

**Time and Date**

10.00 am on Tuesday, 20th February 2024

**Place**

Committee Room 3 - Council House, Coventry

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**Public business**

1. **Apologies**
2. **Declarations of Interest**
3. **Council Tax Setting Report 2024/25** (Pages 3 - 12)  
Report of the Director of Finance and Resources (Section 151 Officer)
4. **Budget Report 2024/25** (Pages 13 - 394)  
Report of the Director of Finance and Resources (Section 151 Officer)
5. **Outstanding Issues**  
There are no outstanding issues
6. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

**Private business**

**Nil**

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Julie Newman, Chief Legal Officer, Council House, Coventry

Monday, 12 February 2024

Note: The person to contact about the agenda and documents for this meeting is Michelle Salmon, Governance Services, Email: [michelle.salmon@coventry.gov.uk](mailto:michelle.salmon@coventry.gov.uk)

**Membership****Cabinet Members:**

Councillors L Bigham, R Brown, K Caan, G Duggins (Chair), P Hetherton, A S Khan (Deputy Chair), J O'Boyle, K Sandhu, P Seaman, and D Welsh

Non-voting Deputy Cabinet Members:

Councillors P Akhtar, S Agboola, G Hayre, A Jobbar, G Lloyd and S Nazir

By invitation:

Councillors S Gray, P Male and G Ridley (Non-voting Opposition representatives)

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**Michelle Salmon**

**Governance Services**

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## Public report Cabinet Report

**Cabinet  
Council**

**20 February 2024  
20 February 2024**

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

**Director Approving Submission of the report:**

Director of Finance and Resources (Section 151 Officer)

**Ward(s) affected:**

All

**Title:**

Council Tax Setting Report 2024/25

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**Is this a key decision?**

Yes - Council is being recommended to approve the Council Tax levels for 2024/25

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**Executive Summary:**

This report calculates the Council Tax level for 2024/25 and makes appropriate recommendations to the Council, consistent with the Budget Report 2024/25 on the same agenda. The report recommends a 4.9% increase in the City's Council Tax. Some figures and information are necessarily provisional at this stage due to precepts not having been confirmed. These are shaded in grey.

The report incorporates the impact of the Council's gross expenditure and the level of income it will receive through Business Rates, grants, and fees and charges. This results in a Council Tax requirement, as the amount that its expenditure exceeds all other sources of income.

The report includes a calculation of the Band D Council Tax that will be needed to generate this Council Tax requirement, based on the City's approved Council Tax base. The 2024/25 Band D Council Tax that is calculated through this process has increased by £94.44 from the 2022/23 level.

Each year the Government determines the maximum Council Tax increases that local authorities can set without triggering a referendum. For 2024/25 the Secretary of State has published a report which proposes that the rise in Coventry City Council's Council Tax must be below 5% in 2024/25 to avoid triggering a referendum, comprising a 2% precept

for expenditure on adult social care and a maximum of 3% for other expenditure. At the time of writing the Secretary of State's report is subject to parliamentary approval. The recommendations within the Budget Report 2024/25 are based on a proposed increase in Council Tax of 4.9%, incorporating a core Council Tax rise of 2.9% and a 2% Adult Social Care Precept.

At the time of writing this report the precept from the Police and Crime Commissioner and the precept from the Fire and Rescue Authority have not been confirmed. The provisional figures provided in this report are based on indicative figures. A report, with confirmed final figures, will be presented at the Council meeting on 20 February 2024.

Members should note that the recommendations follow the structure of resolutions drawn up by the Chartered Institute of Public Finance and Accountancy, to ensure that legal requirements are fully adhered to in setting the tax. As a consequence, the wording of the proposed resolutions is necessarily complex.

### **Recommendations:**

That Cabinet recommend to Council the approval of recommendations (1) to (5).

Council is recommended:

(1) To note the following Council Tax base amounts for the year 2024/25, as approved by Cabinet on 9 January 2024, in accordance with Regulations made under Section 31B of the Local Government Finance Act 1992 ("the Act"):

a) 87,734.0 being the amount calculated by the Council as its Council Tax base for the year for the whole Council area;

b) Allesley	403.7
Finham	1,564.8
Keresley	561.8

being the amounts calculated by the Council as its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

(2) That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Act:

(a) £867,820,927 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils (*Gross Expenditure and reserves required to be raised for estimated future expenditure*);

(b) £691,923,346 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet the Gross Expenditure but excluding Council Tax income*);



(c) £175,897,581 being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;

$$(d) \text{ £2,004.90} \qquad \frac{(2)(c)}{(1)(a)} = \frac{\text{£175,897,581}}{87,734}$$

being the amount at (2)(c) above divided by the amount at (1)(a) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. (*Average Council Tax at Band D for the City including Parish Precepts*).

(e) £51,447 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (*Parish Precepts*);

$$(f) \text{ £2,004.31} \qquad = (2)(d) - \frac{(2)(e)}{(1)(a)} \qquad = \text{£2,004.90} - \frac{\text{£51,447}}{87,734.0}$$

being the amount at (2)(d) above, less the result given by dividing the amount at (2)(e) above by the amounts at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates. (*Council Tax at Band D for the City excluding Parish Precepts*);

g)

Coventry (unparished area)	£2,004.31
Allesley	£2,046.16
Finham	£2,017.93
Keresley	£2,027.86

being the amounts given by adding to the amount at (2)(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. (*Council Taxes at Band D for the City and Parish*).

h)

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,336.21	1,364.11	1,345.29	1,351.91
B	1,558.91	1,591.46	1,569.50	1,577.23
C	1,781.61	1,818.81	1,793.72	1,802.54
<b>D</b>	<b>2,004.31</b>	<b>2,046.16</b>	<b>2,017.93</b>	<b>2,027.86</b>
E	2,449.71	2,500.86	2,466.36	2,478.49
F	2,895.11	2,955.56	2,914.78	2,929.13
G	3,340.52	3,410.27	3,363.22	3,379.77
H	4,008.62	4,092.32	4,035.86	4,055.72

being the amounts given by multiplying the amounts at (2)(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

(3) To note that for the year 2024/25 the Police and Crime Commissioner for the West Midlands and West Midlands Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwelling shown below:

Valuation Band	Police and Crime Commissioner for the West Midlands	West Midlands Fire Authority
	£	£
A	143.70	50.13
B	167.65	58.49
C	191.60	66.84
<b>D</b>	<b>215.55</b>	<b>75.20</b>
E	263.45	91.91
F	311.35	108.62
G	359.25	125.33
H	431.10	150.40

(4) That having calculated the aggregate in each case of the amounts at (2)(h) and (3) above, the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each part of its area and for each of the categories of dwellings shown below:

<b>Valuation Band</b>	<b>Parts to which no special item relates</b>	<b>Parish of Allesley</b>	<b>Parish of Finham</b>	<b>Parish of Keresley</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
A	1,530.04	1,557.94	1,539.12	1,545.74
B	1,785.05	1,817.60	1,795.64	1,803.37
C	2,040.05	2,077.25	2,052.16	2,060.98
<b>D</b>	<b>2,295.06</b>	<b>2,336.91</b>	<b>2,308.68</b>	<b>2,318.61</b>
E	2,805.07	2,856.22	2,821.72	2,833.85
F	3,315.08	3,375.53	3,334.75	3,349.10
G	3,825.10	3,894.85	3,847.80	3,864.35
H	4,590.12	4,673.82	4,617.36	4,637.22

(5) That the Council determines that its relevant basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles set out in the Secretary of State's report, under Sections 52ZC and 52ZD of the Act.

**List of Appendices included:**

None

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes – 20 February 2024

**Report title:**  
**2024/25 Council Tax Setting Report**

**1. Context (or background)**

- 1.1 The purpose of this report is to seek approval for the City's 2024/25 Council Tax. The total planned spending (Gross Expenditure) in 2024/25 will be met in part by grant income, and fees and charges. Any spending that is in excess of these income streams must be met from Council Tax and is referred to as the 'Council Tax Requirement'.
- 1.2 The details of the planned spending for 2024/25 are proposed in the 'Budget Report 2024/25' that is being considered by the Council in conjunction with this Council Tax Setting Report.
- 1.3 The Government has legislated that the rise in Coventry City Council's basic Council Tax must be below 5% in 2024/25 to avoid triggering a referendum, comprising a 2% precept for expenditure on adult social care and maximum 3% for other expenditure. The recommendations within the Budget Report 2024/25 are based on a proposed increase in Council Tax of 4.9%, incorporating a core Council Tax rise of 2.9% and a 2% Adult Social Care Precept.
- 1.4 At the time of writing this report the precept from the Police and Crime Commissioner and the precept from the Fire and Rescue Authority have not been confirmed. A report, with confirmed final figures, will be presented at the Council meeting on the 20 February 2024.

**2. Options considered and recommended proposal**

- 2.1 The total Band D Council Tax in 2023/24 was £2,185.44. The figures calculated in this report represent a 4.9% increase from the 2023/24 figures for the City's Council Tax, and a 5.0% increase in total.

Total Council Tax, excluding any element for Parish Precepts, can be broken down as:

	Band D £	Increase from 2023/24 %	Proportion of total bill %
Coventry City Council	2,004.31	4.9	87.3
Police and Crime Commissioner for the West Midlands	215.55	6.4	9.4
West Midlands Fire Authority	75.20	3.0	3.3
Total Coventry Council Tax	2,295.06	5.0	100.00

- 2.2 The Band D Council Tax is used by Government as the national comparator. However, for Coventry, this does not reflect the demographics of the area and the make-up of the property mix; Coventry's property base is weighted towards Bands A to C. The average Council Tax bill in Coventry is £1,426.19, after allowing for all discounts and exemptions.
- 2.3 The total or "headline" council tax calculated for each band, for households of 2 or more adults with no reductions, and for households of 1 adult (who receive a 25% discount), is summarised below:

Valuation Band	Value of Property	Proportion of Band D	Chargeable Dwellings		Council Tax	
	As at April 1991		No.	%	2 + Adults <sup>1</sup> £	1 Adult <sup>1</sup> £
Band A dwellings entitled to Disabled Persons Relief		5/9	173	0.1	1,275.03	956.26
A	Up to £40,000	6/9	55,941	39.6	1,530.04	1,147.53
B	£40,001 to £52,000	7/9	42,494	30.1	1,785.05	1,338.79
C	£52,001 to £68,000	8/9	23,980	17.0	2,040.05	1,530.04
D	£68,001 to £88,000	9/9	9,879	7.0	2,295.06	1,721.29
E	£88,001 to £120,000	11/9	4,838	3.4	2,805.07	2,103.80
F	£120,001 to £160,000	13/9	2,387	1.7	3,315.08	2,486.30
G	£160,001 to £320,000	15/9	1,417	1.0	3,825.10	2,868.83
H	Over £320,000	18/9	111	0.1	4,590.12	3,442.58
			141,220	100.0		

<sup>1</sup> These amounts may be subject to penny rounding when the actual bill is produced.

### 3. Results of consultation undertaken

The proposals in the Pre-Budget Report have been subject to an eight week period of public consultation. The details arising out of this consultation period have been reported in the Budget Report.

### 4. Timetable for implementing this decision

The proposals in this report take effect for the financial year starting 1 April 2024.

### 5. Comments from Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance

#### 5.1 Financial implications

A £1m increase or decrease in either the City Council's 2024/25 Council Tax requirement or Government grant, would lead to a £11.40 increase or decrease in

Band D Council Tax (£7.08 in the average Council Tax per chargeable dwelling). Every £1 added to or removed from the Council Tax level will raise or reduce Council Tax income by £87,734.

## **5.2 Legal implications**

A statutory duty is placed on the Council, as billing authority, to set for each financial year an amount of council tax for different categories of dwellings according to the band in which the dwelling falls. The requirements to calculate and set a Council Tax are set out in the Local Government Finance Act 1992 and are detailed in the report. The Localism Act 2011 made significant changes to this Act, requiring authorities to calculate a Council Tax requirement for the year, not a budget requirement as was previously required. The Local Government Finance Act 2012 made minor changes to the 1992 Act, clarifying the effect of the changes made to the way non-domestic rates income is distributed.

## **6. Other implications**

### **6.1 How will this contribute to the One Coventry Plan?**

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

This report calculates the level of Council Tax required to enable a balanced budget to be set for the next financial year, as detailed in the associated Budget Report, on the same agenda. The Budget Report includes the Medium Term Financial Strategy (as an appendix), and this details the approach that the Council will take in meeting future financial challenges. As such the Budget Report lays the foundation for ensuring the continued financial sustainability of the Council, which is a key enabling priority of the One Coventry Plan.

### **6.2 How is risk being managed?**

A non-collection rate is built into estimates of Council Tax income. Collection performance is monitored on a regular basis.

### **6.3 What is the impact on the organisation?**

See the Budget Setting 2024/25 Report, Council 20 February 2024.

### **6.4 Equalities/EIA**

No further implications

### **6.5 Implications for (or impact on) climate change and the environment**

No further implications

### **6.6 Implications for partner organisations?**

No further implications

**Report author:****Name and job title:**

Phil Baggott  
Lead Accountant

**Service Area:**

Finance

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<b>Contributor/ approver name</b>	<b>Title</b>	<b>Service</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
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Michelle Salmon	Governance Services Officer	Law and Governance	26/1/24	29/1/24
Tina Pinks	Corporate Finance Manager	Finance	26/1/24	8/2/24
<b>Names of approvers: (officers and members)</b>				
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	26/1/24	8/2/24
Barry Hastie	Director of Finance and Resources (Section 151 Officer)	-	8/2/24	8/2/24
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	8/2/24	8/2/24

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## Public report Cabinet

Cabinet  
Council

20<sup>th</sup> February 2024  
20<sup>th</sup> February 2024

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

**Director Approving Submission of the report:**

Director of Finance and Resources (Section 151 Officer)

**Ward(s) affected:**

All

**Title:**

Budget Report 2024/25

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**Is this a key decision?**

Yes - The report sets the Council's Revenue Budget for 2024/25, the Medium-Term Financial Strategy 2024 to 2027, the Capital Programme for 2024/25 to 2028/29 and the Council's Capital, Treasury Management and Commercial Investment Strategies which is a function reserved to Council.

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**Executive Summary:**

This report follows on from the Pre-Budget Report approved by Cabinet on 12<sup>th</sup> December 2023 which has since been subject to a period of public consultation. The proposals within this report will now form the basis of the Council's final revenue and capital budget for 2024/25 incorporating the following details:

- Gross budgeted spend of £867.8m (£55.8m or 7% higher than 2023/24).
- Net budgeted spend of £277.5m (£17.0m or 7% higher than 2023/24) funded from Council Tax and Business Rates less a tariff payment of £22.2m due to the Government.
- A Council Tax Requirement of £175.9m (£11.5m or 7% higher than 2023/24), reflecting a City Council Tax increase of 4.9% detailed in the separate Council Tax Setting report on today's agenda.
- A number of new expenditure pressures, policy proposals and technical savings proposals.
- A Capital Strategy including a Capital Programme of £157.5m including expenditure funded by Prudential Borrowing of £41m.
- An updated Treasury Management Strategy, Capital Strategy, and a Commercial Investments Strategy.

The financial position in this Budget Report is based on the Final 2024/25 Local Government Finance Settlement published on 5<sup>th</sup> February 2024. Whilst the Government have provided an additional £3.2m of social care grant for 2024/25, the Settlement represents an ongoing net reduction in resources compared to the Pre-Budget report of c£2.1m per annum. The position after 2024/25 remains uncertain as the Government's spending plans are effectively the second year of a 2-year settlement, and the final year of the 5-year Comprehensive Spending Review. This therefore provides no certainty or stability for local government finances beyond 2024/25. Reviews in relation to the local government financial allocation model and Business Rates retention will not now happen in this parliament and will therefore need to be a focus of attention for the new government, following the general election expected later in 2024. As a result, it is impossible to provide a robust medium term financial forecast at this stage and the Council has instead made some planning estimates for future years. Initial assumptions indicate a strong likelihood that there will be a substantial gap for the periods following 2024/25. The view of the Director of Finance and Resources (Section 151 Officer) is that the Council should be planning for such a position.

The Pre-Budget Report was based on an increase in Council Tax of 4.9% and this position has been maintained for the final proposals in this report. This incorporates an increase of 2.9%, which is within the Government's limit of 3% above which a referendum would need to be held plus a further 2% Adult Social Care (ASC) Precept in line with Government expectations. The precept is essential to enable councils including Coventry to manage increases in the costs of care. In total, the rise in Council Tax bills will be the equivalent of around £1.60 a week for a typical Coventry household including the expected rises in the precepts for Police and Fire.

The Council has closed the significant financial gap for 2024/25 which it had at the start of the Budget process. Measures to achieving this included the identification of additional Council Tax resources, a range of technical adjustments and newly identified cost savings or income streams. All these proposals are set out in detail in Appendix 2. Where these are different to the proposals that were included in the Pre-Budget Report, this has been indicated within Appendix 2 and shown in tables 2 and 3 within section 2.2 of this report. There are no new service savings required (over and above those set out in the pre-budget report) as a result of this budget report.

The proposals do not provide the Council with a balanced budget beyond 2024/25. The Council's current medium term bottom line incorporates a combination of future inflationary and service pressures and the fall-out of uncertain specific grant resources. Some of the future funding assumptions are speculative at this stage and will be revised towards the end of 2024 as any changes to local government finance resulting from the 2025/26 Settlement are made known. The initial approach will however be dictated by an intention to review and update technical information as it becomes available to the Council and to identify further efficiencies from, or generate further income within, Council services. Through 2024, the Council will continue to refine and implement a programme of activity designed to review how best to deliver its services, improve integration between some of them and optimise the effectiveness of others.

Whatever the future holds for national changes to local government finance in the next parliament, the Council remains committed to maintaining, and where possible strengthening its own financial self-sustainability and the need to support the vibrancy

and growth of the city. Over the coming year the Council will continue to consider investment in activities that strengthen its existing financial interests and those of the city, within the restrictions imposed by Government in relation to access to borrowing from the Public Works Loans Board. The Council's view is that a positive and ambitious strategy is preferable to a more passive approach which would leave the Council more vulnerable to central government policy and the wider pressures on local government services.

The Council's Medium Term Financial Strategy (MTFS) included as Appendix 1 to this report, sets out the financial planning foundations that support the setting of the Council's revenue and capital budgets, including the policy assumptions and financial management framework that underpin the strategy. The purpose of the MTFS is to describe the environment within which the Council operates and bring together resource and cost projections to explain how the Council plans to address its funding gap, whilst retaining focus on its strategic priorities.

The recommended Capital Programme proposals are a key part of the Council's approach and amounts to £157.5m in 2024/25. The proposals reflect the Council's ambitions for the city and include: extensive highways infrastructure works including specific schemes relating to continued delivery of the City Region Sustainable Transport Settlement (CRSTS) programme that include transport packages for the Foleshill and London Road corridor; moving towards Stage Gate 2 of the Very Light Rail project; the commencement of City Centre Cultural Gateway; progressing the City Centre South redevelopment; and the commencement of the Woodlands School project. Over the next 5 years the Capital Programme is estimated at a total of £405m as part of on-going investment delivered by and through the City Council.

This report details the annual Treasury Management Strategy, incorporating the Minimum Revenue Provision policy and the Commercial Investment Strategy. These cover the management of the Council's treasury and wider commercial investments, cash balances and borrowing requirements. These strategies and other relevant sections of this report reflect the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code and Prudential Code for Capital Finance, as well as statutory guidance on Minimum Revenue Provision (MRP) and Investments.

Appendix 9 contains details of proposed changes to the Council Tax Support Scheme (CTSS). These have been modified from those included in the Pre-Budget Report following public consultation. This report requests approval for these changes to be implemented from 1<sup>st</sup> April 2024. The budgetary challenges faced by the Council for 2024/25 require the Council to review all areas of discretionary expenditure including the option to revise the amount of support provided through the CTSS for working age households.

## Recommendations:

That Cabinet recommend to Council the approval of recommendations (1) to (11) below.

Council is recommended to:

- (1) Approve the Medium-Term Financial Strategy in **Appendix 1** to this report, as the basis of its medium-term financial planning process.
- (2) Approve the Budget proposals in **Appendix 2**, after due consideration of the consultation responses set out in **Appendix 3** and the Equality Impact Assessment set out in **Appendix 11 to 28** in relation to proposals to revise the Council Tax Support scheme.
- (3) Approve the total 2024/25 revenue budget of **£870m** in **Table 1** and **Appendix 5**, established in line with a 4.9% City Council Tax increase and the Council Tax Requirement recommended in the Council Tax Setting Report considered on today's agenda.
- (4) Note the Director of Finance and Resources (Section 151 Officer) comments confirming the adequacy of reserves and robustness of the budget in **Section 5.1.2 and 5.1.3**.
- (5) Approve the Capital Strategy incorporating the Capital Programme of £157.5m for 2024/25 and the forward commitments arising from this programme totalling £405m between 2024/25 to 2028/29 detailed in **Section 2.3** and **Appendix 6**.
- (6) Authorise in respect of food waste, the introduction of a separate weekly food waste collection to be implemented with effect from 1 April 2025 delivering the savings in **Appendix 2** and detailed in **Section 2.3.4**, including:
  - the acceptance of the capital grant funding of £1.87m from the Department for Environment Food and Rural Affairs specifically for the delivery of a separate food waste collection, and
  - the addition of £1.87m grant funding to the capital programme in 24/25 to facilitate the necessary capital investment required to bring this recommendation into effect.
- (7) Approve the addition to the capital programme of a new capital scheme for Temporary Accommodation acquisition at a total cost of £1.5m funded from prudential borrowing to support the delivery of the saving line *Increasing alternative Temporary Accommodation provisions* in **Appendix 2 - Budget Proposals and Financial Position** and detailed in **Section 2.3.5**.
- (8) Approve the expansion of the existing Residential Children's Home Strategy scheme at a total cost of £1.4m funded from prudential borrowing to support the delivery of the saving line *Expansion of Residential Strategy* in **Appendix 2 - Budget Proposals and Financial Position** and detailed in **Section 2.3.6**.

- (9) Approve the Council's Treasury Management Strategy and Minimum Revenue Provision Statement for 2024/25 in **Section 2.4** and the Prudential Indicators and limits described and detailed in **Appendix 8**, the Commercial Investment Strategy for 2024/25 in **Section 2.5** and **Appendix 7** and the Commercial Investment Indicators detailed in **Appendix 8**.
- (10) Consider and note the proposed changes to the Council Tax Support Scheme set out in Appendix 9 to the report, as a result of the consultation (Appendix 10) and the Equality Impact Assessment (Appendix 16).
- (11) Approve the implementation of the revised Council Tax Support scheme as laid out in Appendix 9a of this report with effect from 1st April 2024.

**List of Appendices included:**

Appendix 1 - Medium Term Financial Strategy  
Appendix 2 - Budget Proposals and Financial Position  
Appendix 3 - Budget Consultation Responses  
Appendix 4 - Summary of petitions received, and issues raised.  
Appendix 5 - Summary Revenue Budget  
Appendix 6 - Capital Programme 2024/25 to 2028/29  
Appendix 7 - Commercial Investment Strategy  
Appendix 8 - Prudential and Investment Indicators  
Appendix 9 - Changes to the Council Tax Support Scheme  
Appendix 9a - Coventry Council Tax Reduction Banded Scheme 2024/25  
Appendix 10 - Council Tax Support Scheme Consultation Responses  
Appendix 11 - Equality impact assessments (EIA) matrix  
Appendix 12 - EIA – One Coventry: Coventry Connects Programme  
Appendix 13 - EIA – One Coventry: Integrated Placed Based Services  
Appendix 14 - EIA – One Coventry: Common Roles Review  
Appendix 15 - EIA – One Coventry: Advice Services  
Appendix 16 - EIA – Council Tax Support Scheme 2024/25  
Appendix 17 - EIA – Charge for Green Waste  
Appendix 18 - EIA – Increasing Alternative Temporary Accommodation Provisions  
Appendix 19 - EIA – Switch off Street Lighting  
Appendix 20 - EIA – Introduce Separate Food Waste Collection  
Appendix 21 - EIA – City Centre Car Parking Charges  
Appendix 22 - EIA – Resident Car Parking Permit Charges  
Appendix 23 - EIA – Traveller Incursions  
Appendix 24 - EIA – Education Transport Review  
Appendix 25 - EIA – Funding to Cultural Organisations  
Appendix 26 - EIA – Godiva Festival  
Appendix 27 - EIA – Residential Children's Homes Strategy  
Appendix 28 - EIA – Council Tax Charge for Second Homes

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel, or other body?**

No

**Will this report go to Council?**

Yes – 20<sup>th</sup> February 2024

## **Title: Budget Report 2024/25**

### **1. Context (or background)**

- 1.1 This report seeks approval for the 2024/25 Revenue Budget and corresponding Council Tax rise, Medium-Term Financial Strategy, Capital Programme and Strategy, Treasury Management Strategy, Commercial Investment Strategy and associated investment and prudential indicators. The report includes detail of the resources included within the 2024/25 Government funding allocation and forecasts of the Council's medium term revenue financial position. The revenue budget proposals in this report follow on from the Pre-Budget Report approved by Cabinet on 12<sup>th</sup> December 2023. They have been established in line with the Council's current One Coventry Council Plan and the Medium-Term Financial Strategy.
- 1.2 The Government announced the Final Local Government Finance Settlement for 2024/25 on 5<sup>th</sup> February 2024. Whilst the Government have provided £3.2m additional social care grant for 2024/25, the settlement in overall terms represents an ongoing net reduction in resources compared to the pre-budget report in December 2023, of c£2.1m. It is now clear that previously planned Government changes to the local government finance system will not be implemented until the next parliament, and until greater certainty is provided the Council will use the best estimates available. At this stage, these estimates assume continuation into future years of the majority of the core grant funding streams announced for 2024/25.
- 1.3 At the start of the current Budget process the Council faced a budget deficit of £20m for 2024/25. This position has been made worse by forecast financial pressures for the year ahead, including those caused by inflation, social care activity and market conditions, and other key services including housing and homelessness. Following the Autumn Statement announcement in November 2023, the Council changed its forecasts of Government funding levels. These and the incorporation of new technical savings proposals improved the financial position such that the Pre-Budget Report presented a suite of proposals on which to consult, which collectively formed the basis of a potential balanced year one position pending the Government's Provisional Local Government Settlement, released in December 2023. This Settlement refined the detailed proposals on specific grant resources which together with a subsequent announcement of one-off social care monies and a small number of other technical changes, has enabled a balanced budget position to be proposed for 2024/25.
- 1.4 For 2024/25 councils nationally have the flexibility to increase Council Tax by up to 3% without holding a local referendum on the matter with further ASC precept flexibility of 2%. The Pre-Budget Report was approved on the basis of an overall Council Tax rise of 4.9% - within the parameters of these flexibilities - and the budget being proposed in this report maintains this position.
- 1.5 The Government's Autumn Statement 2023 indicated no new or additional ongoing resources for Local Government beyond 2024/25. In what will become the initial years of the next 5-year Comprehensive Spending review, a broadly cash flat assumption beyond 2024/25, whilst reasonable for planning purposes,

would reflect a significant real term reduction in funding for the sector moving forward, once the impact of future social care and demographic changes and the continuing impact of inflation are taken into account. In addition, the scope for variations in the future allocation methodology and the distribution of specific grants adds further jeopardy for individual councils, including Coventry. In response, the Council is planning to identify more efficient and coordinated ways of working across a range of services under its One Coventry approach. This will continue to take a more co-ordinated approach to how some services are delivered across the Council and the city alongside partners, as well as continuing to pursue commercial options where these arise and are in line with Government regulation and sector guidance.

- 1.6 The Council and city have witnessed large and sustained programmes of infrastructure and other capital investment works over recent years. The next phases of this are set out in the Capital Programme in section 2.3 and Appendix 6. A large part of the Programme reflects the Council's continued success in attracting external grant funding into the city, working with the West Midlands Combined Authority to secure resources as part of the Devolution Deal and the City Region Sustainable Transport plan and developing local self-financing projects within the city. The scale and breadth of this programme continue to be large in a historical context. Council has been informed previously of the significant challenge in managing the number and size of complex and overlapping projects within a relatively compact city and tight timescales, although for the most part the Council's capital projects have maintained good momentum. In terms of the wider Capital Programme, it is worth emphasising that the vast majority of the funding to deliver these schemes comes from sources that can only be used in one-off capital schemes and therefore is not available to support the revenue budget.
- 1.7 The overall Council Capital Programme is estimated to be £405m over the next 5 years. The city's aspiration continues to be to spearhead growth, economic development and job creation in the city and greater self-sufficiency for the City Council through the generation of higher tax revenues, wider economic prosperity, and lower deprivation levels amongst citizens. The national economic and political context, including the structure of any future Business Rates Retention model, will play a factor in the degree to which this can be achieved over this period, but the Council will continue to explore a range of options that increase the degree of control that it has over its own financial destiny.
- 1.8 Whilst local authorities have been required to have a treasury management strategy, more recent statutory government guidance has extended these requirements to other commercial investments, including service loans, shares and investment properties. The guidance seeks to ensure that authorities have strong commercial risk management arrangements and that such investments are proportionate, and relative to the size and financial capacity of the authority. The Council's arrangements in this regard are set out in the Capital Strategy, Commercial Investment Strategy and associated investment and prudential indicators.



## 1.9 Revenue Resources

1.9.1 The Council's total revenue expenditure is funded from a combination of resources as set out in the table below:

**Table 1: Funding of Revenue Budget**

<b>2023/24 £000s</b>		<b>2024/25 £000s</b>	<b>Change from 23/24 £000s</b>	<b>Change from 23/24 %</b>
(164,440)	A: Council Tax Requirement	(175,898)	(11,458)	7% Increase
(116,573)	B: Business Rates Income	(123,757)	(7,184)	6% Increase
20,511	C: Tariff	22,203	1,692	8% Increase
(432,543)	D: Specific Grants	(476,828)	(44,285)	10% Increase
(118,972)	E: All Other Income	(113,541)	5,461	5% Decrease
<b>(260,502)</b>	<b>Funding of NET Budget (A + B + C)</b>	<b>(277,452)</b>	<b>(16,950)</b>	<b>7% Increase</b>
<b>(812,017)</b>	<b>Funding of GROSS Budget (A + B + C + D + E)</b>	<b>(867,821)</b>	<b>(55,804)</b>	<b>7% Increase</b>

Line A above reflects the combined effect of the city Council Tax increase of 4.9% and a higher tax-base.

Line E, in addition to other Fees and Charges, includes Council Tax and Business Rates Collection Fund surpluses/deficits, dividend payments and contributions from reserves. The Collection Fund surpluses have fallen from £12.2m for 2023/24 to £4.4m for 2024/25 which represents a reduction in planned resources of £8m. This masks a 2% increase in all other income sources consolidated within this line.

1.9.2 Limited information is available currently about the level of resources that will be available to the Council beyond 2024/25. This will be subject to decisions over the Government's spending plans and any changes in the Local Government Finance model which the Government is continuing to assess. The Council's medium term financial forecast reflected in Appendix 2 makes planning assumptions about the one-off grants available in 2024/25 that will continue into 2025/26 although this will require confirmation at a later date.

1.9.3 The Council is in a similar position to many councils having experienced significant reductions in Government resource allocation since 2010. In efforts to maximise the benefit realisable within the current system Coventry is currently a member both of the Coventry and Warwickshire Business Rates Pool and the West Midlands Business Rates Pilot, the latter of which enables the Council to retain 99% of Business Rates. Both these mechanisms have enabled the Council to improve its overall resource position by a modest degree over recent years. The devolution deal currently being negotiated by West Midlands Combined Authority with the Department for Levelling Up Housing & Communities (DLUHC) on behalf of the West Midland Mets, currently provides for the potential continuation of the

West Midlands business rate retention scheme for a period of up to 10 years. This is subject to separate governance.

- 1.9.4 The current Local Government Finance system includes an element of redistribution, reflecting different councils' relative needs and resources. Under the current arrangements, where the Council retains 99% of the Business Rates it collects, it has to pay a tariff to central government as part of the redistribution process. This tariff payment now stands at £22.2m for 2024/25 which is £1.7m higher than the previous year. This indicates that the Council is judged by Government to be earning a greater level of Council Tax and retained Business Rates (plus specific grants) than it requires for its assessed spending needs. This position reflects a combination of cuts to Government resource allocation for local government and to a limited degree, indications that, in the Governments view, the Council has a degree of self-reliance (in relative terms compared to other areas) and is able to fund its own spending requirements. It is important to treat this assessment with caution given that the city continues to have some high levels of need and areas of high deprivation relative to the national position. Nevertheless, it emphasises the importance for the Council of generating greater resilience and prosperity in the local economy in order for the city to be able to support itself under the Government's intention for local government to become more self-sufficient.
- 1.9.5 In overall terms budgeted specific revenue grant funding is increasing between 2023/24 and 2024/25 from £433m to £477m. The largest grant allocations are for Dedicated Schools Grant (£208m), Housing Benefit Subsidy (£70m), various social care funding streams (£80m), grants relating to Business Rates (£37m), Public Health (£24m), Pupil Premium (£11m), Private Finance Initiatives (£9m) and Adult Education funding (£5m).
- 1.9.6 The Council's capital and revenue programmes, including treasury and commercial activities, are managed in parallel through consolidated planning, in year monitoring and year end processes, within the context of the Medium-Term Financial Strategy. The Constitution, including the Financial Procedure Rules, set out thresholds that determine the level at which financial approval is required by officers or the appropriate member forum, up to Council. Central to the approach is the principal that recommendations are supported by appropriate business cases.

## **2. Options considered and recommended proposal.**

### **2.1 Section Outline**

- 2.1.1 This section details the specific proposals recommended for approval within the revenue budget. Section 2.2 below outlines the changes that have occurred to the financial proposals since the Pre-Budget Report in December. The full list of final proposals is provided in **Appendix 2**. Approval is being sought for these and the overall budget and Council Tax Requirement in **Appendix 5**. These are based on a City Council Tax rise of 4.9% which includes an Adult Social Care Precept of 2%.

- 2.1.2 The report seeks approval for a 2024/25 Capital Programme of £157.5m compared with the initial 2023/24 programme of £104.4m. The Programme is considered in detail in **Section 2.3** and **Appendix 6**.
- 2.1.3 The report is also required formally to seek Council approval for the Treasury Management Strategy (**Section 2.4**), the Commercial Investment Strategy (**Appendix 7**) and the Prudential and Investment Indicators (**Appendix 8**).
- 2.1.4 The report also seeks approval for a revised Council Tax Support Scheme to be implemented from 1<sup>st</sup> April 2024 following the completion of the public consultation. The Council Tax Support scheme is a means tested benefit. In considering the option of a reduced discount and banded income scheme, it is proposed that the scheme uses 'excess income' rather than earned income or total income. This approach ensures that the circumstances of households form an integral part of the assessment of entitlement. Where there is a shortfall between the income and the established needs, additional support is provided. Further details of the consultation responses received (see Appendix 10) and the changes to the Council Tax Support scheme (see Appendix 9) are set out in this report.

## 2.2 Revenue Budget

- 2.2.1 The budget includes the saving and expenditure proposals included within the Pre-Budget Report approved by Cabinet on 12<sup>th</sup> December 2023 as a basis for Pre-Budget consultation. A line-by-line impact of how these proposals affect the base budget is given in **Appendix 2** with an indication of where there have been changes to the figures included within the Pre-Budget Report, having given due consideration to the consultation responses. The summary and detailed changes since the Pre-Budget Report are shown in tables 2 and 3 below. These changes enable the Council to deliver a balanced budget for 2024/25 but indicate that a financial gap will arise based on the best estimates for subsequent years.

