal with fly-tipping and receives funding from the PCC for the tackling of littering issues as anti-social behaviour)</p> <p>This request will be referred to the Suffolk Waste Partnership. The PCC covers the entire county and therefore ESC cannot negotiate this in isolation. It should be noted however that waste enforcement responsibilities fall to ESC and the Environment Agency, not the police.</p>
2.8	<p>That, with three months of receipt of this report, Cabinet explores the possibility of financial assistance/grants to residents on low income or in receipt of Universal Credit towards the cost of collection of large and bulky items</p> <p>This recommendation is not supported. It will be very difficult, in practice, for Norfolk to determine whether someone is in receipt of UC when they bill for a collection. Therefore, it is open to abuse. In addition, it starts a precedent of reductions in fees and charges for people in receipt of UC that would in practice mean the council subsidising refuse services, adding pressure to the system.</p> <p>This has been raised with our Housing Team who have in turn spoken with Housing Associations to give assistance.</p> <p>Residents need to take responsibility for their actions, the message the cabinet member of the environment will be articulating is reuse, repurpose and reduce</p>

2.9	<p>That, within two months of receipt of this report, Cabinet authorises the Fixed Penalty Notice for littering to be increased to the maximum amount permissible and, in addition, that those being sent a FPN also receive a leaflet explaining the impact of their actions on the environment (rather than an ashtray)</p> <p>This recommendation is not supported. Each individual case will continue to be looked at on its own merits. Applying the maximum penalty has its drawbacks, as the larger the fine the greater number of people will default leading to increased workload with follow-up and prosecutions.</p>
2.10	<p>That, within two months of receipt of this report, Cabinet seeks a communication campaign to advise residents of how to find reputable waste management carriers and what licensing documentation to seek before hiring</p> <p>The Environment Agency licence waste carriers and already publicise the rules around this. Our message to residents is that they need to be responsible for checking any company credentials and illustrate how to do this.</p>
2.11	<p>The Committee acknowledged the benefit of school visits to the Energy from Waste facility for school parties but wished to recommend that, within two months of receipt of this report, the Cabinet Member for The Environment seek the incorporation of the RSPCA's Generation Kind initiative in the curriculum (which highlights the damage done to wildlife by litter)</p> <p>This recommendation will be raised with the Suffolk Waste Partnership. ESC does not have the staff to engage with schools or have any controls over the curriculum.</p>
2.12	<p>That, in general, campaigns such as that launched on 17 June to help people understand recycling requirements, be expanded beyond social media to ensure as wide an audience as possible and avoid digital exclusion</p> <p>This recommendation will be raised at the Suffolk Waste Partnership, who plan and resource these campaigns.</p>
2.13	<p>That, within three months, the Community Partnership Board be asked to consider providing funding towards the prevention of littering (it is suggested that this be implemented along the lines of the Local Area Committees scheme successfully implemented by Sheffield City Council).</p> <p>The Community Partnership Board is responsible for allocating funds in line with its own priorities and does not seek outside recommendations for projects. It is not the role of Scrutiny or indeed Cabinet to seek to influence this process.</p>

3 How to address current situation

- | | |
|-----|--|
| 3.1 | <p>If cabinet approves the recommendations, it is proposed that a working group is formed of officers to take forward those recommendations that are within the gift of East Suffolk Council. That is:</p> <ul style="list-style-type: none">• The completion of a proposal to engender closer working between the waste enforcement function and East Suffolk Council – including whether additional resource is needed.• A review of layby cleaning schedules is completed as part of a wider review of street cleansing schedules.• A trial of the use of smart bins and QR codes is completed, with a review and recommendations for a wider roll out if successful.• That proposals around campaigns in schools are raised with the Suffolk Waste Partnership – with a view to increasing the visibility of these campaigns. |
|-----|--|

4 Reason/s for recommendation

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| 4.1 | Each recommendation has been considered and the response is set out in section 2 above. |
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Appendices

Appendices:

Appendix A	Review of Waste Management by the Scrutiny Committee
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Background reference papers:

None.



CABINET
Tuesday, 7 December 2021

Subject	Review of Waste Management
Report by	Chairman of the Scrutiny Committee – Councillor Stuart Bird
Supporting Officer	Sarah Davis Democratic Services Officer Sarah.davis@eastsoffolk.gov.uk

Is the report Open or Exempt?	Open
Wards Affected	All Wards

Purpose of Report

A proposed scoping form for a review of all aspects of waste management was submitted, jointly, by several members of the Scrutiny Committee, for consideration by the Scrutiny Committee at its meeting in December 2020. This was agreed at that meeting.

The primary purpose of the agreed review, and therefore of this report, was, in summary, a comprehensive review of all aspects of waste management in the district, to include litter, fly-tipping, recycling, waste education, penalty impositions etc.

The review was originally scheduled for the meeting of the Scrutiny Committee to be held in March 2021. However, following concerns raised by the Head of Operations in January 2021 that the range of topics was too wide to be of use to the Committee and, also, that a formal report could not be prepared in time, the Chairman of the Scrutiny Committee together with the joint authors of the original scoping form agreed with the Officers' proposal for the review to be split over two meetings, the original date in March and in June 2021.

The first report, received in March 2021, specifically dealt with issues relating to fly-tipping and enforcement. The second report, received in June 2021, covered contamination, collection issues, littering, the public realm, and civic pride.

Both reports, when published, had as their appendices written questions submitted by the Committee's members in advance and the written responses that Officers, in agreement with the Cabinet Member, had subsequently provided. Both reports and their appendices are available on the Council's website.

This report sets out, in summary, the Scrutiny Committee's findings following its in-depth review across the two meetings. In addition to the two appendices of written questions and answers as mentioned above, the detail of the oral questions raised by Members at both meetings, the oral responses received, and any matters raised for debate at the two meetings, is provided in the sets of minutes from the March and June 2021 meetings. These form appendices to this report.

Options

The Scrutiny Committee having considered the contents of both reports, the responses to its questions and the matters raised in debate, formulated the following recommendations: no other options were considered relevant.

When Cabinet receives this report, it is asked that, where it is proposed that a recommendation be accepted, Cabinet provides a clear commitment on its delivery and to what timescales. Similarly, where it is proposed that a recommendation is not accepted, Cabinet provides its detailed and substantive reasons for refusal.

RECOMMENDATIONS

1. That, within six months of receipt of this report, Cabinet seeks the creation of a more integrated approach to waste management by closer working between Norse Commercial Services and the Council's Environmental Enforcement Team.
2. That, within three months of receipt of this report, Cabinet reviews the current staffing level of Waste Management Officers and consider increasing the establishment by a further three Officers.
3. That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the responsible Government Minister to seek a fully digitised and traceable waste management service.
4. That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies Highways England to seek a review of its current policy so that electronic anti-littering message signs can be displayed again on the overhead gantries on both carriageways of the A14 between Ipswich and Felixstowe.
5. That, within one month of receipt of this report, the Cabinet Member for The Environment lobbies the Port of Felixstowe to seek improved and affordable facilities for drivers at the Port (to minimise littering in lay-bys and potential health hazards).
6. That, within three months of receipt of this report, Cabinet seeks a review of the current schedule of lay-by clearing to ensure it is operating at maximum efficiency.
7. In welcoming the trial of sensors on bins, the Committee recommends that, within three months of receipt of this report, Cabinet seeks trials of the following additional measures to aid the reporting of full bins – (a) a Quick Response (QR) matrix barcode (or two dimensional code) on bins that identifies specific locations and when the bins are nearing capacity; and (b) that the Council's current online reporting system be enhanced, perhaps to mirror the reporting system of Highways at the county council, so that it tells a user if an incident of fly-tipping has already been reported.
8. Having considered the fly-tipping initiative implemented in Northamptonshire in partnership with the Police and Crime Commissioner (PCC), the Committee recommends that, within six months of receipt of this report, Cabinet seeks exploration of the replication of this initiative, including funding contributions from the PCC (which aids private landowners to deal with fly-tipping and receives funding from the PCC for the tackling of littering issues as anti-social behaviour)

9. That, with three months of receipt of this report, Cabinet explores the possibility of financial assistance/grants to residents on low income or in receipt of Universal Credit towards the cost of collection of large and bulky items
10. That, within two months of receipt of this report, Cabinet authorises the Fixed Penalty Notice for littering to be increased to the maximum amount permissible and, in addition, that those being sent a FPN also receive a leaflet explaining the impact of their actions on the environment (rather than an ashtray)
11. That, within two months of receipt of this report, Cabinet seeks a communication campaign to advise residents of how to find reputable waste management carriers and what licensing documentation to seek before hiring
12. The Committee acknowledged the benefit of school visits to the Energy from Waste facility for school parties but wished to recommend that, within two months of receipt of this report, the Cabinet Member for The Environment seek the incorporation of the RSPCA's Generation Kind initiative in the curriculum (which highlights the damage done to wildlife by litter)
13. That, in general, campaigns such as that launched on 17 June to help people understand recycling requirements, be expanded beyond social media to ensure as wide an audience as possible and avoid digital exclusion
14. That, within three months, the Community Partnership Board be asked to consider providing funding towards the prevention of littering (it is suggested that this be implemented along the lines of the Local Area Committees scheme successfully implemented by Sheffield City Council)

Corporate Impacts

Governance:

This report has been prepared on behalf of the Scrutiny Committee. The Council is required by statute to discharge certain overview and scrutiny functions. These functions are an essential component of local democracy. Scrutiny Committees can contribute to the development of Council policies and can also hold the Cabinet to account for its decisions

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Environmental Policy: "Enabling communities focuses on the sustainability of community assets and households, empowering individuals to improve their own 'green behaviours' and support their wider communities through action which benefits people and nature while making efficient use of natural resources."

Joint Municipal Waste Management Strategy for Suffolk: This provides the strategic framework for the management of municipal waste in Suffolk. The Strategy is underpinned by a vision to work together to minimise the amount of waste generated and manage what is produced in ways that are environmentally, economically, and socially sustainable

The **Suffolk Waste Partnership**, under the chairmanship of Councillor Mallinder (also responsible Cabinet Member for ESC), is a strategic partnership of the county which works to continuously improve waste management services throughout Suffolk

Environmental:

East Suffolk Council Environmental Policy: “Enabling communities focuses on the sustainability of community assets and households, empowering individuals to improve their own ‘green behaviours’ and support their wider communities through action which benefits people and nature while making efficient use of natural resources.”

Equalities and Diversity:

Not applicable

Financial:

The **current budget** for refuse collection across East Suffolk is in the region of £6m. In addition to this, around £1m is spent per annum on street cleansing. Therefore, the issues covered in this report have a significant impact on the Council’s finances. This is likely to become more acute from 2023, when the Government’s new Resource and Waste Strategy may require local authorities to collect and process additional materials.

The concerning **financial impact of gate rejects** due to contamination of a whole load results in lost Recycling Performance Payments which, in the twelve months ending March 2021, equated to £1,639 for the south of the district, and £50,308 for the north of the district, totalling £51,947.

Human Resources:

Not applicable

ICT:

Not applicable

Legal:

There is the potential, in 2023, that the **Government’s new Resource and Waste Strategy** may require local authorities to collect and process additional materials.

Risk:

Financial: In particular, the potential for cost inflation in the waste collection service linked to the introduction of the Government’s new Resource and Waste Strategy and its requirement to collect and process additional materials

Reputational: Waste collection and littering are issues of key importance to residents. The service is highly visible and has an impact across all the Council’s communities.

External Consultees:

Norse Commercial Services contributed to both formal reports received by the Scrutiny Committee and had representatives present at both the March and June 2021 meetings to respond directly to questions raised by the Committee during its review.

The County Council was consulted in the preparation of the two reports presented to Scrutiny Committee.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal:

T01	Growing our Economy	Primary	Secondary
P01	Build the right environment for East Suffolk		
P02	Attract and stimulate inward investment		
P03	Maximise and grow the unique selling points of East Suffolk		
P04	Business partnerships		
P05	Support and deliver infrastructure		
T02	Enabling our Communities	Primary	Secondary
P06	Community Partnerships		
P07	Taking positive action on what matters most		X
P08	Maximising health, well-being and safety in our District		
P09	Community Pride		X
T03	Maintaining Financial Sustainability	Primary	Secondary
P10	Organisational design and streamlining services		
P11	Making best use of and investing in our assets		
P12	Being commercially astute		
P13	Optimising our financial investments and grant opportunities		
P14	Review service delivery with partners		X
T04	Delivering Digital Transformation	Primary	Secondary
P15	Digital by default		
P16	Lean and efficient streamlined services		
P17	Effective use of data		
P18	Skills and training		
P19	District-wide digital infrastructure		
T05	Caring for our Environment	Primary	Secondary
P20	Lead by example		X
P21	Minimise waste, reuse materials, increase recycling	X	
P22	Renewable energy		
P23	Protection, education and influence		X
XXX	Governance	Primary	Secondary
	How ESC governs itself as an authority		

How does this proposal support the priorities selected?

Waste collection and littering are issues of key importance to residents. The service is highly visible and has an impact across all the Council's communities.

1. BACKGROUND FACTS

A detailed draft remit was submitted by several members of the Committee and received at the meeting in December 2020 for consideration; it was agreed. The remit sought the opportunity for members to discuss issues which had been subject to media coverage in the

last six months of 2020, some of which were also long-standing having first been suggested to the Scrutiny Committee of Waveney District Council in 2018, and which may have been exacerbated by the impact of the pandemic.

The remit suggested these issues included environmental crimes, the complexities of the Environmental Protection Team of the Council and the Environment Agency in this regard and clarity about who was responsible for what and how; the contamination of land, air and/or water by individuals through the instigation of informal waste disposal or storage; illegal dumps and increases in offences of fly-tipping, if there were 'hot spots' and what were the true costs to private land owners and local authorities; the RSPCA Generation Kind anti-litter campaign in schools in order to prevent harm to wildlife and to seek an update on how this was progressing; recycling bin contamination – labelling and education programmes; how best to engender civic pride in areas of hidden need and deprivation; public spaces storage and collection; and, the impact of the pandemic on the production of PPE waste, restricted hours at recycling centres and beach cleans.

The Scrutiny Committee met in March 2021 and received part one of a two-part report on all aspects of waste management. This report provided information on issues relating to fly-tipping and enforcement. The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee. In addition, the following aspects of this topic were raised with the Cabinet Member and Officers at the March meeting – the effectiveness of the appointment system at recycling centres and future plans post-pandemic; informal dumping of bags in shop frontages and fixed penalty notices; the possibility of a trial of QR codes on bins to facilitate reporting of overflowing bins or similar trials; the approach of Northamptonshire to fly-tipping in conjunction with the Police and Crime Commissioner and whether a partnership approach had or could be explored in Suffolk; the extent of litter on highways; unscrupulous contractors being hired to remove waste and instead fly-tipping it and whether the public needed to be better informed of licensing requirements and the documentation to seek when hiring; the schedule of emptying bins in lay-bys; additional issues in the lay-bys close to the Port of Felixstowe, signage, and the need for improved facilities for HGV drivers; whether or not bins at the coast were fit for purpose in terms of the wind and seagulls; and, additional education programmes in schools.