**Table 2: Summary Changes to Pre-Budget Report Position**

	2024/25 £m	2025/26 £m	2026/27 £m
<b>Pre-Budget Report Position</b>	<b>(1.5)</b>	<b>13.4</b>	<b>14.3</b>
Change to Resources	(1.2)	2.1	2.1
Change to Service & Technical Pressures	0.4	(2.5)	(2.9)
Change to Service & Technical Savings	2.3	1.3	1.3
<b>Sub-Total: Changes from Pre- Budget Position</b>	<b>1.5</b>	<b>0.9</b>	<b>0.5</b>
<b>Final Budget Position</b>	<b>0.0</b>	<b>14.3</b>	<b>14.8</b>

**Table 3: Detailed changes in proposals compared with the Pre-Budget Report**

	Appx 1 Line Ref	2024/25 £m	2025/26 £m	2026/27 £m
<b>Pre-Budget Report Position</b>		<b>(1.5)</b>	<b>13.4</b>	<b>14.3</b>
2024/25 Adults' and Children's Social Care Grant	3	(0.6)	(0.6)	(0.6)
2024/25 Additional Adults' and Childrens Social Care Grant	3a	(3.2)	0.0	0.0
New Homes Bonus	4	(0.1)	0.0	0.0
Local Government Settlement - Services Grant	4a	2.7	2.7	2.7
Reduce 2024/25 pay award contingency	5	(1.5)	(1.5)	(1.5)
Reduce non-pay inflation	5	0.4	(2.5)	(3.0)
Impact of National Living Wage increase on inflation for Adult Social Care contracts	5	1.5	1.5	1.6
Redesign Council tax Support Scheme	17	0.8	0.8	0.8
Overnight Street Light Switch off (partial)	20	0.3	0.3	0.3
Separate Food Waste Collection	21	1.0	0.0	0.0
War Memorial Park Charges	26	0.2	0.2	0.2
<b>Final Budget Position</b>		<b>0.0</b>	<b>14.3</b>	<b>14.8</b>

## 2.3 **Capital Strategy and Expenditure Programme**

2.3.1 Under the Prudential Code authorities are required to produce a Capital Strategy that covers a broad range of capital related issues including capital expenditure and resourcing; borrowing and liabilities, and their repayment through Minimum Revenue Provision; loan commitments and guarantees; and treasury and commercial investments. These areas are covered either in this section or elsewhere in this report where appropriate (e.g. the Treasury Management Strategy or Commercial Investment Strategy).

2.3.2 In **Appendix 6** there are proposals for a Capital Programme of £157.5m which contains a number of strategically significant schemes and schemes that support the savings proposals recommended. The 2024/25 Programme shown compares with the current projected 2023/24 programme of £127.6m. A full 5-year position is detailed in **Appendix 6** with the main planned expenditure as follows:

- Very Light Rail Regional Programme – following the completion of £8.9m Stage Gate 1 the scheme now moves onto delivering Stage Gate 2, which in December 2023 received Department for Transport approval to release funding of £6.1m. To date £15m of CRSTS grant funding has been approved of the total allocated £40m specifically for the delivery of the Very Light Rail City Centre Demonstrator route within Coventry.
- £25.2m of investment in the city's highways and transportation infrastructure. This includes the continued delivery of the CRSTS programme. Specifically works for Foleshill Transport Package improvements focussed on the Foleshill Road corridor along with transport improvements focussed on the London Road corridor supporting the Gigafactory and other developments planned for the Coventry Airport area.

- £14.3m to deliver the remaining energy efficiency measures to approximately 2,000 social housing properties in Coventry, as part of the £23.9m Social Housing Decarbonisation Fund Wave 2 programme.
- A £29.2m programme in 2024/25 within the Education and Skills Portfolio, investing in secondary schools' provision under the Education One Strategic Plan including the start of the Woodlands Schools development.
- £24.3m commencing the main construction works for the City Centre Cultural Gateway, which includes the creation of a Collections Centre for nationally significant cultural, arts and historical artefacts, in collaboration with the Partners - Arts Council England (ACE), British Council (BC) and Culture Coventry Trust (CCT); along with the development of a newly created Cultural Institute by Coventry University.
- £2.9m for the continued delivery of the Residential children's homes review & strategy 2023-2026

2.3.3 The 2024/25 Programme requires £41m of funding from Prudential Borrowing, including schemes previously approved for the replacement vehicle programme, the commencement of main construction for City Centre Cultural Gateway – Collection Centre design costs, residential children's homes strategy 2023-2026 and refurbishment of properties to support the homeless. Over the course of the future 5-year programme set out, the Council is set to incur £94.6m of borrowing. This borrowing has been the subject of previous decisions and will, overwhelmingly, be supported by business cases that have identified income streams to cover the capital financing costs, all of which is factored into the Council's medium term financial plans. In relation to the Council's existing level of borrowing this adds to the Council's external indebtedness.

2.3.4 As part of this budget report, approval is sought to implement a weekly food waste collection with effect from 1 April 2025. This is a legislative requirement set out by Government, for which they have provided collection authorities with a capital grant to facilitate the delivery. As described in saving line 21: Introduce Separate Food Waste, within Appendix 2 to this report, the separation will facilitate a saving of £1m per year from 2025/26 as the remaining green waste can be treated at a much lower price per tonne. Government have provided a 'Simpler Recycling' capital grant of £1.87m, for which approval is sought to add to the approved capital programme for 24/25 onwards. This will enable early acquisition of the required vehicles and containers which are expected to be in significant demand.

2.3.5 As part of this Budget Report, approval is sought for a new capital scheme for the purchase of further temporary accommodation to contribute to the delivery of the saving line 19: Increasing alternative Temporary Accommodation provisions within Appendix 2 to this report. This relates to the further purchase and refurbishment of accommodation to support homeless single people within Coventry costing £1.5m, funded by prudential borrowing to enable further temporary accommodation capacity which in turn reduces the cost the Council must incur compared to higher cost other accommodation options.

2.3.6 In addition, approval is also sought to expand the existing Residential Children's Homes Strategy 2023-26 capital scheme to purchase a further 2 smaller homes costing £1.4m, funded by prudential borrowing which would assist in addressing the challenges of young people who require solo/small homes (2 children maximum) which have the highest cost placements, which will facilitate the delivery of the saving line 32: Expansion of Residential Strategy within Appendix 2 to this report.

2.3.7 In addition to the opportunities to receive additional external funding, the Director of Finance and Resources (Section 151 Officer) will continue to explore options to fund the programme in the most appropriate way depending on the balance of resources, including using capital receipts to reduce the overall need to borrow. In reality, any displacement of borrowing from this source is likely to be at a comparatively low level based on the current level of available uncommitted receipts. In addition to the Prudential Borrowing referred to above, the other main source of funding for the 2024/25 Capital Programme is £98.7m of Capital grants as follows.

**Table 4: Capital Grant Funding**

<b>Grant</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>	<b>Total £m</b>
Department for Environment Food and Rural Affairs	0.3	1.6	0.0	0.0	0.0	<b>1.9</b>
Department for Levelling Up, Housing and Communities	17.1	0.0	0.0	0.0	0.0	<b>17.1</b>
Department for Transport	0.1	0.0	0.0	0.0	0.0	<b>0.1</b>
Disabled Facilities Grant	5.3	5.0	5.0	5.0	4.2	<b>24.4</b>
Education Funding Agency	18.1	13.7	2.5	2.4	0.0	<b>36.7</b>
West Midlands Combined Authority	54.3	61.4	43.6	18.1	9.1	<b>186.5</b>
All Other Grants & Contributions	3.5	0.5	0.0	0.0	0.0	<b>4.0</b>
<b>TOTAL PROGRAMME*</b>	<b>98.7</b>	<b>82.1</b>	<b>51.0</b>	<b>25.5</b>	<b>13.3</b>	<b>270.6</b>

\*Totals are subject to minor rounding differences.

2.3.8 The programme is based on an approach to the capitalisation of expenditure set out within the accounting policies section of the Council's Statement of Accounts. This approach is based on proper accounting practices, amended as required by local government capital finance regulations. In broad terms assets are treated as capital where they have a useful life of longer than one year and are not intended for sale during the normal course of business.

### 2.3.9 Forecast Capital Expenditure and Resourcing Programme

The Programme included has been evaluated to identify a likely best profile of spend based on current knowledge of individual projects. In part this is to maximise the amount of programmed expenditure to meet expectations of grant funding bodies but there are also local expectations to inject momentum into the programme to ensure sufficient progress is made. In overall terms, 2024/25 will continue at a relatively lower level of programme spend than witnessed in some recent years but nevertheless involves a number of complex and overlapping projects. Section 5.1.4 recognises the risks inherent in this. Given the innovation involved in some of the projects, the milestones that need to be achieved to satisfy grant funding bodies and the potential for delay given the interdependency of some schemes, it should be recognised that the profile for some schemes could shift significantly between years, with the potential for expenditure being rescheduled into later periods.

A summary of the proposed programme including existing commitments and funding sources is outlined below. This includes expenditure rescheduled into 2024/25 as a result of the 2023/24 budgetary control process. Full details of the proposed programme are included in **Appendix 6**.

**Table 5: 2024/25 – 2028/29 Capital Programme (Expenditure & Funding)**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Portfolio Expenditure</b>						
Children & Young People	2,998	4,550	1,300	100	100	<b>9,048</b>
Education & Skills	29,234	22,986	7,737	2,414	0	<b>62,371</b>
Jobs & Regeneration	37,898	39,855	37,748	12,000	3,000	<b>130,501</b>
City Services	47,446	30,890	14,939	12,053	13,081	<b>118,409</b>
Adult Services	4,682	4,983	4,983	4,966	4,182	<b>23,796</b>
Public Health & Sport	314	620	87	70	1,279	<b>2,370</b>
Housing & Communities	34,920	22,696	675	0	0	<b>58,291</b>
<b>TOTAL PROGRAMME*</b>	<b>157,492</b>	<b>126,580</b>	<b>67,469</b>	<b>31,603</b>	<b>21,642</b>	<b>404,786</b>
<b>Funding</b>						
Management of Capital Reserve	1,100	100	100	100	100	1,500
Capital Receipts	14,130	200	0	0	0	14,330
Prudential Borrowing	40,984	38,193	10,316	2,055	3,083	94,631
Grant	98,659	82,141	51,042	25,500	13,302	270,644
Capital Expenditure from Revenue	500	3,378	4,924	2,878	2,878	14,558
Section 106	2,119	2,568	1,087	1,070	2,279	9,123
<b>TOTAL PROGRAMME</b>	<b>157,492</b>	<b>126,580</b>	<b>67,469</b>	<b>31,603</b>	<b>21,642</b>	<b>404,786</b>

### 2.3.10 Generation of Capital Receipts

The Council reviews the opportunity to generate capital receipts in order to support capital investment and reduce the reliance on Prudential Borrowing to fund spend. Whilst the Council considers all assets in looking to generate receipts, it will seek to do so in particular where these are surplus to operational requirements or yield little or no income. As capital receipts, the proceeds from such disposals can only be used to fund new capital expenditure or repay debt but cannot ordinarily be used to fund revenue expenditure. Based on the review of the potential to generate receipts, the following table sets out the Council's current forecast of capital receipts flows and expenditure commitments, although these are subject to change given the nature of activity in this area.

**Table 6: Forecast Capital Receipts**

	2023/24	2024/25	2025/26	2026/27
	£000s	£000s	£000s	£000s
Forecast (Receipts Brought Forward)/Receipts Shortfall	-34,480	-24,198	-638	-3,787
Forecast/potential New Receipts	-1,195	-2,570	-20,099	-580
<b>Total Receipts</b>	<b>-35,675</b>	<b>-26,768</b>	<b>-20,737</b>	<b>-4,367</b>
Commitments and capital contingency	11,477	26,130	16,950	3,855
<b>Receipts Carried Forward (-)</b>	<b>-24,198</b>	<b>-638</b>	<b>-3,787</b>	<b>-512</b>

### 2.3.11 Guarantees, Loan Commitments and Other Liabilities

The Council's long-term liabilities comprise two main elements: the long-term borrowing set out in the Treasury Management Strategy (section 2.4) and the pension fund liability. The pension deficit crystallises over time as payments to scheme members become due. The net position on the pension fund tends to fluctuate year on year, being dependent on a number of variables, including life expectancy levels, inflation and investment returns. However, this deficit has reduced significantly from £615m at 31st March 2022 to £25m at 31st March 2023, almost entirely due to a rise in the corporate bond yield, which in turn increases the discount rate used to determine the obligation. Contributions are set in order to manage the deficit over the longer term, reflecting the nature of the liability.

The Council has made loans to a number of external partners which are summarised in the Commercial Investment Strategy attached to this report as Appendix 7. The total value of loans provided or committed, as at 31<sup>st</sup> March 2024, is forecast to be £52.3m. Where the Council has committed to make a loan, but has yet to make the advance, for example in making a forward treasury investment or in agreeing a loan facility to be advanced over time, such loan commitments are taken into account in managing the Council's overall investment exposure.

The Council currently provides a small number of guarantees to third parties, for example in respect of long-term pension liabilities. One benefit of this type of



arrangement is that a smaller pension contribution can be secured for the organisations in question, as a consequence of the Council's longer term credit strength. Such guarantees can be historic, arising through the Council's past relationships with those organisations. In providing guarantees the Council is accepting risk, and each is reviewed on a case-by-case basis, taking into account the overall level of risk exposure.

### 2.3.12 Capital Financing Requirement

Taking into account the planned programme set out in the Table 5 above, the estimated Capital Financing Requirement (CFR), representing the underlying need to borrow for capital investment purposes, is detailed in the following table below:

**Table 7: 2024/25 Capital Financing Requirement (including PFI & Finance Leases)**

Forecast CFR Movements	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
<b>Opening CFR - 1st April</b>	<b>513.0</b>	<b>507.1</b>	<b>525.9</b>	<b>540.9</b>	<b>529.3</b>	<b>508.0</b>
Capital Spend met from borrowing	14.2	41.0	38.2	10.3	2.1	3.1
Minimum Revenue Provision	-18.0	-20.0	-20.8	-21.9	-23.4	-24.0
Other	-2.1	-2.2	-2.4	-0.0	-0.0	-0.0
<b>Closing CFR - 31st March</b>	<b>507.1</b>	<b>525.9</b>	<b>540.9</b>	<b>529.3</b>	<b>508.0</b>	<b>487.1</b>

Over the 5 years from 1<sup>st</sup> April 2023, it is forecast that the CFR will reduce marginally reflecting the level of the borrowing required to meet the capital programme, less amounts set aside to repay debt as Minimum Revenue Provision (MRP).

### 2.3.13 Revenue Budget Implications

The revenue cost of the proposed Capital Programme, in the form of interest on debt, plus the amount set aside as MRP to repay debt is the total general fund capital financing cost. It is forecast that these financing costs will reduce from £41.4m in 2024/25 to £40.8m in 2026/27, reflecting the net impact of capital expenditure to be resourced by borrowing and the full repayment of West Midlands transferred debt in 2025/26. Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the coming years will extend for up to 50 years, in line with the Council's Minimum MRP policy set out in Section 2.4.4.

2.3.14 The Section 151 Officer considers that the capital strategy, including the capital expenditure programme and resourcing as set out in this report, is prudent, affordable, and sustainable, and that the level of borrowing and commercial investment income are proportionate to the resources available to the Council.

## 2.4 **Treasury Management Strategy Statement 2024/25**

### 2.4.1 **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 2021 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.

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. The three main reports are;

- A Treasury Management Strategy (This report) – This provides an outline of how investments and borrowings are to be organised over the next three years. The report includes an investment strategy and a range of Prudential Indicators to measure and manage the Council's exposure to treasury management risks. The indicators over the period 2023/24 to 2026/27 for the treasury and capital programme management are set out at **Appendix 8**.
- A Mid-Year Treasury Management Report – This identifies if any amendment to the Prudential indicators is necessary and states whether the treasury operations are meeting the strategy or whether any policies require revision.
- An Annual Outturn Report – This provides details of the actual performance of the prudential and treasury indicators compared to estimates within the strategy.
- In addition to these reports the Cabinet and the Audit and Procurement Committee receive quarterly updates through budget monitoring reports to update on treasury activity.

The Local Authorities (Capital Finance and Accounting) Regulations 2003, require the approval of a Minimum Revenue Provision (MRP) statement setting out the Council's approach. The proposed approach is set out at Section 2.4.5.

## 2.4.2 **Economic Environment**

### **Economic Background:**

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation increased to 4.0% in the year to December 2023, up slightly from 3.9% in November. The core CPI inflation remained at 5.1%, lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023.

US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak, and GDP was shown to have contracted by 0.1% in the three months to September 2023. In line with other

central banks, the European Central Bank has been increasing rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

### **Credit outlook:**

Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

### **Interest rate forecast (December 2023):**

Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early mid-2026.

Arlingclose expects long-term gilt yields to eventually fall from current levels (amid continued volatility) reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

#### 2.4.3 Coventry City Council Position

On 31 March 2024, the Council will hold an estimated £317.3m of borrowing and £40m of treasury investments. This is set out in further detail in the tables below: (figures included at the nominal value of the debt):

**Table 1: Estimated Long-Term Borrowing at 31 March 2024**

	<b>31 March 2023 Actual £m</b>	<b>31 March 2024 Forecast £m</b>
<b>External borrowing:</b>		
Public Works Loan Board	184.9	180.7
Money Market Loans (Incl. LOBO's)	38.0	38.0
Stock Issue	12.0	12.0
West Midlands Combined Authority	18.0	18.0
<b>Total external borrowing</b>	<b>252.9</b>	<b>248.7</b>
<b>Other liabilities:</b>		
Private Finance Initiative	57.0	53.9
Other Liabilities	10.0	10.0
Transferred Debt (other authorities)	6.7	4.7
<b>Total other liabilities</b>	<b>73.7</b>	<b>68.6</b>
<b>Total gross external debt</b>	<b>326.6</b>	<b>317.3</b>

**Table 2: Estimated Treasury Investments at 31 March 2024**

	<b>31 March 2023 Actual £m</b>	<b>31 March 2024 Forecast £m</b>
<b>Treasury investments:</b>		
The UK Government	0.0	0.0
Local authorities	0.0	0.0
Other government entities	0.0	0.0
Secured investments	0.0	0.0
Banks (unsecured)	0.0	0.0
Building societies (unsecured)	0.0	0.0
Registered providers (unsecured)	0.0	0.0
Money market funds	42.9	10.0
Strategic pooled funds	30.0	30.0
Real estate investment trusts	0.0	0.0
Other investments	0.0	0.0
<b>Total Treasury investments</b>	<b>72.9</b>	<b>40.0</b>

The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. – the use of balances held from sources such as reserves and capital receipts to reduce the amount of external borrowing required by the Council.

#### 2.4.4 **Borrowing**

The Council at 31 March 2024 will hold an estimated £317.3m of external borrowing.

The borrowing sums have been used as part of the Council's strategy for funding previous years' capital programmes. Although local authorities have scope to borrow in advance of need, essentially borrowing on the basis of future capital spend, it is proposed that the City Council's current practice of not borrowing in advance of need continues.

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.

The detailed objectives that underpin the Treasury Management Strategy are:

Borrowing, to:

- Maintain adequate liquidity so that cash requirements are met.
- Minimise the cost of debt whilst maintaining long term certainty in interest rate exposure.
- Manage the total debt maturity profile, having no one future year with a disproportionate level of debt repayments.
- Undertake the restructuring of debt, in order to minimise the costs through actively reviewing opportunities for rescheduling.

#### **Strategic Approach:**

Given the significant cuts to public expenditure and in particular to local government funding, the Authority'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 / short-term 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 fall modestly.

The Council has raised the majority of its long-term borrowing from the Public Works Loan Board (PWLb) but will consider long-term loans from other sources

including banks, pensions and local authorities, while also investigating the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

The PWLB is the main, competitively priced, flexible source of loan finance for funding local authority capital investment. As such it can be a significant source of liquidity. With some limited exceptions, PWLB loans are not available to local authorities that plan to buy investment assets primarily for yield, such as property purchased for a financial return, where they are not clearly serving some other significant service objective.

In respect of borrowing more generally, 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. The Council may also borrow further short-term loans to cover cash flow shortages.

The main sources of borrowing are:

- HM Treasury's PWLB lending facility
- bank or building society authorised to operate in the UK.
- UK Local Authority and UK public sector body
- UK public and private sector pension funds (except West Midlands Pension Fund)
- Stock Issue (Bond Issue)
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.
- UK Infrastructure Bank Ltd

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

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

Further detail on alternate funding sources is provided below:

- UK Local Authority and UK public sector body – Traditionally inter local authority borrowing has been used to manage shorter term cashflow demands, but there is now greater potential for longer term arrangements.
- UK Municipal Bonds Agency plc - This 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.
- UK Infrastructure Bank Ltd- It provides infrastructure finance to tackle climate change and support regional and local economic growth across the United Kingdom and is funded by HM Treasury.
- LOBOs - The Council holds £38m of LOBO (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 Council has the option to either accept the new rate or to repay the loan at no additional cost. £10m of these LOBOs have options during 2024/25, and although the Council

understands that the lenders are not likely to exercise their options even in the current interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

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

#### **2.4.5 Minimum Revenue Provision (MRP)**

Local authorities are required to make prudent provision for the repayment of long-term capital programme borrowing through a revenue charge (MRP). The aim of prudent provision is to ensure that the revenue charge broadly reflects the period over which benefit is derived from the capital spend e.g., broadly the life of an asset purchased or built.

It is proposed that the existing charging policy continues:

- For capital expenditure incurred before 1st April 2008, the Council will set MRP as a fixed charge of 2% pa of the relevant element of the Capital Financing Requirement, adjusted for the Adjustment A.
- From 1st April 2008 for all capital expenditure met from unsupported or prudential borrowing, MRP will be based on the estimated asset life of the assets, using either the annuity or equal instalments calculation method or a depreciation calculation starting in the year after the asset becomes operational.
- MRP for leases brought onto the balance sheet under accounting rules will match the annual principal repayment for the associated deferred liability.
- Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- Voluntary revenue provision will not be made, and capital receipts not set aside to repay debt, unless approved in line with the financial procedure rules. Amounts voluntarily set aside as capital receipts and revenue provision in previous years will be treated as overpayments of MRP in line with the Statutory Guidance on Minimum Revenue Provision. In total, the gross amounts to be treated as overpayments are: £7.8m (voluntary revenue provision to 2015/16) and £28.9m (voluntary capital receipts set aside to 2015/16).



- At the time of writing, the government is consulting on changes to the MRP regulations. Proposed regulations would allow no MRP to be made on certain loans provided by Councils, subject to a number of detailed conditions in respect of the nature of the loan; the level of impairment provision already provided on a loan; the outstanding balance of the loan and the level of MRP already charged in respect of the loan. The approach to making MRP on loans provided by the Council will be reviewed and reported on as appropriate in the light of enacted regulations.

#### 2.4.6 **Investments**

The Council holds 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 £45m and £106m, although lower levels are expected in the forthcoming year.

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 detailed objectives for investment that underpin the Treasury Management Strategy are:

Investment, to:

- Maintain the capital security of sums invested,
- Maintain adequate liquidity.
- Maximise the revenue benefit by retaining external investments, repaying existing loans and avoiding new borrowing as appropriate given prevailing and forecast interest rates.

The Council's aim 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.

#### **Strategic Approach:**

Given the current uncertainty in interest rates and the volatility of the financial markets, treasury investments will therefore include both short-term low risk instruments to manage day-to-day flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services. The main investments used by the Council for any surplus cash are short-term unsecured deposits with banks, building societies, local authorities, the government, and registered providers, along with Pooled funds such as Collective Investment Schemes and money market funds. This diversification will represent a continuation of the approach adopted in 2023/24.

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG investment policy does not currently include ESG scoring. The Council will where possible, align treasury management practices with its own relevant environmental and climate change policies. The Council will always strive to obtain the best arrangement in line with its investment objectives.

The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

**Table 3: Approved counterparties and limits**

<b>Sector</b>	<b>Time limit (maximum)</b>	<b>Counterparty limit</b>	<b>Sector limit</b>
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	2 years	£20m	Unlimited
Secured investments*	25 years	£20m	£20m per group
Banks (unsecured)*	13 months	£10m	£20m per group
Building societies (unsecured)*	13 months	£10m	£20m per group
Registered providers (unsecured)*	5 years	£10m	£20m in total
Money market funds*	n/a	£20m	£100m in total
Strategic pooled funds	n/a	£20m per fund	£50m per manager
Real estate investment trusts	n/a	£20m per fund	£50m in total
Corporates and Other investments*	20 years	£10m	£20m in total

This table must be read in conjunction with the notes below:

\* A minimum credit rating limit will apply to the Treasury investments in the sectors marked with an asterisk. Investments 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 where external advice indicates the entity to be suitably creditworthy.

The Council will usually invest in counterparty types and for duration as identified by their treasury advisors. However, where terms allow security of deposit and demonstrate a small bail in risk, the Council may invest with 'local' counterparties (such as Coventry Building Society) in accordance with the limits and amounts in the table above.

The time limits indicated above are a maximum limit. Operationally, the Council will act on the most recent recommendations from the Authority's treasury management adviser Arlingclose.

Some detail on investment counterparties is outlined below:

- **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. This relates to investments with the Debt Management Office (DMO), Treasury bills and gilts.
- **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). As providers of public services, they retain the likelihood of receiving government support if needed.
- **Money market funds** - Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- **Strategic pooled funds** - Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice

period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

- **Real estate investment trusts (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.
- **Other investments** - This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- **Operational bank accounts** - The Council may incur operational exposures, for example through current accounts 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.
- **Risk assessment and credit ratings** – Credit ratings are obtained and monitored by the Council's treasury advisors, who will notify changes in ratings as they occur. The credit rating criteria are those determined by the Fitch crediting rating agency. In addition, the Council also has regard to the two other agencies that undertake credit ratings: Standards and Poor's and Moody's, in determining the lowest acceptable credit quality. 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.
  - Full consideration will be given to the recall or sale of all other investments with the affected counterparty.
- **Other information on the security of investments:** The Authority 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 Authority'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, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority 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 Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

- **Investment limits:** The Authority has sufficient revenue reserves available to cover investment losses but to minimise risk in the case of a single default, the maximum that will be invested in any one organisation (other than the UK Government) will be £20 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

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

**Table 4: Additional investment limits**

	<b>Cash limit</b>
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a broker's nominee account	£50m per broker
Foreign countries*	£20m per country

\*The minimum sovereign rating for countries other than the UK, in whom counterparties are located is A- with any investments in countries with a rating below AA+ being classified as non-specified investments, subject to a total limit of £10m.

**Liquidity management:** The Authority uses 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 Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least four 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.

#### 2.4.7 **Related Matters**

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

- Financial derivatives (Councils) - 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 Authority 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 Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

- **Markets in Financial Instruments Directive** - The Council has retained professional client status with its providers of financial services, including [advisers, banks, brokers, and fund managers], allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

#### **2.4.8 Other option considered**

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The view of the Section 151 Officer is that the above strategy represents an appropriate balance between risk management and cost effectiveness.

#### **2.4.9 Treasury Management Advisors**

The Council employs consultants, currently Arlingclose, to provide treasury management advice. A key element of this is the provision of advice on credit risk and the supply of information on credit ratings from the three rating agencies, referred to above. Regular review meetings with the advisors provide a vehicle through which quality is managed. In addition, within the City Council, senior managers within the Finance service meet on a periodic basis to review treasury issues, including the use of advisors.

#### 2.4.10 Treasury Management Staff Training

The Council's process of performance management, of which competency-based appraisals are central, addresses the training requirements of individuals. Staff with involvement in treasury issues attend events, including training courses, seminars and networking sessions focused on treasury management as appropriate.

#### 2.4.11 The Prudential Code

The current capital finance framework has historically rested on the principle that local authorities can borrow whatever sums they see fit to support their capital programmes, as long as they are affordable in revenue terms. The framework requires that authorities set and monitor against a number of Prudential Indicators relating to capital, treasury management and revenue issues. The indicators are explained and shown in **Appendix 6**. These indicators reflect the requirements under the Prudential and Treasury Management Codes.

### 2.5 Commercial Investment Strategy

2.5.1 Commercialisation across local government through investment in property, shares and loans has come under increasing national scrutiny, particularly where such investment is funded through borrowing. A concern is that some authorities have overstretched themselves relative to their capacity to manage the risk. As some authorities have encountered problems with a number of their commercial investments there has been an increased focus on the regulatory framework in which authorities operate.

2.5.2 The proposed Commercial Investment Strategy is set out in Appendix 7 and the associated Commercial Investment Indicators in Appendix 8. The Strategy is designed to ensure strong risk management arrangements and that the level of commercial investments is proportionate in the context of the Council's overall finances. It is framed within the context of the Prudential Code for capital finance, Statutory Government Investment Guidance, and the borrowing requirements of the PWLB.

2.5.3 The 2021 Prudential Code, which is very much in line with the rules for PWLB borrowing, sets out a new framework in which authorities are to manage commercial investments. The Code classifies investments as being for one of three purposes: *treasury management*, *service delivery* or *commercial return*, held primarily for financial return.

2.5.4 In respect of investments for **commercial return**:

- The risks should be proportionate to the authority's financial capacity – i.e. that losses are manageable;
- Authorities must not borrow to invest primarily for financial return.
- However, authorities with commercial land and property can invest in maximising its value, including repair, renewal and updating of the properties.

- Financial returns from the investment should be related to the viability of the project or only incidentally to the primary purpose.
- Although authorities are not required to sell commercial investments prior to borrowing, they will need to review options for selling such investments before borrowing, and annually as part of the treasury or investment strategies.

2.5.5 The financial risks that the Council faces through its investment portfolio can be broadly categorised as capital value or income risks, with:

- Capital value risks arising from the possibility of a borrower not being able to repay a loan, resulting in the need to impair or write off the loan at a cost to the Council. In the case of shares or property assets, a fall in value would result in a lower level of capital receipt were the Council to sell those assets.
- Income risks arising from lower levels of dividends, rent or interest income than budgeted for.

2.5.6 The Strategy (Appendix 7) is designed to ensure strong risk management arrangements and that the level of commercial investments is proportionate in the context of the Council's overall finances. In summary, the key issues addressed in the strategy are:

- The need to explicitly consider the balance between the security, yield, and liquidity, both at strategic and scheme business case level. The investment guidance focuses on security in terms of the value of the asset invested in, and the ability of the authority to get back any sums invested; yield as the financial return on the investment, either as capital value or income generated, and liquidity as the ability to access liquid or cash funds from the assets when required.
- The setting of indicators to demonstrate the proportionality of the investments to the Council. Investments in commercial assets are proportionate to the size of the Council, with income from such investments representing 9.2% (8.3% in 2023/24) of Net Revenue Stream (Indicator 7) and with an asset value of £468.0m representing 24% of the Council's Total assets (Indicator 1).
- Setting processes that ensure that the risk assessment of commercial investments is robust.
- Ensuring that there is clarity about the contribution that the investments make to the authority, both in terms of financial return, but also in service or policy terms.
- The continuation of the policy that the Council will not invest primarily for yield of financial return, in line with both the PWLB borrowing rules and the revised Prudential Code.

2.5.7 The strategy sets out the approach to ensuring that the requirements are met, through a combination of policies, processes, and investment indicators. Specific indicators include exposure limits in 2024/25 for investment in service loans and shares, excluding fluctuations in value. It is proposed that limits of £70m and £55m respectively are set for 2023/24 (Appendices 5 & 6), giving a combined total of £125m, representing a reduction of £21m compared to 2023/24, due to the



Council no longer planning to invest in commercial recycling infrastructure. These limits provided combine headroom of c£17m future loan and share commitments. Revision of these limits would require the approval of Council.

- 2.5.8 Whilst the Council holds significant commercial assets, including shares, loans, and property many of these assets have been held for a number of years and are an integral part of the economic infrastructure of the city, reflecting both current and past economic regeneration and development policies. They do not form part of an inventory of assets that are routinely bought and sold as part of a “trading” strategy. The Commercial Investment Strategy together with the Council Medium Term Financial Strategy processes provide the structure within which the Council’s overall commercial risk is managed. This includes a level of reserves which is adequate from the wider risk and resilience perspective.

### **3. Results of consultation undertaken**

- 3.1 The proposals in this report have been subject to public consultation. The Council hosted a survey on its website asking for people’s views of the budget proposals and 423 respondents completed a survey, and 21 email responses were received. Two online sessions were held with employees and two for residents (one online) to hear about the plans and provide feedback. Further opportunity to comment was offered to the Trades Unions and the Chamber of Commerce. Consultation responses have been considered and details arising from the consultation, including areas of concern and areas of support, are set out in Appendix 3.
- 3.2 In addition, 3 petitions were received as part of the budget consultation process in respect of 2 separate proposals contained in the consultation documents. The petition organisers/sponsors were invited to the meeting of the Cabinet Member for Strategic Finance and Resources on 5<sup>th</sup> February 2024 where it was resolved that these petitions and the issues raised will be considered as part of the Budget Setting proposals contained in this report. Further details of the petition and the issues raised and discussed are set out in Appendix 4 of this report.
- 3.3 In relation to the Council Tax Support Scheme, the consultation was carried out between December 2023 until February 2024 for a period of 8 weeks. The consultation exercise undertaken included the following:
- Hosted on the Let’s Talk Coventry platform.
  - Frequently Asked Questions outlining where to gain further support, who pays etc.
  - Everybody in receipt of Council Tax Support were contacted directly 14,022 electronically, 2190 of these were undelivered and letters were issued to these customers. There were a further 1596 letters issued to customers where we held no phone number or email address for them.

- Two public drop-in sessions were arranged at Customer Services Centre on January 9 and 19, so those seeking support with any specific queries could attend and gain advice and support.
- A session was held with advice agencies and partners on January 10th to discuss the proposals.
- The consultation was promoted across the city through Let's Talk Coventry newsletters through December and January.

3.4 The key theme that arose from the public consultation was that people were overwhelmingly opposed to the reduction in maximum support from 85% to 75%. Having given due regard to the responses, the proposal set out within this report is that the maximum support be set at 80%. Further information in relation to this is set out in Appendices 9 and 10 of the report.

## **4 Timetable for implementing this decision**

4.1 Most of the individual changes identified within this report will take effect from 1st April 2024. The proposed profile of these changes is set out in Appendix 2 of the report.

## **5 Comments from the Director of Finance and Resources (Section 151 Officer) and the Chief Legal Officer**

### **5.1 Financial Implications**

This report is concerned wholly with financial matters. The proposals within this report represent the basis of the Council's 2024/25 revenue and capital budget supported by the Council Tax setting Report that will be considered on the same agenda alongside this report.

#### **5.1.1 Financial implications - Medium Term Position**

This report sets out proposals that will deliver a balanced budget for 2024/25 and indicative positions for the two following years. The revised new funding arrangements that have been considered for some time by Government have not yet occurred, so the Council is still planning within an uncertain environment. The significant financial gap projected currently for subsequent years demonstrates the need for the Council to continue to exercise robust financial disciplines and to take a medium-term approach to Budget setting. With the exception of the most recent additional social care funding announcement that provided £3.2m for Coventry in 2024/25, and also the services Grant which Government have indicated will cease completely, it is reasonable to assume that most other funding announced for 2024/25 will be available as ongoing resource for the Council in the future and some of this has now been included in future forecasts. However, this is a risk, and it will not be possible to provide a robust forecast of this funding until the Government provides further detail as part of future announcements which will be part of a new Comprehensive Spending review. Despite this, the view of the Director of Finance and Resources (Section 151 Officer) is that the Council remains in a strong position to meet the financial challenges that it is likely to face.

This view is based on a combination of a consideration expectations of the trajectory of future funding settlements, the Council's strong reserves position, its focus on income generating commercial activities and its plans to streamline and better align its activities with its policy priorities through its One Coventry Plan approach.

#### 5.1.2 Financial Implications – Reserves

The Local Government Act 2003 requires the chief financial officer to give assurance on the adequacy of reserves of the Authority for which the budget provides. The final position of reserve balances carried forward into 2024/25 will not be known until finalisation of the 2023/24 accounts and reserve levels will be reviewed at that time. The total revenue reserve balances available to the Council at the end of 2022/23 stood at £123m. Other reserve balances set aside to fund capital schemes stood at £40m and balances owned by the Council's local authority-maintained schools and outside the Council's control, stood at £33m at 31st March 2023. Explanations for the key balances were set out in the Council's Financial Outturn Report considered by Cabinet in July 2023. The level of balances is set out in the table below.

**Table 12: 2022/23 Reserve Balances**

	<b>1st Apr 2022 £000</b>	<b>(Increase)/ Decrease £000</b>	<b>31st Mar 2023 £000</b>
<u><b>Council Revenue Reserves</b></u>			
General Fund Balance	(10,277)	0	(10,277)
Adult Social Care	(28,287)	(2,961)	(31,248)
Private Finance Initiatives	(9,626)	1,518	(8,109)
Early Retirement and Voluntary Redundancy	(9,323)	2,082	(7,242)
Management of Capital	(3,410)	(2,913)	(6,324)
Innovation and Development Fund	(5,499)	431	(5,068)
Reset and Recovery	(5,467)	0	(5,467)
Covid 19 Funding	(10,981)	6,721	(4,260)
Air Quality Early Measures	(4,232)	312	(3,920)
Public Health	(2,469)	(1,280)	(3,749)
Potential Loss of Business Rates Income	(7,735)	4,302	(3,433)
Corporate Priorities (2020/21 Outturn Underspend)	(8,698)	5,705	(2,993)
Commercial Developments	(3,348)	666	(2,682)
Homes for Ukraine	0	(2,530)	(2,530)
Friargate Lifecycle	(1,594)	0	(1,594)
City of Culture & Commonwealth Games Legacy	(3,983)	2,582	(1,401)
Adult Education Income	(1,086)	(5)	(1,091)
Insurance Fund	(1,497)	433	(1,064)
Corporate Property Management	(1,369)	550	(819)

Children's Social Care Family Valued Programme	(1,229)	585	(644)
Other Directorate	(14,538)	(613)	(15,151)
Other Corporate	(5,843)	2,383	(3,460)
<b>Total Council Revenue Reserves</b>	<b>(140,493)</b>	<b>17,967</b>	<b>(122,527)</b>
<b>Extra-Ordinary Item - Covid Business Rates Relief</b>	<b>(18,635)</b>	<b>18,635</b>	<b>0</b>
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(31,187)	(3,292)	(34,479)
Capital Grant Unapplied Account	(5,469)	(276)	(5,745)
<b>Total Council Capital Reserves</b>	<b>(36,656)</b>	<b>(3,567)</b>	<b>(40,224)</b>
<u>School Reserves</u>			
Schools (specific to individual schools)	(25,065)	2,108	(22,956)
Schools (related to expenditure retained centrally)	(5,927)	(4,310)	(10,237)
<b>Total Schools Reserves</b>	<b>(30,991)</b>	<b>(2,202)</b>	<b>(33,193)</b>
<b>Total Reserves</b>	<b>(226,776)</b>	<b>30,833</b>	<b>(195,943)</b>

The large majority of the balances above are held for a clear identifiable purpose and have existing planned expenditure commitments against them or are held to protect the Council manage unforeseen risks, potential or known insurance claims or Business Rate volatility. Schools' reserves are set aside exclusively for the purpose of supporting schools' expenditure and capital reserves are set aside to support capital expenditure. Local authority reserves must also be viewed in the context of the risks that are faced, set out below, in section 5.1.4. For these reasons it is not appropriate to apply reserves on a regular basis to support the revenue position. The proposed revenue budget does not include any material reserve contributions to support the overall revenue position although some specific reserve balances will be applied within services to support time-limited projects or expenditure.

Given the consideration of risk within the Commercial Investment Strategy it is proposed that the level of reserves set aside to take account of the Council's risk profile will be considered as part of the Council's outturn position.

The most recently published CIPFA Resilience Index (based on 2021/22) contained results indicating that the Council's overall level of reserves placed it in the middle of the pack compared to similar authorities although the Council's ratio of unallocated reserves to revenue expenditure placed it in the highest risk quartile.

Taking all this into account, it is the view of the Director of Finance and Resources (Section 151 Officer) that overall levels are adequate to support the recommended budget for 2024/25. This judgement is based on the following:

- i) The Council is adequately provided for in terms of its reserves compared to its overall level of budget and better provided for than some other similar authorities.
- ii) The level of reserves is sufficient to support contributions to 2024/25 directorate-based budgets (including schools) and corporate commitments both for capital and revenue purposes.
- iii) The level of uncommitted General Fund Reserves provides a sufficient level of short-term resource to meet any other unforeseen eventualities (within reasonable limits of assessed risk) balanced against pressures to not hold an excessive level of reserve balances.

The Council's policy on reserve usage is set out in the Medium-Term Financial Strategy, Appendix 1 to this report. The overriding aim is to ensure that reserve usage is focused on delivery of the Council's corporate priorities, recognising that reserves can only be used once and that they should not be used to support on-going expenditure. These balances are reported and scrutinised regularly.

#### 5.1.3 Financial Implications – Assurance on the Robustness of the Estimates

Under the terms of the Local Government Act 2003, the chief financial officer is required to give assurance on the robustness of the estimates included in the budget. In the view of the Director of Finance and Resources (Section 151 Officer) the budget being recommended to the City Council is supported by robust estimates of income and expenditure. This judgement is based on the following:

- i) The budget has been set within the guidelines of the authority's Medium Term Financial Strategy, Appendix 1 to this report, that sets out the broad policies and assumptions that lie behind the Council's medium term financial planning process.
- ii) There is a medium-term financial plan in place that sets out the known changes to the current budget over three years incorporating the concept of strictly controlled directorate budgets, known policy changes and best estimates of the impact of inflationary pressures and expectations of resources.
- iii) The authority operates an integrated medium-term policy and financial planning process that incorporates a comprehensive and detailed assessment of the new policy and technical changes that will affect the proposed budget and the medium-term budgetary position of the authority.
- iv) Individual services working to strict budgets, prepare detailed budgets that are the financial representation of the authority's statutory duties and corporate service objectives for the coming year.
- v) The authority's individual services have been involved in the make-up of the information included in the policy and financial planning process through the Leadership Board.
- vi) As discussed above, the Authority's level of reserve balances is sufficient to meet other unforeseen eventualities, within reasonable limits of assessed risk that may potentially need to be met by the authority.

Both of the authority's political groups were provided with information on the policy and financial planning process and were consulted on the options available to enable them to participate in the final budget setting decisions.

Despite these statements about robustness of estimates and reserves, the challenges facing the Council in the next few years will require regular monitoring and potentially corrective action.

#### 5.1.4 Financial Implications - Budget Risks

In setting the budget and implementing the policies that sit behind it, the Council inevitably carries some risk. The major financial risks are set out below and will be managed through existing processes, including in year financial monitoring.

**Overall Risks** - In considering the Council's corporate objectives in the context of its financial position, resources have been allocated to meet corporate priorities, and savings have been identified. In these circumstances there are inherent risks that new resources are not used effectively to deliver corporate objectives and that on-going spending and income is not controlled to budgets. Operational management arrangements and quarterly monitoring reports in compliance with the Council's budgetary control rules will address this issue specifically.

**5.1.4.1 Children's Social Care Services** – The overall volume of cases, steep inflationary increases in the cost of individual placements, challenges in delivering a cost-effective mix of placement types and the cost of additional staffing to manage the overall caseload continues to cause a volatile budgetary position within Children's Services. The current inflationary environment will continue to influence some of these cost pressures over the coming year. This budget is designed to reflect a reasonable forecast of the anticipated cost of ensuring safe and secure care for children within the city, but it should be recognised that this will continue to be an area where the potential exists for further budgetary pressure through 2024/25. Within this environment, it remains important for work to continue to provide this care in the most cost-effective manner as possible and management is committed to identifying and implementing the appropriate mechanisms to do that.

**5.1.4.2 Health and Adult Social Care** – Adult Social Care services continue to operate within a very dynamic environment with cost pressures from significant inflationary pressures driven by another year of substantial increase to the National Living Wage in 2024/25 alongside high levels of inflation within other costs across Social Care provision as well as increasingly complex care packages. Whilst capacity and market sustainability pressures are a long-standing issue in Adult Social Care, these have been exacerbated by additional costs and difficulties in recruitment and retention, alongside the widely reported pressures across the health system (a key driver of activity into Adult Social Care). Although inflation levels are beginning to slow, costs are still increasing at a rate well above the national 2% inflation target and are expected to continue for the foreseeable future, adding further strain to a market already heavily under pressure. This area of activity is naturally difficult to predict, and the Council needs to continue to ensure an appropriate balance between the budget available and the level of activity.

**5.1.4.3 Housing and Homelessness** - Nationally housing & homelessness services have seen highly significant increases in demand for support during 2023/24 with the number of people accessing/receiving homelessness support reaching its highest ever level. In Coventry the number of people seeking assistance with housing issues and subsequently being placed in Temporary Accommodation (TA) has increased by over 40% during 2023. There are a number of drivers that have contributed to the increases, including the cost-of-living crisis, a buoyant private rented sector and a lack of social housing. Although this upward trend has begun to slow following the implementation of Coventry's detailed TA reduction plan, it is expected that numbers of singles and families in TA will continue to increase during 2024/25. A number of further mitigations are being put in place to limit this as far as possible and secure appropriate accommodation through additional, lower cost TA schemes, in preference to more expensive short-term options. The Council will need to continue to monitor emerging trends in this area to ensure support is provided in the most appropriate and cost-effective way.

**5.1.4.4 Projects, Commercial Activity and External Companies** – The Council is involved in or investigating a range of major projects, commercial activities, and interventions. These include potential major reputational and financial risk from the activities and commercial performance of each venture. These include, but are not restricted the following projects:

- Following anticipated completion of Two Friargate and Hotel Indigo at Friargate Business District there remains an intention to build out a further three buildings to be funded from recycled income from Two Friargate in due course.
- Development of the City Centre South project, working with a major development partner to regenerate a large area of the city centre.
- Work to re-purpose the former IKEA building via the City Centre Cultural Gateway project.
- Following E.ON's appointment as the city's new Strategic Energy Partner in 2023, it is intended that the Council and E.ON will work together to develop ideas and projects to reduce carbon and benefit Coventry's residents.
- Financial arrangements made on commercial terms to help support local organisations and the Council's arms length companies.

These projects are subject to a range of ownership and company structure arrangements, which involve complex legal and financial transactions, a risk that commercial pay-back targets (for instance to finance prudential borrowing decisions) are not achieved and a wider risk that projects do not deliver their fundamental purpose (where this is different to specific financial targets). In making decisions to pursue these projects the Council is clear that its involvement is consistent with its overarching objectives. In addition, the Council undertakes significant due diligence and ensures that self-funding business cases support any expenditure to keep the Council's financial costs (and risk) to a minimum. Nevertheless, it must be recognised that their future financial performance will always be subject to a degree of risk.

Decisions that have been taken in prior years, or that are imminent have required a level of support due in part to respond to legacy Covid conditions, the cost-of-

living crisis and the difficult trading & inflationary conditions affecting many sectors of the economy and key delivery partners. This has extended the level of involvement beyond what might be considered normal. Although each of these increases the risk profile for the Council, they are (both collectively and individually) relatively modest compared to the Council's overall activity levels and do not threaten the Council's financial resilience.

**5.1.4.5 Major Infrastructure Projects** – The Council is involved in a number of major infrastructure projects around the city that give it some exposure to a degree of financial and reputational risk. These include but are not limited to commencing delivering of the CRSTS programme that includes initial packages of work on the Foleshill and London Road corridors, plans to develop a Very Light Rail solution across the city and significant remodelling of major arterial routes in relation to the improvement of air quality. These projects all carry different balances of risk including project overrun, over-spending, funding gaps and reputational damage from any of these and other factors. The Council is clear that its involvement in these projects is vital to help regenerate the city and make Coventry a better place to live, work and do business in. Overwhelmingly, these arrangements are externally funded or have self-funding business cases that keep the Council's financial costs to a minimum. Any decisions to move away from this base position would need to be made on a case-by-case basis within the Council's existing resource constraints.

**5.1.4.6 Local Government Finance Changes** – the local government sector now knows that previously indicated wider changes to local government finance are now unlikely to be implemented prior to 2025/26. However 2025/26 will see the beginning of a new Comprehensive Spending Review and the 2025/26 finance settlement could see changes to the distribution of core funding and specific grant allocations across the sector which remains a risk. However, due to the nature of accounting for these local income sources, the risk applies to future years such that the 2024/25 budget estimates are secure.

**5.1.4.7 Equal Pay Claims-** A revenue financial risk exists for the Council in respect of Equal Pay Claims. A number of claims have been received from employees which, if successful, would result in a one-off revenue cost to the Council. The issue is still very much at an early stage, and the Council is robustly defending the claims, so to date there is no reliable assessment of the likely success, or the financial cost if claims do eventually prove to be valid. The matter will inevitably be subject to complex and protracted legal proceedings, and potential negotiations between relevant parties. Given the significant uncertainty around whether a financial obligation exists, or the value of any obligation, we are not at this point able to make any accurate financial assumptions in the medium-term financial strategy.

## **5.2 Legal implications**

### **Budget Policy Proposals**

The proposals in this report are designed to meet the Council's statutory obligations in relation to setting a balanced 2022/23 budget by mid-March 2023. This includes the duty to report to the Council on the robustness of the estimates



provided and the adequacy of the financial reserves in place. Section 31A of the Local Government Finance Act 1992 and Section 25 of the Local Government Act 2003 refer.

The Council's prospective expenditure must not be likely to exceed its resources available to meet that expenditure and the proposals set out in this report meet this obligation. Any amending or substituted proposals must also achieve a balanced budget.

It should also be stated that Members are subject to the Council's duty to set a balanced budget, and at common law owe a fiduciary duty to taxpayers to do so. Members must receive and take into account the advice of officers, particularly the section 151 officer, when considering and deciding the Council's budget.

As the decision makers, members must have due regard to the Council's equalities duties when setting the budget.

### Council Tax Support Scheme

The Local Government Finance Act 1992 as amended includes a requirement for the Council to adopt any revisions to its local Council Tax Support scheme by 11 March of the year in which changes are to be implemented.

Failure to do so would result in the Council having to maintain the scheme currently in place.

Section 67(2) (aa) Local Government Finance Act 1992 as amended by the 2012 Act, states that the implementation of a local Council Tax Support scheme and any subsequent revisions to the scheme will be a function reserved to full Council.

The framework within which billing authorities must devise their Council Tax Reduction schemes is contained in Part 1 of Schedule 4 to the Act. This Schedule provides that the following matters must be included in an authority's scheme:

- a. a description of the classes of person entitled to a council tax reduction;
- b. details of the reductions which are to apply to those classes (different classes of persons may be entitled to different reductions);
- c. the procedure under which a person may apply for a Council Tax reduction; and
- d. an appeals procedure covering decisions over entitlement to a reduction and the amount of any reduction due.

These items are all included in the proposed revised schemes.

Consultation must be carried out in accordance with the 2012 Act ensuring that all interested parties are able to give a view which has also been completed with the results of the consultation set out in Appendix 10 of this report.

The Council must also consider whether there are any groups or individuals that are adversely impacted by any changes when making its final decisions on a local

scheme and an Equalities Impact Assessment is attached at Appendix 16 of this report.

The function of revising the Council Tax Support scheme can only be approved by Full Council.

#### Introduction of separate weekly food waste collection

The Environmental Act 2021 amends the Environmental Protection Act 1990 to insert a revised section 45A. This creates a duty on the Waste Collection Authority to arrange at least weekly a collection of food waste.

All procurement activities undertaken by the council, for example the procurement of new food waste bins, will be conducted in accordance with the Public Contract Regulations 2015 (PCR 2015) and the Council's Contract Procedure rules as relevant.

## **6 Other implications**

### **6.1 How will this contribute to achievement of the One Coventry Plan** <https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The Council, alongside many other Local Authorities, continues to be faced with challenging resource constraints over the coming years, which will have a direct impact on our ability to deliver front-line services.

The recommendations made in this report will enable a balanced budget to be set for the next financial year and the Medium-Term Financial Strategy (included as Appendix 1) details the approach that the Council will take in meeting future financial challenges. As such this report lays the foundation for ensuring the continued financial sustainability of the Council, which is a key enabling priority of the One Coventry Plan.

### **6.2 How is risk being managed?**

The inability to deliver a balanced budget is one of the Council's key corporate risks. The proposals within this report are aimed directly at trying to mitigate this risk. The other key financial risks are identified in section 5.1.4.

### **6.3 What is the impact on the organisation?**

Whilst the approach to setting the budget for 2024/25 has sought to deliver services more efficiently and effectively such that services and jobs are protected, some of the policy proposals could impact residents, partners, and the workforce. Implementation of the One Coventry Plan, continued delivery of complex Capital Programme schemes and the adoption of commercially based projects mean that the Council will have to continue to adapt and transform to meet the financial challenges that it faces. For example, the Council will need to keep under review as part of its transformation, the extent to which Council staff work from home on a

regular basis as opposed to working from a Council (or partner) building in the interests of both efficient service delivery and financial sustainability.

#### **6.4 Equalities / EIA**

##### Budget Policy Proposals

Equality Impact Assessments (EIAs) on the policy proposals contained in this year's Budget report can be found at Appendix 12-28 of the report. A collective analysis of all these EIAs has been produced and can be found in Appendix 11 of the report. These proposals will be kept under review and further updated as necessary over the coming weeks and months as they are implemented operationally. As part of this process, the EIAs will also be consolidated so that equality impact across all proposals can be fully understood.

##### Council Tax Support Scheme

An equality impact assessment (EIA) has been carried out to understand the likely impact of implementing the recommendations contained in this report following the completion of the consultation on the revisions to be made to the scheme. This EIA can be found in Appendix 16 to the report.

#### **6.5 Implications for (or impact on) climate change and the environment**

The Council's One Coventry Plan identifies climate change as a key priority. Notwithstanding the financial challenges faced by the Council, these priorities have been a constant consideration by elected members and officers throughout the process to deliver a proposed balanced budget for 2024/25. The Council remains focused on its Climate Change Strategy to support the commitment it has made to respond to the climate change agenda and as such, many initiatives in the Capital Programme reflect this ambition, including schemes such as Coventry Very Light Rail, Green travel alternatives such as cycling infrastructure, air quality and transport solutions, all of which are all designed to have positive impacts on the environment.

#### **6.6 Implications for partner organisations?**

##### Budget Policy Proposals

The options contained within this budget report include potential impact on some of the Council's partner organisations. We will engage with key partners on these matters as appropriate.

##### Council Tax Support Scheme

Reducing entitlement to benefit has potentially significant impacts on partner organisations, particularly for advice agencies and other third sector organisations. The Council is in regular contact with partner organisations to ensure they are kept informed of potential changes to the Council Tax Support scheme.

There are implications for major precepting authorities, and the Council has consulted with West Midlands Police, West Midlands Combined Authority and the West Midlands Fire and Civil Defence Authority in respect these implications.

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**COVENTRY CITY COUNCIL MEDIUM TERM FINANCIAL STRATEGY 2024-2027****1. EXECUTIVE SUMMARY**

- 1.1 This Medium-Term Financial Strategy (MTFS) sets out the financial planning foundations that support the setting of the Council's revenue and capital budgets, including the policy assumptions and financial management framework that underpin the strategy. The Strategy is consistent with the 2024/25 Budget Setting Report to which this Strategy is appended. The purpose of the MTFS is to describe the environment within which the Council operates and bring together resource and cost projections to explain how the Council plans to address its funding gap, whilst retaining focus on the strategic priorities.
- 1.2 An introduction and the policy framework provided by the existing One Coventry Plan is provided in **Section 2**. This sets out how the Council is focused on increasing the economic prosperity of the city and region, improving outcomes, and tackling inequalities within Coventry communities and tackling the causes and consequences of climate change.
- 1.3 **Section 3** explains the national financial context and the medium-term uncertainty that exists around local government funding. The position after 2024/25 remains uncertain as the Government's recently announced spending plans are effectively the second year of a 2-year settlement for 2023/24 & 2024/25, and the final year of the 5-year Comprehensive Spending Review. This therefore provides no certainty or stability for local government finances beyond 2024/25.
- 1.4 The key factors that the Council has identified as influencing current and future demand for Council services, are outlined in **Section 4**. These continue to include recurrent challenges such as sustained demand for social care as a result of the ageing population and increasing numbers of children with complex care needs. In addition, councils are faced with increasing demand for support from citizens driven by current national financial challenges, the greatest cumulative inflationary pressures witnessed in a generation and the consequent cost of living crisis.
- 1.5 **Section 5** outlines the Council's financial planning context and assumptions which draw on the information above and provide the foundations of the medium-term financial position. This includes the key spending forecasts, inflation expectations and planning assumptions in areas such as Council Tax.
- 1.6 The Council's response to the current financial gap is set out in **Section 6**. This sets out the Council's approach to how it will seek to balance its Budget in future, subject to future Budget decisions and other major policy approvals.

**2. INTRODUCTION AND POLICY FRAMEWORK**

- 2.1 The strategic direction for the Council is set by the One Coventry Plan (OCP).

- 2.2 The OCP sets out a vision for One Coventry of “working together to improve our city and the lives of those who live, work and study here”. The Plan describes outcomes for:
- a city with a strong and resilient economy, where inclusive growth is promoted and delivered, businesses are enabled to innovate and grow, and new local jobs are created.
  - a city where our residents get the best possible start in life, experience good health and age well, in a city that embraces diversity, protects the most vulnerable and values its residents and communities.
  - a city, that leads the way and invests in the green industrial revolution. Ensuring the future well-being of our residents by embedding environmentally friendly behaviours and exploring opportunities to lessen the pressures caused by climate change.
- 2.3 The OCP is clear that there are fundamental conditions that need to be in place in order to achieve these outcomes. These are that the Council has a strong and sustainable financial position, with resources and assets that are aligned with our priorities and that it plays a key role as a civic leader, working in genuine partnership with local residents, communities and partners. Central to the achievement of the aims set out in the OCP, a One Coventry approach will focus on the way in which the Council and its employees work, both within the organisation and collaboratively more widely, in order to improve services and make the biggest possible positive impact on people’s lives.
- 2.4 The OCP clearly sets out the need for financial resilience in order to achieve its objectives. It is also necessary therefore, for the MTFS to reflect the principles, visions and priorities set out for the city within the OCP. The MTFS complements the Council Plan by defining the financial framework within which these priorities will be delivered. It should also ensure through appropriate resource allocation decisions that it supports the plan, alongside the fundamental aims of delivering a balanced budget and enabling the Council to fulfil its statutory duties.
- 2.5 The OCP sets out the Council's role as a partner, enabler and leader and the importance of partnership working to the delivery of the Plan. This approach is equally important to delivery of the MTFS and incorporates elements such as: responding to national and regional policy for local government; leading on innovative approaches to working differently; acting as a civic leader, in collaboration with local residents, communities and partners (public, private, and voluntary and community sectors); working with residents and communities to find solutions to challenges faced in local neighbourhoods; leading and co-ordinating Coventry's response on how the city tackles climate change and the necessary transition to a zero-carbon economy; and leading the delivery of aspirational investments through regional partnerships such as development of the Gigafactory in Coventry. These approaches are set out more fully within the OCP.
- 2.6 There are a number of local factors that provide a solid foundation on which the city can build towards sustainable economic growth: two major universities; excellent transport infrastructure links; pockets of highly innovative businesses;

significant infrastructure and connectivity investment including the Friargate regeneration district, the Very Light Rail project and the development of City Centre South. Further work continues to improve the attractiveness and desirability of the city as a venue. However, significant challenges do exist for the city. The level of average pay within the city is lower than in both the West Midlands region and England as a whole and the city's unemployment rate is higher than average compared to a group of similar local authority areas, whilst inequalities in healthy life expectancy exist between areas of the city. A comprehensive range of factors is set out in full within the Council's Annual Plan Performance Report 2022/23.

### 3. FINANCIAL CONTEXT

- 3.1 Coventry City Council's revenue spending is funded from four main sources: Council Tax, Business Rates (net of Government tariff), specific grants and other income in the form of fees, charges, dividends, and interest. Some councils also receive Revenue Support Grant but as part of the West Midlands Business Rates Pilot, Coventry does not receive Revenue Support grant and instead retains a greater share of the business rates income it collects. The following table summarises how the Council's 2023/24 revenue budget was funded.

Table 1: Funding of 2023/24 Gross Budget

	<b>2023/24 £m</b>	
<i>Council Tax Requirement</i>	(164.4)	
<i>Business Rates Income (net of tariff)</i>	(96.1)	
<b><i>Funding of Net Budget</i></b>		<b>(260.5)</b>
<i>Specific Grants</i>	(432.5)	
<i>All Other Income</i>	(119.0)	
<b><i>All Other Funding/Income</i></b>		<b>(551.5)</b>
<b><i>Total Funding of Gross Budget</i></b>		<b>(812.0)</b>

#### **Business Rates**

- 3.2 The national system of retained Business Rates allows local government to retain 50% of business rates income with the remainder payable to central government for redistribution through government Revenue Support Grant. However, authorities that are part of Business Rates Pilot schemes retain a greater share of Rates. Along with the other 6 West Midlands authorities, Coventry is a member of the West Midlands Business Rates Pilot with all member councils retaining 99% of the business rates collected (with 1% going to the West Midlands Fire and Rescue Authority). The West Midlands Combined Authority (WMCA) receives a payment from each authority as a proxy for a share of the growth in business rates income. Discussions are ongoing with Department for levelling Up Housing & Communities and the WMCA on behalf of the WM Mets as part of the latest devolution deal discussions, with regard to how this might be extended for a further (up to) 10 years.

- 3.3 For several years the government has discussed updating the assessment of needs and resources used to determine individual authority funding allocations via retained Business Rates and Revenue Support Grant. The current methodology and much of the data that feeds it is now significantly out of date and results in a perceived unfair distribution of resources. However, recent announcements have indicated further delay in reform of the system and will now not happen until the next parliament, 2025/26 at the earliest. Until such reform is designed and published it is not possible to predict how it will affect individual authorities. Due to the significant growth experienced in Coventry and the demographic make-up of its population, the local expectation is that system reform should result in a greater share of resources for the city. The updated mechanism might also be expected to reflect the government's Levelling Up ambitions with relative needs and resources given more priority in the new distribution. It is hoped that the effect will be to shift resources towards councils such as Coventry which are considered to be relatively more deprived than many others.
- 3.4 Since the introduction of business rates retention in April 2013, the government has made a number of policy announcements affecting the amount of business rates that local authorities can collect, such as increasing the amount of relief available to certain businesses and restricting the increase in the multiplier. In order to protect councils from the impact of these decisions, the government compensates local authorities for the resulting cumulative loss in income through specific non-ring-fenced grants.

### **Council Tax**

- 3.5 Council Tax remains the most significant source of Coventry's net income, funding 63% of the net revenue budget in 2023/24. The Council has experienced a sustained period of growth in the Council Tax base for some time and the MTFS assumes this will continue. The Provisional Settlement has confirmed that the referendum threshold for increases in core Council Tax will be 3% in 2024/25, with a further increase of up to 2% allowed in respect of the Adult Social Care precept. In future years an underlying expectation of 2% Council Tax rises and no precept will be assumed. The level of increase will be determined by full Council through the budget process. For illustrative purposes, an increase of 1% in Council Tax equates to c£1.6 million of income.

### **Specific Grants**

- 3.6 The Council receives a very significant level of specific revenue grant funding, £477m budgeted in 2024/25 with further grants often announced through the year. The vast majority of these are provided by Government with most of this being allocated for specific and ring-fenced purposes. By value, the most significant elements relate to Dedicated Schools Grant and Pupil Premium (£208m), Housing Benefit Subsidy (£70m) and a combination of funding for Adult Social Care funding (£80m). Other major elements budgeted for are Business Rates (£37m), Public Health (£24m), Pupil Premium (£11m), Private Finance Initiative schemes (£9m) and Adult Education funding (£5m).



## **Fees and Charges**

- 3.7 The Council budgeted to receive £119 million in fees, charges, dividends, and interest in 2023/24. Such income supports the expenditure of individual service areas. Increases in the fees and charges set for individual services vary depending on any statutory requirements, specific market considerations and on the objectives a particular service may be trying to achieve. Overall, there is an expectation that traded services will seek to recover the full cost of services.
- 3.8 Whilst there are still some legacy impacts of the pandemic within our fees and charges income, the majority have recovered to pre-pandemic levels. The commencement of the City Centre South scheme will result in the demolition of many properties which previously delivered rental income for the City Council which will cease. Conversely there will be new income streams available to the Council, for example charging for Green Waste (subject to approval in the Budget report) all of which will contribute to the overall balanced budget.
- 3.9 It should be noted that the impact of inflation, current national financial challenges, and the impact on the cost of living for individuals, businesses and other organisations could impact on the Council's ability to generate income from fees and charges over the short to medium term. Additionally, this could still put pressure on the level of dividends generated by Council owned companies, and potentially the repayment of loan principal and interest from organisations to which the Council has made loans.

## **Financial Outlook**

- 3.10 The Autumn Statement 2023 and the 2024/25 Provisional Local Government Financial Settlement provided a one-year focus for 2024/25 and no certainty or stability for local government finances beyond this. There was no additional funding beyond what had already been announced for local government and included within our planning assumptions. There was a sizable national reduction in the Services grant of 84% which had a negative impact of the assumptions made within our pre-budget report.
- 3.11 The Provisional Settlement references a cash increase in Core Spending Power (CSP) for councils in England of 6.5% (£3.9bn) with Coventry receiving an above average increase of 7.1% (£24m). However, it is important to recognise that the majority (62%) of this increase is made up of Council Tax and Business Rates income, both generated locally. The only reason Coventry's has an above average increase of 7.1% is due to the New Homes Bonus grant of £4m which is awarded on the basis of the number of new homes built within the city. Without this increase Coventry's CSP growth would be 6.4%.
- 3.12 Any changes to Core Spending Power presented in the Final Settlement are presented within the Council's 2024/25 Budget Report.
- 3.13 The anticipated changes to how local government funding is allocated described above and the uncertainty over the future path of the Government's Levelling Up agenda make it difficult for the Council to determine medium-term financial plans.

In addition, the local government sector has been affected by resource constraints imposed across the whole of the public sector whilst there are also limitations to the funding that local authorities can raise locally through Council Tax and fees and charges. Demographic pressures continue to increase with the cost-of-living issues affecting individuals' experience and expectations of when local authorities and Government will intervene to protect them. All of this creates a very challenging environment in which councils need to manage limited resources and increasing expenditure pressures.

- 3.14 Whilst it is a reality that public sector finances are always faced with the need to balance budgets under resource constraints, it is the continued severity of these constraints that is the factor that changes over time. Nationally a number of authorities have faced acute financial difficulties, with S114 reports being issued as some councils struggle to set balanced budgets with insufficient reserves to manage the transition to greater financial stability. It remains essential that Coventry continues to observe sound financial management principles, strict budgetary control practice, prudent budget setting and a level of reserve balances that provides adequate protection against financial risks.
- 3.15 Commercialisation across local government through investment in property, shares and loans has come under national scrutiny, particularly where such investment is funded through borrowing. As some authorities have encountered problems with a number of their commercial investments there has been an increased focus on the regulatory framework in which authorities operate. As a result, the rules governing the Public Works Loans Board – the Government's main vehicle to provide long-term lending to local government – have changed in order to limit investment in commercial assets where this has the prime purpose of achieving a financial return or yield.

#### **4. SERVICE DEMANDS AND DEVELOPMENTS**

- 4.1 Local authorities have faced a series of financial and service pressures over recent years incorporating significant central government funding reductions, increasing service demand particularly across social care services, knock-on impacts from the UK's exit from the European Union, management of the local impacts of COVID-19 and more recent severe inflationary pressures across virtually all areas of its budget.

##### **4.2 Inflation**

- 4.2.1 Like all organisations and individuals, the Council has been affected by high inflationary pressures over the past two years and this has an ongoing impact on both current and future costs. This has been caused by a range of over-lapping factors including but not limited to underlying increasing energy prices, some labour shortages in the UK jobs market, the Russian invasion of Ukraine and other global political issues, the effect of the UK's exit from the European Union (EU) on migration and trade with the EU and the international responses to these that have affected the global economy.

4.2.2 Although the Consumer Price Inflation fell steadily during 2023, from a starting position of 10.1% in January 2023 to 4% in December 2023 this only reflects that the rate of price increases has slowed and does not mitigate the level of increases endured during the year. This has been reflected to different extents across a wide range of Council contracts including energy and high value social care contracts. The inflation rate was also instrumental in the agreement of a higher than planned pay award agreed for most local government employees which averaged c6% for 2023/24. Given that Council's budget was put together in late 2022 (and agreed in February 2023), the full extent of these financial movements was not known at that time and not factored into the Council's 2023/24 budget. As a result, the budget process for 2024/25 has had to factor in a significantly higher base position, reflecting inflationary rises for both 2023/24 and estimates for 2024/25.

### **4.3 Adult Social Care**

4.3.1 The financial cost of delivering Adult Social Care is driven by a number of factors including demand for services from the health system (primarily hospital discharge), peoples own ability to contribute/pay for social care, peoples pre-existing support networks including the presence of informal carers, the complexity of need that people present with or develop whilst supported by social care and demography including life expectancy. These costs are expected to be met from the numerous funding streams identified for Adult Social Care. In establishing the budget for Adult Social Care within the MTFS the impact of national changes to the National Living Wage and wider inflationary pressures play a significant part as most of social care is delivered by organisations contracted to the City Council, all of which are experiencing inflationary pressures impacting on a range of related service costs such as food and fuel.

4.3.2 In September 2021, the Government launched "Building Back Better: Our Plan for Health and Social Care" which outlined plans to introduce a cap on personal care costs, provide financial assistance to those without substantial assets, deliver wider support for the social care system and improve the integration of health and social care systems. Within the overall resourcing package, the Government identified £5.4bn over 3 years, to be invested in Adult Social Care to meet the costs of implementation. The additional cost pressure locally of the reforms was unknown whilst the Government continued to develop the guidance and expectations further.

4.3.3 Following progress of some aspects of the reforms and concerns raised by local government, it was announced in the Autumn Statement 2022 that the rollout of a large part of these reforms due in October 2023 would be delayed until October 2025. The funding previously identified towards the reforms was then reallocated nationally to support significant cost pressures driven by substantial increases to the National Living Wage in 2023/24 and 2024/25, alongside high levels of inflation within other costs across Social Care provision.

4.3.4 Additionally, the Government provided further grant funding in the form of the Market Sustainability and Investment Fund (MSIF) and The Hospital Discharge Grant (the use of which required agreement with the Integrated Care Board)

alongside increases to the Social Care Grant which can be used to support Adults and Childrens Social Care.

4.3.5 Whilst capacity to service demands for social care and market sustainability pressures are a long-standing issue in Adult Social Care, these have been exacerbated by the additional costs outlined above alongside ongoing challenges in recruitment and retention largely deriving from the terms and conditions that social care providers can offer for a skilled job that requires both intelligence and compassion. Although the large increases in inflation that have been seen during the past two years are beginning to slow, costs are still increasing with cost pressures expected to continue for the foreseeable future, adding further strain to a market already heavily under pressure.

4.3.6 The Health and Care Act 2022 introduced a duty for the Care Quality Commission (CQC) to assess local authorities' delivery of social care services, empowering the Secretary of State for Health and Social Care to intervene where there is a risk of failure to meet social care duties. These inspections have started to take place from Autumn 2023 and will measure the performance of Adult Social Care moving forward.

#### **4.4 Housing**

4.4.1 The financial cost of delivering Housing and Homelessness support is driven by the number of people presenting to and requiring support from the Housing and Homelessness service which is largely driven through national external issues regarding supply and affordability of social and affordable housing.

4.4.2 Nationally housing & homelessness services have seen significant increases in demand for support during 2023/24, with the number of people accessing/receiving homelessness support reaching its highest ever level. There are a number of drivers that have contributed to the increases including the cost-of-living crisis, a buoyant private rented sector and a lack of social housing.

4.4.3 In Coventry the number of people seeking assistance with housing issues and subsequently being placed in Temporary Accommodation (TA) increased by over 40% during 2023. Although this upward trend has begun to slow following the initial implementation of Coventry's detailed TA reduction plan, it is expected that numbers of singles and families in TA will continue to increase during 2024/25.

4.4.4 A number of further mitigations are being put in place to limit this as far as possible and secure appropriate accommodation through additional, lower cost TA schemes, in preference to more expensive short-term options.

4.4.5 The Council will need to continue to monitor emerging trends in this area to ensure support is provided in the most appropriate and cost-effective way.

#### **4.5 Children's Social Care**

4.5.1 The Council has experienced cost pressure over a number of years driven by high demand in social care services for children and young people. The need to

safeguard vulnerable children and young people remains a fundamental priority for the Council and it has continued to make the necessary budgetary provision through this period.

4.5.2 The number of looked after children in the city excluding unaccompanied asylum-seeking children has decreased from 735 in March 2021 to 659 in March 2023. The financial benefit from this reduction in activity has been more than offset by steep inflationary increases in the cost of individual placements, particularly external residential. This is a local, regional, and national issue. Whilst Coventry will continue to take steps to manage this risk there is a critical role for central government to play in addressing the broken market for private provision.