The Committee met again in June 2021 to receive the second part of the report, and this concentrated on contamination, collection issues, littering, the public realm, and civic pride. This report provided information on issues relating to fly-tipping and enforcement. The written questions submitted in advance of the meeting, together with the written responses, form an appendix to the formal report which went to the Committee. In addition, the following aspects of this topic were raised with the Cabinet Member and Officers at the June meeting – concerns were expressed about two collection routes in Lowestoft which saw repeated non-compliance result in the contamination of bins and noted the disparity between the north and south of the district in terms of contaminated refuse; the costs of collection of large or bulky items of waste; noted that the Council was, according to costs and data sources mid-table in its recycling rates and that to hit a rate of 60% would require significant changes in approach; noted the explanation of powers used with individuals, homes, businesses under the Environmental Protection Act 1990 and which had been 'trimmed' by the Anti-Social Behaviour Act 2015 and were now more time-consuming and, it was felt, reduced in their effectiveness; explored the possibility of decentralised recycling points as in France which might also provide 'credits' to parish councils for local schemes etc. – it was noted that the current Bill might explore this and provide the scope to undertake this approach; how staff deployment for litter clearance was

determined and if it was fully effective; noted how volunteer litter-pickers were supported by the Council and networking facilitated if so wished; explored whether the correct approach was education of individual responsibility rather than enforcement; whether a pilot of deposits on certain items could be explored and noted that this might be difficult in light of current contract commitments; issues with weeds in kerbs and pavements which was a responsibility of the county council and how best to ensure these assets were maintained by it; the current fines imposed via fixed penalty notices and whether, or not, there was scope to increase these; explored the online reporting system which, currently, did not make it clear that it could be used without registration or releasing personal information; and, noted the current pilot of solar crushers and sought the estimated costs and initial assessment by the University of Suffolk.

2. CURRENT POSTION

The current position with regard to the Council’s waste management services was stated by Officers within the formal reports received by the Committee in March and June 2021. It is not proposed to restate that position here, in this report, and for the sake of efficiency readers are referred to the two earlier reports for this information.

3. HOW TO ADDRESS CURRENT SITUATION

The Committee noted that initiatives had been employed to date to focus on key messages to better educate residents on the personal accountability they needed to take for their waste and on the enforcement options which were available. The Committee also noted the potential use of central collection points on the Council’s developments such as Deben High School, Felixstowe. Similarly, it noted that the current methods of glass recycling were likely to change because of the Government’s proposed new Recycling and Waste Strategy. The Committee also noted that the current schedule for the emptying of bins was based on expected use.

The Committee, in forming its recommendations, wished to offer a constructive friend’s view of the current situation. In conducting the review, it was, as always, the Committee’s intention to challenge in a positive way that might also add value and assistance rather than criticism.

4. REASON FOR RECOMMENDATIONS

Having considered the two reports and the information provided and having had the opportunity to question the reports both in writing in advance of the meetings and, in person, to discuss matters with the responsible Cabinet Member, key Officers of the Council and of Norse Commercial Services, the Scrutiny Committee wished to make constructive suggestions on certain aspects of waste management. The Committee’s recommendations fall within three main themes – organisation, finance, and education of individuals to improve their own ‘green behaviours’.

ANNEXES:	
Annex A	Confirmed minutes of the Scrutiny Committee - March 2021
Annex B	Confirmed minutes of the Scrutiny Committee - June 2021

BACKGROUND PAPERS:

Date	Type	Available From
	None, save the two published reports for the meetings in March and June 2021	www.eastsuffolk.gov.uk

Confirmed



Agenda Item 18

ES/1032

Minutes of a Meeting of the **Scrutiny Committee** held remotely via Zoom on **Thursday 25 March 2021**
at **6:30 pm**

Members of the Committee present:

Councillor Edward Back, Councillor Stuart Bird, Councillor Judy Cloke, Councillor Linda Coulam, Councillor Mike Deacon, Councillor Andree Gee, Councillor Louise Gooch, Councillor Tracey Green, Councillor Geoff Lynch, Councillor Mark Newton, Councillor Keith Robinson, Councillor Caroline Topping

Other Members present:

Councillor Stephen Burroughes, Councillor Peter Byatt, Councillor Janet Craig, Councillor James Mallinder, Councillor Keith Patience, Councillor Craig Rivett, Councillor Ed Thompson

Officers present:

Katherine Abbott (Democratic Services Officer), Kerry Blair (Head of Operations), Sarah Carter (Democratic Services Officer), Andrew Jarvis (Strategic Director), Sue Meeken (Political Group Support Officer (Labour)), Andrew Reynolds (Environment Protection Manager), Daniel Wareing (Environmental Sustainability Officer)

Others present:

Ben Ablett (Waste Management Officer - Norse), Ben Hunter (Waste Management Officer - Norse), Stuart Mortimer (Operations Manager - Norse), Nicky Noodles (Waste Management Officer - Norse)

1 Apologies for Absence

Apologies for absence were received from Councillor Beavan.

2 Declarations of Interest

There were no Declarations of Interest.

3 Unconfirmed Minutes of the Meeting held on 28 January 2021

By consensus it was

RESOLVED

That the Minutes of the Meeting held on 28 January 2021 be confirmed as a correct record and signed by the Chairman.

4 Review of waste management (Part 1)

The Scrutiny Committee report **ES/0712** which provided information on fly tipping, enforcement and the reporting of environmental crimes. The report was part one of a comprehensive review of aspects of waste management. The second part of the report would be received in June with reference to contamination, collection issues, littering and public realm.

The Cabinet Member for the Environment was invited to briefly introduce the report. He thanked the Committee for the opportunity to address it and welcomed the chance to have a constructive conversation into where improvement was possible and to identify where things were being done correctly. The Cabinet Member said that although he very much wanted to listen to the Committee's concerns and thoughts - he hoped to approach the review as a think tank in order to have scrutiny help him to improve some of the on-going issues. The Cabinet Member said that from reviewing the written questions submitted in advance it seemed that a briefing for Councillors would be useful and so this was being arranged and would cover reporting, statutory responsibilities, Council powers, and definitions. The Cabinet Member asked the Committee to remember that waste/ items on a piece of land, no matter how anti social, was not fly-tipping if permission had been given - although environmental protections would be a concern in such an instance. He added that fly-tipping was classed as 'the illegal deposit of any waste onto land that does not have a licence or give permission'. Under that classification, the dumping of leaves in woodland was as illegal as more obvious items such as a mattress or builder's rubble. The Cabinet Member stated that, such was the extent of fly tipping, major organised crime gangs were often involved. In conclusion, he said that, according to Keep Britain Tidy - 'Uncontrolled illegal waste disposal can be hazardous to the public, especially if it contains toxic material or asbestos. There could be a risk of damage to watercourses and soil quality from the dumped waste.'

The Head of Operations briefly highlighted the key points in the report, including operational partnerships and environmental agencies.

The Chairman invited questions.

Councillor Topping asked if the Pakefield recycling site would continue to operate an appointment system. It was acknowledged that this site was the responsibility of the county council, but the Cabinet Member advised that the Suffolk Waste Partnership had reviewed and improved the booking system. Councillor Topping also referred to large quantities of bags left in the doorways of charity shops and asked if there was anything the Council could do in this regard. The Head of Operations said that bags left on private land should be cleared by the land-owner, in this example the charity shop, bags left on public land could be removed by the Council. A similar situation existed with the location of clothing banks, if on public land items not placed in the bank could be cleared by the Council, but if the bank was on private land it was only possible for

the Council to investigate and, if sufficient evidence could be obtained, issue a fixed penalty notice.

Councillor Lynch asked why bins could not have QR codes (a two-dimensional barcode which was readable by smartphones) on them so that members of the public could report them as full and to be more efficient in collections. The Head of Operations said that trial of bins which omitted an electronic signal when full had been undertaken, however, the results were inconclusive and the technology had not been completely reliable. The Council continued to investigate other options and their benefits. The Waste Management Officer (Norse) also referred to similar trials and said these were more beneficial in rural locations and did enable the collection service to be more efficient.

Councillor Deacon thanked the Cabinet Member and Officers for a very comprehensive report. He referred to an article about the approach of Northamptonshire to fly-tipping where the county's police, fire and crime commissioner was covering the cost of having fly-tipping cleared from private land in two areas of the county on a trial basis. He asked if a similar scheme was possible in Suffolk. The Environmental Protection Manager said that many criminal offences were the responsibility of the local authority to investigate and enforce and that, in his opinion, fly-tipping was not a police matter. Councillor Deacon stated that it would be helpful to be willing to explore a partnership approach, as Northamptonshire had, and that if their approach worked it was reasonable to assume it might in Suffolk. He added that fly-tipping was a costly problem and a blight on the district, therefore, to ask if a partnership approach or special initiative was possible should not be so quickly dismissed.

Councillor Newton referred to personal experience of using the on-line reporting form which had been responded to quickly. However, his experience of the 'My East Suffolk' portal had been less responsive and the option to use the system without registering had not been easily visible, he said. Councillor Newton added that the system also did not indicate if an issue had already been reported. The Cabinet Member with responsibility for Customers, ICT and Commercial Partnerships, present as a visiting member, confirmed that it was not necessary to register for an account to use the portal but he noted the comments and said he would see if there was a way to make this more explicit and clear. He also said he would look into the suggestion of a QR code with the digital team.

Councillor Gooch thanked the Cabinet Member and Officers for an excellent report. She said this review had originally been sought by the Waveney Overview and Scrutiny Committee in autumn 2018 but it had been delayed and deferred for various reasons; she welcomed the review now taking place. Councillor Gooch stated that, without in any way wishing to sound critical of the Council, the problems associated with fly-tipping were extensive and, with reference to the Cabinet Member's wish to have a think tank approach, said she welcomed the opportunity to identify solutions together. Councillor Gooch said she had raised the special initiatives on trial in Northamptonshire with the Police and Crime Commissioner (PCC) and he had mentioned a wider initiative; she asked if there was more information on this available. The Environmental Protection Officer said that, to date, the PCC had not indicated anything further on this initiative. He added that he represented the Council on the pan-Suffolk Fly-tipping Action Group which met to discuss waste enforcement, the Constabulary had

previously attended the group but had advised it could no longer commit resources to its meetings. The Cabinet Member for the Environment said that there was scope to do collective work and that he would raise this proposal at the Suffolk Waste Partnership. Councillor Gooch referred to the elections to the County Council in May and suggested that it might be a prime opportunity to explore a pan-Suffolk approach. Councillor Gooch also suggested that the Council might introduce a public education campaign on litter and fly-tipping including the increased use of fixed penalty notices. The Waste Management Officer (Norse) confirmed that whilst no education material was sent to those who received a fine nor information on the adverse impact of their action on the environment, the accompanying letter did explain the reason for the fine and included an ashtray. Councillor Gooch referred to the extent of littering along the highways and asked if there was a more proactive approach that could be taken within the district. The Operations Manager (Norse) said the removal of litter from verges required a rolling road-block to be put in place in liaison with SCC Highways Department, these were scheduled events but had been impacted by the pandemic and also the snow earlier in the year, therefore the programme of work was a little behind schedule. The Strategic Director said that the removal of litter from highways was, unfortunately, almost an endless task but he praised the effective high-level dialogue between local authorities in this regard. Councillor Gooch asked if there had been any monitoring of when the majority of littering occurred. The Operations Manager (Norse) said that this was largely dependant on the people who made the litter and no real monitoring was undertaken.

Councillor Back referred to a recent *Panorama* documentary which had highlighted several cases where people employed a contractor to dispose of their waste but said contractor did so illegally by fly-tipping; he asked what documentation a legal, registered contractor should provide to give customers reassurance that their rubbish would be disposed of legally and appropriately. The Environmental Protection Officer said contractors required a licence from the Environment Agency and that without that licence the removal of waste was an offence. He briefly explained the system of tracking in place but said that funding, investment and the gathering of evidence was an issue. It was suggested by the Committee that the public needed to be better educated on how to find a legitimate licensed waste contractor and of the requirement to seek a waste transfer note.

Councillor Green asked if recycling centres had CCTV cameras to monitor those people who left items at the gates. The Cabinet Member said automatic number plate recognition (ANPR) technology had been put in place to capture the registration details of people illegally dumping items. Councillor Green asked if as a ward member she should approach a housing association or the Council to assist residents in social housing with the removal of bulky items of furniture. The Environmental Protection Officer said that this should be reported to the Council and, if necessary, it would speak with the landowner, in the case of social housing this being the housing association. Councillor Green asked if there was a schedule for the emptying of bins in laybys and, if so, when this was last reviewed, including the sufficiency of bins in lay-bys. The Operations Manager (Norse) said the schedule for the emptying of bins in laybys had just been reviewed and it was felt the numbers were sufficient. It was agreed that the schedule would be shared with the Committee after the meeting. Councillor Green referred to the laybys close to the Port of Felixstowe and asked if there was anything that could be done to address the amount of rubbish left in these sites, including

bottles of urine etc. The Operations Manager (Norse) said that there was dialogue with the Port and the use of electronic signs on gantries to encourage responsible waste disposal were being considered. The Cabinet Member welcomed that suggestion and he also wondered if the Port could be encouraged to look at the facilities for drivers etc. Councillor Robinson said that there were already facilities for drivers at the Port. It was suggested that a possible recommendation arising from the review might be that bins be branded and feature clear contact information, that facilities for lorry drivers be sited outside the Port to minimise use of laybys and that the schedule for the emptying of bins in lay-bys be further reviewed.

Councillor Gooch asked if litter bins in seaside locations were fit for purpose because of coastal winds and seagulls etc. The Cabinet Member said the Council worked with its seaside towns to make containers wind and seagull proof.

Councillor Coulam suggested there were insufficient bins for the collection of dog excrement and also that litter was often located outside of schools which might, she said, necessitate the education of children in this regard to be addressed. Councillor Mallinder said town and parish councils were encouraged to purchase additional dog bins and also reminded members that they could use their individual Enabling Communities Budget for this purpose. The Cabinet Member said there were education programmes in place using the plastic champions. However, he did agree that more could be done in this regard. It was noted that discussions were underway with SCC on a review of current resources for such education, to identify any gaps and future resource needs. The Committee was also informed that plastic pollution resources were available online to teachers and home educators.

Councillor Cloke referred to an initiative in Devon and Cornwall where no litter bins were provided to encourage people to take their waste home. The Head of Operations reminded the Committee that the second report, in June, would focus on littering.

The Chairman referred to the report which stated that 525 incidents of fly-tipping had been investigated, ten fixed penalty notices had been issued and no prosecutions had been pursued. He added that, having researched the success rate of prosecutions nationally, these were generally successful and asked whether the Council was being proactive enough in this regard. The Waste Management Officer said the issue was finding sufficient evidence to proceed to prosecution. He added that last year five interviews under caution (Police and Criminal Evidence Act) had been delayed by the pandemic but were now rescheduled for May and June 2021.

Councillor Gooch said other methods needed to be considered - for example, requiring the registration number of purchasers of fast food to be stamped on packaging so that they can be identified if it is not disposed of properly. She asked if this could, perhaps, be included as a condition at the point of approving planning applications for such restaurants. The Environmental Protection Manager said environmental health was consulted on planning applications but were not asked to comment on the provision of litter bins. He suggested that the registration number on packaging would not identify the littering offender who might claim it blew out of the bin, for example, and therefore an illegal act could not be proven to the required standards of evidence to enable prosecution. Councillor Gooch asked if 'free' windows for the collection of large and bulky items could be available to encourage people to use this facility rather than

fly-tip. The Head of Operations replied that 'amnesties' had been used in the past, but they had proven to be difficult to apply fairly and could have perverse reactions in that people from far afield, outside of the district, abused the facility meant for local people. The Cabinet Member said that people needed to be encouraged to take responsibility for their items and their appropriate disposal.

Councillor Coulam referred to the current charge for the collection and removal of three bulky items (she quoted £45) and said that this was too high. The Cabinet Member said that other means of disposal were available including donation to charity organisations, selling the items etc. but did require some effort on behalf of the resident to research and arrange.

There being no matters raised for debate, the Chairman concluded the item by reminding the Committee that it would receive the second part of the review at its meeting in June 2021 and at that point it would be asked to formulate its recommendations to Cabinet, as considered necessary.

The Chairman thanked the Officers for their contribution to the meeting.