4.5.3 In addition, there is an observed increase in the complexity of care needs leading to a consequent increase in the average cost of each individual placement. The availability of placements able to support these complex needs has come under increased pressure on a national basis throughout and since the Covid pandemic with a resulting impact on price. Unit costs continue to rise, from an average residential unit cost of £3,031 per week in 2017/18 to an average residential cost of £4,914 per week in 2022/23, an increase of 62% in the last 5 years. This pressure has continued to escalate throughout 2023/24, with the average cost of new external residential placements being made this year rising to ca. £8k per week. The annual commitment of the Council's 10 highest cost children's placements is ca. £7m.

4.5.4 The rise in the number of overall cases across Children's Services has placed an increased burden on social work staffing capacity and case holding. Children's Services continues to experience workforce pressures, caused by a shortage of social workers to meet the demand for Children's Services. The strategy to stabilise the workforce included an expansion of the Social Worker Academy, establishment growth to meet the case-holding demand levels and a clinical supervision programme. The workforce strategy has also introduced a social worker progression pathway to promote staff development and retention as well as consideration of market supplements and job re-evaluations where the Council's rates were deemed no longer competitive with comparable Local Authorities. This has resulted in a need to increase employee budget costs through the Council's budget setting process.

4.5.5 Given the pattern of looked after children numbers and socio-economic trends in recent years it is difficult to predict overall volumes of cases and when the inflationary pressure on placement costs will begin to ease. This will continue to be an area that is kept under close scrutiny both as an individual service and as part of wider strategies to increase the economic prosperity of the city and reduce the harmful effects of issues such as deprivation, poor education attainment and poor levels of public health in parts of the city.

#### **4.6 Education Services and Special Educational Needs & Disability (SEND)**

4.6.1 National policy changes such as increased attendance duties alongside local in-year pressure on school sufficiency and impact on related local authority services, coupled with funding reductions continues to put pressure on the

Central Education Block of the DSG. The Council currently anticipates further reductions in central DSG funding over the next 5 years. These cuts will need to be managed through service reform/redesign as far as possible, although this may not be sufficient and may necessitate further decisions on the future of these services.

4.6.2 In line with national trends and local in year admission pressure, the number of SEND pupils within Coventry continues to grow. This results in a continuing increase in the number of commissioned special school placements, and consequently more children and young people requiring specialist transportation to school, including transport to schools outside of the city due to local special school provision being full. Additionally, there have been increases in SEND transport demand due to more post-16/19 students remaining in education.

4.6.3 The High Needs Block of the Dedicated Schools Grant (DSG) continues to be an area of pressure. National SEND spending has increased significantly in recent years with many authorities across the country now reporting DSG deficits. The main factors underlying this position stem from the consequences of reform including the expanded offer, rising demand and shortage of specialist provision creating an increased reliance on the independent sector. Ordinarily, authorities would be responsible for meeting any deficit position from other council funding, but currently due to the significance of the issues in this area the Treasury have enacted a national statutory override ringfencing the DSG position away from LAs until March 2026. Coventry currently has a DSG surplus but in-line with national trends it is continuing to experience growth in the overall number of young people with Education Health and Care Plans. This will increase pressure on its High Needs Block budget and those SEND services funded via Core budget. In Coventry High Needs Block allocations have increased significantly since 2019/20, however the DfE have forecast more modest funding increases moving forwards. It is therefore key that the Council monitors the position and manages resources effectively to ensure that it remains within funding allocations as far as is possible.

#### **4.7 Other Services, Demographics, and the Cost of Living**

4.7.1 A combination of events including the impact of inflation on household incomes and the effect of financial uncertainty on all sectors, has resulted in an increased demand for Council services. The actual impact on the financial circumstances of individuals, businesses and third sector organisations, has changed some expectations on the timing and level of Council interventions in some service areas.

4.7.2 Compared with the national average, Coventry's population has increased at a faster rate over recent years and has a lower age profile. Such growth puts considerable pressure on transport, housing, education and public service infrastructure and there is a shortage of housing and affordable homes across the city. A range of demographic and socio-economic trends, in part linked to the city's steady population growth, has continued to cause increases in demand or expenditure pressures in areas such as waste collection and disposal and the costs of housing homeless individuals and families in addition to some of the

social care and education related changes. These have required additional budget allocations which can be expected to continue in future years and have prompted policy responses in areas such as housing and recycling facilities to help manage costs going forward.

4.7.3 The Council's public health services are aimed at improving well-being and reducing health inequalities across the city and maximising the wider work of the Council to improve the health of its residents. This includes universal health, wellbeing, and preventative services, such as health visiting and school nursing, and a range of more targeted services such as drug and alcohol services, domestic violence, and sexual health plus statutory responsibilities around health protection. Funding for Public Health activity is primarily provided from within the ring-fenced Public Health Grant from Government and the Council's financial planning assumption is that this will continue going forward.

4.7.4 Through the Covid-19 pandemic, demand increased for services supporting communities directly and in partnership with the voluntary sector. The continued difficult economic circumstances for many resulting from trends including changes to the Government's welfare reforms and the impact of energy price rises, and general inflationary pressures, have affected the number of people seeking to access local government and voluntary sector services. A greater degree of intervention by the Council and specific Government support in some areas over this period have probably changed perceptions and increased expectations about the timing, nature and level of support that may be available in times of economic hardship compared with those that existed previously.

4.7.5 The role of regeneration, economic support, skills, and employment investment, remains paramount particularly in the light of the importance of business rates to the Council's resource base and current financial challenges facing local economies and citizens. In response to the lack of funding directed into our region from central government on infrastructure investment, the Council's existing programmes known to members for regenerative investment schemes, such as imminent plans this year for City Centre South, City Centre Cultural Gateway, and Coventry's Very Light Rail and including furthering the prospects of the development of a vehicle battery manufacturing Gigafactory on the outskirts of the city.

4.7.6 The move towards net zero emissions in 2050 will present a major challenge to all sectors of the economy. The precise role of local government in meeting that challenge and the financial dimension of doing so will be determined over time. Coventry City Council's One Coventry Plan has already taken a strong stance on the issues around climate change and the Council's Climate Change Strategy was approved for consultation in January 2024, for final approval by Cabinet in the summer of 2024. A significant development to further this agenda, which will further the Council's net zero ambitions and bring forward some significant projects, relate to the Councils Strategic Energy Partnership with EOn announced earlier in the year.

4.7.7 The Council is obliged to work towards ensuring that its pension liabilities within the West Midlands Pension Fund are funded. The Council's currently reported

funding level stands at 107% indicating that the Council has a valuation basis surplus. Its contributions to the pension fund are 21.2% as a proportion of the superannuable payroll in 2023/24. The Council will continue to work with the West Midlands Pension Fund to agree employer pension contributions that strike a balance between maintaining the funding level over the long-term and maintaining sustainability and affordability in relation to the Council's overall financial position.

## 5. FINANCIAL PLANNING CONTEXT AND ASSUMPTIONS

### 5.1 Revenue Position

5.1.1 The initial revenue position for the Council's MTFS is the forecast multi-year revenue programme carried forward from 2023/24 including all approved future years' budget decisions known at that time plus the provisional changes set out in the 2024/25 Pre-Budget Report in December 2023. The current planning process started with significant forecast deficits from 2023/24 although the pre-budget report included proposals on which to consult, which collectively could form the basis of a balanced budget in 2024/25, albeit with financial gaps in future years.

Table 2: Draft Financial Position 2024/25 to 2026/27

	2024/25 £m	2025/26 £m	2026/27 £m
<b>Position carried forward from 2023/24</b>	<b>20.1</b>	<b>30.7</b>	<b>28.1</b>
Resources	(15.0)	(11.3)	(11.3)
Service & Technical Pressures	26.1	22.9	26.9
Service & Technical Savings	(32.7)	(29.0)	(29.4)
<b>Budget Gap presented in Pre-Budget Report</b>	<b>(1.5)</b>	<b>13.4</b>	<b>14.3</b>

5.1.2 The Pre-Budget Report, considered by Cabinet in December 2023, sets out the detailed financial position over the next 3 years, including emerging pressures, together with potential technical savings to partially offset the impact of these. At quarter 3 the forecast outturn for 2023/24 was a net overspend of £8.5m. Significant pressures exist across several areas including Adults' and Children's Social Care Services and Housing Services due to a combination of inflationary pressures and demand for services.

5.1.3 The final phase of medium-term financial planning includes the impact of the both the Provisional Settlement published on 18th December 2023 and the Final Settlement, published on 5<sup>th</sup> February 2024. This position is updated within the main 2024/25 Budget Report to which this document is appended. Coventry faces similar challenges and major policy choices to many other authorities and the size of the gap makes it inevitable that a range of approaches are needed to balance future years' gaps. These are considered in Section 6 below.



## 5.2 Reserves

5.2.1 The Council holds significant reserves which need to be maintained at a sufficient level to protect the Council against risk and to meet the needs of the organisation. The Council maintains a Working Balance of £10.3m which is held to cushion the impact of uneven cash flows or unexpected events. The majority of remaining balances are held as specific reserves which are earmarked for a particular purpose.

5.2.2 The Council's specific reserves include **revenue reserve balances** of £112.2m (this excludes the Working Balance); £40.2m of **capital reserves** earmarked to fund major capital schemes; £33.2m of reserve balances belonging to or earmarked to support **schools**. The Council's reserves are reviewed in order to assess their adequacy for current known liabilities, approved policy commitments and financial risk, including that arising from commercial investments. The level of available reserves is important in maintaining the financial resilience of the Council. The make-up of the Council's reserves as at 31st March 2023 was:

**Table 3: Reserve Balances at March 2023**

	1st Apr 2022 £000	(Increase)/ Decrease £000	31st Mar 2023 £000
<u>Council Revenue Reserves</u>			
General Fund Balance	(10,277)	0	(10,277)
Adult Social Care	(28,287)	(2,961)	(31,248)
Private Finance Initiatives	(9,626)	1,518	(8,109)
Early Retirement and Voluntary Redundancy	(9,323)	2,082	(7,242)
Management of Capital	(3,410)	(2,913)	(6,324)
Innovation and Development Fund	(5,499)	431	(5,068)
Reset and Recovery	(5,467)	0	(5,467)
Covid 19 Funding	(10,981)	6,721	(4,260)
Air Quality Early Measures	(4,232)	312	(3,920)
Public Health	(2,469)	(1,280)	(3,749)
Potential Loss of Business Rates Income	(7,735)	4,302	(3,433)
Corporate Priorities (2020/21 Outturn Underspend)	(8,698)	5,705	(2,993)
Commercial Developments	(3,348)	666	(2,682)
Homes for Ukraine	0	(2,530)	(2,530)
Friargate Lifecycle	(1,594)	0	(1,594)
City of Culture & Commonwealth Games Legacy	(3,983)	2,582	(1,401)
Adult Education Income	(1,086)	(5)	(1,091)
Insurance Fund	(1,497)	433	(1,064)
Corporate Property Management	(1,369)	550	(819)
Children's Social Care Family Valued Programme	(1,229)	585	(644)

Other Directorate	(14,538)	(613)	(15,151)
Other Corporate	(5,843)	2,383	(3,460)
<b>Total Council Revenue Reserves</b>	<b>(140,493)</b>	<b>17,967</b>	<b>(122,527)</b>
<b>Extra-Ordinary Item - Covid Business Rates Relief</b>	<b>(18,635)</b>	<b>18,635</b>	<b>0</b>
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(31,187)	(3,292)	(34,479)
Capital Grant Unapplied Account	(5,469)	(276)	(5,745)
<b>Total Council Capital Reserves</b>	<b>(36,656)</b>	<b>(3,567)</b>	<b>(40,224)</b>
<u>School Reserves</u>			
Schools (specific to individual schools)	(25,065)	2,108	(22,956)
Schools (related to expenditure retained centrally)	(5,927)	(4,310)	(10,237)
<b>Total Schools Reserves</b>	<b>(30,991)</b>	<b>(2,202)</b>	<b>(33,193)</b>
<b>Total Reserves</b>	<b>(226,776)</b>	<b>30,833</b>	<b>(195,943)</b>

5.2.3 The Council will seek to optimise the use of its reserve balances in delivering priorities, making decisions on a corporate basis, and observing opportunities to maintain an appropriate balance between short term expenditure and long-term investment.

More specifically, the approach will be informed by:

- The need to maintain working balances to mitigate the key risks faced by the Council including those expressed in the Council's corporate risk register.
- The requirement to hold some earmarked reserves to protect against specific known or potential liabilities but kept to a minimum consistent with adequate coverage of those liabilities and reviewed annually as part of the budget process.
- A general assumption, to be applied flexibly subject to specific financial circumstances that one-off resources will not be used to support on-going expenditure.
- The awareness that there is an opportunity cost of holding reserves (in that these funds cannot then be spent on anything else) – it is therefore critical that reserves continue to be reviewed each year to confirm that they are still required and that the level is still appropriate.

5.2.4 There are no plans to use working balances over the period covered by this strategy and as a result the anticipated balance at the end of each year is expected to remain at c£10m throughout.

5.2.5 The Council also maintains capital reserves:

- The capital receipts reserve holds all receipts from the disposal of non-current assets, which can only be used to finance new capital investment or to repay debt.

- The capital grants unapplied reserve holds capital grants without conditions, or where conditions have been satisfied but the grant has yet to be used to finance capital expenditure.

5.2.6 Considering the risks outlined above, the current level of reserves is considered adequate in the view of the Director of Finance and Resources (Section 151 Officer). However, the scope to use reserves within the boundaries of the MTFS framework is significantly restricted.

### 5.3 **Capital**

5.3.1 The current capital programme for approval in February 2024 includes the following expenditure profile:

**Table 4: Capital Expenditure Profile per 2024/25 Budget Report**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>TOTAL PROGRAMME</b>	<b>157,492</b>	<b>126,580</b>	<b>67,469</b>	<b>31,603</b>	<b>21,642</b>	<b>404,786</b>

5.3.2 The programme reflects the Council's ambitions for the city and include: extensive highways infrastructure works including specific schemes relating to continued delivery of the City Region Sustainable Transport Settlement (CRSTS) programme that include transport packages of the Foleshill and London Road corridor; moving towards stage gate 2 of the Very Light Rail project; the commencement of City Centre Cultural Gateway; progressing the City Centre South redevelopment; and the delivery of Woodlands School.

5.3.3 The West Midlands Combined Authority (WMCA) was formally established in June 2016 with the responsibilities of the Integrated Transport Authority and the aim of maximising investment to drive growth and more efficiently co-ordinate services across the sub-region. The Authority is responsible for helping to deliver a major programme of capital expenditure in partnership with its constituent members – the 7 West Midlands local authorities. Of the previously indicated in-principle £438m WMCA contribution to the Council's Capital Programme, £245m has been secured at this stage including funding towards the Friargate regeneration district and City Centre South. Any future contributions will effectively be dependent on future WMCA resourcing decisions although there is significant doubt over the ability to secure these contributions and they have not been built into the Council's Programme at this stage.

5.3.4 In addition, the West Midlands Combined Authority (WMCA) City Region Sustainable Transport Settlement (CRSTS) programme has been established by Government to provide a five-year capital funding settlement for Mayoral Combined Authorities for transport totalling £1.05bn, covering the period 2022-27. Coventry's CRSTS programme of £110m includes allocations for delivery of the Very Light Rail City Centre Demonstrator route within Coventry, the Tile Hill Station Park and Ride improvement scheme, a package of transport improvements focussed on the Foleshill Road corridor, and a package of transport improvements focussed on the London Road corridor supporting the

Gigafactory and other developments planned for the Coventry Airport area and within the London Road corridor.

5.3.5 Funding for the non-WMCA funded capital programme consists primarily of a combination of specific capital grants, prudential borrowing, revenue funding and capital receipts from the sale of council assets. Delivery of the programme requires the effective prioritising and management of capital resources and investments, taking into account the level of funding both from government and future capital receipts and the identification of self-funded business cases that can justify the use of prudential borrowing to pay for schemes.

5.3.6 The Council will continue to seek to maximise the amount of funding identified in order to deliver its priorities. It will actively seek external grant funding opportunities both on a stand-alone basis and in partnership with other Councils and partners including the WMCA. It will seek to optimise the Council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets. This will work within the limitations on its ability to purchase assets, and specifically not to do so purely for commercial return.

5.3.7 Where prudential borrowing is identified as a potential source of funding for capital projects, it is essential that funding is identified to pay the principal and interest costs of the borrowing. This can come either from new income generated from the project, service savings delivered as a result of the investment or an existing revenue budget which can be switched to this purpose as a result of the expenditure made. A clear business case must be provided which incorporates these elements and which will form part of any approving report.

5.3.8 The level of prudential borrowing funding has increased in recent years, as significant sums have been invested through the capital programme. Whilst the authority has usually been able to cashflow investment through temporarily using other balances, for example grant monies received up-front prior to spend, this will not be the case on a permanent basis. External borrowing will increasingly be required in line with the underlying Capital Programme. The short term/long term mix of any borrowing will be determined by the Council's cashflow needs and the interest rate environment.

#### **5.4 Risk Management and Financial Resilience**

5.4.1 In setting the revenue and capital budgets, the Council takes full account of the known key financial risks that may affect its plans in setting its revenue and capital budgets. The corporate risk register is reviewed by the Strategic Leadership Team on a regular basis and is considered annually by the Audit and Procurement Committee. Where the risks contained within the register are considered to have a financial dimension this is reflected in the Council's Budget process.

5.4.2 Risks around children's and adults' social care continue to be the most significant ones reflected in changes to the budget in recent years and this will be true again for 2024/25. Other significant risks included housing and homelessness.

- 5.4.3 The current register incorporates a fundamental financial risk that the Council will be unable to deliver a balanced budget in the medium term. The detailed risk is that the Council will not be able to achieve its priorities whilst at the same time balancing its budget because of a combination of increased pressure on all sources of funding, increased demand, and complexity in services, including in adults and children's social care and the recently heightened impact of inflationary pressures across many areas of the budget. This has resulted in difficult decisions having to be made by Members and senior officers about which services to support, with consequences for citizens and the city.
- 5.4.4 A further potential revenue risk related to equal pay claims. A number of claims have been received from employees which, if successful, would result in a one-off revenue cost to the Council. This issue is still very much at an early stage and as yet, there has been no reliable assessment of the likely success of these claims or the financial cost if they eventually prove to be valid. The matter will inevitably be subject to complex and protracted legal proceedings, and potential negotiations between relevant parties. Given the significant uncertainty around whether a financial obligation exists, or the value of any obligation, we are not at this point able to make any accurate financial assumptions in the medium-term financial strategy.
- 5.4.5 To mitigate the risks, the Council has in place a rigorous structure to oversee budgetary processes and continues to identify flexibility in existing budgets and undertake technical analysis to identify alternative options to alleviate budgetary pressure. Specific programmes are in place to identify commercial opportunities and optimum service delivery models to produce a medium-term programme of transformation and ensure future financial sustainability. The Council also continues to lobby Government through local government sector organisations whilst also assisting in the economic recovery of the local economy to try to safeguard local income flows. Some of these themes are revisited in the final section on the Council's MTFS approach.
- 5.4.6 The Chartered Institute of Public Finance and Accountancy (CIPFA) maintains an index of financial resilience for English councils which assesses each authority against a number of indicators, including levels of reserves, external debt and auditors' judgements, in order to illustrate each council's financial position relative to that of comparator authorities. The index was developed with the intention of highlighting areas of potential risk to councils' financial stability and informing the judgement of the chief finance officer on the robustness of budgets. CIPFA acknowledges that the index (most recently updated in 2021/22) should not however be viewed in isolation and its interpretation will depend to a large degree on the local context specific to each authority. Coventry's previous results suggest that for most of the indicators used, the authority does not fall into a higher risk category in relation to comparable authorities. However, Coventry's level of children's social care costs and its relatively low level of unallocated reserves were indicators of a higher perceived level of risk.

## 5.5 MTFS Assumptions

5.5.1 The Council's prospective Budget plans for 2025/26 onwards will continue to face financial pressure. 2025/26 will mark the first year of the next comprehensive spending review and much uncertainty remains over the national economic picture following the outcome of the expected general election during 2024/25. Until this happens the Council's financial plans will necessarily be subject to forecasting uncertainty.

5.5.2 The financial management framework that underpins the MTFS includes:

- Overall direction undertaken by the Leadership Board which will over transformation programmes, quarterly monitoring, and development of Budget proposals,
- A corporate planning and monitoring process that considers capital and revenue together,
- A framework founded on delegation and clear accountability, with budgets managed by the designated budget holder, reported through Service Management Teams, the Leadership Board, Cabinet and Audit and Procurement Committee,
- A drive to identify efficiencies and achievable savings to enable the Council to optimise delivery of its policy priorities,
- Strong project management approaches, including a specific focus on cost control and programme delivery,
- Where feasible, the establishment of a balanced revenue budget and capital programme over the medium-term planning period.

5.5.3 The Council's approach is to manage its reserves in a way that supports the MTFS and the Council's priorities. In particular, the this is based on:

- A policy that reserves are not to be used to: (i) meet on-going expenditure or (ii) fund capital expenditure other than for mostly short life asset rolling programmes other than in exceptional circumstances or for capital schemes of major importance,
- The classification of reserves as a corporate resource, with Cabinet via Leadership Board considering the application of budgeted amounts unspent at year end,
- Holding reserves for a clearly identifiable purpose. This will include protecting against known or potential liabilities, at a minimum level consistent with adequate coverage of those liabilities, considering the overall level of risk faced by an organisation of the City Council's size.

5.5.4 The key financial or technical assumptions that underpin the MTFS are:

- Whilst subject to a degree of uncertainty, assumptions regarding government funding beyond 2024/25 are largely flat reflecting the Autumn Statement in 2023.

- A new comprehensive spending review will be introduced as part of the next government following the general election expected later this year.
- For strategic financial planning purposes Council Tax and Adult Social Care precept increases will be assumed to match the maximum level advised by Government. Current expectations are that this will reduce from 3% for Council Tax and 2% for the precept in 2024/25 to 2% and 1% respectively in 2025/26 and following years. This will be subject to political debate and decision as well as any changes at a national level,
- Business Rate income (plus compensating Government grants) will be assumed to be inflated broadly in line with Government dictated Business Rates multiplier inflation levels following the 2024/25 provisional settlement. Income will be amended for trends in Business Rates tax-base, collection performance and appeals,
- Planning based on the underlying Council Tax-Base growing at 0.5% per annum in line with historical trends but flexed each year where shorter-term expectations dictate,
- Increases in pay budgets of 4% in 2024/25, 2% per annum in subsequent years. This area will be kept under close review, and it is expected that the Council will continue to reflect sector agreed pay awards and guideline National Living Wage levels,
- An intention to review the need to make provision for budgetary growth as a result of uncontrollable demographic or service demand subject to optimisation of service operation, review of alternative methods of service delivery, review of Council policy to ensure that it reflects current conditions and recognition of overall financial constraints,
- The budget for the Council's Asset Management Revenue Account (AMRA) will be managed in line with the Council's Treasury Management Strategy, updated annually as part of the Budget Report. The AMRA position will take into account any impact of changes in the size and composition of capital programme, cash-flow forecasts, the level of provision to repay debt through Minimum Revenue Provision (MRP) and forecast interest rates. The Council's Minimum Revenue Provision (MRP) policy will be based on an approach that is both prudent and affordable in a way that reflects the long-term nature of local authority debt and assets,
- Forward financial estimates will be guided by existing CPIH inflation levels in line with practice adopted across a broad range of public sector areas. Specific contractual agreements on inflation will be honoured where these are in place. CPIH will provide the financial planning benchmark for increases in fees and charges and any areas of expenditure subject to specific inflation requirements assessed by the Section 151 Officer. Actual increases in fees and charges will depend upon local factors such as the need to generate enough income to meet the cost of trading services. Contractual inflation has been applied where required along with notional inflationary rises in discretionary areas. This will be reviewed on an annual basis to ensure that additional costs for external contracts which reflect

patterns dictated by pay inflation or other significant inflationary pressures are built into Council budgets in the affected areas.

## **6. MEDIUM TERM FINANCIAL STRATEGY APPROACH**

6.1 The MTFS supports the medium-term policy and financial planning process which is central to the setting of the Council's revenue and capital budgets. The MTFS approach is crucial to providing a stable financial base from which to deliver the Council's priorities as set out in the One Coventry Council Plan. As part of this the Council will seek to maintain a sustainable financial position over the course of the planning period, with detailed proposals for all years set out in the annual Budget Report.

6.2 In order to ensure that Council financial plans are robust in the medium term the Council's MTFS continues to cover a 3-year period. The starting point for the Council is that it faces large budget gaps across the planning period. The recent Pre-Budget Report to Cabinet included proposals on which to consult, which could collectively form the basis of a balanced budget in 2024/25 followed by budget gaps rising to c£15m by 2026/27. In recent years the Government have increased the level of grant payments made to local authorities to support the costs of social care. However, there remains significant challenges due to inflationary increases and a rise in both the numbers and needs of social care clients. Within this environment of pressure on resources, the Council has delivered very significant savings and identified other sources of income in order to balance its overall budget. The remainder of this section sets out the separate strands of financial policy which together are designed to ensure that the Council continues to deliver a balanced revenue budget and sustainable and affordable capital programme.

### **6.3 The One Coventry Approach**

6.3.1 The One Coventry Plan recognises that the Council may need to change the way that it works to meet the challenges of delivering services and maintaining a sustainable financial position. This will mean building on good practice where it exists but doing things differently elsewhere, building and sustaining genuine partnerships and city-wide collaboration, actively seeking creative opportunities, considering if the Council is working in the right way, investing resources with other public sector partners if appropriate and working flexibly across roles, services, and organisations. This will involve reviewing some services to see if they need to be delivered differently or possibly not at all. This will work in different ways for different services but, for instance, may involve an approach of enabling independence with individuals and organisations being encouraged to do as much as possible for themselves.

6.3.2 Subject to the other component parts of the Budget process, the One Coventry approach is intended to offer the Council a means of identifying service savings to help balance its overall Budget. This could involve a wide range of different solutions including reducing service levels or ceasing services altogether, delivering services more efficiently or with fewer resources and delivering



services in partnership, with partners doing more or leveraging in more external resources.

- 6.3.3 In addition, Council managers and budget holders will continue to be expected to manage their service areas in a way that pays due regard to delivering economy, efficiency, and effectiveness. Delivering services as cost effectively as possible enables the Council to maximise the impact that it can have within a finite level of resources and managers will continue to be held to account for the financial performance of their areas.

#### 6.4 **Commercialisation**

- 6.4.1 The Council will seek to maximise income and pursue commercial opportunities where these are consistent with its role and legal powers as a local authority and subject to a responsibility to maintain a robust financial position. The Council's view is that by not acting in this manner, it leaves itself in a more financially vulnerable position and that to do nothing is not a viable option.

- 6.4.2 The Council will maintain a default position that fees and charges should increase annually in line with inflation and that income earning services should seek to at least cover their costs. Any movement away from these principles should be based on an understanding that such increases would be harmful to the overall trading position or sound policy led reasons for not increasing prices.

- 6.4.3 The Council will generate capital receipts where there is a clear business case for doing so by disposing of surplus and/or poor performing property and thereby providing funds for capital reinvestment in services, driving growth or making savings through the repayment of debt. Such an approach will be undertaken in compliance with the Prudential Code for capital finance, Statutory Government Investment Guidance, and the borrowing requirements of the Public Works Loans Board.

- 6.4.4 The service dimension of commercial investments is important including in facilitating local regeneration, addressing market failure, accelerating the local response to the climate change agenda, and supporting local organisations. These investments also provide financial returns which are crucial in underpinning the Council's budget. The Council will continue to seek opportunities to make investments in a selective manner in commercial ventures to secure a financial return and achieve service policy objectives where this is consistent with its priorities, the One Coventry Council Plan, Commercial Investment Strategy and PWLB requirements. Such investment, for example in the further development of Friargate Business District and Strategic Energy Partnership Projects could potentially include property schemes, share purchase and the provision of loans to external organisations, and would be designed to meet strategic, service, and financial objectives.

#### 6.5 **Council Tax and Business Rates**

- 6.5.1 The Council will seek to maximise the income it generates from Business Rates and Council Tax. There is an expectation that the Council tax-base will continue

to be buoyant as the Council seeks to facilitate the provision of local housing, including affordable housing, for its citizens. In addition, the Revenues and Benefits Service will seek to maximise the Council Tax collection rate (currently set at 97.9%) and take steps to ensure compliance with the applicability of discount and exemption policies.

6.5.2 The One Coventry Plan priority to ensure that Coventry is a city with a strong and resilient economy, where inclusive growth is promoted and delivered, businesses are enabled to innovate and grow, and new local jobs are created enshrines a parallel aim of ensuring that the Business Rates tax-base is resilient. The Revenues and Benefits Service will seek to maximise the Business Rates collection rate, taking steps to identify all relevant taxable properties and to ensure compliance with the applicability of discount and exemption policies.

## **6.6 Treasury Management and Capital**

6.6.1 The Council's treasury management function seeks to ensure that cash is available when needed to meet the Council's obligations. The Council's Treasury Management Strategy is clear that the primary objectives of investing cash balances are to maintain the capital security of sums invested and to ensure adequate liquidity. After these, a third objective is to maximise return. The treasury role also extends to maximising revenue benefits by seeking the optimum balance between retaining external investments, repaying existing loans and avoiding new borrowing as appropriate given prevailing and forecast interest rates. Although the Council has an underlying need to borrow as a result of large Capital Programmes funded in part from borrowing, it has continued to avoid the need to undertake new long-term borrowing by utilising cash from reserve balances and grant funding received in advance of the need to spend. This approach seeks to optimise the financial benefit by avoiding unnecessary borrowing costs.

6.6.2 The Council will seek to maximise capital programme funding from external sources such as capital grants and Section 106 contributions in order to protect and sustain existing Council resources. Where appropriate the Council may use revenue funding of capital for on-going programmes of expenditure. In the absence of other funding and if the use of prudential borrowing is not appropriate, the Council will seek to utilise capital receipts to fund capital projects and will only commit capital receipts that have been achieved and are available on the Council's balance sheet.

6.6.3 Any remaining schemes that have a sustainable business case that justifies borrowing as a funding source will be resourced from prudential borrowing. In this manner, the Council will avoid putting any additional burden on Council taxpayers or seeking contributions from service budgets which reduce the net level of resources to fund services. When borrowing, the Council will look for the most cost-effective source of funding, either PWLB or alternative funders.

## 6.7 **Reserves**

6.7.1 The overwhelming majority of the Council's reserve balances are held to provide a one-off resource to meet service objectives and fund specific projects that have been identified and/or approved in advance. A small number but significant balance of other reserves is held to provide protection against risk. These resources are a one-off source of funding that are not available on an ongoing basis. It is not the intention that the Council's reserves should be used to balance its Budget position in normal circumstances.

6.7.2 Within this context it is also true however, that in exceptional circumstances the Council could divert resources from reserve balances in order to manage a difficult budgetary position. There is significant flexibility which could be applied through delaying projects or service proposals or by cancelling them altogether which could free up reserves to balance the budget. This is not a course of action that would be recommended by the Council's Section 151 Officer except in the most difficult of financial circumstances, but it is important to hold this as a measure of last resort to set against the other tools available as part of a medium-term strategy.

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## APPENDIX 2: BUDGET PROPOSALS AND FINANCIAL POSITION

		2024/25 £000	2025/26 £000	2026/27 £000	
	<b>Starting Budget Gap</b>	<b>20,080</b>	<b>30,722</b>	<b>28,066</b>	<b>This position has been carried forward from 2022/23 Budget Setting and reflects all previously approved Budget changes</b>
<b>Resources</b>					
1	Business rates indexation, Council Tax and Business Rates surplus carry forward	(4,800)	(5,100)	(5,100)	Council Business Rates revenue (including compensating Section 31 grant) will be inflated by the September Retail Price index of 6.7% as confirmed in the Autumn Statement. This item also includes the uncommitted surplus within the 2022/23 Collection Fund outturn position reflecting a combination of Council Tax base growth, lower than budgeted downward amendments and lower than budgeted Council Tax Support levels.
2	2023/24 Social Care Grant	(1,900)	(1,900)	(1,900)	2023/24 Social Care Grant to fund additional social care capacity through the Market Sustainability and Improvement Fund
3	2024/25 Social Care Grant	(4,882)	(4,882)	(4,882)	The indicative step up in Social Care Grant available from 2024/25.
3a	2024/25 Additional Social Care Grant (Change to Pre-Budget Report)	(3,231)	0	0	Additional resources announced as part of the Final Settlement announced on 5th Feb 2024
4	New Homes Bonus (Change to Pre-Budget Report)	(4,072)	0	0	Minor variation to the Pre-Budget assumptions. New Homes Bonus confirmed in Provisional Settlement announced on 18th December 2023.
4a	Services Grant (Change to Pre-Budget Report)	2,706	2,706	2,706	National reduction to services grant announced as part of Provisional Settlement on 18th December 2023 and confirmed in the Final Settlement announced on 5th February 2024
<b>Subtotal Resources</b>		<b>(16,179)</b>	<b>(9,176)</b>	<b>(9,176)</b>	
<b>Service &amp; Technical Pressures (and policy growth)</b>					
5	Inflation (Change to Pre-Budget Report)	11,911	4,904	8,442	This reflects the continued high inflation environment affecting the Council's supplies and services expenditure including: care and energy contracts; ongoing impact of the 2023/24 local government pay award, which averages at 6% compared to the original 4% budget provision; an assumed 2024/25 pay offer of 4% compared with the previous 3% budget provision.
6	Children's Social Care	5,286	5,286	5,286	Children's Services has seen a significant increase in the average unit cost of placements for looked after children. This is due to there being a lack of sufficiency in the market to meet the needs of young people in care and is a local, regional and national issue. As part of the Council's intention to sustain the Coventry Family Valued approach children will be supported to live with their families wherever this is safe to do so. Children's Services has also experienced a financial pressure related to workforce, with high levels of cases requiring additional workers and agency staff.
7	Housing	5,850	5,850	5,850	Significant increases in numbers of households requiring temporary accommodation is driving additional spend in this area
8	Revenue & Benefits - Supported Accommodation	1,580	2,580	2,580	This pressure arises from providing accommodation solutions to people with complex needs – the cost of which is only partially reimbursed by the Government through housing benefit
9	SEND Transport & Looked After Children Transport	1,000	1,000	1,000	As is being seen nationally the number of SEND pupils within Coventry has grown. This results in an increase in the number of commissioned special school placements, and consequently more children and young people requiring specialist transportation to school, including transport to schools outside of the city due to local special school provision being full. Alongside this there is a cost pressure in providing necessary transport to Coventry's looked after children.
10	Waste Disposal	854	854	854	Increased cost of the Councils obligation to dispose of domestic waste for an increasing number of households.
<b>Subtotal Service &amp; Technical Pressures</b>		<b>26,481</b>	<b>20,474</b>	<b>24,012</b>	
<b>Technical Savings</b>					
11	Coventry and Warwickshire Business Rates Pool	(2,000)	0	0	The Pool is now expected to continue for a further year within the existing Local Government Finance regime which will enable this income stream to be achieved for a further year.
12	Asset Management Revenue Account	(3,385)	(470)	0	The Asset Management Revenue Account contains a number of elements which are subject to forecasting uncertainty. This proposal anticipates the combined impact of the Council's treasury activity around areas including loan interest and short-term investment income. This indicative position will be finalised once the Council's Capital Programme is approved.