5 Cabinet Member's update

The Chairman invited Councillor Mallinder to provide his portfolio update in his role as the Cabinet Member for The Environment. In summary, Councillor Mallinder updated the Committee on the Council's work on the conservation of open spaces; the meeting of climate ambitions; the transformation of waste collection; the increasing of recycling; the reduction of carbon emissions; and, environmental protection.

The Chairman invited questions.

Councillor Topping commented positively on Councillor Mallinder's enthusiasm, energy and passion for the work of his portfolio. She asked if there was a specific reason he had been appointed to his portfolio and if there was some past experience he brought to the role. Councillor Mallinder thanked Councillor Topping for her kind words - he said he put so much energy into the role because it was so obviously the right thing to do. He said he endeavoured to engage and work collaboratively in what he described as a fantastic role that he genuinely enjoyed doing.

Councillor Deacon also praised Councillor Mallinder's passion and enthusiasm for his portfolio; he asked what Councillor Mallinder hoped would be in his greatest achievement in the role. Councillor Mallinder replied that the *Pardon the Weeds, We are Feeding the Bees* initiative had real traction and had positively engaged and educated people.

Councillor Gooch welcomed Councillor Mallinder's collaborative approach and praised his inclusion of her, as Shadow Cabinet Member, on new initiatives. She also referred to the work of the cross-party Environment Task Group which she said was a tribute to Councillor Mallinder's steer to the work of the portfolio. Councillor Gooch asked if the produce served in the café at the Council's Riverside offices was monitored for its carbon footprint. Councillor Mallinder said that the Council did try to monitor the source and to show a local lead on this matter. He referred to the need for a national

campaign on the carbon footprint of food and its production.

Councillor Lynch asked about the cutting back of hedges and the impact on natural habitats. Councillor Mallinder said the Council worked with local communities to explain and educate about the impact on biodiversity.

The Chairman asked if the Council was lobbying about the proposed changes to building regulations related to glazing and source heat pumps. Councillor Mallinder said the Environmental Planning Guide was used by the Planning Officers in discussions with agents, developers and residents on their planning applications. He hoped that the new regulations would be implemented on a phased basis with possible tax incentives. He also said that Council needed to educate local developers on its vision in this regard. Councillor Mallinder said he would be happy to discuss possible lobbying with Councillor Ritchie.

There being no further questions, the Chairman thanked Councillor Mallinder for his update and responses to the Committee.

6 Scrutiny Committee's Forward Work Programme

The Scrutiny Committee received and reviewed its current forward work programme.

The Committee received a draft scoping form from Councillor Green on social prescribing and which she briefly summarised. There was some reticence about whether, or not, this was a suitable topic for the Scrutiny Committee to review. It was agreed that the advice of the Head of Communities would be sought by the Clerk and her response provided to the next meeting at which time a decision to proceed with the review, or not, would be taken.

There are no Exempt or Confidential items for this Agenda.

The meeting concluded at 21.29pm.

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Chairman

Confirmed



Agenda Item 18

ES/1032

Minutes of a Meeting of the **Scrutiny Committee** held in the Deben Conference Room, East Suffolk House, Melton on **Thursday, 17 June 2021 at 6.30pm**

Members of the Committee present:

Councillor Edward Back, Councillor David Beavan, Councillor Stuart Bird, Councillor Judy Cloke, Councillor Linda Coulam, Councillor Mike Deacon, Councillor Andree Gee, Councillor Louise Gooch, Councillor Tracey Green, Councillor Colin Hedgley, Councillor Geoff Lynch, Councillor Keith Robinson, Councillor Caroline Topping

Other Members present:

Councillor Peter Byatt, Councillor Janet Craig, Councillor James Mallinder

Officers present: Katherine Abbott (Democratic Services Officer), Kerry Blair (Head of Operations), Helen Buckingham (Regulatory Consultant – Environmental Services & Port Health), Karen Cook (Democratic Services Business Manager), Simon Gilbert (Commercial Contracts Manager (Facilities)), Andrew Jarvis (Strategic Director), Matt Makin (Democratic Services Officer), Sue Meeken (Political Group Support Officer (Labour)), Andrew Reynolds (Environmental Protection Manager) and Daniel Wareing (Environmental Sustainability Officer).

1 Apologies for Absence and Substitutions

There were no apologies for absence.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

RESOLVED

That the minutes of the Extraordinary meeting held on 18 February 2021 be approved as a correct record and signed by the Chairman.

4 Review of waste management (Part 2)

The Chairman welcomed the Cabinet Member for the Environment and invited him to make any opening remarks before the report was considered by the Committee.

The Cabinet Member stated that litter affected everybody and the current situation was a combination of a lack of local social engagement, lack of responsibility of producers dealing with their packaging, a lack of education and parental skills and a lack of being a responsible member of our society. He explained that more than 2

million pieces of litter were dropped in the UK on a daily basis from crisp packets, cigarette butts to a bag of rubbish and everything in between. Litter cost the taxpayer over £1 billion per year for street cleaning, was unsightly and made our local areas look untidy and uncared for. He pointed out that litter also took years to break down causing harm to wildlife and habitats. Dropped food could attract pigeons and vermin and it then migrated to the water system and seas as it slowly polluted the world and eventually entered the food chain. The Cabinet Member continued that litter was unattractive and could ruin views and countryside/seaside rambles. It was a huge danger to wildlife and he reported that the RSPCA received over 7000 calls a year about litter related incidents and Keep Britain Tidy had similar concerns as they had many reports of mammals stuck on disregarded bottles. He pointed out that there was also a need to remember that other materials than just plastic could be equally dangerous to our wildlife. Litter increased negative behaviour, reduced people's sense of wellbeing and attracted crime. It polluted locally and across the world at a huge cost to the taxpayer. The Cabinet Members reported that, in dealing with local litter, there was a need to focus on partnership working and encourage residents to be proud of where they lived and worked. The Council was part of the solution but so was individual behaviours, initiatives from MPs and Ward Members also had a role to play. He acknowledged that bins needed to be in the right place and emptied at the right frequency. He stated that he spoke to Parish/Town Councils regularly to understand the issues in their areas and Ward Members were asked to identify and report to him any local concerns. The Committee was informed that, this year, the number of bins and the frequency of collections across the tourist parts of the district in particular had been increased with three collections in one day in some areas. Pavement recycling bins had been piloted and a project with the University of Suffolk had seen bins microchipped so that they notified Norse when they were full and ready to be collected. The Cabinet Member stressed that another priority was the need to educate and influence and this was being undertaken in particular through the Greenprint Forum and the Plastic Champion Initiative which empowered residents to organise litter picks and make their environments litter free. He added that the annual Love Suffolk event had been moved from Spring to Autumn and it was hoped that a litter pick would take place in every Ward in the Autumn. He mentioned that a lot of information was put out on social media and partnership working remained the key. He added that he was currently working with Suffolk County Council and other local Authorities to introduce a Suffolk wide campaign which would include a full week of litter picks and engagement. He referred to the Council's website which contained a lot of information and reminded Members that they could contact him direct at any time with any specific issues. He concluded that, in light of Members' questions and information requested, he had arranged a briefing session on fly tipping and litter for all Members.

The Chairman then directed Members' attention to the report and invited questions.

Councillor Robinson referred to litter problems in two particular areas of Lowestoft and the Cabinet Member responded that he had already spoken to all Lowestoft Ward Members about dealing with this issue across Lowestoft rather than piecemeal so that resources could be focussed across the whole area. In addition, he had spoken to Lowestoft Town Council to get their involvement. The Head of Operations acknowledged this was a significant issue as the two rounds referred to had the worst contamination figures for East Suffolk and across Suffolk but he pointed out that there

might be specific streets or individual properties within the round area that contributed significantly to the figures so there was a need to look at the data. He added that HMOs generally posed high levels of contamination too. He explained that another potential option would be to look at changes in the way collections were made if there was a persistent problem with core compliance. People needed to know what should go in the right bin and education was key. Members were informed that, if a bin was contaminated, a sticker was placed on the bin to say what could go in the bin and Officers might have a conversation with the householder but where there was a continued problem, enforcement was looked at. The Environmental Protection Manager stated that the whole process of enforcement started with education so the first step to achieve that was to use the stickers and provide information. If they continued not to do it then sanctions can be delivered through the Waste Management Enforcement Officers employed by Norse on the Council's behalf who enforce the provisions of the Environmental Protection Act. A difficulty experienced with enforcement of putting bins out on the wrong day etc was that the enforcement process was weak so there was a need to build the case and gain evidence.

The Chairman firstly referred to the cost in lost recycling payments because of contaminated collections and the need to address that quickly and secondly he suggested that there seemed to be a staggering disparity between the figures in the north and south and queried why that was. The Environmental Protection Manager responded that a map of social deprivation indicators was overlaid over the waste enforcement problems map there would probably be a good deal of correlation so it was possibly due to social economics. The Strategic Director echoed this comment, adding that there were a range of disparities in the north of the district and he pointed out that a one size fits all approach would not deal with this. He suggested that a wider view needed to be taken rather than looking at it as a single issue problem. The Head of Operations acknowledged that, whilst there were external factors beyond the Council's control such as social economics, in recognition of the scale of the problem, resources were being committed to a project to reduce contamination and this was one of several projects launched with Norse to improve this area of performance eg looking at the historic contamination patterns, identifying specific areas down to individual properties and developing and implementing improved operating process. He added that some of that would be about education with the householder but some was good practice in refuse collection by ensuring there was diligent checking of waste before it got to the MRF and at transfer stations. The additional costs to East Suffolk and Suffolk County Council for this made a simple case to putting additional resource into dealing with this issue as it saved all parts of the system money. The Cabinet Member stated that, as chair of the Suffolk Waste Partnership, it was a great concern - contamination in blue bins such as bottles, dirty nappies and food waste were the main issues and he added that the Partnership ran campaigns across Suffolk so East Suffolk worked on this as well as Suffolk as a whole.

Councillor Topping commented that she had seen stickers being put on to bins but knew that those same bins were contaminated in other weeks when they did not get a sticker so she suggested that operatives needed to check the bins more thoroughly to deal with it on the doorstep rather than at the transfer station.

Councillor Coulam queried if the new equipment at the Haddenham Road site meant that the waste was separated better now. In terms of material being brought into the

recycling centre, the Head of Operations stated that because it went down a chute into a segregated area, it did not seem much of an issue. He explained that he had some evidence from Suffolk County Council that the booking system at Haddenham Road or at the other recycling centres had not increased fly tipping. Positive feedback had also been received about the new booking system itself, that it was a much better managed process and people did not have to sit in a long queue. Councillor Coulam also pointed out that some people might only have one large item rather than three and the cost for bulky item collections might encourage some to fly tip. The Head of Operations responded that it cost £40 for up to three items and the charge was benchmarked across several nearby local authorities. He added that people could take items to recycling centres or various charities would collect so maybe there was a need to promote the ways large items could be collected for free. The Cabinet Members stated that the key was about individuals taking responsibility - it was not acceptable to drop items round the corner and he suggested that Ward Councillors could publicise means of disposing of unwanted items freely.

Councillor Deacon referred to the report and queried how East Suffolk did actually compare with other local authorities. The Head of Operations acknowledged that his response in the report might not be what Members wanted to hear but added that it was difficult to get to a number for the collection cost at a district level. He added that Councils might get a headline cost for the waste service that was publicly available but there was so much variance within that and it was difficult to know how much of that budget went on frontline services. There were no costs per household figure publicly available. He stated that he would argue it was the effectiveness of each collection authority that Members and residents were interested in eg how much material was recycled. He referred to Three Rivers District Council who had recycling rates of 62/63% and stated that it would be difficult to know the cost of that because it was probably undertaken by a private company but he would like to know how they had achieved their recycling rates. Waveney had been in the bottom three quarters and Suffolk Coastal had been in the top 25th in the country so, perhaps to be expected, East Suffolk as the merged authority was just in the top half at 45% recycling. He explained that East Suffolk would need to hit 60% under the new RAWS so there was a real seachange that needed to happen to achieve that. He concluded that this was what needed to be focussed on rather than the costs as it would be difficult to find out those costs.

Councillor Robinson expressed concern at the recycling rates and queried how much it affected the rates for those people that just did not bother and put things that could be recycled in the black bins. The Head of Operations reported that an annual compositional analysis of black bins was undertaken to inform publicity and education campaigns and it showed what was put in bins and could be recycled such as food, glass and garden waste but there was no enforcement around black bins unless someone put in a load of garden waste so the idea was to educate.

Councillor Lynch queried what powers the Council had to enforce against individuals or companies that continually contaminate. The Environmental Protection Manager stated that, under Sections 46 and 47 of the Environmental Protection Act 1990, the Council could serve notice if someone did not do the right things eg put something in that they should not, put a bin out on the wrong day or left it out too long. The Deregulation Act had severely trimmed enforcement powers as it used to be an

offence by prosecution or Fixed Penalty Notice if a notice was not complied with but the Deregulation Act had added loads of clauses requiring several stages to be taken and it was now a civil enforcement issue so the process was virtually useless, therefore, it was very difficult to use those provisions. He added that, under the Anti-Social Behaviour, Crime and Policing Act, a notice could be served requiring people to do something and can have a Fixed Penalty Notice but again it was a long winded process to serve the notice, very labour intensive with uncertain results.

Councillor Hedgley referred to practices abroad where every town or village had a recycling facility and he queried if consideration had been given to having that here with Towns/Parishes being responsible. The Cabinet Member stated that this was something he would like to see and he explained that different types of recycling would be looked at as part of the Environmental Bill so he suspected there would end up being some more localised recycling facilities. The Strategic Director stated that the EU was ahead of the UK - Germany were quite strict and would fine people and in France the local Mayor ran it. He added that the main issue was that the waste legislation was out of date - districts were the collection authority and the County Council was the disposal authority which created difficulties. He suggested Districts were best placed to be the only responsible authority working with Parish Councils. He reminded Members that Parishes had previously been able to get recycling credits for schemes and this had worked well for a period. He concluded that he hoped the new Environment Bill would give some scope for a more localised approach but he felt that it was likely it would have a more centralised approach instead.

Councillor Gooch referred to the discussions at the previous meeting and the schedule at the end of the report relating to litter pickers/street cleansers and she queried how staff deployment was determined in terms of routes and if staffing levels were adequate given population growth and levels of fly tipping. The Head of Operations responded that he would need to get back to Members regarding the rostering but additional resource had been added this summer in the coastal towns in anticipation of the huge influx of visitors so frequency was reviewed regularly. Discussions were also being held with Norse about having walk throughs to assess the frequency streets needed to be cleaned or the standard was not correct and it appeared that in Lowestoft it might not be correct. He added that there were about 20 people dedicated to this in Lowestoft and that was the same as when Norse had been formed but the strategic approach to identifying what should be done in particular areas was also under review to check the operation was effective and efficient.

Councillor Gooch also queried how communication was facilitated between the community litter picker groups, what mutual support was offered to them and how was it ensured that these helpful community volunteers were not displacing Council contracted workers. The Environmental Sustainability Officer stated that he was aware of a number of groups that carried out ongoing litter picks across the district and he had been helping them raise their profile and make them aware of each other so they could contact each other if they wanted. He added that he was not sure if everyone was aware though because there might be some groups out there that he was not aware of but he stressed that he was happy to facilitate that mutual support. The Cabinet Member suggested that this was an example of where Ward Members could assist and talk to the groups to see if they wanted to talk to other groups. He added that he was happy for groups to contact him directly and he stressed the need to

ensure that everyone who picked litter was thanked. In response to Councillor Gooch's question regarding the displacement of Council contractors and her query about what ideas were being explored to support vulnerable residents where free time civic engendering activities were not an option, the Environmental Protection Manager outlined the long list of duties the three Waste Management Enforcement Officers had in addition to dealing with litter across the whole district. The Strategic Director stated that he did not have an exact figure but hundreds of thousands were spent per year dealing with anti-social behaviour from residents who did not care and they know it was difficult to enforce so it should be about individual and community responsibility as the problem would not be solved without community support. He added that litter picks were essential and it was everyone's responsibility - if you see litter pick it up! The Head of Operations stated that it was relatively easy to get people to pick litter up from certain areas such as beaches and beauty spots but not other more urban places so posts were needed and volunteers were an enhancement to the street cleansing operation. In relation to civic pride, he agreed that there was a need to use all our powers to support people who had other issues in their life or did not understand the system and if necessary use education and then enforcement. He added that the operational and strategic review would be the key to answering a lot of the questions raised tonight. The Cabinet Member agreed with the comments about reaching out to the vulnerable and he added that he regularly talked to Housing colleagues about any areas of concern.

Councillor Deacon queried if this Council could be a pilot for returning deposits on plastic bottles and packaging similar to schemes in Germany and the Strategic Director responded that the deposit scheme was likely to be brought in as part of the Environment Bill so it would be looked into more deeply in the next few years. He also pointed out that the Council had contracted a company to run the re-process of the district's recyclables, therefore, if a significant amount of waste was taken out to run a deposit scheme then there might be some contractual issues.

Councillor Deacon also queried what mechanism there was for communicating with the County Council about clearing highways and verges and what provision there was if Ward Councillors were not happy. The Head of Operations responded that this year there had been an increase in weeds going through pavements etc and East Suffolk and other Local Authorities had asked County when they would be sending their contractors out to do this work. He clarified that, as the County was the responsible authority, there was no service level agreement, therefore, other Councils could only add political pressure to get County to undertake the work rather than enforcement. The Cabinet Member stated that he had recently spoken to County Councillor West who was the new relevant Cabinet Member to express dismay at the state of some of the pavements and highways and ask him to get rid of the weeds. He added that he urged residents and Members to contact the County Councillor for their area to add pressure about this.

Councillor Back referred to the amount of fines and he queried how much control the Council had in setting the Fixed Penalty Notices fines. The Environmental Protection Manager stated that the Council had some degree of control as the range of Fixed Penalty Notices for littering was approximately £50-£100 but he would check. He explained that currently it was set at £60 if paid within 10 days and £80 within 14 days and if people did not pay then they were taken to Court. He suggested it was the

amount of people who get fined rather than the amount that was the key issue. He added that there was between 100-150 fines issued per annum. The Chairman queried if there was any statistical monitoring that an increase in fine levels decreased the amount of littering. The Environmental Protection Manager responded that there was none that he knew of but added that the levels had originally been set approximately ten years ago in unison with the rest of Suffolk and he thought the other Councils had subsequently increased their fines so this was an area that could be reviewed. He added that he would check the maximum level of fine.

Councillor Topping queried what would happen to the contract that the Strategic Director referred to earlier if there was less to recycle, for example the Council was successful in getting people to stop using single use plastics. She also referred to the response to her question 18 in the report and asked if it would be possible to have a schedule of where Norse was litter picking in advance to ensure that community groups were not picking in the same area a few days later. The Strategic Director clarified that the contract was not a set volume or weight but the company was contracted to supply the Council's residential recyclable collection material to the MRF so if a rival recycling scheme was set up which took out a valuable product that the MRF expected to receive then there would likely be some problems, although that did not mean pilots could not potentially be operated. The Head of Operations stated that he would be happy to ask Norse to provide the schedule to help coordinate volunteers but he stressed that if there was any feedback on the details of the Schedule then that would be dealt with as part of the wider review.

Councillor Green expressed concern that the north of the district had such high tonnage of contamination and she asked whether it would be worth only having black bins in those specific areas given it was so difficult to get the message across. She added that some vulnerable residents would never be able to do it and suggested that Housing Associations ensure that when someone moved in or out that they were given information about local charities to dispose of packaging and items etc. She also suggested a roadshow across the district to say what could/not be recycled. She referred to the report which stated that bring banks would be fully reviewed and queried if any new sites had been identified. The Cabinet Member stated that working with Housing Associations was an ongoing project and he was engaging with them to ensure that where bins were in communal areas they were kept secure and reemphasising what should be recycled. He agreed that for those areas where there was a turnover of tenants they needed to be informed. In relation to clothes and bottle banks, he stated that if any community wants to arrange to have some in their areas then he was happy to assist. The Head of Operations stated that it was recognised that in some housing schemes maybe the Council should only fulfil the statutory responsibility to collect refuse rather than collect recycling because if it was contaminated from a few properties this then contaminated huge loads that would hinder our efforts. He added that some Councils had decided to only have black bins in those small areas whilst still trying to educate the residents. In relation to roadshows, Members were reminded that the RAWs Member Briefing session next week would give more details but an example was if glass and food were not being put in black bins but collected separately that would make a significant difference, although obviously that meant there would be costs of having more collections.

The Chairman queried if it was possible to have a combined bin to separate out different types of recyclables. The Head of Operations stated that there were options eg a separate container for food waste could sit within a wheelie bin. He explained that the huge advantage to having lots of separate containers were high recycling rates but the disadvantage was that crews struggled because there was lots of manual lifting and bending and it could contribute to littering if boxes of newspapers for example blew down the street. It was noted that the Officers were working with EELGA on the way the Council would implement RAWs including the type of bins and vehicles.

Councillor Gooch referred to the process on the website for reporting littering and fly tipping and queried why residents had to give a lot of their own personal details before they even got to the point of reporting the incidence and she queried why there could not be a dedicated number to make it easier to report. She also asked how officers and Norse monitored the reporting of littering and fly tipping on social media such as Facebook and Next Door as well as how much notice was taken of cleanapps/websites. The Cabinet Member stated that Officers were not looking at app technology because it could be too restrictive and a lot of people did not have access to technology particularly the elderly and the Council had an adequate reporting process in place that went straight to Norse. He added that residents could contact Ward Members or himself if they were struggling to report it. The Environmental Protection Manager agreed that it should be made as easy as possible to report to the Council for the reason that complaints were better than customer services and that the current process captured every litter report and mapped it out which gave good data for statistical planning. In relation to apps and third party sources of reports, he pointed out that the call centre operators used a script to capture details of the fly tip etc which was useful but when the Council only had a photo from an app it was completely disassociated with that person and the Council had limited ability to ask any questions to find out more to help provide context to determine the level of response and follow up action. He also queried why people would want to go through a third party app when they could ring or email the Council direct.

Councillor Gooch referred to the trial period of the new microchip bins and queried the cost implications of a full or partial roll out and also asked if the solar powered crusher bins would be in remoter areas not easily accessed by dustcarts. The Commercial Contracts Manager (Facilities) reported that there were 18 bins being monitored as part of the project with Suffolk County Council, University of Suffolk and Norse and the data so far looked very positive. He added that the data was a live feed that went to himself and Norse to enable Officers to monitor the status of each bin. He stated that he had asked for a report on how it had impacted on collection times and if it had reduced mileage as the idea was that bins would only be collected when required. The estimated cost was being assessed by the County Council and University and details would be sent to Members in due course. He explained that the solar powered bins were approximately £5K each and a business case would be needed to proceed but there was some scope for them. It was noted that if the project was successful, the sensors could be deployed in many different locations such as grounds maintenance, gulleys, street lighting etc and the Council should know the results of the bin sensor trial in approximately six months time. The Cabinet Member stated that if the price of solar powered crusher bins was reduced then that might be something that would be looked at in future but, in the meantime, the microchipped bins looked like the way to go.

Councillor Deacon queried what the barriers were for tackling fly tipping on private land particularly in rural areas, how the Council was liaising with Police Crime Commissioner and Suffolk Constabulary to address this and what initiatives were being designed by the Suffolk Fly Tipping Action Group. The Strategic Director stated that this was something they would take away and come back with a detailed answer but, in the meantime, he responded that whilst he acknowledged that this was a real issue, fly tipping on private land was a private issue and whilst the Council could do a lot of education to try and stop it, when it was on private land it was generally an issue for the landowner. The Environmental Protection Manager clarified that if someone fly tipped on private land it was the landowners problem but it was still a waste offence which the Council had a duty to investigate and prosecute if possible.

Councillor Gooch asked if it was a waste of time for Officers to look through bins for names and addresses etc if it did not lead to successful prosecutions and queried how Breckland achieved so many prosecutions. She also asked if CCTV evidence could be used if a perpetrator could be clearly identified for example in the case of HMOs or flat occupations and how was this Council going to raise the bar of prosecutions. The Environmental Protection Manager acknowledged that the number of prosecutions was low with the last being in 2018. He explained that the reason was because Fixed Penalty Notices provided a much more cost effective method of following up on waste offences and 24 Notices had been issued in the last financial year for fly tipping. He added that the main issue was that there were only three Norse Waste Management Enforcement Officers who, as he had detailed earlier, had a very wide range of duties.

Councillor Gooch queried if there was a pan-district schedule of street and pavement cleaning and if there was any redress if there was a lot of takeaway waste from fast food outlets. The Environmental Protection Manager stated that there used to be a Street Litter Control Notice under the Environmental Protection Act which could be served on frontages of businesses to require the business operator to provide bins and sweep up outside on pain of a Fixed Penalty Notice or prosecution but when that law had been replaced, we now had Community Protection Notices under the Anti-Social Behaviour, Crime and Policing Act 2014 to serve notice on the occupier of a property that caused detriment that was unreasonable and likely to reoccur. He added that the Waste Management Enforcement Officers could use them but again stressed that they had a lot of other duties. The Head of Operations stated that streets were not washed routinely but each street was cleaned according to a grading system, although it was felt that this was not a particularly satisfactory system or if it was then it might be that it was not being applied very well, therefore, the KPIs had recently been reviewed with Norse and changes would be introduced on how streets were graded, the frequency and priority. He added that it was also being reviewed as to who would assess and make the judgement because if it was the crews then it would not be an independent view so that would also be part of the new KPIs. The Cabinet Member stated that big brand fast food restaurants in particular should be forced to take responsibility for the litter that was left across the district but they did not engage in their local communities and did not tend to be interested in things like sponsoring litter picking etc. The Strategic Director stated that the Council realised that there was a need to take a new approach to street cleaning as part of the HAZ work and Town Centre Regeneration project so he suspected that in those heavy footfall areas there would be more pavement washing in future than done at the moment.

Councillor Gooch stated that, following the last Scrutiny review meeting on waste, Radio Suffolk had interviewed an RSPCA officer who said that there had been 4000 reports of litter damaging wildlife and she queried if this fact could have a higher profile in our education programme as school children loved animals and this might make them think before littering. The Cabinet Member responded that he agreed but schools were the County Council's responsibility. He added that the Greenprint Forum was working with schools and was focussing on Nature First this year with various campaigns and grants available so it was possible to focus on this in future but in the meantime he urged people to contact County Councillors and for Ward Members to engage with their local schools to emphasise this as well. The Environmental Sustainability Officer reported that the Council had produced some lesson resources on the theme of plastic pollution on behalf of the Greenprint Forum and these were available to download from the Council's website. He explained that the lesson touched on the environmental harm that plastic litter and other litter had when it escaped into the environment including the impact on wildlife and one of the learning objectives was to get children to think about what the impact on animals were. He added that the pack was being reviewed and he was happy to incorporate this before hopefully relaunching it again later in the year.

Councillor Gee expressed concern that there were only three officers dealing with this issue and given the amount of development particularly in the north of the district that would result in more residents, she queried if the Council should consider having more officers. The Chairman stated that this was a potential recommendation the Committee could consider.

Councillor Green observed that Felixstowe Town Council had been required by Norse to pay an additional fee for deep cleaning one of the streets in Felixstowe so they felt Norse had not been working with the Town Council.

Councillor Coulam expressed concern at an earlier comment that street cleansing would be looked at within a year and commented that this was an urgent matter. The Cabinet Member reassured the Committee that Lowestoft was a top priority for the whole Cabinet and improvements would be made as quickly as possible.

The Committee discussed potential recommendations and the Chairman stated that, once the general recommendations were agreed, they would then be turned into SMART recommendations and circulated to Members for final approval. The Cabinet Member reminded Members that he was also the Chairman of the Suffolk Waste Partnership in case the Committee wanted to make any recommendations to that group.

RESOLVED

1. That, having considered the report on Waste Management in East Suffolk, it was agreed that a number of recommendations would be circulated to Committee Members for approval prior to submission to Cabinet.
2. That the Cabinet Member and Officers be thanked for their assistance on this review and be asked to email details of the Norse litter picking schedule to

Members to avoid duplication with community litter pick groups, and further details be sent to Members on the approach to fly tipping on private land particularly in rural areas.

5 Scrutiny Committee's Forward Work Programme

The Committee received and reviewed its current Forward Work Programme including receiving updates on the progress of several Scoping Forms. It was noted that, although the Covid-19 Task and Finish Group had now been disbanded, it did have a positive impact because a group had now been set up between Adult and Children Services at County and East Suffolk's Housing Department.

The meeting concluded at 9.15pm.

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Chairman

Unconfirmed



Agenda Item 18

ES/1032

Minutes of a Meeting of the **Cabinet** held in the Deben Conference Room, East Suffolk House, on **Tuesday, 07 December 2021 at 6:30 PM**

Members of the Cabinet present:

Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Maurice Cook, Councillor Steve Gallant, Councillor Richard Kerry, Councillor James Mallinder, Councillor David Ritchie, Councillor Craig Rivett, Councillor Mary Rudd, Councillor Letitia Smith

Other Members present:

Councillor Edward Back, Councillor Stuart Bird, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Tony Cooper, Councillor Mike Deacon, Councillor Louise Gooch, Councillor Mark Jepson, Councillor Carol Poulter

Officers present: Stephen Baker (Chief Executive), Kerry Blair (Head of Operations), Karen Cook (Democratic Services Manager), Sarah Davis (Democratic Services Officer), Teresa Howarth (Principal Environmental Health Officer), Andy Jarvis (Strategic Director), Bridget Law (Programme Manager), Matt Makin (Democratic Services Officer), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Chief Finance Officer & Section 151 Officer), Agnes Ogundiran (Conservative Political Group Support Officer), Chris Phillips (Senior Estates Surveyor), Lorraine Rogers (Deputy Chief Finance Officer), Heather Tucker (Head of Housing)

1 Apologies for Absence

There were no apologies for absence.

2 Declarations of Interest

There were no declarations of interest.

3 Announcements

Councillor Steve Gallant - Leader of the Council

Councillor Gallant, on behalf of the Cabinet, sincerely thanked the Chief Executive and his officers for all of their work in 2021.

Councillor Gallant stated that the year had been a challenging time for all and the Council had needed to adapt and reinvent many of its previously well-established processes and procedures; he considered that officers from all service areas had

worked tirelessly and gone the extra mile to continue to deliver the Council's ambitions.

Councillor Gallant explained that he had asked each Cabinet Member to outline one or two key achievements in their respective portfolios and said that Members acknowledged that these achievements could not have happened without the support and endeavours of the officer team that supports them.

Councillor Craig Rivett - Deputy Leader and Cabinet Member with responsibility for Economic Development

Councillor Rivett cited the record level of support provided for businesses in 2021 in response to COVID-19 and directed everyone to the East Suffolk Means Business website for more information on the grants and support available. Councillor Rivett highlighted that more support for the high street, people and places would be coming in 2022.

The Cabinet was advised of a celebration event in Saxmundham that had taken place on 3 December 2021 which had been very well attended and that events had been provided by the First Light Festival Community Interest Company.

Councillor Rivett noted that £25,000,000 of funding had been secured from the Towns Fund for Lowestoft and work on the project was continuing. Another significant piece of work highlighted was Freeport East which Councillor Rivett said would go live in January 2022, pending further work on the business case, and would put the Port of Felixstowe in a strong position globally.

Councillor Rivett reminded Members that Banksy art had appeared in East Suffolk during 2021 and a consultation was underway on street art. It was intended to have a bigger First Light Festival in 2022 having had a scaled down event in 2021.