13	Organisational Exit Costs	(1,000)	0	0	The costs of early retirement and redundancy decisions are paid for from an existing revenue budget of £1m. Additional coverage is provided from a reserve balance. It is proposed to reduce the revenue budget to zero for one year and to fund all one-off exit costs from the reserve.
13a	Commercialisation Programme	(1,000)	(500)	(500)	Optimisation of the initiatives delivered through the commercial programme including the Regional Materials Recycling Facility benefits, and other miscellaneous service cost recovery through pricing review.
14	Switch revenue funded highways maintenance spend for alternative grant funding for one year	(1,900)	0	0	Current capital programme schemes within highways are funded from revenue resources. This proposal instead funds this expenditure from grant releasing a temporary revenue saving for one year.
14a	Capital Programme Revenue Funding	(969)	0	0	Current ICT capital programme schemes are funded from revenue resources. This proposal instead funds this expenditure from one-off capital receipts which releases a temporary revenue saving, planned here for one year.
15	Management actions to reduce gap	(11,688)	(13,821)	(14,401)	Service Directors have identified a number of actions and efficiencies to reduce overall budgetary pressure within existing approved policies
<b>Subtotal Technical Savings</b>		<b>(21,942)</b>	<b>(14,791)</b>	<b>(14,901)</b>	
<b>Service Savings</b>					
16	Implement One Coventry Model - Ensure organisation is fit for future purpose	(3,000)	(4,000)	(4,000)	Working with partners to target collective resources to support those people who are most in need; providing the right support, in the right place and at the right time. This approach will focus on prevention and earlier identification of need, by establishing an integrated contact centre and locality based offer. The Council will review how it delivers services to meet community need, co-locating and integrating teams in localities with potential for more Coventry City Council officers and partner services to be based within communities together and including reviewing and rationalising the Council's property where appropriate. ~ Redesign internal services – so the Council are more streamlined, with less bureaucracy for residents and more insight helping the Council to prioritise and offer more service support. ~ Removing internal and external duplication and make most efficient and effective use of internal resources, reducing overlaps through removing vacancies and reviewing contracts. ~ Reviewing the Council's advice provision to target collective capacity and remove overlap, enabling access to information and support at the earliest opportunity.
17	Redesign Council Tax Support Scheme (Change to Pre-Budget Report)	(839)	(839)	(839)	Reduce the maximum discount that eligible households receive against their Council Tax. The current scheme provides a maximum discount for working age adults of 85% of their council tax liability. The proposal is to reduce this maximum to 80%. In real terms, this would result in approximately 16,176 working age households paying on average, an additional £1.45 per week.
18	Charge for collection of garden waste	(1,500)	(1,500)	(1,500)	Introduce charges for collection of garden waste bins (brown lidded bins) at £40 per year per bin with food waste to be disposed of in brown lidded bins and collected fortnightly. Residents can choose to opt out. If residents opt in they would pay the fee annually in advance and receive a sticker for their bin to show they are part of the scheme. If residents decide they do not wish to pay for garden waste collection they will be able to return existing bins and continue to dispose of garden waste at the tip free of charge.
19	Increasing alternative Temporary Accommodation provisions	(1,077)	(1,850)	(1,850)	The City Council has successfully purchased and operated a number of temporary accommodation schemes to reduce the significant additional costs associated with the rising demand. Further properties will be purchased and operated to support the increasing demand in this area reducing the cost to the Council.
20	Overnight switch off Street Lights (Change to Pre-Budget Report)	(700)	(700)	(700)	This proposes to switch off 70% of the street-lighting between 12am and 5.30am on Sunday to Thursday and 1am to 5.30am on Friday to Saturday, to support Coventry's 'Green' agenda and reduce energy costs by £0.7m. This will retain lights in bespoke areas with late night activity and potential pedestrian, driver and safety hotspots
21	Introduce separate food waste collection (Change to Pre-Budget Report)	0	(1,000)	(1,000)	By introducing a weekly separate food waste collection service and removing food waste from the brown lidded bins, the remaining garden waste in the brown lidded bins can then be treated at much lower price of £20 per tonne (currently £60 per tonne when combined with food waste). This would be implemented from 1st April 2025, to reflect vehicle lead times, and would involve offering a food waste bin to all households for weekly collection
22	City Centre car parking price increase	(320)	(600)	(600)	General price tariffs for city centre car parks have not been increased since 2017. This proposes increasing city centre car park charges by 10% in both 24/25 and 25/26 in line with historic inflation increases.

23	SEND Travel assistance review	(300)	(500)	(500)	<p>This proposal includes a number of options to reduce the pressures around this area.</p> <p>1) The LA set its current contributory charge for post-16 travel assistance in 2017. It is proposed that this is increased to £780 pa, reduced to £390 pa for low-income families.</p> <p>2) In addition it is proposed that the contributory charge is waived if a qualifying parent chooses to accept a personal budget as an alternative to a LA minibus or taxi.</p> <p>3) Evaluate whether named pick up points instead of door-to-door transport would be more efficient</p> <p>4) Assess if ambulant post 16 students who do not require an escort can arrange transport through a personal budget</p> <p>5) Undertake a value for money review, focused on the procurement of taxis and the e-auction process.</p> <p>6) Conduct a rapid efficiency review of current in-house transport, to determine if extending the fleet would reduce reliance on private providers and associated costs (cross-cutting with Adults, Children's, Travel Bureau &amp; Procurement).</p>
24	Standardise residents parking permit fees	(210)	(210)	(210)	<p>Current parking permit schemes are priced inconsistently and subsidised by £210,000 per year. Council policy for resident parking schemes is to recover operating costs, so this option proposes the recovery of the subsidy through a combination of s106 contributions, together with a more equitable and consistent system of charging for annual permits. A flat fee of £10 per vehicle (except CBS arena) per year would recover an additional net £175,000, with a requirement to recover the remainder each year through s106.</p>
25	Seek sponsorship for festive lights	(150)	(150)	(150)	<p>This would remove the additional subsidy supporting festive lights and seek external sponsorship to continue the current level of offer</p>
26	War Memorial Car Park Charges (Change to Pre-Budget Report)	0	0	0	Proposal Removed
27	Introduce a Transit site for travellers	(150)	(150)	(150)	<p>Invest in a Traveller Transit Site to enable traveller incursions (illegal encampments) to be enforced by the Police rather than the City Council. Site Location to be determined but must be within the City boundary.</p>
28	Cease mainstream home to school bus routes	(128)	(220)	(220)	<p>Proposal to remove funding that subsidises the provision of non-statutory school transport which affects 5 dedicated school routes to Bishop Ullathorne Secondary school and an extension to a public transport route serving Blue Coat Secondary school, affecting approximately 400 pupils (less than 2% of the secondary school cohort). The City Council provided funding to subsidise these routes following a commercial provider going into liquidation during the pandemic in 2020. The City Council will continue to provide bus passes for children entitled to statutory support for home to school transport to enable them to utilise the public transport network.</p>
29	Charge full costs recovery for Adult Social care PFI schemes	(66)	(170)	(291)	<p>The Anchor operated PFI comprises 3 housing with care schemes and 2 dementia care homes. Full cost recovery to self funders has not kept pace with changes in costs and where self-funders are admitted to a dementia bed the City Council currently charges £619.20 per week compared to the full cost of £911 per week. The proposal is to implement a full cost charge of £911 per week to all new self-funders moving into a dementia residential bed. Existing self-funders will be subject to inflationary only increases as per the existing arrangement.</p>
30	Cultural Organisations Financial Efficiencies	0	(380)	(380)	<p>This would represent a 15% reduction in Council funding, through generating financial efficiencies with both Culture Coventry Trust and Belgrade Theatre Trust from 2025/26.</p>
31	Godiva Festival: Further Income Generation	0	(300)	(300)	<p>Move to greater external funding &amp; commercial activity to cover the costs of the Godiva Festival in order to replace core Council funding by 2025/26. This could include a combination of higher ticket prices, external funding and more sponsorship</p>
32	Expansion of Residential Strategy	0	(200)	(400)	<p>Coventry City Council operates a number of Childrens Homes to meet the needs of our children and provide additional capacity and manage costs. A further 2 smaller homes are proposed to be developed which would assist in addressing the challenges of young people who require solo/ small homes (2 children maximum) and have the highest cost placements.</p>
33	Council tax Premium for second homes	0	(150)	(150)	<p>The Levelling Up and Regeneration Act will allow a 100% premium to be charged for empty second homes with exemptions for properties that are being actively marketed for let or sale.</p>
<b>Subtotal Service savings</b>		<b>(8,440)</b>	<b>(12,919)</b>	<b>(13,240)</b>	
<b>Budget (Surplus)/Deficit</b>		<b>0</b>	<b>14,310</b>	<b>14,761</b>	

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## **FINDINGS FROM THE COUNCIL'S BUDGET PROPOSALS 2024/25 CONSULTATION**

February 2024

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## Background

Between December 2023 and February 2024, the Council undertook an eight-week period of consultation on its budget proposals for 2024/25, prior to making the final decisions on its budget.

The Council reported on its priorities, the budget setting context and local financial position and gave an outline of the proposals to balance the Council's 2024/25 budget. The Council asked for views on the proposals, suggestions for how we could do things differently and prioritisation of current services.

## Consultation Methodology

The Council hosted a survey on its engagement platform Let's Talk Coventry asking for people's views on the budget proposals. This survey was publicised through the Council website, newsletters and social media. Hard copies of the survey were available in all our libraries and posters advertising the survey and engagement opportunities, alongside a phone number to request more information, at Libraries and Family Hubs.

Two drop-in sessions were held at Broadgate Customer Services Centre, offering support for people who did not have digital access themselves.

In addition, meetings were held with residents, the Council workforce and the Chamber of Commerce.

Three petitions were received relating to specific proposals within the Budget Setting Proposals 2024/25.

## Responses

3,500 people visited the Let's Talk Coventry page, with 1,600 of them downloading a document or viewing a video and 423 respondents completed the survey.

21 email responses were received. Including representations from Zarah Sultana MP, Coventry Independent Advice Service, Central England Law Centre, TUC and Warwick Law in the Community.

The following sections summarise the main findings and questions that were raised through the public consultation on the Council's budget proposals. All feedback has been consolidated and included in the overall theming sections.

A full list of comments from the online survey and written feedback can be received by contacting [budgetsetting@coventry.gov.uk](mailto:budgetsetting@coventry.gov.uk)

## Feedback from the on-line survey

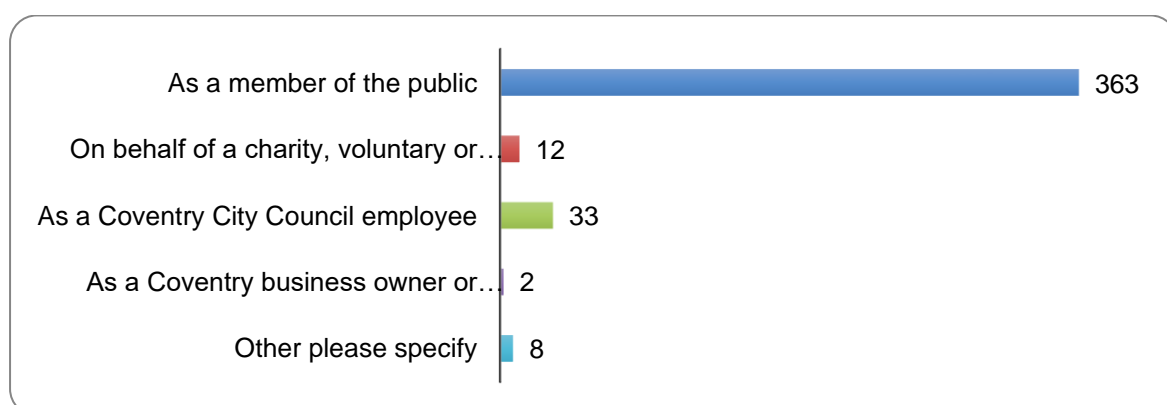
### Response Rate

423 responses were received overall. We received 54 hard copy surveys and 379 online responses.

The majority of respondents were from members of the public, 363.

Responses were received from the following organisations:

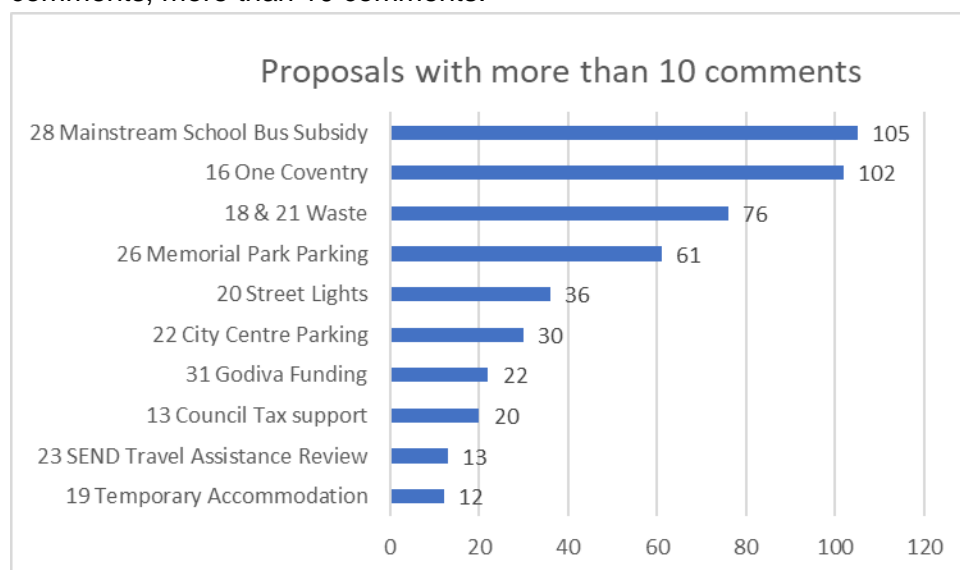
Coventry U3A, Bishop Ullathorne Catholic Secondary School, Coventry, Good Neighbours, Coventry Cyrenians, Mount Nod/Eastern Green school busses, Friends of The War Memorial Park, Band Hatton Button, Coventry University Group, Art Fund, Destination Ball Hill, Holy Cross Catholic MAC, Feeding Coventry, Coventry Foodbank and Central England Law Centre.



### Comments on the Proposals

Respondents were asked to provide their views on the proposed cost savings.

The graph below shows the comments received by proposal that received the most comments, more than 10 comments.



School transport is an issue for many of those responding to the consultation with the specific bus to Bishop Ullathorne school directly referenced by 105 respondents. Fears include safety and safeguarding especially during winter and for pupils with Autism and anxiety specifically, other potential issues associated with withdrawing the service are environmental impact of extra traffic, anti-social parking, and minimising choice for families.

The way the Council conducts business, the processes and projects undertaken received 102 comments, comments include staff wages, major projects and spending plans. Value for money and future planning are also referenced within the theme.

Proposals around waste including the proposal to introduce charges for garden waste disposal and the introduction for separate food waste collection were themed together. This received 76 comments, some expressed willingness to pay the charges, while many feel that the Council taxes should cover this service. Many suggested that there may be issues with stolen stickers and stolen bins.

Increased parking charges at War Memorial Park, this proposal received 61 comments, the park is used by residents from across the whole city, changes may impact wellbeing with social and fitness groups attending, these include the many Park Runners. Free car parking is also utilised by parents with children attending local schools and there is a feeling that child safety could become compromised by anti-social parking as parents and carers seek to avoid paying £2 per day. The impact on the recently refurbished café is also highlighted.

Proposals to turn off streetlights received 36 comments, while some agree with the proposals put forward others feel that this could impact crime, anti-social behaviour, and public safety. Some feel that alternative arrangements could be made such as the 70% proposal, strategic use of lighting, especially in higher crime areas, and use of more energy efficient systems.

City Centre increase of parking charges. While some feel that this is understandable others fear that Coventry already has a poor shopping experience and that this may further exacerbate the image of Coventry as a ghost town.

Godiva festival should become self-funding and Coventry City Council should remove the subsidy according to most of the comments received. Many expressed surprise that this is not currently the case and while some suggested it would be a shame to see ticket prices increase, others suggest it has lost its community feel.

The proposal to reduce Council Tax support is mainly seen in a negative light.

The proposal to purchase property to support homeless, most comments suggested this makes sense as it will save money in the longer term, however a few suggested that homeless spending is not a good investment.

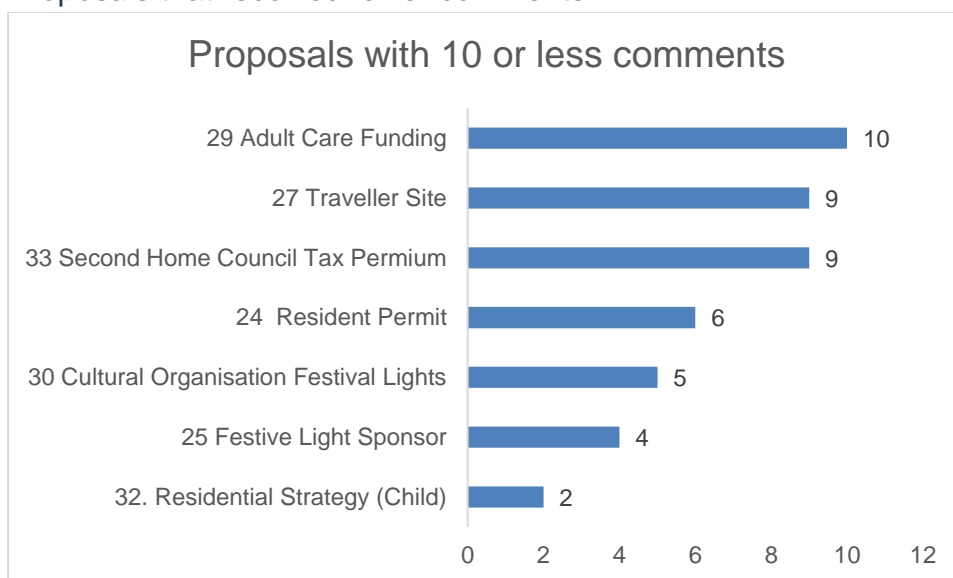
The proposed SEND transport review, most of these feel that SEN transport should not be cut and is an easy target. Many suggest this would unfairly impact the most vulnerable.

Theme	Comments
<b>28 Mainstream School Transport</b>	<p><i>I feel this change has been poorly thought through and is possibly discriminatory to families who wish their child to attend their Catholic catchment school. This decision is in contradiction of the statements you make in your child Friendly Coventry pledges.</i></p> <p><i>..... no choice but to drive their children to and from school as the public bus provision is not going to be a viable alternative. Especially with younger children, and those with a disability or affected by neurodiversity..... Parents pay £330 + for the service. The number 9 bus service is already at full capacity; children are often late ..... There are ~25 stops between Croft Road and the school. In the winter months, children as young as 11 will be leaving for school and arriving home in darkness. A child needs to be in the town centre for 7.20am in order to get the 7.30am bus to get them to school for 8.15. ...This puts the children in a very vulnerable position, being alone in the town centre, having to navigate .....making the school day for some children 9-10 hours long. Pupil absence rates should also be a concern, ..... those already disadvantaged/ with barriers to learning.</i></p> <p><i>..... result in more traffic on the roads. .... huge detrimental environmental factor; putting even more cars/pressure on the roads which goes against what the council are supposedly trying to achieve.</i></p>
<b>16 One Coventry</b>	<p><i>It's not the residents fault you are in this position, it's yours. You should be looking at savings within the council itself before pushing costs onto the public who had no control over how you got in this mess. Stop wasting money on things like the big wheel to show off to other cities, and things you did for city of culture that benefited no one but the council and cost so much. All what was setup, most gone now, it was all just for show then taken away. There have been signs this city is failing for years with retailers leaving the city and council failing to pull in what the public ask for. The council should take pay freezes for a few years like other people have had. Reviewing your own processes and departments and streamlining them would help. More efficient process and departments within the council would go a long way to resolving the shortfall.</i></p>
<b>18 &amp; 21 Waste Services</b>	<p><i>Charging for garden waste is preferable to losing other services in the community. We should have done this years ago inline with other authorities</i></p> <p><i>I don't agree with charging for brown bins collection. We only put garden waste in ours, never food waste. That goes in the green bin. It's also not appropriate to charge for garden waste. If you start charging for garden waste then people will just dump their garden waste on the road and besides this is a basic service for which you should not charge extra.</i></p>
<b>26 War Memorial Park Charges</b>	<p><i>The fact that you are thinking of charging to park at the memorial park is abhorrent it is not fair for people who live in less affluent areas who cannot walk to the park and will be detrimental to families</i></p>

	<p>Agree with paying for festival Godiva, but not Memorial parking or lighting off. Memorial park is a symbol, as covered in the name, so should have some free parking, such as min 1 hour.</p> <p>implementing car parking charges at the War Memorial Park is absolutely the right thing to do. This is needed so as to ensure our parks can continue into the future and benefit Coventry residents and the wider region for generations to come.</p> <p>Proposals for imposing car park charges at all times at the War Memorial Park will be detrimental to many - responsible parents/guardians who walk and collect children from nearby primary school rather than irresponsibly park closer to the school, people including elderly driving to give dogs access to off-lead spaces, people taking part in Park-run events</p>
<b>20 Turning off Street Lights</b>	<p>I agree with shutting off street lights in some very low crime areas, I don't think all lights should be switched off. Take ..... still a very busy road even during the hours of ..... switch off. .... many people .... come and go from their houses during the early hours..... people walking and cycling ..... through the night. ... drive down the road very fast, ..... a few very bad accidents due to speed. ....no lighting on this road.....incredibly dangerous..... lead to an increase in crime. If the lights can be dimmed and this saves energy, perhaps this would be a better option .....</p>
<b>22 City Centre Parking</b>	<p>Finally, the parking charges, I have to use my own car for work and I do not get a parking pass paid for, like some, so an increase will impact on the time that I am in the office. I am able to work from home, but it is vital that I also spend time in the office too</p> <p>there seems to be a lot of charging the public, for waste, parking, council tax, transport</p> <p>Agree with increasing car park charges in line with inflation</p>
<b>31 Godiva Funding</b>	<p>Raise ticket prices at Godiva Festival. The fact that it was free for so long was generous. If people want to go they'll pay it. A family ticket price would be good to encourage families to attend.</p> <p>austerity measures should be implemented with no funding for non-essentials like the Godiva festival or Christmas decorations. These events can be funded from sponsorship or participants.</p>
<b>13 Council Tax Support</b>	<p>People on benefits, are the lowest income households in this city, and the ones most struggling in the cost of living crisis. The fact that Coventry Council are even considering reducing the Council Tax Support for this group takes my breathe away.</p> <p>Do not cut council tax support as people on benefits can not afford this as it is I am disgusted by reading these proposals</p>
<b>23 SEND Travel</b>	<p>Seem to be targeting the 'soft options' again e.g. SEND and school transport, good that you intend to get money from absent landlords etc for empty homes.</p> <p>..... some are really bad. Especially: increased costs for SEND school transport, increased costs for self-payers in residential care, reduced council tax support for low income families.</p>

<b>19 Increase Temporary Accommodation</b>	<p>.....council are so out of touch with residents wants and needs and what they can afford. People sleeping on streets increasing each year but you stop funding shelters in 2020 but in your own reports admit numbers sleeping rough went up over 300%! It is clear the lack of communication between departments and when deciding what needs funding. Increasing need but stop the shelters clearly makes no sense other than to save you money. This kind of logic and decision making is what has got to this mess.</p> <p>Stop spending our money on Housing and Homeless</p> <p>Good idea to buy more housing for TA to reduce reliance expensive B and Bs - well done cov, lots of LA not being so proactive. But need long term council housing also- spend to save initiative! Housing is the foundation for everything else.</p>
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#### Proposals that received fewer comments.



The proposal to charge a Council Tax premium for second homes unanimous comments in support of the proposal.

The proposal to create a Traveller site, mixed views were expressed about this.

Plans to charge full cost recovery for Adult Social Care are mixed.

The proposal to standardise fees for parking permits scheme gained unanimous agreement that this is fair and proportional.

Finding a sponsor for the festive lights is seen as a good idea for those who commented about this.

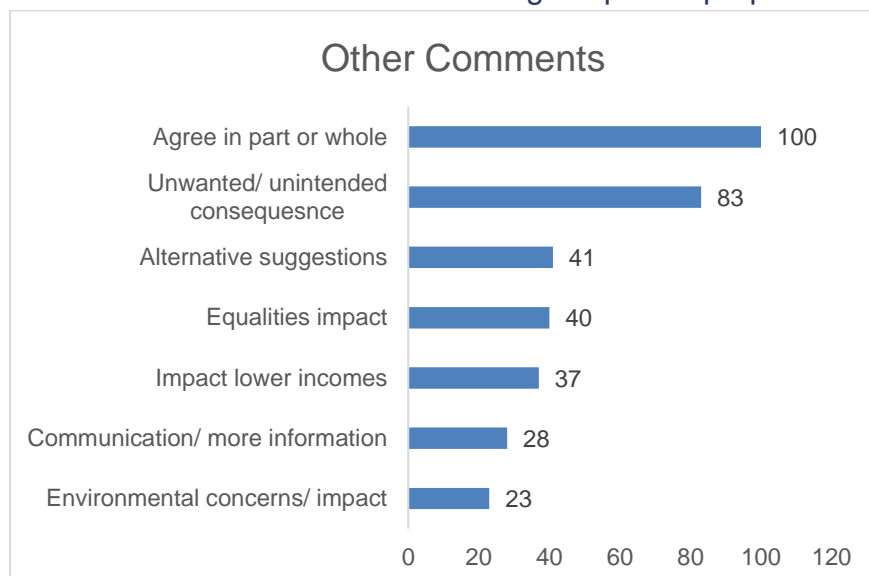
Cultural Organisations financial efficiencies, 1 person suggested charging for entry to cultural organisations, others suggest that the grant should be maintained.

Expansion of residential strategy agreement with the proposal.



Theme	Comments
<b>29 Adult Care Funding</b>	<p><i>For adult social care, you should place a fee for the users, or the family of the users and not increase the Council tax just to keep funding on this second massive spending.</i></p> <p><i>23 and 29 are the ones most affecting vulnerable people but should still be looked at</i></p> <p><i>a 50% increase in fees for new dementia sufferers in Anchor-run council-funded PFI adult social care homes. These are precisely the communities which Labour was set up to protect;</i></p>
<b>27 Transit Traveller Site</b>	<p><i>27 - Introduce a Transit site for travellers - agree, good idea</i></p> <p><i>I can't believe that you want a transit site for travellers waste our money</i></p> <p><i>I've read it correctly you are putting money into traveler sites, not sure this is a good use of public monies</i></p>
<b>33 Second Home Premium</b>	<p><i>it would make sense to charge a Council Tax premium for second home and maybe remove the discount for single home owners like me.</i></p> <p><i>I agree with the premium on second homes, I would also suggest the council start to tax empty homes much more aggressively. Even up to 4 or 5 times premium.</i></p> <p><i>good that you intend to get money from absent landlords etc for empty homes.</i></p>
<b>24 Resident Permit Scheme</b>	<p><i>I also believe that permit areas/charges should all come into line across the board and be charged a little more than they do.</i></p> <p><i>I agree with some of the proposals, parking permits and premiums for empty homes are fair and proportionate.</i></p>
<b>30 Cultural Organisation Funding</b>	<p><i>I do not support the 'Cultural Organisations Financial Efficiencies' proposal. I would like to see funding for Culture Coventry Trust and Belgrade Theatre Trust maintained..... making Coventry a pleasant place to live and putting Coventry on the UK's cultural map.</i></p> <p><i>you should also CHARGE admission to Museums and art galleries.</i></p>
<b>25 Festive Light Sponsorship</b>	<i>Also Christmas lights etc isn't a good use of public monies.</i>
<b>32 Residential strategy</b>	<i>32. Expansion of Residential Strategy - agree</i>

Other comments received not relating to specific proposals.



Many comments received agree with the proposals at least in part or feel that some changes are inevitable. However, respondents feel caution is advised as the changes may cause unwanted consequences, these include fly tipping, illegal or nuisance parking, bin stickers being stolen, anti-social behaviours and fears around crime and safety and that Coventry already has a reputation for poor shopping experience will have their image further tarnished., these changes could have a financial impact in higher outlay and lost revenue.

Alternative suggestions such as more investment, not charging parking for the first 20 minutes, rejecting some proposals, and utilising the proposed spending in other ways are some of the suggestions put forward.

Some felt that there are impacts on equalities because of the changes while the impact on those with lower incomes was highlighted by many.

Some felt that there was not enough engagement, information, or access to the consultation.

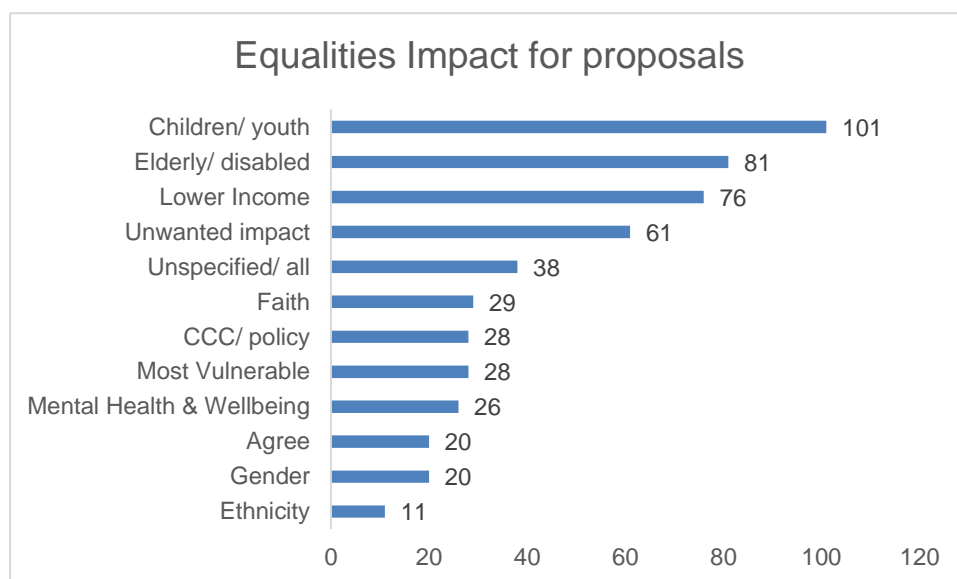
Theme	Comments
<b>Agree in part or whole</b>	<p><i>There appears to be little choice but to implement many of the proposals, sadly.</i></p> <p><i>I think the green bins are a good idea as many other la charge for this and the bin service in Coventry is not very good.....</i></p> <p><i>I think they are mostly good appropriate.</i></p> <p><i>Seem to be focussed in a way that protects essential services as far as possible.</i></p> <p><i>I understand that there is a limited amount of money to spend, and sometimes there have to be reductions in what we spend if the income can't be increased . When I budget the first thing I do is pay for the essentials and cut the luxury items. So, I would expect the same from the council.</i></p> <p><i>They seem reasonable, you are caught between a rock and a hard place.</i></p>
<b>Unwanted/ negative consequences</b>	<p><i>Fairly pragmatic, however stopping collecting garden waste will almost certainly lead to an increase of fly tipping which will need to be investigated/cleared.</i></p>

	<p><i>charging for green bin waste maybe see more fly tipping, misusing current bins like putting it in to the normal rubbish bins etc. Charging to park in Memorial Park again targets the vulnerable ..... could have a knock on effect in our areas and put pressure on other council services like Mental Health. Reducing street lighting is very dangerous as it then could have an impact on crime, burglaries, attacks. People will not feel safe to walk about their areas.</i></p> <p><i>..... think the suggestion of charging for the war memorial park car park is terrible. It's such an important accessible free space for so many to use and will hugely affect people's access to this space. It will also encourage people to park on the grass verges on Kenilworth road and along the streets nearby which will increase road accidents and can be dangerous for pedestrians. I assume the council will then want to install bollards or fencing to deter the on road parking which will cost the tax payers a fortune and defeat the object of the parking charges.....</i></p>
<b>Alternative Suggestions</b>	<p><i>stop putting homeless people in hotels as temp accommodation, it costs a fortune .....I would suggest as many streetlights off as possible.</i></p> <p><i>Cuts need to be mainly focused on the biggest spending areas Perhaps you should focus on people who don't pay their council tax rates.</i></p> <p><i>i think coventry council should abandon the food waste collection totally and not waste money on it. Increasing the charges for people for parking at the memorial shouldn't happen until the cycle network to the park is developed</i></p>
<b>Equality Impact</b>	<p><i>Any cuts to services for those most in need e.g. SEND is a concern.....</i></p> <p><i>Some cuts may be necessary but overall safety and welfare of residents, particularly children and elderly is of prime importance ..... biggest concern is that the proposals overall place the responsibilities for services back onto the service user, who may not be able to afford the measures, particularly given rising costs - ..... onus for adult social care on the adults dependent on it, or on transporting vulnerable groups to education back onto the families who ..... create inequality and put barriers to access in place ....., in the name of saving costs. Access to leisure spaces will be restricted based on who can afford the fees, and the same with accessing the town centre.</i></p>
<b>Impact Low Income Households</b>	<p><i>People on benefits, are the lowest income households in this city, and the ones most struggling in the cost of living crisis. The fact that Coventry Council are even considering reducing the Council Tax Support for this group takes my breathe away. It certainly seems that although having worked all my life in full time employment, that now I am disabled and have ill-health the council want to make my life even more difficult than it already is.</i></p> <p><i>..... the proposals will put more stress and worry on the poorest and most vulnerable ..... energy price rises, rents,</i></p>

	<p>food, mortgages and car fuel costs, for some ..... income is already not enough to cover the basics of managing their own family budgets. It is wrong to expect those on the lowest incomes to have to contribute to filling the funding gaps created by Central Government's restricted funding to Councils across the UK.</p> <p>The new £40 charge/bin whilst sounding small is more significant as a % for the lower tax bands, a tax band A is an effective CT (Council Tax) increase of 2.7%, Band D 1.8% increase and Band H 0.9% increase (assuming household has a single bin). On top of the proposed 5.2% CT increase this is effectively a stealth tax.....</p>
<b>Communication/ Information</b>	<p>The budget proposals document is way too complex for a regular member of the public to understand. As such, you should not expect to receive any constructive feedback on this from the Coventry public.</p> <p>I think there is not much detail in the documentation provided - the largest savings seems to come under "management actions" which is extremely vague and is likely to have an impact on staff across the organisation.</p> <p>Difficult to have a view on proposals that are not fully explained.</p>
<b>Environmental concerns</b>	<p>..... If people travel to tips it will have a negative impact on the environment.</p> <p>brown bins should still be covered by council tax and not paid extra - adding the extra charge will discourage people from maintaining the green areas, which will mean more astroturf and slabs in the city which will contribute to warming up, also, people will simply start using green bins, nobody will go to the tip.</p> <p>..... over 300 pupils will need to make their way to school independently and a proportion of those will have no choice but to be transported via car. This would cause massive disruption to the local area as well as having a significant environmental impact on the local areas. As a local resident I am concerned about this.</p>

## Equalities

Respondents were asked which groups they thought may be impacted and how by the proposals. The graph below shows the comments received by theme.



Those responding to the consultation feel that those within the young people category would be disproportionately negatively impacted especially by the withdrawal of a bus service to Bishop Ullathorne School, this includes safety and safeguarding fears, parents say that girls as young as 11 will be leaving home at 6:30am to get to their preferred school, some felt that the changes specifically negatively impact faith groups.

Those within the elderly/disability category could be negatively impacted closely followed by those with lower incomes including those in work, this is especially in relation to War Memorial Park parking, the SEN evaluation and garden waste charges. Again, caution was advised as respondents feel that the changes may have consequence or negative impact. The impact on those on low incomes and the impact of the cost of living received many comments, especially around changes to garden waste removal and council tax support changes.

The proposed fees at the War Memorial Park could have a detrimental impact on mental health and wellbeing, and the impact on the most vulnerable were raised, some felt the changes would negatively impact everyone equally. Others said it would impact parents on the school run, who feel that congestion and on street parking could present an increased danger to their children.

Women and those pregnant would be disproportionately negatively impacted, being especially vulnerable should lights be switched off, they are more likely to have childcare responsibility, a small number felt that some ethnic groups would be more likely to work shifts and be vulnerable to both crime and hate crime should the lighting be switched off.

Equality Theme	Comment
<b>Children &amp; Young people</b>	<p><i>Danger and risk for our vulnerable teens/young people. Town is not a safe space to allow your teenagers to walk through alone and the current infrastructure means this has the potential to increase her school day by 4 hours in total</i></p> <p><i>My daughter already leaves the house at 7.20am in the dark to walk to the local bus stop 10 minutes away, the thought of her having to leave even earlier &amp; travel into Coventry city centre on public transport concerns me a great deal and is something I do not consider safe for an 11 year old. I would not let her travel on a bus at this age by herself outside of school let alone on a daily basis.</i></p>
<b>Elderly/ disabled</b>	<p><i>car charges at the park will deter children, Mums, the disabled, the elderly, walkers and dog exercises. The park businesses will suffer as a result.</i></p> <p><i>The park was given to the people of Coventry and this proposal is counter to the original intention.</i></p> <p><i>The charge on garden waste will have a disproportionate effect on the elderly and disabled.</i></p>
<b>Low-Income Households</b>	<p><i>This will cause more of an issue for people in low budgets and the disabled who often have lower income.</i></p> <p><i>As ever, the proposals WILL impact most on those who can least afford to pay more, and the suggestion that 'free' refuse disposal is available to those with cars and time is outrageous and fundamentally discriminatory.</i></p> <p><i>I suspect those who work hard but aren't on high incomes may lose out (despite the 'disregarded amounts'). Those who don't declare all income or moonlight "off record/cash in hand" - no doubt, some of whom are on C/Tax support, are sitting pretty because locally and centrally, government is not doing enough to look at/investigate this.</i></p>
<b>Unwanted Consequences</b>	<p><i>I am going to have to either reduce my hours or stop work to be able to get my child to Bishop Ullathorne</i></p> <p><i>Clearly switching off street lights will eventually cause a death through an attacker not being seen - but that may not be visible as its hard to quantify. The council tax relief cut will hit less well off but they mostly don't vote</i></p> <p><i>Anyone without their own transport cannot take items to the tip. They should not be expected to pay more on top of the council tax. This will only increase fly tipping.</i></p>
<b>All impacted/ No specific group</b>	<p><i>I don't think this is a win for anyone.</i></p> <p><i>The proposals seem quite balanced with no groups disproportionately impacted. I would like to have seen something more around industry and business contributing to the load alongside residents in terms of income generation, but perhaps that features elsewhere.</i></p> <p><i>stop categorising people we are all in this together rich or poor</i></p>
<b>Faith Groups</b>	<p><i>It will have a negative impact on Roman Catholics, and a further negative impact of those at secondary schools who access SEND.</i></p> <p><i>Religious discrimination to the Catholic Community by removing the bus service with no alternative solution for these children to get to school and have an education.</i></p>
<b>Mental Health &amp; Wellbeing</b>	<p><i>Charging to park in memorial park is going to impact peoples mental and physical health. Many people rely on daily exercise, or just sitting</i></p>

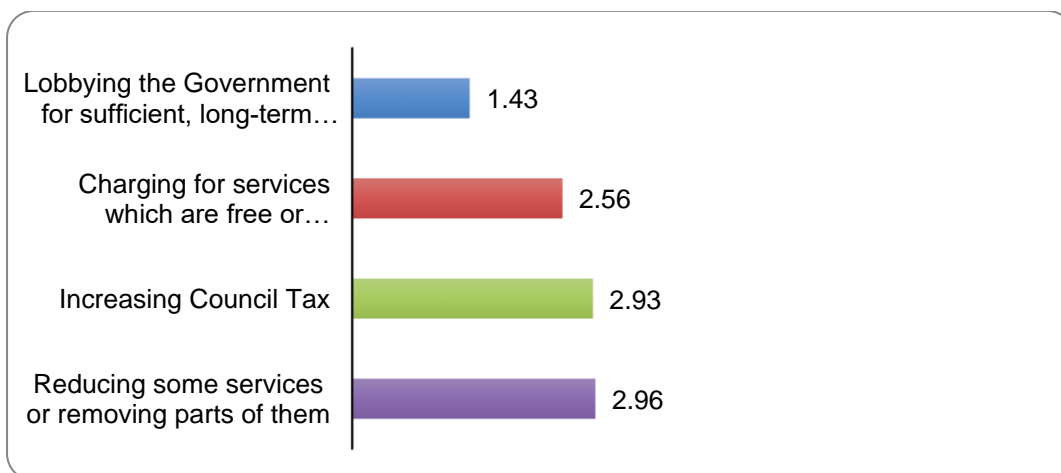
	<p>on a park bench to get into the fresh air, de stress, or meet with friends. Park run has been very popular, and many people come to the memorial , as it has free parking. They then spend money in the cafe, go to central six or city centre. They are left with a feeling Coventry is a welcoming city and may be more likely to think to come here for shopping or leisure activities. If you start charging for parking, people may stop going out, which will impact on their mental and physical health. This will then cost more in the future with support services.</p> <p>If parks, libraries, leisure centres are cut or closed completely, this could have a detrimental effect on people's health and mental wellbeing which in turn will put even more pressures on Adult and Children's social care.</p>
<b>Council &amp; Policy</b>	<p>Reducing cars on Coventry roads should be given more priority by the council in order to reduce the carbon foot print of the city and a more pro active approach to provide alternatives for people without cars.</p> <p>..... lived in Coventry all my life and in the last 50+ years the roads have got worse, the rubbish has built up, the crime has increased ... it's not the party who is in charge - that doesn't matter - it's how well the people who have the power to do good things spend it and get things done in the right way - in Coventry that it our council .... and as a working, straight, white, male with children who drives a car because I have to be able to do my job, I've seen very little good done by our council really, I'm afraid.</p>
<b>Most vulnerable</b>	<p>Street lighting - negative for the majority of residents, including women and vulnerable people. My partner tells me she avoids unlit pathways, and this upsets her as it takes her longer to walk home from work.</p> <p>Cutting services will have a knock on impact on the most vulnerable service users above all else. Placing the cost back on the consumer when we have record levels of tax burden and record levels of inflation whilst at the same time increasing council tax across the board is a callous way to close the funding shortfall in a part of the country where families are already struggling and without support</p>
<b>Agree in part/ understand</b>	<p>About time people stopped expecting hand outs and support for every day things, we did not have support for everything years ago and managed quite well.</p> <p>Good idea to get more partners on board for Godiva festival and the Caribbean festival if they can't be found then cancel them. Rate payers shouldn't pay. Personally, I think. It's got to big it's lost it's community spirit.</p>
<b>Women</b>	<p>Negative for disabled people, pregnant/maternity, age - eg parking charges even though these groups may have low income. Potentially dangerous for these groups if street lights turned off and they have to leave their home at night and it'll be completely dark due to no street lighting (eg to catch a flight, go to emergency hospital go into labour etc)</p> <p>Women will be more impacted as they often take on a caring role - for example with the increased costs for SEND school transport. Things which affect low-income households like the council tax support reduction will disproportionately affect many marginalised groups who are already disadvantaged in the job market due to discrimination</p>

<b>Race/Ethnicity</b>	<p><i>Turning lights off will impact minority communities as it would further enhance fears having to walk in the dark and will make them feel less safe.</i></p> <p><i>- racial and religious minorities may face more hate crime while its done as statistically darker areas are more prone to crim</i></p> <p><i>elderly people - negative and BAME - disproportionately affected as they earn less than white</i></p>
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## Ways to Make Savings

Respondents were asked to rank ways the Council could make savings.

They were asked to rank them with 1 being their most preferred option and 4 their least preferred option. The smaller the number shows the most preferred option.



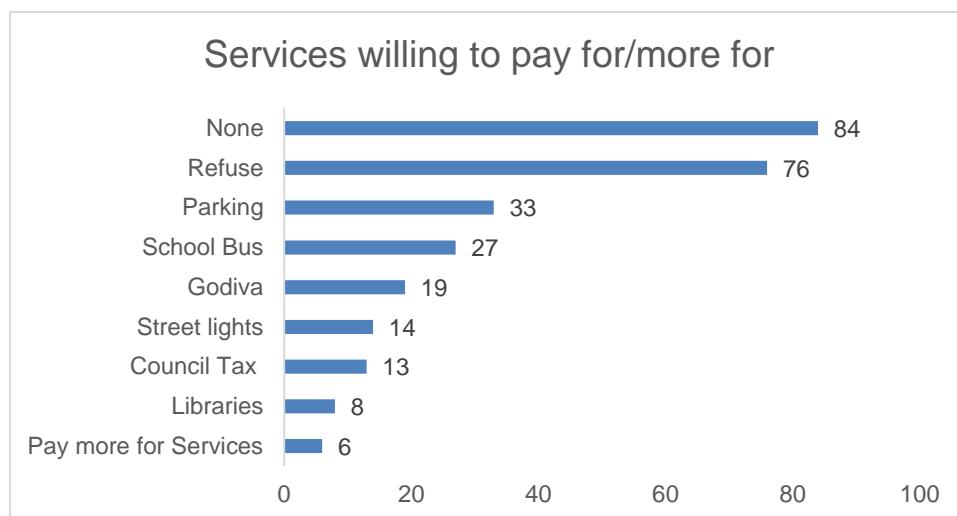
Lobbying the government was the most popular response, followed by charging for services which are free.

The least popular responses were increasing council tax and reducing some services or removing parts of them.



## Pay for Services

Respondents were asked if there were any Council services that respondents would be willing to pay for/pay more for. All comments have been themed manually. The graph below shows the number of comments by theme.



Most comments reflect the view that people pay enough in Council Tax and do not feel they access many of the services provided.

Respondents on the whole seemed prepared to pay for garden waste collection, although a number queried how this may raise incidences of fly tipping. Some respondents were also prepared to pay more for parking with the proviso that enforcement was increased. On the other hand, the issue of not paying for parking at the War Memorial Park was raised.

A number of respondents stated that they would be happy to pay more to ensure they had school bus services.

A few respondents stated they would be happy to pay more for Godiva and see street lighting turned off between certain hours.

Libraries were mentioned as services they were keen to see preserved. It was queried whether there could be a voluntary donation scheme introduced for using libraries, like in museums.

Some respondents stated they would be happy to pay more Council Tax if this ensure that services for the most vulnerable remained, Similarly, respondents stated they would be happy to pay more for services they received and that this should be means tested so the most vulnerable are not affected by this.

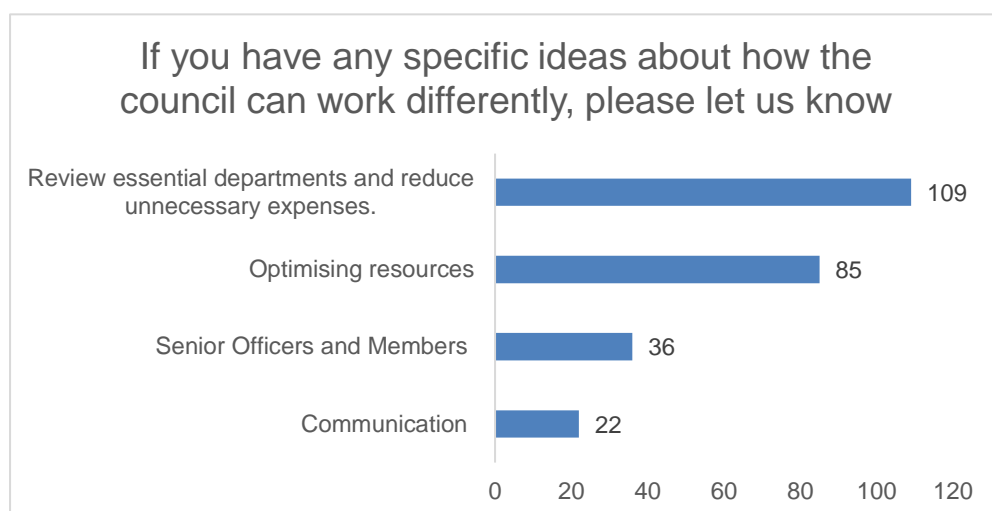
Other suggestions received were for the Council to go paper free in terms of their Council Tax billing, Citivision etc.

Theme	Comments
None	<i>No - already pay very high council tax and see little benefit from it - particularly disappointed at litter and state of pavements. I don't think I use any free services. I'm not sure of what services I use.</i>

	<i>No. I use very little and feel I am not getting value for money already</i>
<b>Refuse</b>	<i>£40 a year for garden waste seems low - however this may increase fly tipping Garden waste disposal is charged for in other areas. Regarding the Garden bin scheme, £40 per year is good value. Charging £40 per year for the 'normal' rubbish bin collection as well, I would be willing to do that too. I would pay to use the tip, up to £5 a time. I would pay for garden waste bin but it comes with some provisos 1. Could it lead to garden waste being dumped elsewhere (ditches, common land etc.) and 2. Could bins with a 'paid' sticker be stolen and used elsewhere.</i>
<b>Parking</b>	<i>Parking provided the funds raised went to council funds and not a third party- including parking at local parks I DO NOT agree with charging for first 2 hours to park at War Memorial Park Increase car park charges in line with inflation. I'd like to see more/stronger parking enforcement.</i>
<b>School Bus</b>	<i>I would pay more to keep the mainstream home to school bus routes I am already paying £330 per child for the school bus service. I would be willing to pay more to keep the service and remain in full time employment. would pay more for the subsidised school buses. to ensure my children get to School safely</i>
<b>Godiva</b>	<i>Godiva Festival - ticket prices should be increased. You could charge more for tickets for people who are not Coventry Council taxpayers Godiva festival - charge more in line with other festivals. It is a choice to attend as leisure activity.</i>
<b>Street Lights</b>	<i>I would advocate for most streetlights to be turned off at night. I like the idea of reducing lighting overnight as this will reduce the overall light pollution that the city is creating</i>
<b>Council Tax</b>	<i>I would not mind an increase in council tax if it was going on public services not on paying for early retirement and golden handshakes to people. I think it would be more efficient to increase council tax for everyone (with reductions for those on benefits/low wages etc) rather than administer complex charging systems for individual services.</i>
<b>Libraries</b>	<i>I would pay to use the public library but charge for that service would deter people on low incomes - could there be voluntary donations like in museums? I would be willing to pay more for library services - education is a help when you are trying to get back into work</i>
<b>Pay for services</b>	<i>I would be happy to pay for any service and pay moderate increased in line with inflation. I would not appreciate less of any service. It depends on one's financial circumstances. I would pay more for all services if I could afford them. If people cannot afford them, they should not have to pay.</i>
<b>Other</b>	<i>Council tax annual paperwork could be by email to save on postage if people opt for this. Happy to stop receiving City Vision - I can get update information on CCC webpage</i>

## Council Working Differently

Respondents were asked “If you have any specific ideas about how the council can work differently, please let us know”. The graph below shows the comments received by theme.



Many suggestions were to review essential services, reduce unnecessary spending, reduce and improve staff performance.

Encouraging corporate social responsibility, using cost-cutting measures such as turning off streetlights, reducing the frequency of bin collections and minimising unnecessary maintenance, along with enforcing parking fines and car parking fees were all suggestions on how the council could work differently.

Reducing the number of councillors per ward and significant salary cuts for executive positions and councillors alongside a reduction on spending and excessive travel for those in senior positions were proposed by some respondents.

Other ways the council could work differently was through the accessibility of information, recognising that not everyone is digitally inclined. There was a desire amongst respondents to ensure that crucial information is disseminated both online and in print. Respondents welcomed more public consultation, highlighting the importance of asking residents about their needs and concerns.

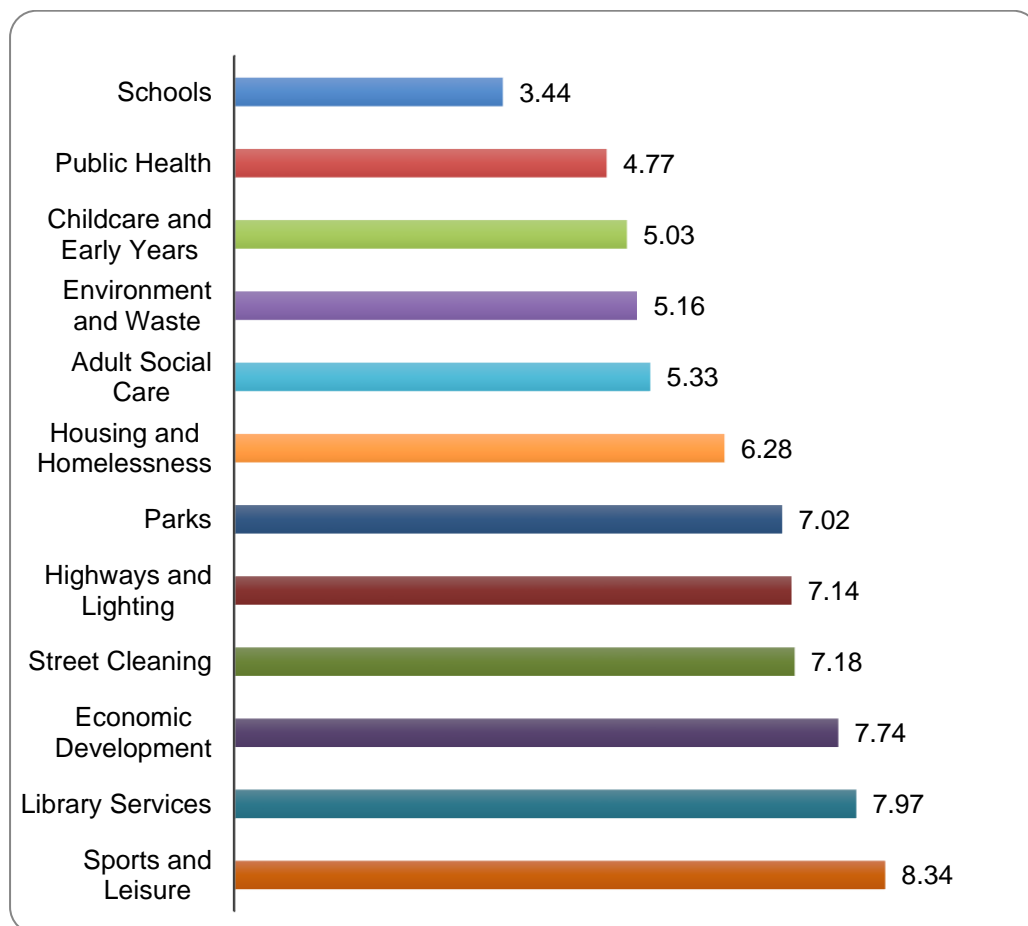
Theme	Comments
<b>Review essential departments and reduce unnecessary expenses.</b>	<p><i>Review what are essential departments and what are 'nice to have' departments. Encourage work from home to reduced business running costs.</i></p> <p><i>Higher standards for staff at all levels would reduce costs.</i></p> <p><i>Stop wasting money on pointless roadworks when there's more important fixes to be done. Rather than building barely used additions.</i></p> <p><i>Review the internal structure of how Coventry City Council operates, review where there are similar or duplicated roles within the structure.</i></p> <p><i>Conduct a time and motion analysis of how all staff spend their time to understand true productivity. Cost savings could be made through streamlining the internal departments and structures.</i></p>

<b>Optimising resources</b>	<p><i>Maybe ask local larger business to give back to the communities? i.e. contributing towards supporting homeless eat / low income families. What social value will they bring bar local jobs...</i></p> <p><i>Switch off the streetlights, cutback on unnecessary mowing during summer and stop cutting down trees altogether except when they actually cause an obstacle</i></p> <p><i>Investing more to generate income and save long term has to be a thoughtful long term solution. i.e. Coffee shops in libraries is a good idea and good use of space to generate income. They also encourage more footfall in those services and promote more use.</i></p> <p><i>More parking fines for reckless parking around schools.</i></p> <p><i>Find the money for school buses by removing other services.</i></p> <p><i>Change green lidded bin collections to once a month so people start recycling more. So many people in Coventry don't bother and dump all of their waste together in the green bins! I haven't even ever used my green bin!! London has a much stricter policy and hardly collects black bags.. Coventry should follow suit.</i></p>
<b>Senior officers and members</b>	<p><i>Reduce the number of Councillors per ward or just vote for all of them every 4 years instead of one each year for three years.</i></p> <p><i>Please have a look at positions within the Council top levels and have their salaries reviewed.</i></p> <p><i>Stop wasting money on corporate events, monies used on travel / mayor.</i></p> <p><i>Stop wasting money on those higher up and start using it as it should be for those who need it. Including bus service for children to keep them safe</i></p>
<b>Communication</b>	<p><i>Not everyone is digitally able, so may not see things on-line, print media is still important to some, yet the C E Telegraph tends to be mostly adverts now, and hard to find really news items. Decide how best to get information to all residents as the same time.</i></p> <p><i>ask residents what needs to change</i></p> <p><i>The council has not spoken to community groups about the impact this will have of children all over the city. More consultation is needed. Consultation, listening and responding ! Taking into account the feelings, ideas and needs of Coventry citizens.</i></p>

## Prioritisation of Services

Respondents were asked to rank Council services in order of importance to themselves.

They were asked to rank them with 1 being their most preferred option and 12 their least preferred option. The smaller the number shows the most preferred option.



This is the first time this type of question has been asked and a number of respondents stated that they could not rank the services as they are all equally as important.

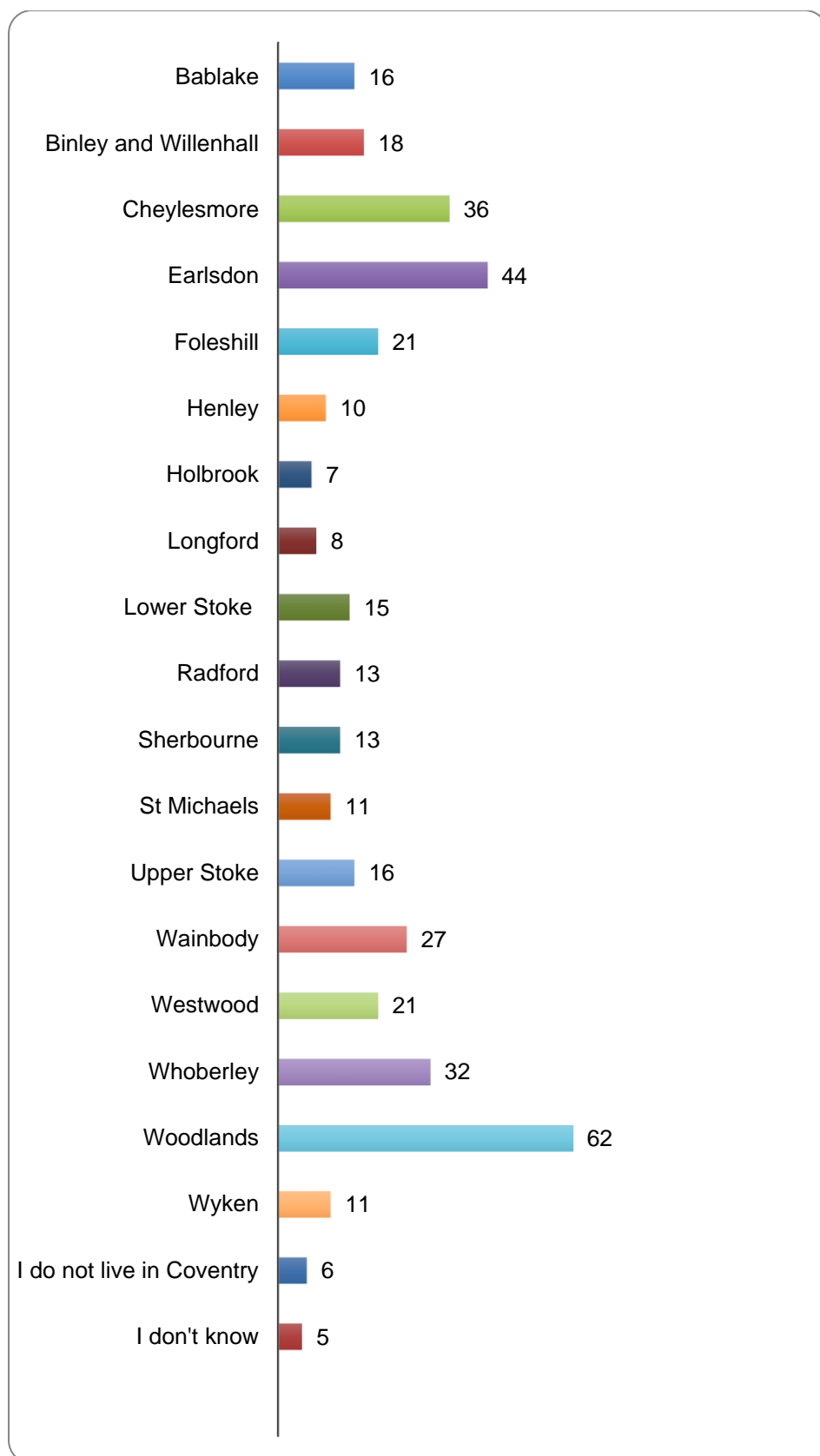
## Any other Comments

Many of the comments received reiterated the points already raised within the Consultation. A number of respondents described difficulties with ranking services, one person said it was like picking a favourite child. Some suggested more engagement and opportunities to have a say earlier and in different formats.

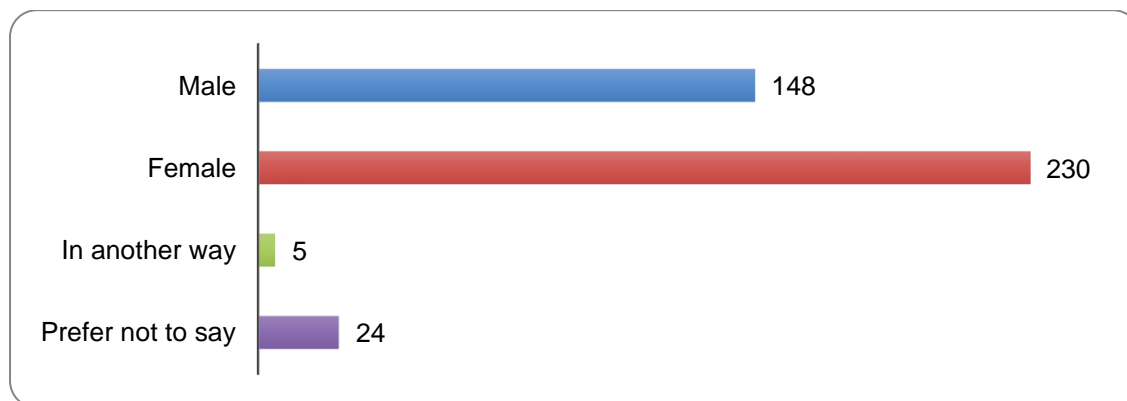
The political landscape was raised throughout the survey, as was the cost of living and an understanding by many that difficult decisions need to be made. The importance of equity and prioritisation of the most vulnerable, early years, and the elderly is evident throughout.

## Profile of **Survey Respondents**

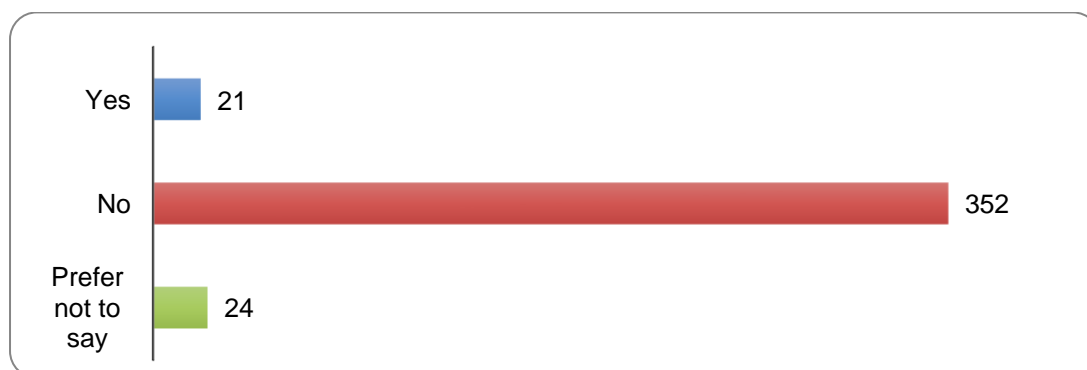
All charts show the number of respondents in each category



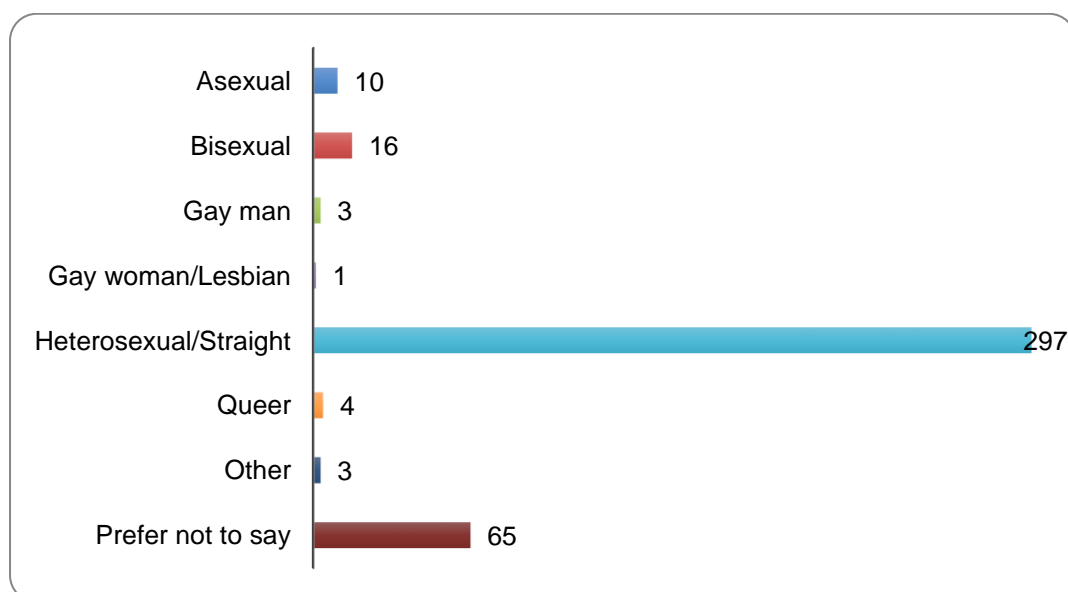
How would you describe yourself?



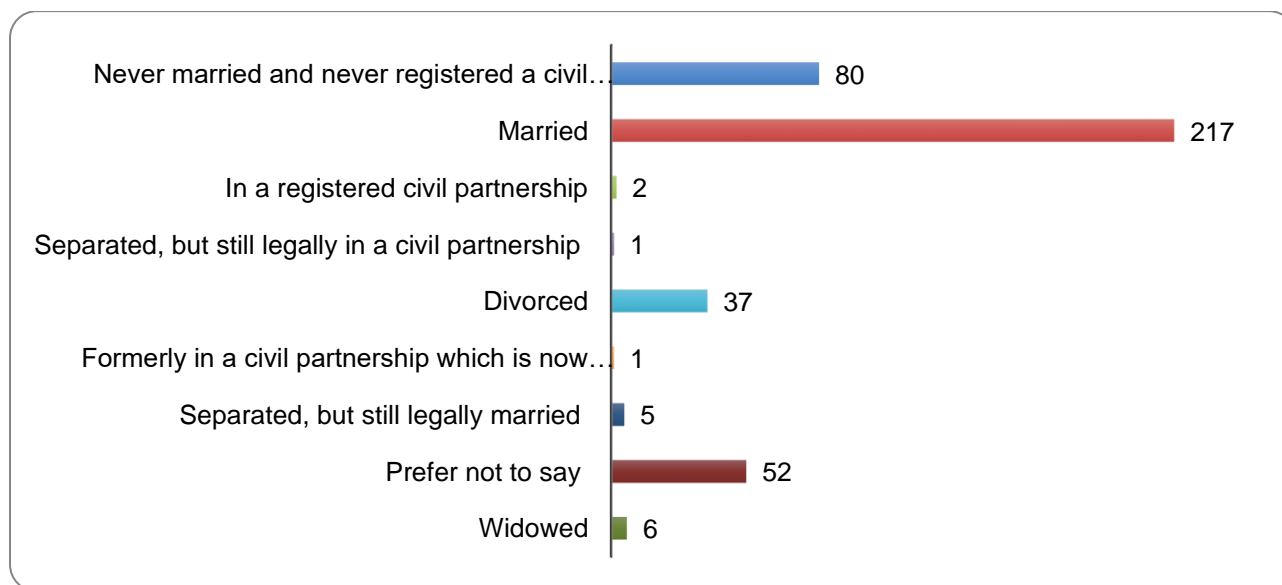
Is your gender different from the gender you were assigned at birth, or do you prefer not to say?



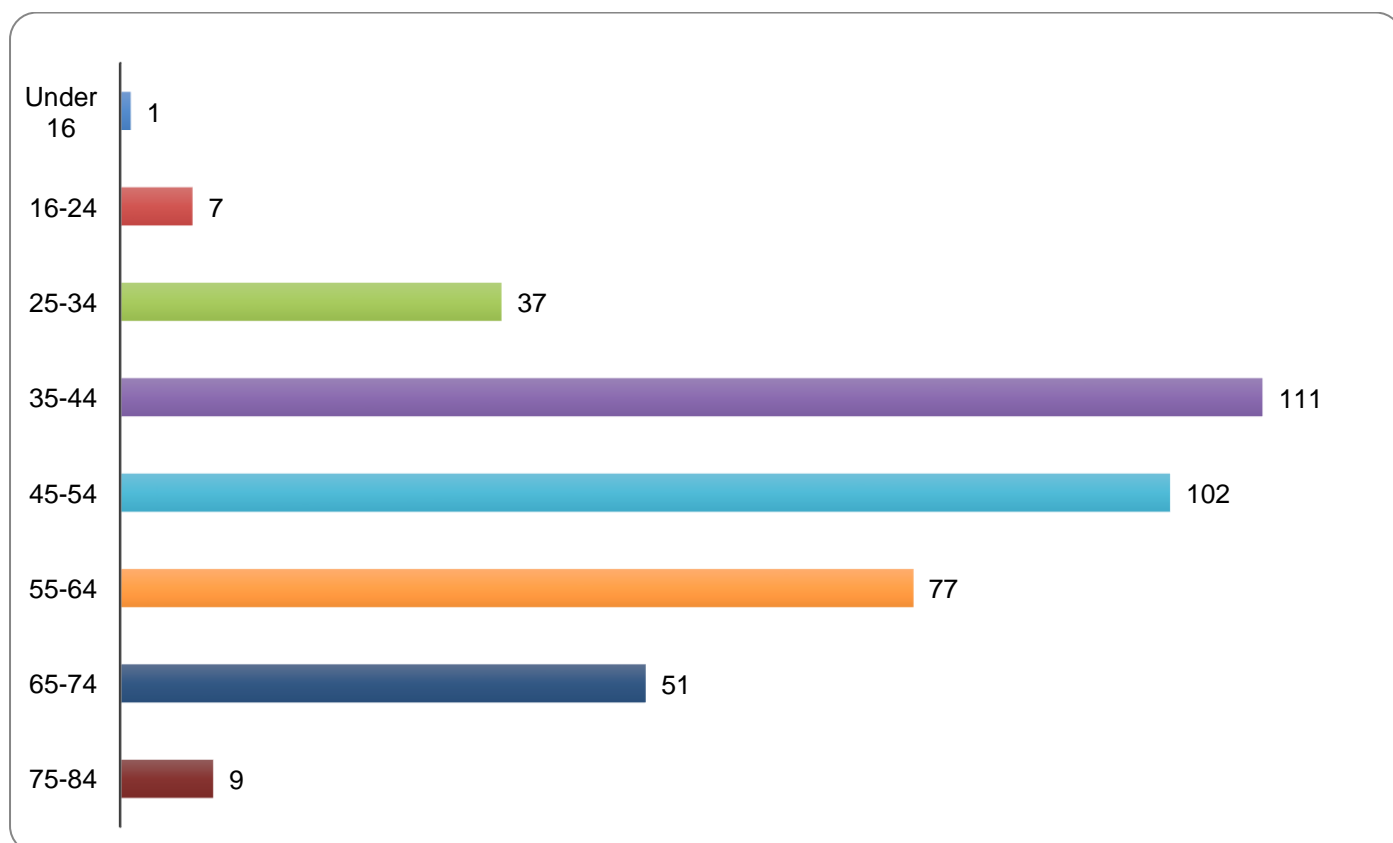
What is your sexuality?



What is your legal marital or civil partnership status?



What age group are you in?