External funding had been secured for the renaissance of East Anglian fishing and a task and finish group was in place looking at ways to improve the industry. Councillor Rivett outlined the work on cliff stabilisation and beach huts in Lowestoft, including disabled access, and stated the Lowestoft Post Office project was progressing well. Councillor Rivett noted that the cafe at Martello Park, Felixstowe, had progressed to fitting out and he looked forward to seeing it in operation in 2022.

Councillor Rivett summarised the significant work undertaken on energy projects including the three examinations held in 2021 for East Anglia One North, East Anglia Two and Sizewell C, as well as the extensive consultations and meetings with Government ministers and civil servants to remind them of the cumulative impact of projects in East Suffolk.

Councillor Norman Brooks - Cabinet Member with responsibility for Transport

Councillor Brooks advised that the rollout of the Civil Parking Enforcement service had continued during 2021 and the service had been finessed during this period; he described it as a massive piece of work to introduce the service across the whole of East Suffolk and had been remarkably well done.

Councillor Brooks noted that the Council had introduced 30 minutes free parking in all of its car parks and highlighted that the use of the RingGo app exceeded 50% of paid for parking events in 2021, compared to less than 10% in 2019. Councillor Brooks stated that this saved the Council money and reduced its carbon footprint from the collection of cash from pay machines.

Cabinet was informed that the Council remained party to a variety of ongoing consultations regarding proposed improvements to the A12/A14 Copdock Interchange and the A12 near Lowestoft and was working with partners on proposed improvements to the A12 near Wickham Market. Councillor Brooks said that there had been movement on other highways improvements in Suffolk to ensure that any freight generated by the Sizewell C construction, should it be approved, would be accommodated by the road network.

Councillor Stephen Burroughes - Cabinet Member with responsibility for Customer Services, ICT and Commercial Partnerships

Councillor Burroughes stated that 2021 had been just as challenging as 2020 and considered that the Customer Services Team had been outstanding in all areas; the Team had continued to work from home in a very efficient way and had moved to a single front desk and virtual call centres. Councillor Burroughes said that customers were being encouraged to migrate to using a MyEastSuffolk account to interact with the Council online.

Councillor Burroughes advised that the Customer Services Team was continually using a data led approach through the Customer Services Dashboard, comments received and "Make Every Contact Count" to identify glitches and improve support services across the Council; this process had been streamlined with the implementation of new software packages during 2021.

Councillor Burroughes considered that the virtual call centre setup worked well and digital coaching had been offered to customers not used to interacting with the Council online. Councillor Burroughes highlighted that the Customer Services Team had dealt with a large number of queries on a number of topics during 2021, including supporting the COVID-19 response in signposting residents to health services.

Councillor Burroughes also outlined the improvements made by the Council's ICT service, such as doubling the bandwidth and improving network connectivity to make it easier for officers to work from home. Councillor Burroughes outlined the Grandpads scheme offered by the Council which had helped to reduce social isolation during the lockdowns, particularly for older people in East Suffolk. The ICT Team was using intelligent performance management to drive systems forward and was undertaking a digital audit.

Councillor Burroughes was of the view that the Council's commercial partnerships had worked well in 2021; Everyone Active had taken over the operation of the Council's leisure facilities in the former Waveney District Council area and Places for People had continued to deliver good services at the Council's leisure facilities in the former Suffolk

Coastal District Council area. Councillor Burroughes confirmed that the Council was driving improvements with East Suffolk Norse through Key Performance Indicators.

Councillor Maurice Cook - Cabinet Member with responsibility for Resources

Councillor Cook highlighted that the Council had achieved a balanced Budget including freezing District Council Tax and providing an additional contribution of £110,000 to town and parish councils to restrict their precept rises; a number followed the Council's lead and had not increased their precept.

It was noted that since the beginning of the COVID-19 pandemic the Council had paid out over £130,000,000 in grants to businesses and in support of communities. Transparency to both Members and the public had been increased by taking the draft Budget to both Cabinet and Full Council and introducing half-yearly performance reports.

The Council had increased its investment in Multi Asset Trusts by a further £5,000,000 to boost its income from long-term reserves and had arranged an Environmental, Social and Governance advice service from its City analysts, Arlingclose, which would lead to the issuing of an 'Ethical Investment Statement' in the Council's Treasury Strategy from January 2022. Councillor Cook added that the Council had also increased its commercial income from the purchase and letting of the Moor Park Industrial site and the NWES Office accommodation complexes.

Councillor Cook outlined that a business case and other preparatory work had been provided towards the formation of the East Suffolk Services Ltd Local Authority Trading Company (LATCo) and other future, yet to be announced projects. The Council had also provided a new investment strategy and financial framework to the newly formed Southwold Harbour Management Committee.

Councillor Cook confirmed that the Council had received the agreement of the Government to close the second homes Council Tax/Business Rates loophole.

It was noted that the Council had provided additional funding for the Gull Wing Bridge project in Lowestoft; Councillor Cook detailed that in his own Ward an agreement had been facilitated between three parish councils to a new Solar Energy Farm to provide electricity for 16,500 homes, which would save 11,000 tonnes of carbon each year and provide a significant contribution to the Council's business rates in the coming years.

Councillor Cook concluded that these examples and many more to comply with the Council's ethos of creating sound income streams which, ultimately, help to relieve the pressure to increase Council Tax for the benefit of all residents of the district.

Councillor Richard Kerry - Cabinet Member with responsibility for Housing

Councillor Kerry highlighted the hard work to meet the needs of clients presenting to the Council seeking housing advice, noting the work of outreach officers to work closely with rough sleepers and accommodation offers being made to all those verified as rough sleeping. Officers had also continued to work with partners and other

statutory services to provide support to clients including wrap around support to enable long-term sustainable housing options and reducing rough sleeping.

Councillor Kerry outlined the work that had been completed to deliver a seven-bed unit of supported housing in Lowestoft in partnership with Orwell Housing, as part of the Next Steps Accommodation Programme. It was highlighted that this facility was launched in June 2021, only four months after the Council had secured the funding to do so. Councillor Kerry detailed the benefits of the project and the cross-team working that had enabled it to be delivered within such a short deadline. The Department for Levelling Up, Housing and Communities (DLUHC) had visited the project and had been extremely impressed with the high quality of accommodation.

The Cabinet was advised that a new online service for housing tenants, myHome, was launched earlier in 2021 which allowed tenants to view rent balance and statements, make rent payments, set up paperless direct debits, review repair history, manage appointments, and allow secure messaging between tenants and Housing Officers.

Councillor Kerry summarised the housing development that had been progressed in 2021 and highlighted that the Stepping Home service was highly commended in the national Municipal Journal awards in the category for Delivering Better Outcomes.

The Private Sector Housing Team had successfully led a Suffolk-wide bid to increase awareness and enforcement action against landlords flouting the rules around renting out properties with a low energy efficiency rating; the project was now underway. Green Homes Grant funding had been secured to 2023 to deliver energy efficiency and renewable solutions across Suffolk.

Councillor Kerry concluded by stating that the Council had secured funding of £20,000 through the Local Government Association's Housing Advisors Programme to review the existing temporary accommodation for provision for those experiencing homelessness and support the development of a business case to consider the most appropriate future model of provision.

Councillor James Mallinder - Cabinet Member with responsibility for The Environment

Councillor Mallinder said that The Environment was one of the Council's core principles; the Council had declared a Climate Emergency in 2019 and had taken action in response to this. Councillor Mallinder said that the Council had a nature first focus and had made biodiversity a key priority throughout 2021.

Councillor Mallinder detailed the "Pardon the Weeds" campaign launched in 2021 which had created over 100 sites in conservation areas and demonstrated to residents that the Council cared about the environment and supported biodiversity. Councillor Mallinder announced a reduction in glyphosate spraying by 45% in 2021.

Cabinet was advised that during the summer of 2021 the Council had worked with town and parish councils to ensure they had the right number of bins and had introduced more paper recycling bins; 2021 had also seen the introduction of "smart" bins that indicated when they were full.

Councillor Mallinder expanded on changes to how cemeteries had been managed to allow more natural growth where appropriate to create pocket nature reserves. Wildflower border planting had taken place at the entrance to East Suffolk House and Councillor Mallinder considered it had exceeded expectation, describing it as having looked different each week. Councillor Mallinder noted that an Air Quality Strategy had been adopted in 2021.

September 2021 was cited by Councillor Mallinder as being historic, as Cabinet had approved the transition of its vehicle fleet from diesel fuel to palm free hydrotreated vegetable oil which was sustainable and renewable and would reduce the fleet's carbon footprint by 90%; the fleet's footprint was 32% of the Council's entire carbon footprint. Councillor Mallinder said this was a huge step towards the Council becoming carbon neutral by 2030. It was noted that an open letter had been sent by residents highlighting the Council's commitment to the environment, which had been signed by all the political groups of the Council.

Councillor Mallinder advised the Cabinet of a recent successful campaign in Lowestoft to improve recycling; it had been reported that for the last few weeks there had been zero contamination on two particularly challenging routes in the area.

The Cabinet was advised that the "Tree Jubilee" campaign had been launched in November 2021 which would both support the Platinum Jubilee of Her Majesty Queen Elizabeth II in 2022 and help to build a sustainable environment.

Councillor Mallinder concluded by highlighting that the cross-party Environment Task Group had guided the environmental work in 2021.

Councillor David Ritchie - Cabinet Member with responsibility for Planning and Coastal Management

Councillor Ritchie said that a great deal had been achieved in Planning and Coastal Management in 2021 and reported on the Lowestoft Flood Risk Management Project. Councillor Ritchie reported that the construction of the tidal flood wall had progressed well; the first cladding on Waveney Road had been installed which had smartened the area and provided vital protection to the area.

Cabinet was advised that the tidal barrier structure would now take the form of a 40-metre mitre gate and would be the first such structure not to require the diversion of a navigation channel as well as the second largest tidal barrier in the United Kingdom.

Councillor Ritchie said that a decision had been taken to change from the original 28-metre design following navigational simulations that had shown a need to keep the current width of the navigation channel, to allow larger vessels to continue to access the inner harbour. Councillor Ritchie considered that this would allow Lowestoft to continue to develop as a hub for offshore wind energy.

Councillor Ritchie noted that the project had worked with schools and young people in Lowestoft to offer work experience, training and employment and highlighted that the project's virtual visitor centre was open for the duration of the project at www.lowestoftfrmp.org.uk/consultation.

Councillor Ritchie hoped that the project would be completed by 2026 and was possibly the largest engineering project ever undertaken by a district council; he gave massive credit to both Coastal Partnership East and the Council's Coastal Management team for the progression of the project and considered that the project would underpin a successful future for Lowestoft.

Councillor Mary Rudd - Cabinet Member with responsibility for Community Health

Councillor Rudd noted that the ongoing COVID-19 pandemic, including the Delta and Omicron variants identified in 2021, had put enormous pressure on the teams in her portfolio. The majority of work by these teams had not created big headlines but had kept residents safe; Councillor Rudd cited the work of Emergency Planning, Food and Safety, Corporate Health and Safety, Port Health, Community Health and Licensing as being important in achieving this and considered the work of these teams to have been amazing.

Councillor Rudd highlighted that the Food and Safety and Licensing Teams had visited restaurants and other eating places to ensure they were complying with the rules and that Health Teams had been assisting with the vaccine rollout and other aspects of the COVID-19 response. Councillor Rudd said that Port Health had expanded its staff to cover the extra workload involved with Brexit. Councillor Rudd thanked staff for their hard work.

Councillor Letitia Smith - Cabinet Member with responsibility for Communities, Leisure and Tourism

Councillor Smith thanked the residents of East Suffolk for the high numbers of volunteers seen throughout the year, at a time when the district needed to come together to help one another. Councillor Smith outlined the continued work of the eight Community Partnerships in their communities. Councillor Smith covered the launch of EAST (Everyone Active, Supported Together) bags earlier in 2021 which had been supported by the Community Partnership Board.

Councillor Smith noted she had joined a gym in 2021 and was regularly encouraging members of the Cabinet to be more active. Councillor Smith highlighted the Women's Tour event held in Felixstowe as well as a triathlon event that took place in the town on the same weekend, along with an event in Lowestoft to celebrate the longest day of summer which had been organised by the First Light Festival CIC. Cabinet was reminded that the Council's leisure centres had reopened in April 2021 as part of the roadmap out of lockdown. Councillor Smith said that moving forward from this the Council had continued to make efforts to support communities and had reviewed and extended place-based initiatives in Lowestoft and Leiston. Work was being undertaken to support young people into employment and Councillor Smith noted that Cabinet had approved funding for a new project to fund rural youth provision.

Councillor Smith said that she could not cover all the projects undertaken in 2021 and would circulate more information to all Members of East Suffolk Council to remind them what had been achieved during the year.

4 Minutes

RESOLVED

That the Minutes of the Meeting held on 2 November 2021 be agreed as a correct record and signed by the Chairman.

5 Council Tax Base 2022/23

Cabinet received report **ES/0961** by the Cabinet Member with responsibility for Resources, who stated that the report outlined the process for estimating the tax base and the elements that needed to be taken into account. Starting with the total number of dwellings in the district, Councillor Cook reported, adjustments were made for reliefs, discounts, growth, and an estimated collection rate to arrive at a tax base expressed as a number of Band D equivalents. An increase in the council tax base had financial implications for precepting authorities as their income from a given level of Band D council tax was increased.

Councillor Cook stated that a number of impacts of the COVID-19 pandemic were evident in the calculation of the council tax base for 2021/22. The tax base for 2022/23 showed an overall increase as these impacts had diminished or reverted to normal trends. The number of properties saw significant growth in the last half of 2020/21 and the first half of this year, but there were now signs of levelling off, with the assumption now for growth to be around 0.7%. Typically growth in property numbers had tended to be around the 1% level. The value of LCTRS reliefs rose significantly in the first half of 2020/21, but then levelled off, and there had been a steady decline throughout the first half of 2021/22.

At this stage, Cabinet was advised, it had not been assumed in calculating the 2022/23 tax base that there would be significant movements from the current position.

The pandemic did impact on collection rates, the collection rate used in the tax base calculation was revised downwards to 98.75%. Monitoring of the position in 2021/22 now indicated that the 99% collection rate used in the calculation could be reinstated for 2022/23.

In concluding, Councillor Cook advised that Appendix A within the report showed the estimated 2022/23 council tax base for the district of 89,023.43 Band D equivalents by parish, an overall increase of 1,684.00, or around 1.93%, on the tax base for the current year of 87,339.43 Band equivalents. This Appendix also showed the increase or decrease in the tax base by parish compared with 2021/22.

There being no questions or debate, on the proposition of Councillor Cook, seconded by Councillor Gallant, it was by a unanimous vote

RESOLVED

1. That the council tax base for 2022/23 for the East Suffolk district is 89,023.43 Band D equivalent properties be approved.
2. That the Council tax bases for 2022/23 for individual town and parish areas area as shown in Appendix A to report ES/0961 be approved.

6 Draft Medium Term Financial Strategy

Cabinet received report **ES/0962** by the Cabinet Member with responsibility for Resources, who stated that the report presented an updated Medium Term Financial Strategy (MTFS) as of November 2021. The MTFS provided a baseline forecast of income and expenditure and looked at the overall financial climate, including public finances and the local government financial environment.

On 27 October 2021, Councillor Cook reported, the Chancellor delivered the Autumn Budget and Spending Review 2021. The Spending Review which covered the next three years was broadly positive for local government, with funding much better than expected. The increase was very much front loaded with growth in grant funding in 1922/23 and no further general increases in the following two years. The draft MTFS had assumed another year of the Revenue Support Grant and the Rural Services Delivery Grant, an additional £590k for next year. However, there was less certainty for continuation of the Lower Tier Services Grant and a new allocation of New Homes Bonus, so for now, these were not included in the MTFS beyond the current year.