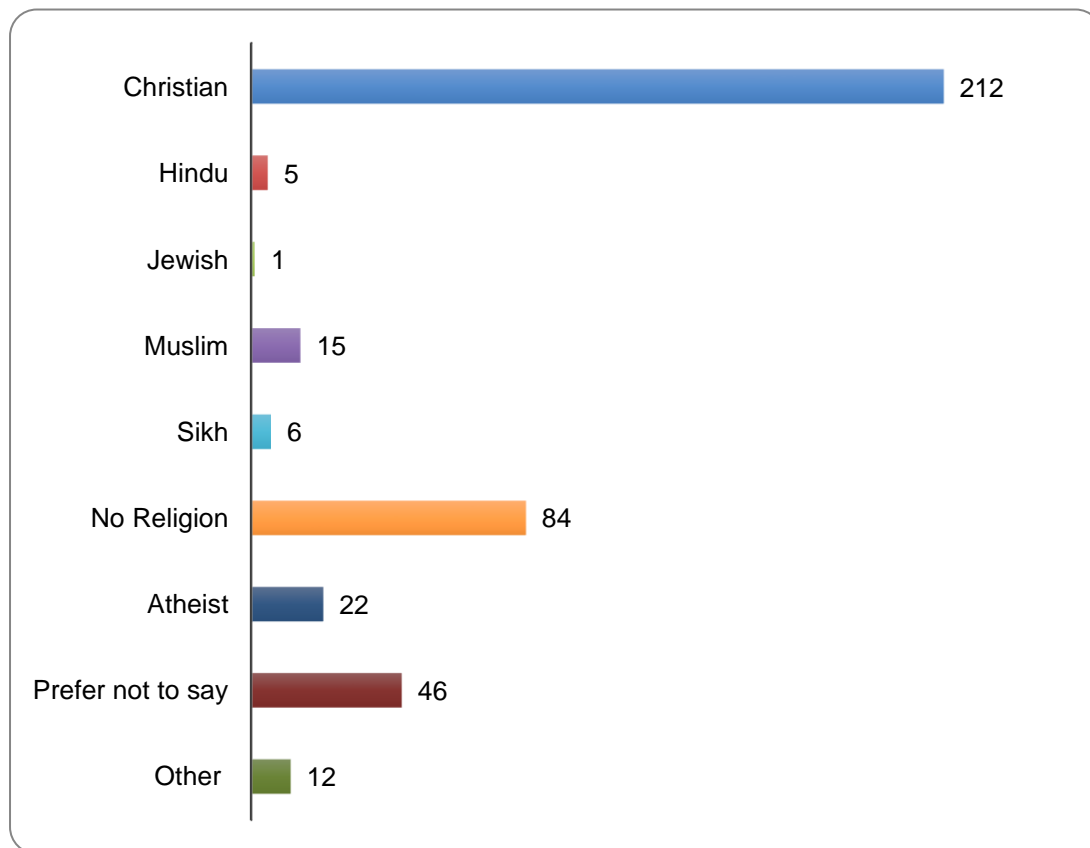




Which of the following best describes your ethnic background?



Do you consider yourself to be?



Do you consider yourself to be a disabled person?



Do you, or a member of your immediate family, currently serve, or have previously served, in the armed forces?



## Email Responses

21 responses were received, the majority of which were relating to the school bus service. Two were relating to car park charges, Memorial Park and City Centre.

Coventry TUC opposes the Council's budget proposals and criticises the Labour Council for cutting jobs and services, raising fees and charges, and increasing council tax by 5%. They argue that the Council's strategy of accepting the central government's financial constraints has failed to protect the city's services and communities. They oppose the cap on council tax benefits, the increase in charges for transport and care services, the switch-off of streetlights, and the review of Council-owned assets.

Zarah Sultana, MP urges the Council to find a way to continue the subsidised bus routes to Bishop Ullathorne School and Blue Coat School and believes it is vital that the Council maintains a maximum Council Tax Support (CTS) entitlement of 85%, as the proposed reduction to 75% will impact over 15,000 low-income households in Coventry and force them into debt. She acknowledges the challenges faced by the Council due to the funding cuts and the unfair local government funding formula imposed by the Conservatives.

Emails were received from Coventry Independent Advice Service, Central England Law Centre and Warwick Law in the Community all relating to Proposal 16 – One Coventry. These responses were given detailed consideration.

These consultation responses highlighted:

- Their opposition to potential cuts in funding for advice provision and the negative impact that they perceive this would have on the most vulnerable groups at a time when people are still struggling with:
  - The Cost-of-living crisis,
  - Poor, or lack of, housing
  - Universal Credit migration,
  - Digital exclusion,
  - Poverty and
  - Fuel poverty.
- The value of independent advice provision in supporting residents who engage with voluntary sector partners and who do not come into contact with council services and/or residents who are from hard-to-reach groups.
- That any future model of delivery for advice services needs to focus on the most vulnerable residents irrespective of whether residents approach the council or other partner agencies.
- Importance of face-to-face service delivery to support the most vulnerable residents.
- The additional funding that the advice sector brings to the city, either from other funding arrangements and/or by helping residents to increase their income.
- The importance of core funding from the Council and how this supports the advice sector to attract other sources of funding.
- Specific comments were raised in relation to the Equality Impact Assessment, which has been updated to reflect, as appropriate, the comments received, including those relating to:
  - Use of the most appropriate data sources including local and national research to assess any potential equality impacts.
  - The need to ensure that further data analysis makes use of comparable data.
  - The need to ensure that equalities monitoring data is fully captured at the right point of contact and/or reflects instances where this isn't captured.

## Comments to Consultation Response

The review and redesign of the Council's advice provision along with the Equality Impact Assessment will continue to be developed and updated as the work progresses around the most appropriate future delivery model. Any appropriate governance needed will be put in place following the completion of the review and prior to the implementation.

All comments have been incorporated into our theming of open-ended responses.

### Feedback from Consultation Meetings with Local Residents

Two sessions were held on January 24 and February 1, one face to face and one online session. 41 people registered to attend. The sessions involved discussion on the challenges and opportunities of managing the council's finances in the face of funding cuts, rising demand, and changing needs.

Questions raised, covered include council housing, homelessness, council tax, green waste, taxi licensing, school buses and public assets: The participants expressed their views and opinions on various aspects of the council's services and policies, such as whether to pay landlords or provide their own homelessness accommodation, whether to charge for green waste collection, whether to lobby for re-establishing council housing, and whether to use reserves or sell assets.

They also questioned the role of the council in the LGA, the status of the university and business rates, and collection of council tax. The lack of recently published accounts was raised.

### Feedback from Engagement Sessions with Council Workforce

Two sessions were held on January 10 and 23. Thirty-nine employees registered to attend.

The questions covered topics such as the council's role as a tariff authority, the funding formula, the possibility of issuing a section 114, the details of proposal #16, the LGA's actions, the impact of student housing, fly tipping fines, ulez charge, energy costs, central government change, and raising money through more use of school car cameras.

### Feedback from Engagement Session with Coventry Chamber of Commerce

A meeting was held with the Chamber of Commerce on 2 February 2024 to understand the views of local businesses on the Council's budget proposals.

Questions were asked on what proportion of the Council revenue is from collection of Council Tax and if Coventry is looking to promote itself as an "energy cluster". Issues raised were on the pressures on the education system, city centre occupancy rates and what incentives could be offered to encourage occupancy and the lack of flexible workspace for micro businesses in the city centre.

The Chamber were supportive of our approach and offered to be used as a network to aid lobbying of central government. They are also keen to partner with the Council to promote the city.

### Petitions

On 5<sup>th</sup> February 2024, the Cabinet Member for Strategic Finance and Resources heard three petitions that had been submitted in relation to the budget setting proposals for 2024/25 to 2026/27. In line with the Council's Petition Scheme, the Petition Organisers and Councillor Sponsor had been invited to attend the meeting to outline their concerns to the Cabinet Member. The comments and issues raised would be considered as part of the consultation process for the Budget Setting proposals for 2024/25 which would be considered by Cabinet and Council at their meetings on 20<sup>th</sup> February 2024.

Details of the three petitions and the issues raised are presented within Appendix 4 to the 2024/25 Budget Report.

**Petitions Relating to the Budget Setting Proposals 2024/25**

On 5<sup>th</sup> February 2024, the Cabinet Member for Strategic Finance and Resources heard three petitions that had been submitted in relation to the budget setting proposals for 2024/25 to 2026/27. In line with the Council's Petition Scheme, the Petition Organisers and Councillor Sponsor had been invited to attend the meeting to outline their concerns to the Cabinet Member. The comments and issues raised would be considered as part of the consultation process for the Budget Setting proposals for 2024/25 which would be considered by Cabinet and Council at their meetings on 20<sup>th</sup> February 2024.

A petition had been submitted headed 'Memorial Park Free Parking', bearing 3307 signatures, relating to the proposal to remove the current 3 hours free parking at the War Memorial Park and to standardise parking charges with those at Coombe Abbey Park.

The issues raised were summarised as follows:

- Parents used the War Memorial Park car park to park their cars to walk children to and from Styvechale Primary School.
- The proposed charges would result in additional parking pressures on nearby roads and the café in the park would attract less patronage if people changed their parking habits.
- It was likely that the proposed car parking charges would not achieve the income target of £150k.
- Additional monies had recently been received from Government and those, along with the surplus from the budget proposals, would allow a balanced budget without the inclusion of the proposed parking charges at the park.
- The charges could have an adverse impact on the Earlsdon Liveable Neighbourhood Scheme proposals, due to the likelihood of more cars being parked in nearby streets.
- The proposals did not fit with the promotion of healthier living as part of the One Coventry Plan, if the charges deterred people from using the park.
- The War Memorial Park should not be compared to Coombe Abbey Park as the parks were used for different purposes.

Two petitions had been submitted in relation to the proposal to remove funding that subsidised the provision of non-statutory school transport, affecting 5 dedicated school routes to Bishop Ullathorne Secondary school and an extension to a public transport route serving Blue Coat Secondary school, affecting approximately 400 pupils. The Council had provided funding to subsidise these routes following a commercial provider ceasing to operate during the pandemic in 2020. The Council would continue to provide bus passes for children entitled to statutory support for home to school transport to enable them to utilise the public transport network.

The first petition was headed 'Save Our Buses' and contained 538 signatures.

The second petition was headed 'Removal of Funding Subsidy to Faith School Bus Routes' and contained 250 signatures.

The issues raised were:

- Public transport buses were already full to capacity.
- More buses were needed to ensure all children could be accommodated.
- If the funding was removed and the school buses were stopped, children would not be able to get home safely and reliably.
- Petition organisers had contacted the Mayor for the West Midlands and Transport for West Midlands about the issue but had received little or no response.
- The need for pupils to travel to and from school safely and reliably has not gone away since the pandemic.
- Traffic volumes, due to parents using cars for school drop-offs and pick-ups, would increase and the impact on the environment and the air quality would decrease.
- It was necessary to arrange an additional bus service using the same route with an appropriate provider.
- It was suggested that the City Council, Transport for West Midlands, and the school should work together to find a solution for the future.

2023/24	CABINET MEMBER PORTFOLIOS	Budget Decisions Brought Forward	Pre-Budget and Final Budget Changes	2024/25 Final Budget
£'000		£'000	£'000	£'000
2,229	Policy and Leadership	1,905	0	1,905
10,141	Policing and Equalities	11,137	(371)	10,766
9,261	Strategic Finance and Resources	14,874	183	15,057
94,451	Children and Young People	98,607	1,234	99,841
22,805	Education and Skills	22,839	3,255	26,094
(6,850)	Jobs, Regeneration & Climate change	(6,102)	(142)	(6,244)
41,758	City Services	44,256	(3,044)	41,212
102,441	Adult Services	116,165	(546)	115,619
1,527	Public Health, Sport & Wellbeing	389	(998)	(609)
17,831	Housing and Communities	16,495	5,045	21,540
<b>295,594</b>	<b>TOTAL CABINET MEMBER PORTFOLIOS</b>	<b>320,565</b>	<b>4,616</b>	<b>325,181</b>
24,745	Borrowing and Investments	24,613	315	24,928
(73,868)	Contingencies & Corporate Budgets	(76,336)	(10,013)	(86,349)
15,041	Levies From Other Bodies	14,620	179	14,799
44	Parish Precepts	44	4	48
84	Revenue Contribution to Capital Spend	2,967	(2,967)	0
(1,137)	Contributions to / (from) Reserves	(2,018)	863	(1,155)
<b>260,503</b>	<b>NET BUDGET AFTER SPECIFIC GRANTS, FEES &amp; CHARGES</b>	<b>284,455</b>	<b>(7,003)</b>	<b>277,452</b>
Financed by:				
(164,440)	Council Tax	(173,949)	(1,949)	(175,898)
(96,063)	Business Rates	(110,506)	8,952	(101,554)
<b>(260,503)</b>	<b>TOTAL RESOURCES</b>	<b>(284,455)</b>	<b>7,003</b>	<b>(277,452)</b>

Gross Expenditure	Gross Income	2023/24	CABINET MEMBER PORTFOLIOS	Gross Expenditure	Gross Income	2024/25 Final Budget
£'000	£'000	£'000		£'000	£'000	£'000
2,229	0	2,229	Policy and Leadership	1,905	0	1,905
19,319	(9,178)	10,141	Policing and Equalities	19,773	(9,007)	10,766
84,162	(74,901)	9,261	Strategic Finance and Resources	90,578	(75,521)	15,057
105,808	(11,357)	94,451	Children and Young People	109,415	(9,574)	99,841
248,832	(226,027)	22,805	Education and Skills	270,601	(244,507)	26,094
14,353	(21,203)	(6,850)	Jobs, Regeneration & Climate change	16,174	(22,418)	(6,244)
71,209	(29,451)	41,758	City Services	68,640	(27,428)	41,212
157,353	(54,912)	102,441	Adult Services	179,773	(64,154)	115,619
24,795	(23,268)	1,527	Public Health, Sport & Wellbeing	24,956	(25,565)	(609)
38,614	(20,783)	17,831	Housing and Communities	39,795	(18,255)	21,540
<b>766,674</b>	<b>(471,080)</b>	<b>295,594</b>	<b>TOTAL CABINET MEMBER PORTFOLIOS</b>	<b>821,610</b>	<b>(496,429)</b>	<b>325,181</b>
26,392	(1,647)	24,745	Borrowing and Investments	26,575	(1,647)	24,928
538	(74,406)	(73,868)	Contingencies & Corporate Budgets	770	(87,119)	(86,349)
15,041	0	15,041	Levies From Other Bodies	14,799	0	14,799
44	0	44	Parish Precepts	48	0	48
84	0	84	Revenue Contribution to Capital Spend	0	0	0
3,245	(4,382)	(1,137)	Contributions to / (from) Reserves	4,019	(5,174)	(1,155)
<b>812,018</b>	<b>(551,515)</b>	<b>260,503</b>	<b>NET BUDGET AFTER SPECIFIC GRANTS, FEES &amp; CHARGES</b>	<b>867,821</b>	<b>(590,369)</b>	<b>277,452</b>
Financed by:						
0	(164,440)	(164,440)	Council Tax	0	(175,898)	(175,898)
0	(96,063)	(96,063)	Retained Business Rates	0	(101,554)	(101,554)
<b>0</b>	<b>(260,503)</b>	<b>(260,503)</b>	<b>TOTAL RESOURCES</b>	<b>0</b>	<b>(277,452)</b>	<b>(277,452)</b>

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## Appendix 6 – Capital Programme 2024-25 to 2028-29

### CABINET MEMBER: ADULT SERVICES

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Disabled Facilities Grant Programme	4,682	4,983	4,983	4,966	4,182	23,796
<b>TOTAL APPROVED PROGRAMME</b>	<b>4,682</b>	<b>4,983</b>	<b>4,983</b>	<b>4,966</b>	<b>4,182</b>	<b>23,796</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Grant	4,682	4,983	4,983	4,966	4,182	23,796
<b>TOTAL RESOURCES</b>	<b>4,682</b>	<b>4,983</b>	<b>4,983</b>	<b>4,966</b>	<b>4,182</b>	<b>23,796</b>

### CABINET MEMBER: CHILDREN & YOUNG PEOPLE

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Pathways to Care	100	100	100	100	100	500
Residential Children's Homes Strategy 2023-26	2,898	4,450	1,200	0	0	8,548
<b>TOTAL APPROVED PROGRAMME</b>	<b>2,998</b>	<b>4,550</b>	<b>1,300</b>	<b>100</b>	<b>100</b>	<b>9,048</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Capital Expenditure (from) Revenue Account	100	100	100	100	100	500
Capital Receipts	0	200	0	0	0	200
Grant	818	0	0	0	0	818
Prudential Borrowing	2,080	4,250	1,200	0	0	7,530
<b>TOTAL RESOURCES</b>	<b>2,998</b>	<b>4,550</b>	<b>1,300</b>	<b>100</b>	<b>100</b>	<b>9,048</b>

## CABINET MEMBER: CITY SERVICES

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Active Travel	3,214	0	0	0	0	3,214
CRSTS – Coventry South Package	9,900	11,967	0	0	0	21,867
CRSTS – Foleshill Transport Package	2,623	1,270	0	0	0	3,893
CRSTS – Tile Hill Station Interchange	400	0	0	0	0	400
Highways Maintenance & Investment	9,475	10,056	7,805	6,055	6,055	39,446
Information, Communication & Technology	909	909	909	909	909	4,545
Local Network Improvement Plan (LNIP)	2,584	2,034	2,034	2,034	2,034	10,720
Multi Storey Car Parks	541	0	0	0	0	541
Simpler Recycling	300	1,570	0	0	0	1,870
Social Housing Decarbonisation Fund Wave 2	14,342	0	0	0	0	14,342
Transportation Section 106 Programme	250	1,000	1,000	1,000	1,000	4,250
Vehicle & Plant Replacement	2,908	2,084	3,191	2,055	3,083	13,321
<b>TOTAL APPROVED PROGRAMME</b>	<b>47,446</b>	<b>30,890</b>	<b>14,939</b>	<b>12,053</b>	<b>13,081</b>	<b>118,409</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Capital Expenditure (from) Revenue Account	0	2,878	2,878	2,878	2,878	11,512
Capital Receipts	1,450	0	0	0	0	1,450
Grant	41,472	23,861	7,870	6,120	6,120	85,443
Management of Capital Reserve	0	0	0	0	0	0
Prudential Borrowing	2,908	2,084	3,191	2,055	3,083	13,321
Resource Switch – Prudential Borrowing	0	0	0	0	0	0
Section 106	1,616	2,067	1,000	1,000	1,000	6,683
<b>TOTAL RESOURCES</b>	<b>47,446</b>	<b>30,890</b>	<b>14,939</b>	<b>12,053</b>	<b>13,081</b>	<b>118,409</b>

## CABINET MEMBER: EDUCATION & SKILLS

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Basic Need	7,664	20,091	5,250	0	0	33,005
Condition	2,000	2,306	2,000	2,000	0	8,306
Devolved Formula Capital	489	489	487	414	0	1,879
Suitability / Access	100	100	0	0	0	200
Woodlands School	18,981	0	0	0	0	18,981
<b>TOTAL APPROVED PROGRAMME</b>	<b>29,234</b>	<b>22,986</b>	<b>7,737</b>	<b>2,414</b>	<b>0</b>	<b>62,371</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Capital Receipts	10,050	0	0	0	0	10,050
Grant	17,971	13,823	2,487	2,414	0	36,695
Management of Capital Reserve	1,000	0	0	0	0	1,000
Resource Switch – Prudential Borrowing	0	9,163	5,250	0	0	14,413
Section 106	213	0	0	0	0	213
<b>TOTAL RESOURCES</b>	<b>29,234</b>	<b>22,986</b>	<b>7,737</b>	<b>2,414</b>	<b>0</b>	<b>62,371</b>

## CABINET MEMBER: HOUSING & COMMUNITIES

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
City Centre Cultural Gateway	24,321	22,696	675	0	0	47,692
Homelessness – Phase 2	330	0	0	0	0	330
Housing Venture	795	0	0	0	0	795
Purchase of Temporary Accommodation	5,805	0	0	0	0	5,805
Social Housing Decency Fund	2,100	0	0	0	0	2,100
Start for Life	69	0	0	0	0	69
Temporary Accommodation Singles	1,500	0	0	0	0	1,500
<b>TOTAL APPROVED PROGRAMME</b>	<b>34,920</b>	<b>22,696</b>	<b>675</b>	<b>0</b>	<b>0</b>	<b>58,291</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Capital Receipts	719	0	0	0	0	719
Grant	2,169	0	0	0	0	2,169
Prudential Borrowing	31,956	22,696	675	0	0	55,327
Section 106	76	0	0	0	0	76
<b>TOTAL RESOURCES</b>	<b>34,920</b>	<b>22,696</b>	<b>675</b>	<b>0</b>	<b>0</b>	<b>58,291</b>

## CABINET MEMBER: JOBS & REGENERATION

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Business Energy Advice Service	1,488	0	0	0	0	1,488
City Centre Regeneration	10,962	24,000	33,702	12,000	3,000	83,664
Coventry UK Shared Prosperity Fund (UKSPF)	692	0	0	0	0	692
Coventry Very Light Rail	17,800	15,855	4,046	0	0	37,701
Duplex Fund	827	0	0	0	0	827
Friargate	4,000	0	0	0	0	4,000
Growing Places	40	0	0	0	0	40
Homes Upgrade Grant – Phase 2	1,967	0	0	0	0	1,967
Loans	122	0	0	0	0	122
<b>TOTAL APPROVED PROGRAMME</b>	<b>37,898</b>	<b>39,855</b>	<b>37,748</b>	<b>12,000</b>	<b>3,000</b>	<b>130,501</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Capital Expenditure (from) Revenue Account	500	500	2,046	0	0	3,046
Capital Receipts	1,911	0	0	0	0	1,911
Grant	31,447	39,355	35,702	12,000	3,000	121,504
Prudential Borrowing	4,000	0	0	0	0	4,000
Resource Switch – Prudential Borrowing	40	0	0	0	0	40
<b>TOTAL RESOURCES</b>	<b>37,898</b>	<b>39,855</b>	<b>37,748</b>	<b>12,000</b>	<b>3,000</b>	<b>130,501</b>

## CABINET MEMBER: PUBLIC HEALTH & SPORT

CAPITAL SCHEME	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Play Areas	214	501	87	70	1,279	2,151
Swimming Pool Support Fund (SPSF) – Phase 2	100	119	0	0	0	219
<b>TOTAL APPROVED PROGRAMME</b>	<b>314</b>	<b>620</b>	<b>87</b>	<b>70</b>	<b>1,279</b>	<b>2,370</b>

RESOURCES	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	Total £'000
Grant	100	119	0	0	0	219
Section 106	214	501	87	70	1,279	2,151
<b>TOTAL RESOURCES</b>	<b>314</b>	<b>620</b>	<b>87</b>	<b>70</b>	<b>1,279</b>	<b>2,370</b>

## **Commercial Investment Strategy**

This strategy is produced in line with statutory government guidance on Local Government Investments issued under the Local Government Act 2003. It sets out how commercial investments are managed, other than those covered by the Treasury Management Strategy (Section 2.4) and specifically covers investments in shares, loans provided by the Council and commercial property holdings.

The key areas covered in the strategy are:

- **Transparency and democratic accountability;**
- **Contribution of investments** to achieving the objectives of the Council;
- Consideration of the balance between the **security, liquidity and yield** of investments;
- The need to assess **security and the risk of loss** when making or holding an investment;
- The need to determine the **liquidity** of investments, including the determination of the maximum periods for those investments, and how funds can be accessed when needed;
- The **proportionality** of the investments given the overall size of the authority;
- The authority's approach to **borrowing purely in order to profit** from an investment or "borrowing in advance of need" as it is referred to in the guidance;
- The need to ensure that members and statutory officers have the appropriate **capacity, skills and culture** to make informed decisions in respect of investments;
- The use of technical **indicators** to assess risk and return;
- The Council's approach to investment for yield.

## **The Council's Commercial Investments**

The Council holds investments that, whilst commercial in certain respects, fulfil significant service or policy objectives, through providing wider public services, including supporting economic growth. These investments are categorised as shares, loans, and property:

- **Shares in companies**, with the main holdings being in 6 companies: the Coventry & Solihull Waste Disposal Company, Birmingham Airport, Sherborne Recycling Ltd, Coventry Municipal Holdings Ltd, Friargate JV Project Ltd and the UK Battery Industrialisation Centre (UKBIC). In total, shares held by the Council had a value of £125m as at 31/03/2023 (£96m at 31/3/2022). Much of this represents increases in the value of the shares rather than cash funds invested. An estimated £52m of the £125m represents capital funds invested over time. Share dividend income totalled £8.2m in 2022/23.

In respect of holding shares the Council faces two main financial risks: a fall in dividend income and a fall in the value of the shares, with the potential that the initial investment may not be recovered. In order to limit this risk, an upper limit of £55m (Indicator 5) is maintained on the sum invested in shares, excluding any change in the value of shares already held.

- **Commercial property** holdings across Coventry, including offices, shops and retail units assembled over many years. In total, commercial property held by the Council had a value of £291m as at 31/3/2023 (£302m as at 31/3/2022) with forecast net rental income of £12.1m in 2023/24. The fair value of commercial property is assessed annually.
- **Loans provided and committed** by the Council (“service loans”) are forecast to total £56.4m as at 31/3/2024 with the significant main loans provided or committed to: Sherborne Recycling Ltd (£14.4m); Coombe Abbey Park Ltd loans (£9.8m); UKBIC (£14.4m) Friargate Holdings 2 Ltd (£6.5m) and SMEs and other local business funding through Coventry and Warwickshire Reinvestment Trust (£2.8m).

The main risk when making service loans is that the borrower will be unable to repay the principal lent and interest due. In order to limit this risk, and ensure that total exposure to such loans remains proportionate to the size of the authority an upper limit of £70m (Indicator 4) is set on the sum invested, excluding any change in the value of service loans already held. This total is £21m lower than the 2023/24 limit of £91m, due to the Council no longer planning to invest in commercial recycling infrastructure, with this being financed through other investment sources.

The total of the share and loan limits referred to above is £125m (shares £55m and loans £70m). In some respects the limits can be viewed as a combined total for *financial* contributions to developments, as opposed to investment by the council directly in acquiring or building physical assets.

### **Transparency and Democratic Accountability**

In line with the Investment Guidance, the Strategy will be prepared annually and will be approved by Council, with any material changes being presented to Council for approval. As part of the wider Budget Report incorporating the related treasury management and capital strategies, this strategy will be openly available on the Council's website. In addition, there is extensive reporting in respect of commercial investments within the Statement of Accounts. The Council's constitution, through the application of approval thresholds, ensures that investment schemes are considered for approval at the appropriate level, taking into account materiality.

### **Contribution to the Objectives of the Council**

The Council invests to support the wider provision of local and regional public services, including to stimulate economic growth and develop employment opportunities. Investments made within the city or region have a service dimension that those made outside of the region are unlikely to have. Business cases for individual investments, will include the purpose of the investment and how it meets Council objectives.

### **Security, Liquidity and Yield**

Strategic plans including financial plans embodied within the Medium Term Financial Strategy, as well as business cases for individual investments, will include the consideration of the security, yield and liquidity of the investments, together with the

associated risk management arrangements and the proportionality of the investment within the Council's wider financial standing.

### **Risk Assessment**

Although not investing primarily for yield (see section "Borrowing to Fund Commercial Investment", below), the Council nevertheless assesses the risk of loss before making and also whilst holding commercial investments, as set out below:

<b>Investment Type</b>	<b>Approach to Risk Assessment</b>
<b>Shares</b>	<ul style="list-style-type: none"> <li>• Reviewing the underlying Business Plan of the organisation, including the assumptions about the market in which the company operates. In understanding the market in which the organisation operates external advice will often be needed;</li> <li>• Assessing the financial strength of the organisations through the use of independent credit assessments and ratings (where available), and the review of published accounts and financial reports;</li> <li>• Considering governance issues, including potentially those set out in audit or external advice reports of the organisation;</li> <li>• Considering risk management including the identification of risk issues through an organisation's statement of accounts and internal risk registers where appropriate.</li> </ul> <p>Once shares have been acquired, the Council manages its interest as a shareholder through a number of routes including: Board membership/appointment; monitoring of financial and other reporting information; operation of shareholder panels.</p>
<b>Commercial Property</b>	<ul style="list-style-type: none"> <li>• Undertaking a detailed financial and operational due diligence assessment, prior to acquiring commercial property assets, identifying the relevant risks (e.g. financial, operational). The assessment includes condition, mechanical and electrical surveys, a review of the occupational leases, title investigations etc to ensure that the Council has full knowledge of the asset to be acquired. The financial assessment includes consideration of full life costs, including capital investment requirements, the level and security of income and potential alternative use returns;</li> <li>• Using the Council's extensive local market knowledge developed through its longstanding ownership and management of commercial property within the city;</li> </ul>

	<ul style="list-style-type: none"> <li>• Credit rating assessments are carried out on the tenants of the properties that are being acquired in order to determine the strength of the covenant and security of forecast income.</li> </ul> <p>Once acquired properties are then managed by the Council's Commercial Property Management Team, whilst financial performance, including yields etc is monitored through the Council's developing property performance review arrangements.</p>
<b>Service Loans</b>	<ul style="list-style-type: none"> <li>• Reviewing the underlying business case for the loan, including where appropriate project or wider organisation business plans. This will include consideration of relevant market information;</li> <li>• Seeking security through asset specific or other legal charges;</li> <li>• Assessing the financial strength of the organisation through the use of independent credit assessments and ratings (where available) and the review of published accounts and financial reports;</li> <li>• Including appropriate financial covenants in loan agreements;</li> <li>• Managing the potential budgetary impact of any risk of loss, for example by the "up front" resourcing of any capital spend through the use of capital receipts rather than borrowing.</li> </ul> <p>Once provided, service loans are managed in order to minimise the chance and mitigate the impact of any default. Loans are administered to ensure the timely payment of interest and principal, and long-term security of the Council's interest. Monitoring information is provided by borrowers, at a level appropriate to the individual loan, including for example, statutory financial and management reporting information. Loans are assessed under IFRS9 for impairment, using the "expected credit loss model".</p>

As appropriate, the local authority will use external advisors to assess the market, legal, financial and technical advice in respect of all investment types. In order to monitor and maintain the quality of the advice the authority will:

- identify appropriate providers, where appropriate procuring through a competitive process;
- ensure clarity about: its needs, the scope and specification of works, resources required, outputs and timescales;
- ensure oversight of the contract, strong communication and post contract review.



### **Liquidity of Investments**

Where resources need to be generated this requirement is managed through the Council's wider processes, including the Medium Term Financial Strategy (MTFS). This can, for example, take the form of identifying savings within spending programmes or the use of reserves, although ultimately it could entail the sale of assets. Where asset sales are required, the MTFS based corporate approach ensures that the need to realise resources can be focused across the Council's entire asset base rather than being restricted to specific assets. This strategic approach helps maximise flexibility and the potential to realise value from asset disposals, in a timely manner.

As ordinary shares have no defined maturity or repayment period, liquidity will depend on the ability to sell the shares at any point in time and therefore the market at the time of sale. Consequently no maximum investment or maturity periods are set. Similarly, the liquidity of a particular property purchased as an investment will depend on the market at the point of sale.

The terms of service loans provided by the Council will include provision for the repayment of the loan, thereby determining liquidity. Loan durations will vary and will in part be determined by the purpose of the particular loan, and the underlying spend being financed, with for example a loan to finance the construction of a building being repayable over a longer maximum term than a loan for the purchase of equipment.

### **Proportionality**

The Council is forecast to generate total commercial income of £21.5m in 2023/24 (loan interest £1.8m, share dividends £7.6m and net property rents £12.1m). Whilst a significant cash sum contributing to the balancing of the Council's budget, this figure represents 8.3% of the Council's net revenue stream. In generating commercial income the Council will seek to ensure that investments are diversified across different commercial asset types in order to manage risk. However, it is inevitable that Council investment will be focused in local areas in a way that is unlikely to be the case for national investors, reflecting the service dimension of investment decisions.

### **Borrowing to Fund Commercial Investment**

The Treasury Management Strategy (section 2.4) sets out the benefits of the Council retaining access to PWLB borrowing. The authority will continue the policy of not investing in assets primarily for yield regardless of how the investment is funded, as this would jeopardise access to PWLB borrowing and be inconsistent with the Prudential Code (below). Under formal PWLB Guidance investment in the following areas are not deemed to be investment for yield: service delivery (education, highways & transport, social care, public health, culture & related services, environmental & regulatory services, police, and fire & rescue services); housing; regeneration; preventative action; refinancing and treasury management. Where individual projects have characteristics of several different categories, the section 151 officer of the authority is required to use their professional judgment to assess the main objective of the investment and consider which category is the best fit.

In addition, the requirements of the Prudential Code are in line with the rules for PWLB borrowing. The Code sets out the framework in which authorities are to manage commercial investments, classifying investments as being for one of three purposes:

- Treasury management, broadly for cashflow or treasury risk management purposes;
- Service delivery, held primarily and directly for the delivery of public services;
- Commercial return, held primarily for financial return with no treasury management or direct service provision purpose. This category can include commercial property.

In respect of investments for commercial return:

- The risks should be proportionate to the authority's financial capacity – i.e. that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services;
- Authorities must not borrow to invest primarily for financial return;
- However, authorities with commercial land and property can invest in maximising its value, including repair, renewal and updating of the properties;

In addition, the Code:

- states that it is imprudent for authorities to make any investment or spending decision that could increase the need for borrowing, unless it is related to the authority's functions and where financial returns are "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".
- confirms that authorities are not required to sell investments. However, they will need to review options for exiting commercial investments before borrowing, considering the value for money of taking out borrowing versus selling investments. In addition, a review will need to be included in the annual treasury or investment strategy.

In order to proactively manage risk and in line with proposed revisions to the statutory Minimum Revenue Provision (MRP) guidance, the authority will make MRP on such investments where they are resourced from borrowing, rather than relying on the value within the asset to cover the long-term debt impact of the investment.

### **Capacity, Skills and Culture**

The City Council ensures that it has the capacity, skills and culture to effectively manage its commercial investments and the associated risk in a number of ways, including, by ensuring that:

- Qualified and experienced internal staffing resources are available in key areas including property management, finance, and legal services. External advisors are

employed where specialist advice is unavailable internally e.g. in assessing business value in making significant share acquisitions;

- Investment proposals are subject to robust appraisal and business case assessments covering key areas e.g. security, yield and liquidity over the long term or full life of the investment, beyond the duration of the Council's Medium Term Financial Strategy. The assessment of the business case is included at the appropriate level of detail in reports seeking member approval to the investment;
- The Council's constitution sets out clear and strong governance structures for the approval of financial transactions, including the thresholds for approval by Cabinet Member, Cabinet or Council etc. These arrangements are fundamental in ensuring that investment proposals are considered in the context of the Council's strategic objectives;
- The role of the Section 151 Officer is key in providing input into the consideration of investment proposals, from the initial detailed business case assessment through to approval by the relevant Cabinet Member, by Cabinet or Council. Where necessary, for example due to potential conflicts of interest, the role of Section 151 is undertaken by another appropriately qualified and experienced officer;
- This Commercial Investment Strategy, and associated indicators, support the proactive management of investments and associated risks into the Council's day to day activities. At a senior officer level, the Capital Investment Group is central to this;
- Strong in-year financial monitoring, including to Cabinet and Council continues as a cornerstone of the management of the Council's finances and associated risks.

### **Commercial Investment Indicators**

A number of indicators are produced to support the strategy. The prime focus of the indicators is the management of risk and the demonstration of proportionality of the investments in the context of the Council's overall finance and asset base. In addition to the indicators set out, a number of others are used to support the day to day management of the investment portfolio. For example, extensive use is made of performance indicators in managing the Council's Investment Property portfolio.

Where data is not available, for example because the recommended indicator is inconsistent with the way that local authorities generally record data and manage their finances, then alternative indices are used instead, for the same purpose. The commercial investment indicators are summarised below and set out in detail in Appendix 6b:

- **Investment Category Value (Indicator 1).** This indicator is designed to demonstrate risk exposure by indicating the value of commercial assets compared to all city council assets. Commercial assets are forecast to be 24% of total city council assets in 2024/25 (25% in 2023/24).
- **Debt Funding per Investment Category (Indicator 2).** Although historic borrowing is not identifiable to specific investments, the Council's underlying borrowing requirement, in the form of the Capital Financing Requirement, was 26%

of total council assets by current value (as at 31/03/2023), indicating that assets provide approximately 3 times cover for the underlying borrowing requirement.

- **Rate of Return per Investment Category (Indicator 3).** Although rate of return is not calculated net of capital financing costs for the reasons referred to above (see Indicator 2), an alternative, based on gross income is used. In addition, the return is stated as a % of current value rather than historic cost as detailed data is not held on the latter. The total income return on commercial investments is forecast to be 5.4% in 2024/25 (4.5% forecast for 2023/24).
- **Service Loans (Indicator 4) and Shares (Indicator 5).** Unlike other commercial investment indicators these two indicators represent limits above which the City Council should not invest. These can only be varied with the approval of Council and are referred to in the earlier section “The Council’s Commercial Investments” in which the investment types are covered in greater detail.
- **Debt: Net Revenue Stream (Indicator 6) and Commercial Income: Net Revenue Stream (Indicator 7).** These indicators demonstrate the proportionality, both of the level of the Council’s debt and of its reliance on commercial income. Debt is forecast to represent 117.9% of NRS in 2024/25 (122.2% for 2023/24) and commercial income 9.2% in 2024/25 (8.3% for 2023/24).