The central assumption on Business Rates was, Councillor Cook advised, a continuation of the current regime for another year, with changes taking place in 2023/24. East Suffolk was in an advantageous position under the current system and deferral of the reforms constituted a financial benefit of over £3m to the Council in 2022/23.

Cabinet was advised that the Provisional Local Government Finance Settlement was due to be released in the week commencing 6th December 2021, which would provide greater detail on Government funding and Business Rates.

The updated Council Tax base was an improved position, with growth at 1.93% compared to 1% forecast earlier in the year. This was an additional £138k of income for 1922/23. A cautious approach had been taken with forecasting tax base growth in future years, with prudent assumptions regarding LCTRS reliefs and Collection Rates, and completion of development sites levelling off.

As of November, the draft MTFS reported an updated budget gap of £1m for 22/23, a reduction of £4.4m from the February position. This was primarily due to deferral of reforms to the Business Rates system. Future years were showing a slight increase on the February budget gap of between £700k and £800k, giving rise to annual budget gaps of around £6m.

There were key areas of the budget still to be finalised, Councillor Cook advised, which could have a significant impact on the budget position. This included revenue implications of the capital programme, establishment costs and partnerships.

In conclusion, Councillor Cook reported that the 2022/23 budget would be presented to Cabinet and Council on 1 and 23 February respectively, along with further updates to the MTFS.

The Leader, firstly, referred to all of the achievements of ESC during the last 12 months, and he stated that those achievements could not be completed without an excellent Financial Services Team working in the background to turn ambitions into realities. The Leader offered his thanks to the Team for all of its work during the last 12 months.

Following a question from the Cabinet Member with responsibility for Housing regarding the forthcoming Provisional Local Government Finance Settlement announcement, and if it was not positive news, whether it might have an adverse impact on the revenue programme going forward, the Cabinet Member with responsibility for Finance stated that he was anticipating a positive outcome and officers added that latest intelligence was that it was likely to be in line with the assumptions within the Strategy, ie a one year settlement, with a stand still position on some of the big variants, ie business rates. Officers stated that, once the information had been received, they would circulate a paper to Cabinet that would set out the implications for ESC.

In response to a question from Councillor Byatt regarding New Homes Bonus, officers advised that their latest thinking was that it would mirror what was expected in respect of the rest of the settlement, ie a one year roll forward of previous arrangements. Officers added that it was quite difficult to estimate, if it was a one year roll forward, what the amounts might be because the last year had been such an unusual year in respect of completions of houses, which determined the amounts of New Homes Bonus. At the moment, a prudent approach had been taken of no reliance on New Homes Bonus.

Councillor Byatt made further points regarding the forthcoming Local Government Finance Settlement, but it was acknowledged that at this point the announcement was still awaited and unknown.

On the proposition of Councillor Cook, seconded by Councillor Gallant, it was by unanimous vote

RESOLVED

1. That the draft Medium Term Financial Strategy attached to report ES-0962 as Appendix A be approved.
2. That Members and Officers develop proposals to set a balanced budget for 2022/23 and beyond be approved.

7 Review of Waste Management: Recommendations from Scrutiny Committee

Cabinet received report **ES/0963** by the Cabinet Member with responsibility for the Environment, which included, as an appendix, a report by the Chairman of the Scrutiny Committee, containing recommendations for Cabinet to consider.

At the invitation of the Leader, the Chairman of the Scrutiny Committee, Councillor Bird, introduced his report; he firstly stated that the Scrutiny Committee had decided to undertake a very comprehensive review of almost every aspect of waste management, hence the number of recommendations contained within his report. Councillor Bird, commenting on the Cabinet report, stated that he welcomed that Cabinet would positively embrace a number of the proposals but he found it disappointing that the Cabinet Member with responsibility for the Environment's recommendation was to not accept the recommendation on increasing the fixed penalty notice for littering to the maximum allowable; Councillor Bird felt that by making the increase it would send a good message of deterrence; he found the argument against it somewhat unconvincing, that higher fines may lead to more payment defaults; he stated that if this argument was taken to its logical conclusion then no fines would be imposed because people would not pay them.

The Cabinet Member with responsibility for the Environment, firstly referring to the recommendations put forward by the Scrutiny Committee, stated that ESC was doing much of the work already; he also reminded members that ESC was not the solution; it was only part of the solution; he added that he wished that ESC could do more, but it did not have the authority; however, he added, ESC had the responsibility to make waste disposal as easy as possible and he believed that ESC did that. Going forward, with the move a Local Authority Trading Company to deliver waste services, there would be a review of practices and Councillor Mallinder reassured members that there there would be continued integrated working. Turning to the Environmental Bill, Councillor Mallinder reported that this would bring a complete change of how household waste would be collected.

Turning to the recommendations with the report, Councillor Mallinder summarised all of the recommendations together with his responses.

Councillor Deacon, Vice-Chairman of the Scrutiny Committee, after giving thanks for the report, stated that he was very disappointed with some of the content; giving an example, he referred to fly tipping, and he stated that the Police and Crime Commissioner in Northamptonshire saw fly tipping as a crime and, as such, he supported local land owners to have rubbish removed. The Leader, in response, agreed that this was probably a very good initiative in Northamptonshire, but he believed that the Scrutiny Committee should be looking at things that ESC could do; he added that ESC did not control the PCC and related funds. The Leader believed that ESC should focus on the benefits for East Suffolk. Councillor Deacon, speaking again, stated that he accepted that view; however, he felt that ESC could approach the PCC, possibly with other district Councils within Suffolk. The Leader, in response, referred to the Suffolk Waste Partnership (SWP) and stated that if there was a suggestion that was Suffolk-wide, then it needed to be considered by the SWP. The Leader was of the view that it was not the role of the Scrutiny Committee to ask Cabinet to ask somebody else to do something; he added that the Scrutiny Committee could, if it so wished, contact the Chair of the SWP regarding initiatives.

Councillor Mallinder, speaking as Chair of the SWP, confirmed that the initiative referred to by Councillor Deacon would be considered by the SWP.

Councillor Byatt referred to the reference within the report to Norse Commercial Services and ESC's Environmental Enforcement Team working together; he referred to the end of the Norse contract and asked if consideration was being given to forming a Shadow LATCO. In response, the Leader referred to the Board that had been set up, working towards the introduction of the LATCO; it was not a Shadow Board he said, because that would not be appropriate, but a lot of work was underway, including monitoring and planning for 2023, when there would be a change of contract.

Councillor Byatt referred to the many people on low incomes within the East Suffolk area, who could not afford to pay the fee for the removal of bulky waste, and he asked for that to be given further thought in the future. Councillor Mallinder, in reply, referred to the officer team working closely with housing colleagues in order to assist as much as possible. He felt that there was an opportunity for town and parish councils to assist and help their communities. Councillor Mallinder encouraged ward members to discuss this with town and parish councils and he offered assistance and guidance.

Councillor Byatt, referring to the education of people, suggested that perhaps councillors could contact the schools within their own respective wards. In response, Councillor Mallinder repeated the importance of education and he wanted ESC to be proactive in this area; again, he was happy to assist where possible.

Councillor Byatt referred to budgets and hoped that there would be savings through the introduction of the LATCO. The Leader, in reply, stated that there would not necessarily be savings in moving from one contract to another in 2023; it was not necessarily about saving money, it was about providing value for money he stated.

In response to comments by Councillor Byatt in respect of the Environmental Bill, Councillor Mallinder stated that the concept of the Bill was to harmonise the service across the whole of the UK and he welcomed this, hoping that the UK would focus on recycling waste better, although, ultimately, the UK had to consume less and produce less waste; that was key he stated.

Councillor Gooch, after giving thanks for the report, referenced the Scrutiny Committee's attempt to look at proposed actions to try to make the lives of residents easier, cleaner and less blighted by litter. Firstly, Councillor Gooch echoed the words of Councillor Byatt, ie trying to enable people who were financially struggling to not find themselves with the only option but to dump a broken fridge because they could not afford the fees for having it removed. Councillor Gooch also expressed her disappointment at the proposal to not increase the fines where people dumped things deliberately, stating that the fines should represent the damage being done to communities. Finally, Councillor Gooch commented in respect of representations to other bodies, and asked if it would be better for representations to go from the Scrutiny Committee or the Environment Task Group.

The Leader, after acknowledging the comments, referred to representations and stated that it was a matter for each to consider; it was not a matter for Cabinet. Councillor Mallinder, referring to littering, stated that everybody, ie town and parish councils; residents; producers; should take responsibility, not just ESC; he also referred to the disposal of large items and felt that charities, town and parish councils, community

partnerships etc could assist. He did not believe that the finance was causing an issue and he did not believe that fines were the answer; it was, he said, about education and encouraging people to make the right decisions.

The Leader stated that the recommendation with the report, by Councillor Mallinder, would be slightly amended.

On the proposition of Councillor Mallinder, seconded by Councillor Smith, it was by unanimous vote

RESOLVED

That Cabinet supports the response outlined by the Cabinet Member with responsibility for the Environment in response to the recommendations as stated out in report ES/0963.

8 Review of Housing Development: Recommendations from Scrutiny Committee

Cabinet received report **ES/0964** by the Cabinet Member with responsibility for Housing, which included, as an appendix, a report by the Chairman of the Scrutiny Committee, containing a recommendation for Cabinet to consider.

At the invitation of the Leader, the Chairman of the Scrutiny Committee, Councillor Bird, introduced his report.

Councillor Kerry then stated that in his role as Cabinet Member with responsibility for Housing he was asking Cabinet not to accept the recommendation from the Scrutiny Committee, at this time. He thanked the Scrutiny Committee for the review and scrutiny of the Development pipeline, which provided much needed affordable housing within East Suffolk. He understood, he said, the aspiration and desire for ESC to commit to building additional Affordable Housing units, but there were a number of other factors that needed to be considered before a Business Case could be produced such as the one requested by the Scrutiny Committee.

In July 2019, Councillor Kerry stated, ESC voted unanimously to step up its positive work on environmental issues to tackle the issue of climate change. As part of this work, ESC needed to consider the energy efficiency of its 4,500 Housing Revenue Account owned properties. The level of work and investment required in the stock was not yet fully understood and work was underway to try and understand the true cost and scale of the issue. However, it was without doubt going to be at considerable expense.

Councillor Kerry advised members that the Housing Revenue Account has its own Business Plan, which was written in 2018, and since it was produced a number of key changes had been seen which would impact on what ESC chose to do in the future. These included the Building Safety Bill, the Retrofit agenda, the changes in the way ESC could use Right to Buy receipts and the removal of the debt cap.

Therefore, at this time, Councillor Kerry proposed to Cabinet that it rejected the recommendation from the Scrutiny Committee and continue with the on-going review of the HRA Business Plan, which considered multiple issues, rather than one in isolation.

The Leader emphasised the need for balanced budgets and managing income and expenditure, and he also referenced ESC's aspirations in respect of housing and the environmental agenda. That, he commented, required a balanced view to be taken.

Councillor Bird, speaking again, urged Cabinet to support the recommendation from the Scrutiny Committee; he emphasised that the Committee did not recommend increasing the council house building targets, merely to produce a business case to quantify the impact and cost of so increasing the target. Councillor Bird added that to argue against the recommendation by citing the Council's obligation to retro fit the existing housing stock with non fossil fuel heating was not a plausible argument; it conflated two separate issues. Councillor Bird emphasised that he believed that the target for house building should be challenging and ambitious; in conclusion he commented that to consider increasing the number of council houses built by ESC would be sending the right message to residents, particularly those who were in desperate need of a home.

The Leader and the Cabinet Member with responsibility for Housing repeated the need for evaluation to take place at this time. The Leader commented that working up a full business case now would take up a lot of officer time, and it was not needed because Cabinet would not authorise an increase in the build of council houses until the cost of retro fitting those already in existence was known.

The Cabinet Member with responsibility for the Environment echoed the words of Councillor Kerry; he repeated the costs involved and referred to the retro fitting that would improve the efficiency of the homes and make them less expensive for residents.

The Cabinet Member with responsibility for Resources referred to the Local Government Settlement, to be received together with possible amendments to the Prudential Indicators within which ESC must work; it was, he said, a possibility that house building may be included within one of the prudential indicators which ESC would no longer be able to borrow against. As such, there were many uncertainties.

Councillor Deacon stated that he was delighted that ESC would be building the truly social housing in Felixstowe at the former Deben High School site, one of the reasons being that in the Felixstowe Peninsula there were 400 families in desperate need of that type of housing. Councillor Deacon added that ESC owed it to those sort of families across the district to at least consider a business case to solve the problem; Councillor Deacon asked the cost of doing that.

In response, the Leader stated that the Team was focussed heavily on a whole number of issues; there was, he said, little point in asking the Team to produce a Business Case when Cabinet's view was already known. The Leader referred to the cost of what was ahead and that it would be a pointless exercise in officer time.

Councillor Kerry, after thanking Councillor Deacon for his comments on the former Deben High School site, added that he would not stop developing houses; that work would continue, and he gave many examples of ongoing projects.

Councillor Byatt referred the former Deben High School site being an exemplar project and suggested that it be highlighted as such to the private sector who might produce more social housing, that was desperately needed.

Councillor Bird, on behalf of the Scrutiny Committee, after hearing all comments made, asked Cabinet to re-double its efforts to at least try to achieve meeting the existing target of building 50 houses per year, which was currently not being met. In response, the Leader stated that Cabinet would continue to do that.

On the proposition of Councillor Bird, and seconded by Councillor Smith, it was by unanimous vote

RESOLVED

That the recommendation by the Scrutiny Committee be rejected.

9 Review of Empty Homes: Recommendations from Scrutiny Committee

Cabinet received report **ES/0966** by the Cabinet Member with responsibility for Housing, which included, as an appendix, a report by the Chairman of the Scrutiny Committee, containing a recommendation for Cabinet to consider.

At the invitation of the Leader, the Chairman of the Scrutiny Committee, Councillor Bird, introduced his report. Councillor Bird emphasised the number of empty homes within the district, which he said currently equated to an entire housing estate; it was he said a waste of resources and a blight on communities.

The Cabinet Member with responsibility for Housing then stated that empty homes were a wasted resource which could be providing much needed homes, this was most notable at this time of housing crisis. They were also known to attract anti-social behaviour, vandalism and fly-tipping but dealing with empty homes was not a statutory function and therefore resources often had to be prioritised elsewhere.

The report before Cabinet, Councillor Kerry stated, suggested that the business case should come back to Cabinet in April 2022.

Cabinet gave its support for the proposals within the report.

On the proposition of Councillor Kerry, seconded by Councillor Rudd, it was by unanimous vote

RESOLVED

That Cabinet accepts the recommendation by the Scrutiny Committee and requests officers to develop a Business Case to consider what additional resources or incentives could be put in place to ensure more empty homes are brought back into use. This should then return to Cabinet for review and a decision in April 2022.

At this point, Councillor Deacon spoke, he reminded Cabinet of the speech that he made at the recent Full Council meeting, where he vigorously defended the concept of the Leader and Cabinet type of governance; however, that was against the balance of having a very strong Scrutiny function, and Councillor Deacon believed that ESC did have a very strong Scrutiny Committee which came up with very good ideas, and Councillor Deacon believed that it was important to note that he did not wish to see the work of the Scrutiny Committee being a tick box exercise.

Councillor Deacon also reminded Cabinet that part of the function of a Scrutiny Committee was to be a critical friend to Cabinet and he pointed out that Cabinet may ask the Scrutiny Committee to look at something in advance of a decision being made.

In response, the Leader emphasised that he was, and would always continue to be, a strong advocate of Scrutiny; his only criticism, which he commented that he had shared with the Chairman and Vice-Chairman, was that the Committee should focus in on issues; he gave the two housing reports just considered as good examples where the Scrutiny Committee had not looked at the complete housing portfolio but, instead, had focussed on smaller elements of the service.

Councillor Deacon accepted the Leader's explanation, and gave thanks, stating that he was glad that the Leader was an advocate of the Scrutiny system.

10 Southwold Harbour Management Committee – Budget Monitoring Report Quarter 2 2021/22

Cabinet received report **ES/0960** by the Cabinet Member with responsibility for Resources, who stated that the report provided an update from the Southwold Harbour Management Committee (SHMC) on performance against budget for Quarter 2 2021/22 and recommended to Cabinet both a schedule of charges and dues for the Harbour for 2022/23 and the campsite and caravan Site fees and charges proposals for 2022/23. Cabinet was advised by Councillor Cook that the proposals set out presented a balance between the interests of the customers of Southwold Harbour and the need to keep pace with rising costs.

It was reported by Councillor Cook that the net income at the end of Quarter 2 2021/22 for the Southwold Harbour, adjusted for income in advance, showed a small favourable variant compared to the budget to date and it was anticipated that the outturn position for 2021/22 would be broadly in line with the budget. Councillor Cook noted that net income at the end of Quarter 2 2021/22 for the campsite and caravan site showed an adverse variant of approximately £62,000, which was anticipated to increase by the end of 2021/22.

Officers would be, highlighted Councillor Cook, exploring government support for cost and income losses related to the pandemic, which could be claimed and attributed to the campsite and caravan site. Councillor Cook described the proposed fees and charges for the campsite and caravan site were brought in mind with current rates of inflation and would increase income for 2022/23.

Councillor Cook stated that the SHMC Budget Monitoring Report considered by the SHMC at its meeting of 11 November 2021 was attached as Appendix 1 to the report, which in turn the schedule of charges and dues for the Harbour and the fees and charges proposals for the campsite and caravan site fees and charges were appended to. At that meeting, the SHMC had resolved that this Budget Monitoring Report be reported to Cabinet and that the schedule of charges and dues for the Harbour and the fees and charges proposals for the campsite and caravan site fees and charges be recommended to Cabinet for approval.

Councillor Gallant said he was pleased to see the SHMC established and working well and considered it positive and reassuring to see that it was taking on this serious piece of work; he invited questions and comments from Cabinet.

Councillor Ritchie, who noted that he was the Chairman of the SHMC, expressed his gratitude to Councillor Cook and the Council's Finance Team for their hard work on the Southwold Harbour accounts. The recommendations were fully supported by Councillor Ritchie, who stated he was looking forward to seeing the Harbour's finances being on sounder funding and providing improvements to facilities.

Councillor Byatt queried the use of red and white diesel at Southwold Harbour and sought clarity around the maintenance of the ice unit on the North Dock wall. The Head of Operations confirmed that the Council maintained the ice unit as a condition of the refurbishment of the North Dock wall, to attract more commercial vessels. The Head of Operations stated that he understood that the Council could use red diesel on the site for its own purposes and could sell white diesel to customers for their own use.

On the proposition of Councillor Cook, seconded by Councillor Ritchie, it was by a unanimous vote

RESOLVED

1. That the Budget Monitoring Report Quarter 2 2021/22 for Southwold Harbour Management Committee be noted.
2. That the annual schedule of charges and dues for Southwold Harbour for 2022/23 attached as Appendix B to the Southwold Harbour Committee Budget Monitoring Report be approved.
3. That the Fees and Charges for Southwold Caravan Site and Campsite for 2022/23, attached as Appendix C, to the Southwold Harbour Management Committee Budget Monitoring Report be approved.

11 Transfer of land at Martello Park, Felixstowe

Cabinet received report **ES/0965** of the Deputy Leader and Cabinet Member with Economic Development, who explained that a legal issue had arisen and it had become apparent that the Council had erroneously retained the freehold of land at Martello Park in Felixstowe. Councillor Rivett confirmed that the East Suffolk Council Constitution required that any disposal of land be brought to the Cabinet for approval.

There being no questions or comments from either Cabinet Members or Ward Members, Councillor Gallant sought a proposer and seconder for the recommendations set out in the report.

On the proposition of Councillor Rivett, seconded by Councillor Brooks, it was by a unanimous vote

RESOLVED

That the transfer of the freehold at Nil consideration, the two areas of land as outlined in the appendices in red, to Bloor Homes and the Freeholder of 14 Marine Parade Walk, respectively, be agreed.

12 Exempt/Confidential Items

RESOLVED

That that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

13 Exempt Minutes

RESOLVED

That the Exempt Minutes of the Meeting held on 2 November 2021 be agreed as a correct record and signed by the Chairman.

The meeting concluded at 8.44 pm.

.....
Chairman



FULL COUNCIL

Wednesday, 26 January 2022

Subject	Cabinet Members' Report and Outside Bodies Representatives' Report to Council
Report by	Councillor Steve Gallant Leader of the Council

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
Wards Affected:	All Wards
Purpose of Report: To receive the Cabinet Members' Report and the Outside Bodies Representatives' Report to Council, for information.	
Options: Not applicable.	

Cabinet Members' Reports to Council

Cabinet Member:	Councillor Letitia Smith, Cabinet Member with responsibility for Communities, Leisure and Tourism
Contact Details:	letitia.smith@eastsoffolk.gov.uk Tel: 07824 865973

Communities

Community Partnerships – the 2021/22 Community Partnership Forum is planned for 25th March 2022 at Trinity Park. This was postponed from November 2021 and if Covid restrictions do not allow a face to face event it will become a virtual event (as in 2020). The Peer Challenge of Community Partnerships that took place in October 2021 provided lots of useful recommendations about tweaks to the eight Partnerships as well as highlighting their many strengths, and a report summarising key actions will be considered at the March meeting of the Board. A number of these are already underway including increased communication capacity and a development programme for Community Partnership Chairs and Vice Chairs.

Support for People with Disabilities – East Suffolk Council now funds services and support for individuals and families in both the north and south of the District through Disability Advice North East Suffolk (DANES) and Disability Advice Service, following agreement at Cabinet to provide a grant to Disability Advice Service.

Equalities and Diversity – officers have recently undertaken a self-assessment of our position against the Equality Framework for Local Government. This has identified a number of areas for action, including a review of our equality priorities and improved monitoring of our impact on equality. Following work to streamline our Equality Impact Assessment process and train staff on how to undertake EqIA, a renewed focus will be placed on our role in increasing equality and maximising diversity in 2022.

Leisure

East Suffolk Leisure Strategy

The first East Suffolk Leisure Strategy is being prepared following the work undertaken by KKP to complete the following documents, Built Facility, Playing Pitch, Play and Open Space strategies. These documents are required by Councils in order to achieve any funding for projects and help inform planning of sport needs. It is expected that the Leisure Strategy will be ready for adoption in spring/summer.

Football Foundation Funding to improve Grass Pitches

In 2019 working with the Suffolk Football Association and partnership we completed the Local Football Facility Plan and through this and the work with KKP to produce the East Suffolk Playing Pitch assessment East Suffolk were invited to submit an expression of interest to improve the grass football pitches owned and managed by the Council. East Suffolk have been successful with the application and invited to the next stage of the process which is assessing the quality of the Council's pitches.

Waterlane Roof Replacement

The replacement roof work at Waterlane Leisure Centre has been continuing as planned and is on target to be complete by Easter. It is important to complete on time so that all facilities can be used by customers as there are some temporary arrangements for changing for the pool, the play area is not being used and alternative access to the squash courts and fitness class room.

Everyone Active

Everyone Active (EA) have been in place now for nearly a year, although the centres in the north of the district that they operate didn't open immediately due to the lockdown. As well as operating the two leisure centres, in the first year of operation they have been creating relationships within the community. Everyone Active's Active Communities Manager is actively looking for opportunities and included within the community work that they do, they attend Community Partnership meetings in their jurisdiction, sit on Parish meetings to hear what the local issues are, and identify where they can help. They have also recently linked with the Work Development Team and attended the Skills and Employability Forum.

EA are working with the School Sports Partnership who have helped them cover higher level issues with the schools, such as deprivation. From this they have provided free access to swimming for over 500 children, run holiday activities offering a shelter, hot food, and healthy activity. They have also held events for the local schools, a Fitness Festival, and a Social Festival. They have also held a special needs swim gala.

Everyone Active's Active Community Manager has revisited a strong relationship with One Life, offering specialist healthcare such as GP referral, Cardiac Phase IV, health checks. This is just the beginning and they intend to grow this further as and when the more vulnerable feel confident coming back into the building.

Memberships numbers have consistently grown since commencing and currently sit at Waveney Valley circa 600 and Waterlane circa 1900 across both sites we have 2500 fitness members.

To develop the swimming lessons they have recruited a swim manager for each site within the first 6 weeks. They have both been trained by their Regional Swim Managers and have since been doing a great job with currently almost 500 children signed up to lessons at Waveney Valley and 700 at Waterlane, giving a total of 1200 children in the North of East Suffolk learning the invaluable skill, to swim, across both venues. Obviously, Places Leisure in the South are providing similar opportunities.

Waterlane and Waveney Valley leisure centres have had substantial council investment and Everyone Active have started to add to this. Whilst they have branded both sites, to support the East Suffolk brand Everyone Active have amended their usual advertising colours throughout the facilities. In addition, they have installed Virtual Group Exercise classes at both sites meaning they can run back to back classes all day (they still offer a "blended" timetable of instructor led and virtual). Waterlane has a brand new Interactive Pool Inflatable which, once tested, should be ready to launch early February in time for the half term. Everyone Active have also added a pool cover to reduce the loss of heat over night time.

Places Leisure

Since the facilities resumed business in April 2021 attendance versus Pre-COVID across the East Suffolk Places Leisure Sites has achieved the following:

- Fitness 75%
- Swimming 98%
- Swimming Lessons 107%
- Full establishment of all club activity

Places Leisure have continued to provide activities and interventions to support Healthy Communities. These have included:

- a) COVID Recovery Programme launched across the contract, Partnership between Places Leisure and CAWs Training, delivering of 12-months support to those suffering mid-long term COVID effects. Support includes Consultation, exercise plans, Nutritional advice and 19 points of contact/support over the term.
- b) COVID recovery Pot fund the East Suffolk Council 23k will see extension to the above programme in establishing online and telephone consultations to hard to reach groups and monthly group support sessions in 3rd part locations. It will also see appointment of P/t Healthy Communities Manager to lead on this programme and the establishment of further partnerships.
- c) Re-engagement of full site wellbeing programmes GP Referral, Cardiac Rehab, Lung at Heart.
- d) Partnership arrangements with Allied, One Life Suffolk recommenced
- e) Alignment of our Gymnastics programmes to British Gymnastics “RISE Programme”

“Exclusive to British Gymnastics member clubs and partners, Rise Gymnastics is an exciting, fun packed programme that provides a progressive journey through recreational gymnastics, gradually replacing our current proficiency badge scheme. Designed using insight in consultation with the gymnastics community and by working together with the four home nations, Rise Gymnastics is one comprehensive gymnastics programme available UK-wide, providing consistency and synergy like never before. Created with the community, for the community.”

As part of their business recovery and getting people active & back into exercise, Places Leisure have distributed 16,000 leaflets to ‘hard to reach’ pockets over the district. The company have invested in Online bookings and IT Platforms, focusing on the Customer journey.

Going forward, both operators face challenges with staff recruitment and energy pricing and unknown longevity / impacts and the first quarter of 2022 will be extremely important on getting back to pre-COVID memberships.

Cabinet Member:	Councillor James Mallinder, Cabinet Member with responsibility for the Environment
Contact Details:	james.mallinder@eastsoffolk.gov.uk Tel: 07810 815879

I attend the Suffolk Waste Partnership meeting, as Chair, where we looked at a number of recent campaigns, along with a discussion of how we will be absorbing changes in waste collection resulting from the passing of the Environment bill late last year.

I was proud to highlight a number of activities in Lowestoft, where residents have made a noticeable improvement in their recycling, reducing substantially any contamination.

Outside Bodies Representatives' Reports

Suffolk Flood Risk Management Scrutiny	
Representative:	Councillor Linda Coulam
Contact Details:	linda.coulam@eastsoffolk.gov.uk Tel: 07818 577882

Please see Appendix A, which provides an update on Flooding on the River Waveney.

Association for Suffolk Museums Annual Report	
Representative:	Councillor Tony Cooper
Contact Details:	tony.cooper@eastsoffolk.gov.uk Tel: 07884 054882

AFSM acts as a representative and advocate for museums in Suffolk AFSM worked closely with SHARE Museums East, National Lottery Heritage Fund (NLHF) and Arts Council England (ACE) in 2020-21 to ensure that funding was invested where it was needed most. Museums were closed for most of the year due to Covid restrictions. This has a significant impact on their ability to generate earned income through admissions, retail, catering, and events.

Nearly all the funding from ACE and NLHF came through Covid emergency funding, as main grant streams were suspended. AFSM kept close communication with all its members throughout the year, implementing a traffic light guide to highlight those at most risk, and working with them to develop funding applications to ensure their resilience and stability was maintained.

NLHF awarded £1,496,300 to organisations in Suffolk in 2020-21 through their Heritage Emergency Fund and the Culture Recovery Fund for Heritage, of which £394,100 was awarded to members of AFSM.

ACE awarded £1,066,476 to Suffolk museums through two rounds of Culture Recovery Fund (CRF). Museums in the East of England comprised of 14.5% of all CRF2 applicants. No other region had higher than 8% share, with an average of 6-7%. Working with SHARE Museums East AFSM was able to ensure museums at risk were highlighted. This helped ACE prioritise and ensure that all museums in Suffolk that applied were awarded funding.

SHARE Museums East awarded £48,049 grants to Suffolk museums in 2020-21, this helped to make sure that smaller museums were also supported where needed.

The economic impact of visitors to Suffolk Museums was estimated to be at least £3,210,000 in 2019-20. AFSM therefore supports visits to museums to ensure that it is part of a vibrant, mixed economy. During 2020-21 work continued to maintain the profile of museums while they were closed and to attract visitors during brief periods when they were permitted to open.

AFSM Full Members and Members are usually offered the opportunity to pay a £20 supplement on their membership fee to have their profile included in the Suffolk Museums leaflet and website. This design update and print of the leaflet was suspended in 2020-21 due to the Coronavirus pandemic.

AFSM supports a range of joint promotional and advertising campaigns to encourage more people to visit museums. In 2020-21 this was more targeted and helped keep people informed of the changing opening times and events programmes in museums. AFSM placed Suffolk museums advertising features in Families Suffolk Magazine, Celebrate Suffolk, Hospital Radio & Community Magazine and Raring2Go Magazine. Editorials featured in the East Anglian Daily Times, Celebrate Framlingham, and Let's Talk Magazine.

Making Waves Together - Led by Great Yarmouth Borough Council and East Suffolk District Council, this project enabled communities and organisations in Lowestoft to work together to inspire and engage people as participants, audiences, and visitors. It is one of 16 pilot areas across England supported by the Heritage Lottery Fund and Arts Council England's Great Place Scheme.

The Association for Suffolk Museums worked in partnership with Norfolk Museums Service on **Seaside Heritage**, one of nine partners delivering activity across the two towns as part of the Making Waves Together project. The Making Waves Together Project Officer, Patricia Day worked with museums in Lowestoft and to build cultural partnerships and engage new audiences. Throughout lockdown Lowestoft Maritime Museum continued to engage and support local families. Lowestoft Museum worked on urgent repair of the current premises, while exploring opportunities for expanding the existing museum space.

Summer in a Box – Led by Suffolk County Council, this project worked with partners across the county to create and deliver activity packs to children across Suffolk receiving free school meals from the Suffolk Virtual Schools list in July and August 2020. It replaced face to face holiday activities that could not be delivered due to Covid restrictions. Museum partners worked to develop and deliver Arts and Heritage Activity Packs to children across Suffolk, including The Long Shop Museum, The Red House, Aldeburgh Museum, Ipswich Museums, Moyse's Hall Museum, West Stow Anglo-Saxon Village, Gainsborough's House, The National Horse Racing Museum, the Museum of East Anglian Life, and Lowestoft Maritime Museum.

The project created 1600 bespoke museum packs, most of which were sent to vulnerable children receiving support from Suffolk County Council, 137 were sent to young carers (via Suffolk Family Carers), 25 to children in care homes, and 12 to children in refuges.

Suffolk Steps – This project was developed to replace Summer in Suffolk Museums during the Coronavirus pandemic. Suffolk Steps was designed to keep people engaged with museums while they were closed. It is a collection of free walks developed to help all ages stay active and explore their local heritage in the towns and Suffolk countryside. The programme included accessible trails from 16 museums that could be downloaded to a mobile phone or printed at home. They remain on the Suffolk Museums website and were promoted throughout the year during lockdowns.

AfSM partnered with Keep Moving Suffolk to promote Suffolk Steps, a local campaign aimed at helping people stay active during the Covid-19 pandemic. A combination of digital, social media and hard copy marketing was used to promote the programme. Project partner Families Suffolk Magazine featured a double page spread of the various trails in the summer issue of the magazine.

Transforming People to Transform Museums (TPTM) – AfSM is supporting this project led by Colchester + Ipswich Museums. The project is creating 27 traineeships in four museums across the county to develop both core heritage and transferable business skills. Working closely with local community groups to recruit young adults from lower socio-economic backgrounds, the project aims to develop and support a more representative and resilient workforce at each museum.

TPTM is funded by the National Lottery Heritage Fund's Skills for the Future programme from 2018 to 2022. The second cohort of 9 trainees were recruited in 2020. Four trainees are based in Colchester + Ipswich Museums, two in Museum of East Anglian Life in Stowmarket, one in The Long Shop Museum in Leiston, and two trainees based in National Horse Racing Museum in Newmarket.

Throughout their one-year placement trainees develop a wide range of core heritage skills, including research, documentation, conservation, and interpretation. They also learn practical skills required to manage, plan, develop and deliver heritage events and exhibitions.

The trainees have made a real difference to their local communities by applying their new skills to bring about relevant and creative programmes and help secure the future resilience of each museum.

Suffolk Museums Inspire, Learn & Engage (SMILE) Network – The SMILE Network was established to enable best practice in education, learning and engagement in Suffolk Museums by working collaboratively and sharing knowledge locally, regionally, and nationally. Membership is open to all learning leads from the Association for Suffolk Museums member museums. Meetings take place on a quarterly basis at varied locations. The network supports the development and delivery of AfSM education, learning and engagement projects.

Suffolk Children's University - The Association for Suffolk Museums partnership with the Suffolk Children's University started in 2019. The partnership has created projects that reach

out to engage a wider range of children and young people. Working collaboratively, the partnership has increased the number of Children’s University destination museums, created a generic museum trail designed to get children engaging with museums, and worked with 10-year-old Byron to gather some feedback on the Suffolk Steps trails

Special Delivery – AFSM supported this project led by Suffolk Artlink. It is an intergenerational project that is exploring the art of communication through letters and other documents held in Suffolk Record Offices and museums.

It began in September 2020, with students via Zoom from Abbots Green Academy, Bury St Edmunds, supported by the Theatre Royal Act Your Age theatre group. Participants in the project investigated historical approaches to letter-writing and considered them in the light of current methods of communication. They then shared significant personal correspondence of their own.

The project is also focusing on primary schools and supported living and residential care homes in Lowestoft to explore the stories and characters behind letters originally sent into a local newspaper. In Halesworth Museum, the project looked at a collection of letters written in the early 19th century by members of a wealthy merchant family that lived the town.

A key outcome of the projects is the creation of a legacy of digital interpretation for use in Suffolk Record Offices and museums and a literacy resource for use in schools.

Ipswich Strategic Planning Area Board	
Representative:	Councillor David Ritchie, Cabinet Member with responsibility for Planning and Coastal Management
Contact Details:	david.ritchie@eastsoffolk.gov.uk Tel: 07920 503527

The Ipswich Strategic Planning Area (ISPA) Board last met in person on 20 February 2020 prior to the covid lockdown in March 2020. Since then the only necessity to meet has been to sign off the Statement of Common Ground (SoCG) covering cross boundary strategic planning matters for the ISPA authority area (East Suffolk (south), Ipswich BC, Babergh and Mid Suffolk Districts and Suffolk County Council) in relation to the submission of the Babergh and Mid Suffolk Local Plan for Examination by an independent inspector. This sign off was undertaken via email in March 2021 and the Babergh and Mid Suffolk Local Plan Examination is underway.

An important element of this SoCG relates to taking a joint approach to mitigating traffic impacts due to Local Plan growth across the Ipswich Strategic Planning Area. To this end SCC produced a Transport Mitigation Strategy in August 2019. In the light of a changing national and local context, WSP were commissioned by the 5 Councils in September 2021 to undertake further work to help inform an agreed approach to funding and delivering the modal shift mitigation in connection with Local Plan growth across the ISPA area.

The work includes three strands:

- 1) Reviewing the August 2019 Suffolk County Council Transport Mitigation Strategy in respect of relevant changes around national policy, funding, climate change, sustainable journeys.
- 2) Recommendations on a 5 year delivery programme, incorporating reasonable flexibility to respond to changes in policy direction. This will also consider the role of projects that are already committed / funded.
- 3) Options for funding the 5 year delivery programme.

This is a 3 to 4 month project and outputs from the work are expected soon. It is anticipated that the next ISPA Board meeting will consider the outputs of this work.

Benacre and Kessingland Flood Relief Project	
Representative:	Councillor David Ritchie, Cabinet Member with responsibility for Planning and Coastal Management
Contact Details:	david.ritchie@eastsoffolk.gov.uk Tel: 07920 503527

I have previously reported on the Lowestoft Flood Relief Scheme. The Benacre and Kessingland project is the other major project on our coast. The work for this is coordinated by Kessingland Town Council and led by the Water Management Alliance (it is not the responsibility of our Coastal Management Team).

In draft outline the project will involve removing the present Benacre Pumping Station, creating up to 100 Hectares of new intertidal habitat, creating two new bunds set well back from the coastline, and building new pumping stations to go with each bund. (The pumping stations pump out the water from the hundred river into the sea). Last year this project received 3.5 million pounds from the governments green recovery fund which was excellent news. Unfortunately, there was still a very significant funding gap and the project was semi on hold. Thus the board has not met recently. However, before Christmas I received the very good news in an email from Emma Dixon which I have included below. (Emma leads the project for the Water Management Alliance).

‘Since our last update people have been very active in the background and I am pleased to announce that following technical approval back in July (full approval was withheld until the funding gap was closed), we have now received financial approval for our business case from the Environment Agency - the full £28million has been found through various channels! Many thanks to everyone who has been working hard to achieve this. A Board meeting is now required to discuss next steps of this project and where we move to from here, particularly with the Habitat creation project, which was out of scope for the current project costs.’

Well done to Emma and her team at the WMA, I look forward to attending a board meeting soon.

Network Rail Group	
Representative:	Councillor Norman Brooks, Cabinet Member with responsibility for Transport
Contact Details:	norman.brooks@eastsoffolk.gov.uk Tel: 07824 821539

There have been no meetings or communication from the group during the past 12 months. Our contact with the rail transport system is via East West Rail Consortium.

A47 Alliance Annual Report	
Representative:	Councillor Norman Brooks, Cabinet Member with responsibility for Transport
Contact Details:	norman.brooks@eastsoffolk.gov.uk Tel: 07824 821539

There was only one meeting of the group last year the on the 8yh October 2021.

The discussion centred almost solely on the Acle Straight Dualling Scheme missing out on funding in the RIS2 round and there was a huge level of disappointment at this news.

The feeling of the entire meeting was that the “levelling up agenda” was not working as far as the East of England was concerned.

Highways England acknowledged they had made mistakes in the presentation of the case for the dualling of the Acle Straight and will take note of these in the preparation for a bid in RIS3.

At this time there are no major improvements scheduled or included in any future plans at this time but the meeting agreed to redouble their efforts to secure improvements in the future.

Norfolk County Council has launched a campaign “Just Dual It” and is working to gather support from all interested parties and local MP`s.

Suffolk Coast and Heaths AONB	
Representative:	Councillor James Mallinder, Cabinet Member with responsibility for The Environment
Contact Details:	james.mallinder@eastsoffolk.gov.uk Tel: 07810 815879

I attended the Suffolk Coast and Heaths AONB and was delighted to second Nick Collinson as Chair of this organisation.

Nick brings a huge amount of experience from working in nature focused organisations. He is currently the manager of the local National Trust. Importantly, he doesn't bring any political agenda and his only focus is on what is right for the AONB in protection and in champion its merits.

Personally, I will be pushing for greater inclusiveness, reaching out to those that might not appreciate the AONB is for them, and also emphasise the importance of the climate emergency. Along with making sure any grants awarded to local landowners have robust conditions to see a change in farming methods, along with reinstating of historical landscapes, in particular seeing tree and hedge planting along with more wildflower borders of fields and reinstating ponds and ditches. Much work needs to be done, but Nick will be a strong advocate for the AONB.

Appendices

Appendices:	
Appendix A	River Waveney Winter Flooding Briefing

Background reference papers:	
None.	

River Waveney Winter Flooding Briefing

Introduction

This is a briefing to inform and advise you of the flooding that took place in December 2020 from the River Waveney and associated tributaries. We will explain what happened, what our role is, how we work with partners and what the next steps are for your community. It will not give you all the answers you want at this early stage.

What happened?

In December 2020, East Anglia received an exceptionally high amount of rainfall, the River Waveney area received 50mm in 18 hours, and a total of 71mm in 96 hours.

Across Essex, Suffolk and Norfolk we issued flood alerts to 21 different areas and flood warnings to 16 locations during the flooding between 24 December and 2 January 2021.

The widespread flooding and devastating impacts on people, homes and communities was a consequence of heavy rainfall falling on an already wet catchment which was especially sensitive to intense rainfall.

The Environment Agency has a strategic overview of all sources of flooding and coastal erosion. We are also responsible for flood and coastal erosion risk management activities on main rivers and the coast. Lead Local Flood Authorities (LLFAs) are county councils and unitary authorities. They lead in managing local flood risks (ie risks of flooding from surface water, ground water and ordinary (smaller) watercourses).

At the end of December 2020 over 300 properties across Norfolk & Suffolk suffered the devastating consequences of flooding. Within the River Waveney catchment we have records of at least 89 residential properties being flooded internally from main rivers, although this number may be higher if flooding was not reported. Table 1 below provides further information on the communities where we are aware of flooding having occurred from main rivers, with many other properties having flooded from ordinary watercourses, surface water or ground water across the catchment. Norfolk County Council as the LLFA are producing a Section 19 report (as stipulated by the Flood & Water Management Act) which compiles information on flooded properties across Norfolk and produces recommendations. Suffolk County Council are producing their own Section 19 report following the flooding in Beccles.

Our role during flooding

We cannot stop all flooding, but we work to limit the impact and we do help communities to prepare. We provide 24/7 cover to respond to flooding and pollution incidents. We issue alerts and warnings to help people reduce the impact of flooding from main rivers, reservoirs, estuaries and the sea. Our primary roles during flooding are:

- providing a warning and informing service
- operating the flood defences and structures we own and manage
- being part of a multi-agency incident command and control group

Environment Agency (EA) staff were working in the wider area across Norfolk & Suffolk responding to incident reports and checking defences.



Flood Warnings

We provide a warning and informing service through our Flood Warning Service. We have a network of both rain gauges and river gauging stations to monitor the height and flow of rivers. If a river level is measured or forecast to reach above a typical range this means that flooding is possible, and a flood warning or alert may be issued.



At 17:04 on 23 December we issued the flood alert for the River Waveney from Diss and the River Dove to Ellingham, including Bungay: *be alert, stay vigilant and make early preparations.*



At 00:24 on 24 December we issued the flood warning for the River Waveney from Bungay to Ellingham: *flooding is expected, take action to protect yourself and your property.*

At 02:10 on 24 December we issued the flood warning for the River Waveney from Diss to Bungay.

If you are in an area able to receive flood warnings from us but did not receive the Floodline warnings issued as listed above, please check that you are signed up to receive them by contacting Floodline on **0345 988 1188** or sign up at: <https://www.gov.uk/sign-up-for-flood-warnings>

Managing and responding to flooding

During the flooding we worked closely with professional partners to minimise flooding across the Waveney River catchment area. This includes working with professional partners, including the police, fire service and the rest of our partners on the Local Resilience Forum (LRF). A meeting of the LRF took place on 28 April to review the incident and we continue to work together on the recovery side of the incident.

For the duration of this event, staff were conducting 'river runs', which are operational checks of the rivers and flood plains. They would check local pinch points and bridges to ensure no debris was holding back flows, clearing any obvious blockages that could impede flows.

Data

We are collating and processing the data received from our flood survey and are reviewing our flood warning service to ensure we provide an accurate and timely warning service for future flooding. We will let you know if changes are made to your flood warning service.

We are in the process of updating our flood risk model of the River Waveney which we hope to complete by the end of this year. This will utilise the information we obtained from the December 2020 flooding.

Later this year we hope to carry out threshold surveys of the properties that were known to have flooded, to help us understand the scale of the flood risk. This, in combination with the updated flood risk modelling, will help us ascertain if there are cost beneficial ways to reduce the flood risk.



Community <i>(County where properties were flooded shown in brackets N-Norfolk S-Suffolk)</i>	Properties flooded from main river	Properties flooded from ordinary watercourse	Properties flooded from surface water	Properties flooded from combined source
Beccles (S)	1			9
Brockdish (N)	2	17		
Bungay (S)	5			
Diss (N)	8		5	
Ditchingham Dam (N)	28			
Earsham (N)	6		2	
Eye (S)	2			
Flixton (S)	1			
Geldeston (N)	3			2
Gillingham (N)	1		2	
Needham (S)	3			
Scole & Waterloo (N)	6		8	
Shelfanger (N)	12	1	1	
Wainford (N&S)	7			
Woodton (N)	4			1

Table 1: Numbers of properties internally flooded where at least 1 property is likely to have been flooded from a main river.

Have you been flooded? – please let us know

We are very keen to know about all the properties that have been flooded internally, so that any data we capture can help inform future decisions. If you have not contacted us to report flooding at your property, please let us know, as we are very keen to know the full extent of the flooding in the River Waveney catchment. Please email enquiries_eastanglia@environment-agency.gov.uk. Or ring 0203 0255472. Information relating to flooding from ordinary watercourses, surface water or ground water will be shared with Norfolk County Council or Suffolk County Council as the LLFA and included in their Section 19 report.

We will communicate with residents of properties known to have flooded internally to investigate options for managing flood risk.

We have created an online survey and would encourage all residents who were flooded to complete it by using the following link. <https://www.smartsurvey.co.uk/s/I7HEVS/> if you require a paper copy please call Tina Starling on 07500 884454.

All the data and information we capture is reviewed and the results help to inform our flood warning service, ensuring we provide an accurate and timely warning service for future flooding. We will let you know if changes are made to your flood warning service.



Where can I find out more?

Register with our Flood Warning Service by visiting our website: <https://www.gov.uk/sign-up-for-flood-warnings> or call Floodline on 0345 988 1188.

You can check if your property is at risk of being flooded by visiting our website: <https://www.gov.uk/check-if-youre-at-risk-of-flooding>

Contact us

You can send us any comments or questions on this update by emailing enquiries_eastanglia@environment-agency.gov.uk.