The use of indicators will be reviewed and refined to maximise the usefulness in managing commercial investments.

**Treasury Management Prudential Indicators**

<b><u>Summary Prudential Indicators</u></b>		Forecast	Forecast	Forecast	Forecast
		23/24	24/25	25/26	26/27
		£000's	£000's	£000's	£000's
<b>1 Ratio of financing costs to net revenue stream:</b>					
(a) General Fund financing costs		38,190	41,431	41,677	40,785
(b) General Fund net revenue stream		260,455	277,400	282,474	288,852
General Fund Percentage		14.66%	14.94%	14.75%	14.12%
<b>2 Gross Debt &amp; Capital Financing Requirement</b>					
Gross debt including PFI liabilities		318,307	327,103	299,813	285,514
Capital Financing Requirement		507,144	525,940	540,904	529,355
<b>Gross Investments</b>		-40,000	-50,000	-50,000	-50,000
<b>3 Capital Expenditure (Note this excludes leasing)</b>					
General Fund		127,601	157,492	126,580	67,469
<b>4 Capital Financing Requirement (CFR)</b>					
Capital Financing Requirement		507,144	525,940	540,904	529,355
<b>5 Authorised limit for external debt</b>					
Authorised limit for borrowing		480,919	495,898	514,494	506,368
+ authorised limit for other long term liabilities		53,877	50,042	46,410	42,987
= authorised limit for debt		534,796	545,940	560,904	549,355
<b>6 Operational boundary for external debt</b>					
Operational boundary for borrowing		460,919	475,898	494,494	486,368
+ Operational boundary for other long term liabilities		53,877	50,042	46,410	42,987
= Operational boundary for external debt		514,796	525,940	540,904	529,355
<b>7 Actual external debt</b>					
actual borrowing at 31 March 2023	264,776				
+ PFI & Finance Leasing liabilities at 31 March 2023	56,986				
+ transferred debt liabilities at 31 March 2023	6,666				
= actual external debt at 31 March 2023	328,428				
<b>8 CIPFA Treasury Management Code ~ has the authority adopted the code?</b>					Yes
<b>9 Interest rate exposures for borrowing</b>					
Upper Limit for Fixed Rate Exposures		480,919	495,898	514,494	506,368
Upper Limit for Variable Rate Exposures		96,184	99,180	102,899	101,274
<b>10 Maturity structure of borrowing - limits</b>		forecast	lower	upper	
under 12 months		5%	0%	50%	
12 months to within 24 months		17%	0%	20%	
24 months to within 5 years		5%	0%	30%	
5 years to within 10 years		16%	0%	30%	
10 years & above		57%	40%	100%	
<b>11 Investments longer than 364 days: upper limit</b>		30,000	30,000	30,000	30,000

## **Prudential Indicators**

The Cipfa Code imposes on the Council clear governance procedures for setting and revising of prudential indicators and describes the matters to which a Council will 'have regard' when doing so. This is designed to deliver accountability in taking capital financing, borrowing and treasury management decisions. The Prudential Indicators required by the Cipfa Code are designed to support and record local decision making and not used as comparative performance indicators. There are eleven indicators shown on the previous page, and these are outlined below:

### **Revenue Related Prudential Indicators**

#### **Ratio of Financing Costs to Net Revenue Stream (indicator 1) – Definition Revised:**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

### **Capital and Treasury Management Related Prudential Indicators**

#### **Gross Debt and Capital Financing Requirement (Indicator 2):**

The Council needs to be certain that gross external borrowing does not, except in the short

term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional capital financing requirement for the next three financial years. The CFR is defined as the Council's underlying need to borrow for capital purpose, i.e. its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

#### **Capital Expenditure (Indicator 3):**

This indicator is an estimation of the Council's future capital expenditure levels and these underpin the calculation of the other prudential indicators. Estimates of capital expenditure are a significant source of risk and uncertainty and it is important that these estimates are continually monitored and the impact on other prudential indicators (particularly those relating to affordability) assessed regularly.

#### **Capital Financing Requirement (Indicator 4):**

As outlined in Indicator 2 above, the CFR represents the Council's underlying need to borrow for capital purposes.

#### **Authorised Limit for External Debt (Indicator 5):**

This statutory limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. Borrowing at this level could be afforded in the short term but is not sustainable. The Authorised limit has been set on the estimated debt with sufficient headroom over and above this to allow for unexpected cash movements.

#### Operational Boundary for External Debt (Indicator 6):

This indicator refers to the means by which the Council manages its external debt to ensure it remains within the statutory Authorised Limit. It differs from the authorised limit as it is based on the most likely scenario in terms of capital spend and financing during the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year.

#### Actual External Debt (Indicator 7):

This indicator identifies the actual debt at the end of the previous financial year as recognised with the Statement of Accounts.

#### Adoption of the Cipfa Treasury Management Code (indicator 8):

This indicator is acknowledgement that the Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice*.

#### Interest Rate Exposures for Borrowing (Indicator 9):

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Upper Limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could impact negatively on the overall financial position.

#### Maturity Structure of Borrowing – Limits (Indicator 10):

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

#### Investments Longer than 364 days: Upper Limit (Indicator 11):

This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.

All these prudential limits need to be approved by full Council but can be revised during the financial year. Should it prove necessary to amend these limits, a further report will be brought to Cabinet, requesting the approval of full Council for the changes required.

#### Liability Benchmark

This indicator sets out a long term comparison of the underlying need to borrow vs the level of existing borrowing, and therefore gives a projection of the level of borrowing required. The indicator is presented as a forecast over 25 years:

Year End	Loans Capital Financing Requirement	Net Loans Requirement	Liability Benchmark	Actual Borrowing	Forecast Borrowing Required
	£m	£m	£m	£m	£m
2024	448.6	217.4	257.4	257.4	0.0
2025	473.5	257.5	297.5	254.6	42.8
2026	494.5	293.7	333.7	253.3	80.4
2027	486.4	300.8	340.8	240.0	100.8
2028	469.2	293.7	333.7	238.7	95.1
2029	452.9	287.6	327.6	237.3	90.3
2030	433.5	278.3	318.3	236.0	82.4
2031	414.2	269.2	309.2	234.6	74.6
2032	396.1	261.1	301.1	233.1	68.0
2033	378.3	253.3	293.3	213.7	79.6
2034	360.9	246.0	286.0	194.2	91.8
2035	344.0	239.1	279.1	187.7	91.3
2036	327.5	222.6	262.6	171.7	90.9
2037	311.0	206.1	246.1	171.7	74.4
2038	294.4	189.5	229.5	171.7	57.8
2039	277.9	173.0	213.0	171.7	41.3
2040	261.9	157.0	197.0	171.7	25.2
2041	246.5	141.6	181.6	171.7	9.9
2042	232.1	127.2	167.2	166.7	0.5
2043	217.6	112.8	152.8	166.7	-14.0
2044	203.2	98.3	138.3	165.4	-27.1
2045	189.0	84.1	124.1	165.4	-41.3
2046	174.7	69.8	109.8	165.4	-55.6
2047	160.4	55.5	95.5	159.4	-63.9
2048	146.0	41.1	81.1	153.3	-72.3

**Loans Capital Financing Requirement (LCFR)** – the underlying requirement to borrow for capital financing purposes, excluding PFI. This increases as new capital spend to be resourced from borrowing is incurred and falls as MRP is made as a provision to repay borrowing. The LCFR is based on the capital programme set out in this report.

**Net Loans Requirement (NLR)** - the LCFR less resources available to temporarily fund borrowing requirements from available cash (e.g. cash backing up reserves, net current assets). The NLR assumes that the authority holds no investment balances.

**Liability Benchmark (LB)** - the NLR plus a liquidity allowance of £40m, representing the gross forecast level of borrowing required at each year end assuming that the authority holds a cash/investment balance of £40m as a liquidity buffer.

**Actual Borrowing** - the total level of existing borrowing reducing over time as borrowing matures for repayment. This figure assumes no new borrowing and that



LOBO loans of £38m mature at their contractual date, and excludes PFI and transferred debt liabilities.

**Forecast Borrowing Required** - the Liability Benchmark less Actual Borrowing, representing the net forecast total level of borrowing required at each year end. Factors that impact on this 25 year forecast include the future level of: reserves; net current assets (e.g. debtors and creditors); capital expenditure; capital resourcing; Minimum Revenue Provision; debt repaid early (e.g. LOBOs in advance of the contractual maturity date).

## Prudential & Investment Indicators

### Commercial Investment Indicators

**Investment Category Value : Total Gross Asset Value - Current**

#### **1 Value (i)**

	<b>2023/24 £000</b>	<b>2023/24 Ratio</b>	<b>2024/25 £000</b>	<b>2024/25 Ratio</b>
Service Loans	53,460	2.8%	52,321	2.7%
Service Shares	124,784	6.4%	124,784	6.4%
Investment Property	302,348	15.6%	290,863	15.0%
<b>Total Commercial Assets</b>	<b>480,591</b>	<b>24.7%</b>	<b>467,968</b>	<b>24.1%</b>
<b>Total Council Assets *</b>	<b>1,942,105</b>		<b>1,942,105</b>	

\* assumes asset value is constant over the period

#### **2 Debt Funding per Investment Category**

The Council's underlying borrowing requirement, in the form of the Capital Financing Requirement as at 31/3/2023, was 26% (29% as at 31/03/2022) of total council assets by current value.

#### **3 Rate of Return (on Gross Asset Value)**

	<b>2023/24 Income £000</b>	<b>2023/24 Return %</b>	<b>2024/25 Income £000</b>	<b>2024/25 Return %</b>
Service Loans (ii)	1,826	3.4%	1,786	3.4%
Service Shares	7,575	6.1%	9,790	7.8%
Investment Property	12,131	4.0%	13,915	4.8%
<b>Total Commercial Assets</b>	<b>21,532</b>	<b>4.5%</b>	<b>25,491</b>	<b>5.4%</b>

#### **4 Service Loans: 2023/24 Upper Limit - Capital Invested (ii)**

<b>Service Loans</b>	<b>2022/23 £000</b>	<b>2023/24 £000 forecast</b>	<b>2024/25 £000 forecast</b>
Group Entities		25,502	25,502
Local Organisations		29,193	29,193
Service Users		1,692	1,692
<b>Total Existing Loans</b>		<b>56,387</b>	<b>56,387</b>
Future Loans		0	13,613
<b>Total Loans Limit</b>	<b>68,000</b>	<b>91,000</b>	<b>70,000</b>

#### 5 Shares: 2023/24 Upper Limit - Capital Invested (ii)

Shares	2022/23 £000	2023/24 £000 forecast	2024/25 £000 forecast
Group Entities		39,488	39,488
Local Organisations		12,019	12,019
<b>Total Existing Shares (iv)</b>		<b>51,508</b>	<b>51,508</b>
Future Investment		0	3,492
<b>Total Shares</b>	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>

#### 6 Debt: Net Revenue Stream

Debt: NSE	2023/24 £000	2024/25 £000
Net Service Expenditure	260,502	277,400
Gross Debt	318,307	327,103
<b>Ratio</b>	<b>122.2%</b>	<b>117.9%</b>

#### 7 Commercial Income: Net Revenue Stream

Commercial Income: NSE	2023/24 £000	2024/25 £000
Net Service Expenditure	260,502	277,400
Gross Investment Income	21,532	25,491
<b>Ratio</b>	<b>8.3%</b>	<b>9.2%</b>

#### **Notes:**

(i) Current value includes revaluation changes and impairment adjustments, in addition to capital invested

(ii) Capital invested excludes revaluation changes and impairment adjustments.

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**Changes to the Council Tax Support Scheme****Background**

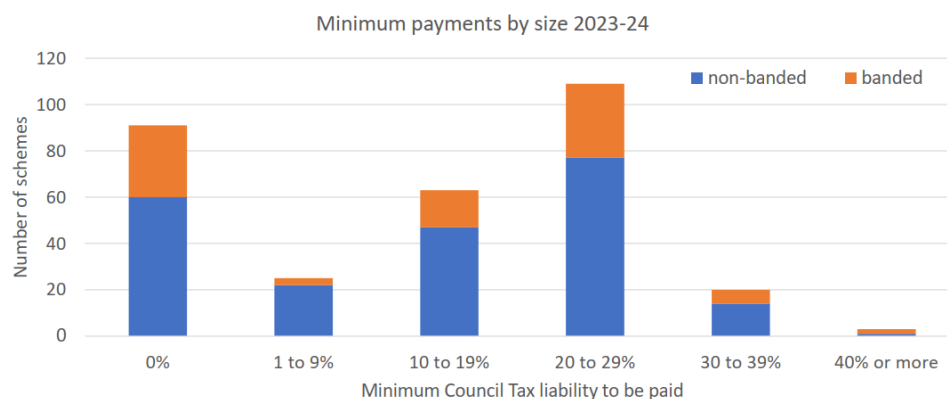
- 1 Council Tax Support (CTS) is a means tested discount to help low-income households with the cost of council tax payments. CTS was previously known as Council Tax Benefit (CTB), and until 2013, was administered by billing authorities on behalf of the Department for Work and Pensions (DWP). The DWP reimbursed local authorities for the cost of CTB in full.
- 2 In 2013 the DWP devolved CTB to local government and required local authorities to design their own schemes of support for working age people. The scheme for people of pension age is administered by local authorities but under a national legislative framework with no local discretion.
- 3 When CTB was localised, the DWP reduced the funding for local authorities by 10 per cent. In Coventry this resulted in a £3 million reduction in funding for a scheme that cost £30 million per annum at the time.
- 4 Like many local authorities, Coventry implemented a scheme in 2013 which broadly mirrored the previous CTB scheme and resisted passing on the 10 per cent cut to recipients of CTS.
- 5 In 2016 Coventry reviewed the scheme, and, due to the ongoing challenges of austerity, reduced the amount of support delivered to working age people. Coventry capped the maximum entitlement that a working age household could receive to 85 per cent of council tax liability. Despite the reduction in support, Coventry's scheme remained one of the more generous schemes with many local authorities having already implemented caps of 80 per cent or less.
- 6 Without changing the current CTS scheme, in 2024/25, Coventry would expect to award approximately £28.4 million in council tax support to 25,000 households. Approximately £18.1 million relates to working age claims and £10.3 million to pension age.
- 7 When the Government initially introduced CTS it was difficult to determine a clear link between the cost of such schemes and the amount of notional funding provided for them within the Local Government Finance Settlement. Due to the passage of time, the degree of funding reductions to local government, the nature of the Local Government Finance Settlement and the Council's status as a 99 per cent Business Rates Pilot authority, any link between the cost and funding for CTS schemes has been further obscured. What is clear is that funding reductions have led to councils having to make difficult decisions on expenditure (such as CTS schemes).
- 8 The budgetary challenges faced by the Council for 2024/25 therefore requires a review of all expenditure including the option to reduce the amount of support provided through the CTS scheme for working age households.
- 9 To this end, on 15 December 2023, Coventry initiated an eight-week public consultation on proposals to change its CTS scheme. The proposals are set out below in detail.

## Proposals

### Banded income scheme

- 10 Since 2013, local authorities have developed different approaches to the administration of CTS, with approximately one third of authorities moving to a 'banded income' scheme. The previous CTB scheme, like Coventry's current CTS scheme, is effectively a means tested benefit with a tapered reduction in support as income increases above a household's 'applicable amount.'
- 11 The 'applicable amount' is the notional amount of income a household is deemed to require to meet basic needs. The applicable amount is based on the circumstances of the household – including factors like the number of children and disabled household members.
- 12 If a household has no income beyond their applicable amount, then they receive full (85 per cent) support. As their income increases the support would reduce and if income decreases, the support would increase.
- 13 With the national migration of benefits to Universal Credit (UC), recipients of CTS now experience multiple changes in their entitlement to support which results in low-income households receiving numerous council tax bills each year. This is because UC processes income data in real time from His Majesty's Revenues and Customs (HMRC). As people's income fluctuates month to month their UC is adjusted and in turn their CTS is adjusted. Receiving up to 12 different council tax bills each year would be challenging for any household but is particularly challenging for people with marginal household budgets.
- 14 To address this issue, approximately 90 local authorities have introduced banded CTS schemes which allow household incomes to fluctuate within a range, or band, without their entitlement to CTS being increased or reduced.
- 15 Figure 1 below shows the national profile of CTS schemes by type and minimum payment. The most common level of minimum payment is in the bracket 20 – 29 per cent. Approximately 90 local authorities have no minimum payment, and 20 local authorities have a minimum payment of between 30 and 39 per cent.

**Figure 1 – CTS schemes by minimum payment and type**



### Capping maximum support at 75 percent

- 16 To support the Council to achieve a balanced budget for 2024/25 it was proposed in the consultation that maximum CTS entitlement for working age households could be reduced from 85 per cent to 75 per cent.
- 17 A 75 per cent restriction would reduce the notional level of CTS by approximately £2.16 million per annum. The assumed eventual collection rate for balances owed by households in receipt of council tax support is 90 per cent – compared to an eventual collection rate of 98 per cent for all council tax balances. This reduced rate assumption acknowledges the challenge of collecting balances from low-income households. Of the collectible £1.9 million, approximately 13 per cent is shared with precepting authorities and therefore the net benefit for the Council is £1.69 million.
- 18 The responses received from the consultation found that respondents were overwhelmingly opposed to the proposal of reducing support to 75 per cent with many respondents concerned about the regressive nature of the proposal and the impact it would have for low-income households.
- 19 Having due regard to the consultation responses, the Council now proposes a technical change to the proposals such that the maximum level of support is set at 80 per cent of council tax liability – five percentage points lower than the current level of support but five percentage points higher than the 75 per cent maximum initially proposed in the consultation. This approach balances the need for the Council to achieve a sustainable financial position whilst also protecting our most vulnerable households as far as possible from reductions in expenditure. The impact of this proposal is set out in table 1 below.
- 20 Table 1 below sets out the high-level impact of a reduction in support.

**Table 1 – CTS increases and reductions by property band.**

<b>Council tax band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>Total</b>
Number of decreased awards	11,385	3,442	1,016	226	80	19	8	16,176
Average weekly reduction	£1.23	£1.71	£2.34	£2.99	£4.95	£8.31	£3.22	£1.45
Number of increased awards	627	240	60	5	2	0	1	935
Average weekly increase	£1.96	£1.68	£1.31	£1.05	£0.14	0	£0.30	£1.84

- 21 Table 1 shows that reducing support to 80 per cent results in 16,176 households receiving less support with the average household paying an additional £1.45 per week. The majority of those impacted reside in band A properties with those households paying an additional £1.23 per week in council tax.<sup>1</sup>

<sup>1</sup> These figures are based on an assumed 5 per cent increase in council tax charges for 2024/25 and a number of assumptions about benefit uprates and migration to Universal Credit.

- 22 The table also shows that 935 households would be better off under this model. This is because of the impact of income bands which is set out in detail below.
- 23 The reduction in the maximum level of support would apply consistently across the entire working age caseload and no one group would be disproportionately impacted for this reason.

#### A banded income scheme

- 24 The introduction of the banded scheme is proposed to be cost neutral to the CTS scheme in that some households may initially gain, and some will receive reduced support but overall a banded scheme would deliver the same amount of support to working age households – notwithstanding the reduction in maximum support to 80 per cent.
- 25 In considering the option of a banded income scheme, it is proposed that the scheme uses ‘excess income’ rather than earned income or total income. This approach ensures that the circumstances of households form an integral part of the assessment of entitlement. For example, households with children or with a disabled member, would need to have higher levels of income before they are assessed to have ‘excess income’ above their applicable amount.
- 26 The proposed scheme has five excess income bands as detailed in table 2 below.

**Table 2 – Proposed excess income bands**

Band	Discount	Weekly excess income threshold (£s)
1	80%	0-15
2	65%	15-40
3	40%	40-70
4	20%	70-80
5	0%	80+

- 27 In this approach, anyone with an excess income below £15 per week would qualify for the full (80 per cent) reduction in their council tax bill. If their income changes but did not exceed the £15 per week excess income, then there would be no change to their CTS entitlement.
- 28 Approximately 92 per cent (15,700) of working age households would fall within this band and be entitled to 80 per cent support.
- 29 A disadvantage of a banded scheme is that ultimately small increases in income can result in support reducing at a disproportionate level should the change take the customer into a higher band.



30 The consultation did not identify any significant resistance to the introduction of a banded income scheme.

#### Change in income disregard

31 When a customer or their partner are working, a standard earnings disregard is applied which reduces the amount of net income counted towards the CTS assessment. A further earnings disregard known as Additional Earnings Disregard (AED) is also currently applied where applicable in Coventry, which further reduces the amount of net income counted towards the CTS assessment.

32 The criteria for AED is based around the person working on average 16 or 30 hours per week, depending on their circumstances. However, modern work patterns such as zero-hour contracts and fixed-term contracts, mean application and removal of AEDs are being made more frequently than before, which affect CTS assessments and therefore make it more challenging for people to manage their household budgets.

33 Information about working hours is not routinely provided to the Council by the DWP or HMRC and so obtaining information about working hours creates an additional delay and administrative burden on the processing of CTS.

34 Therefore, the proposal is to remove the Additional Earnings Disregard and increase the standard earnings disregard which is not based on the number of hours worked.

35 The intention of this specific change is to simplify the scheme and therefore the overall impact of this change is cost neutral.

36 As a result of this change and taking account of the two other proposed changes detailed previously, 177 households would receive on average £5.49 per week more support and 88 households would receive on average £5.85 per week less support.

37 The consultation did not identify any significant level of resistance to this proposal.

#### **Governance**

38 The Local Government Finance Act 2012 sets out the requirements for any changes to a local CTS scheme. Local authorities must:

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

39 A revised CTS scheme must be approved at a meeting of the Council by 11 March prior to the tax year in which the scheme is due to take effect. In designing local schemes local authorities are also encouraged to give due consideration to equality impacts and work incentives.

40 The public consultation was launched on 13 December 2023 and concluded on 7 February 2024. As part of the consultation a letter was sent to every working age household in receipt of CTS explaining the proposals and inviting them to respond to the consultation. Two in-person drop-in sessions were held at the Council's customer service centre and a virtual consultation event was held for local advice sector partners.

### **Financial Impact**

41 The Council, like many households and organisations, is seeing significant increases in expenditure due to rising prices, and specifically, the rapidly increasing costs of Social Care. The money the Council receives from Government as well as through council tax and business rates, has not increased in line with the increasing cost of providing services. The result is that in 2024/25, the Council's spending is now forecast to exceed its income by over £30 million. The Council must, by law, set a balanced budget each year which means the amount it plans to spend cannot be more than the income it expects to receive. It is therefore looking at ways that it could reduce Council spending, or increase income, to ensure it is able to continue providing its most essential services.

42 One of the options is to increase the amount of council tax income the Council receives by reducing the maximum amount of CTS provided to working age households.

43 The changes to the scheme recommended in this report will deliver a £1.13 million reduction in the notional level of CTS, by increasing the city's Council Tax Base, which has the effect of increasing the amount of Council Tax that can be collected. The Council needs to consider a reduced eventual collection rate, recognising that collection will prove very challenging given the impact on the individuals affected. Of the collectable balance (circa £1.0 million), the Council will retain circa £0.87 million (approximately 87 per cent), with the remaining being distributed through the precepts for the West Midlands Police and the West Midlands Fire Authority.



**Coventry City Council**  
**Council Tax Reduction Scheme**  
S13A and Schedule 1a of the  
Local Government Finance Act 1992

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## **1.0 Introduction to the Council Tax Reduction Scheme**

1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1<sup>st</sup> April 2024.

1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1<sup>st</sup> April 2024. for a period of one financial year.

1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
- Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
- Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2017;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2024; and
- Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;

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

The three prescribed classes are as follows;

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

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

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

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

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

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

**Class C: alternative maximum Council Tax Reduction**

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

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

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

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

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);



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

#### **Disregard of certain incomes**

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

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

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

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

#### **Class D**

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit<sup>1</sup>; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction<sup>2</sup> amount can be calculated;
- g. not have capital savings above £16,000<sup>3</sup>;
- h. be a person in respect of whom a day in which s/he is liable to pay council tax and whose income is either less than their applicable amounts as defined by their scheme **or** where their income exceeds their applicable amounts (excess income) falls within the amounts specified within Schedule 2 of this scheme (the banded scheme).

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

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<sup>1</sup> Section 5 of this scheme

<sup>2</sup> Sections 57 to 63 of this scheme

<sup>3</sup> Sections 33 to 42 and Schedule 5 of this scheme

## Council Tax Reduction Scheme

Details of reduction to be given for **working age applicants** for the financial year 2024/25

**Sections 2- 8**  
**Definitions and interpretation**

## **2.0 Interpretation – an explanation of the terms used within this scheme.**

### **2.1 In this scheme–**

**‘the Act’** means the Social Security Contributions and Benefits Act 1992;

**‘the Administration Act’** means the Social Security Administration Act 1992;

**‘the 1973 Act’** means the Employment and Training Act 1973;

**‘the 1992 Act’** means the Local Government Finance Act 1992;

**‘the 2000 Act’** means the Electronic Communications Act 2000;

**‘Abbeyfield Home’** means an establishment run by the Abbeyfield Society including all bodies corporate or incorporate which are affiliated to that Society;

**‘adoption leave’** means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996;

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

**‘applicable amount’** means the amount determined in accordance with schedule 1 of this scheme.

**‘applicant’** means a person who the authority designates as able to claim Council tax reduction – for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

**‘application’** means an application for a reduction under this scheme:

**‘appropriate DWP office’** means an office of the Department for Work and Pensions dealing with state pension credit or office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance;

**‘assessment period’** means such period as is prescribed in sections 19 to 21 over which income falls to be calculated;

**‘attendance allowance’** means–

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

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

(c) a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;

(d) an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;

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

(f) any payment based on need for attendance which is paid as part of a war disablement pension;

**‘the authority’** means a billing authority in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

**‘Back to Work scheme(s)’** means any scheme defined within the Jobseekers (Back to Work Schemes) Act 2013 or Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

**‘basic rate’**, where it relates to the rate of tax, has the same meaning as in the Income Tax Act 2007 (see section 989 of that Act).

**‘the benefit Acts’** means the Act (SSBA) and the Jobseekers Act 1995 and the Welfare Reform Act 2007;

**‘board and lodging accommodation’** means accommodation provided to a family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises;

**‘care home’** has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality,

Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

**‘the Caxton Foundation’** means the charitable trust of that name established on 28th March 2011 out of funds provided by the Secretary of State for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with its provisions;

**‘child’** means a person under the age of 16;

**‘child benefit’** has the meaning given by section 141 of the SSCBA as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;

**‘the Children Order’** means the Children (Northern Ireland) Order 1995;

**‘child tax credit’** means a child tax credit under section 8 of the Tax Credits Act 2002;

**‘claim’** means a claim for council tax reduction;

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

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

**‘the Consequential Provisions Regulations’** means the Housing Benefit and Council tax reduction (Consequential Provisions) Regulations 2006;

**‘contributory employment and support allowance’** means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;

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

**‘council tax benefit’** means council tax benefit under Part 7 of the SSCBA;

**‘council tax reduction scheme’** has the same meaning as **‘council tax reduction or reduction.’**

**‘council tax support (or reduction)’** means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);

**‘couple’** means;

- (a) a man and a woman who are married to each other and are members of the same household;
- (b) a man and a woman who are not married to each other but are living together as if they were a married couple or civil partners;
- (c) two people of the same sex who are civil partners of each other and are members of the same household; or
- (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners,

Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes. The above includes the Marriage (Same Sex Couples) Act 2013 and The Marriage (Same Sex Couples) Act 2013 (Commencement No. 3) Order 2014;

**‘date of claim’** means the date on which the application or claim is made, or treated as made, for the purposes of this scheme;

**‘designated authority’** means any of the following;  
the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

**‘designated office’** means the office designated by the authority for the receipt of claims for council tax reduction;

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent

by electronic means or otherwise on application; or

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

**‘disability living allowance’** means a disability living allowance under section 71 of the Act;

**‘dwelling’** has the same meaning in section 3 or 72 of the 1992 Act;

**‘earnings’** has the meaning prescribed in section 25 or, as the case may be, 27;

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

**‘electronic communication’** has the same meaning as in section 15(1) of the Electronic Communications Act 2000 ;

**‘employed earner’** is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;

**‘Employment and Support Allowance Regulations’** means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;

**‘Employment and Support Allowance (Existing Awards) Regulations’** means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

**‘the Employment, Skills and Enterprise Scheme’** means a scheme under section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills, and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **‘Back to Work Schemes’**;

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

**‘employment zone contractor’** means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;

**‘enactment’** includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

**‘extended reduction’** means a payment of council tax reduction payable pursuant to section 60;

**‘extended reduction period’** means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;

**‘extended reduction (qualifying contributory benefits)’** means a payment of council tax reduction payable pursuant to section 61;

**‘family’** has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

**‘the Fund’** means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

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

**‘he, him, his’** also refers to the feminine within this scheme;

**‘housing benefit’** means housing benefit under Part 7 of the Act; ‘the Housing Benefit Regulations’ means the Housing Benefit Regulations 2006;

**‘Immigration and Asylum Act’** means the Immigration and Asylum Act 1999;

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

**‘income-related employment and support allowance’** means an income-related allowance

under Part 1 of the Welfare Reform Act 2007;

**‘Income Support Regulations’** means the Income Support (General) Regulations 1987(a);

**‘independent hospital’**–

(a) in England, means a hospital as defined by section 275 of the National Health Service Act 2006 that is not a health service hospital as defined by that section;

(b) in Wales, has the meaning assigned to it by section 2 of the Care Standards Act 2000; and

(c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

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

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

**‘Jobseekers Act’** means the Jobseekers Act 1995; **‘Jobseeker’s Allowance Regulations’** means the Jobseeker’s Allowance Regulations 1996 and Jobseeker’s Allowance Regulations 2013 as appropriate;

**‘limited capability for work’** has the meaning given in section 1(4) of the Welfare Reform Act;

**‘limited capability for work-related activity’** has the meaning given in section 2(5) of the Welfare Reform Act 2007;

**‘the London Bombing Relief Charitable Fund’** means the company limited by guarantee (number 5505072), and registered charity of that name established on 11th July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7th July 2005;

**‘lone parent’** means a person who has no partner and who is responsible for and a member of the same household as a child or young person;

**‘the Macfarlane (Special Payments) Trust’** means the trust of that name, established on 29th January 1990 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia;

**‘the Macfarlane (Special Payments) (No.2) Trust’** means the trust of that name, established on 3rd May 1991 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia and other beneficiaries;

**‘the Macfarlane Trust’** means the charitable trust, established partly out of funds provided by the Secretary of State to the Haemophilia Society, for the relief of poverty or distress among those suffering from haemophilia;

**‘main phase employment and support allowance’** means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 except in Part 1 of Schedule 1;

**‘the Mandatory Work Activity Scheme’** means a scheme within section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to provide work or work related activity for up to 30 hours per week over a period of four consecutive weeks with a view to assisting applicants to improve their prospect of obtaining employment;

**‘maternity leave’** means a period during which a woman is absent from work because she is pregnant or has given birth to a child, and at the end of which she has a right to return to work either under the terms of her contract of employment or under Part 8 of the Employment Rights Act 1996;

**‘member of a couple’** means a member of a married or unmarried couple;

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

**‘mobility supplement’** means a supplement to which paragraph 9 of Schedule 4 refers;

**‘mover’** means an applicant who changes the dwelling in which the applicant is resident and in



respect of which the applicant liable to pay council tax from a dwelling in the area of the appropriate authority to a dwelling in the area of the second authority;

**‘net earnings’** means such earnings as are calculated in accordance with section 26;

**‘net profit’** means such profit as is calculated in accordance with section 28;

**‘the New Deal options’** means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

**‘new dwelling’** means, for the purposes of the definition of ‘second authority’ and sections 60C, and 61C the dwelling to which an applicant has moved, or is about to move, in which the applicant is or will be resident;

**‘non-dependant’** has the meaning prescribed in section 3;

**‘non-dependant deduction’** means a deduction that is to be made under section 58;

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

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

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

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

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

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

(ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:

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

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

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

**‘occupational pension scheme’** has the same meaning as in section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;

**‘ordinary clothing or footwear’** means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

**‘partner’** in relation to a person, means;

(a) where that person is a member of a couple, the other member of that couple;

(b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or

(c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

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

**‘payment’** includes part of a payment;

**‘pensionable age’** has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013;

**‘pension fund holder’** means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

**‘pensioner’** a person who has attained the age at which pension credit can be claimed;

**‘person affected’** shall be construed as a person to whom the authority decides is affected by any decision made by the council;

**‘person on income support’** means a person in receipt of income support;

**‘personal independence payment’** has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

**‘person treated as not being in Great Britain’** has the meaning given by section 7;

**‘personal pension scheme’** means—

- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- b. an annuity contractor trust scheme approved under section 20 or 21 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 of the Finance Act 2004;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

**‘policy of life insurance’** means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

**‘polygamous marriage’** means a marriage to which section 133(1) of the Act refers namely;

- (a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and
- (b) either party to the marriage has for the time being any spouse additional to the other party.

**‘public authority’** includes any person certain of whose functions are functions of a public nature;

**‘qualifying age for state pension credit’** means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)–

- (a) in the case of a woman, pensionable age; or
- (b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

**‘qualifying contributory benefit’** means;

- (a) severe disablement allowance;
- (b) incapacity benefit;
- (c) contributory employment and support allowance;

**‘qualifying course’** means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker’s Allowance Regulations 1996

**‘qualifying income-related benefit’** means;

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

**‘qualifying person’** means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

**‘reduction week’** means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

**‘relative’** means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

**‘relevant authority’** means an authority administering council tax reduction;

**‘relevant week’** In relation to any particular day, means the week within which the day in question falls;

**‘remunerative work’** has the meaning prescribed in section 6;

**‘rent’** means ‘eligible rent’ to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

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

**‘Scottish basic rate’** means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

**‘Scottish taxpayer’** has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998

**‘second authority’** means the authority to which a mover is liable to make payments for the new dwelling;

**‘self-employed earner’** is to be construed in accordance with section 2(1)(b) of the Act;

**‘self-employment route’** means assistance in pursuing self-employed earner’s employment whilst participating in–

- a. an employment zone programme;
- b. a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
- c. the Employment, Skills, and Enterprise Scheme;
- d. a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- e. Back to Work scheme.

**'Service User'** references in this scheme to an applicant participating as a service user are to

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

**'single applicant'** means an applicant who neither has a partner nor is a lone parent;

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

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

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

**'the SSCBA'** means the Social Security Contributions and Benefits Act 1992

**'State Pension Credit Act'** means the State Pension Credit Act 2002;

**'student'** has the meaning prescribed in section 43;

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

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

**'the Tax Credits Act'** means the Tax Credits Act 2002;

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

**'training allowance'** means an allowance (whether by way of periodical grants or otherwise) payable—

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

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

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

**'Universal Credit'** means any payment of Universal Credit payable under the Welfare Reform

Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

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

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

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

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

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

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

**‘water charges’** means;

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

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

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

**‘Working Tax Credit Regulations’** means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended<sup>4</sup>; and

**‘young person’** has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this scheme, a person is on an income-based jobseeker’s allowance on any day in respect of which an income-based jobseeker’s allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income- based jobseeker’s allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker’s allowance is not payable); or
  - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income- based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
  - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
  - (d) in respect of which an income-based jobseeker’s allowance or a joint-claim jobseeker’s

<sup>4</sup> The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013

allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

2.4A For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;

- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
- (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

2.6 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

### **3.0 Definition of non-dependant**

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

3.2 This paragraph applies to;

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

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

- a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
  - i. that person is a close relative of his or her partner; or
  - ii. the tenancy or other agreement between them is other than on a commercial basis;
- b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
- c. a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to

his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the reduction scheme.

#### **4.0 Requirement to provide a National Insurance Number<sup>5</sup>**

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

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

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

4.3 Paragraph 4.2 shall not apply–

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

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

5.1 This scheme applies to a person if:

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

#### **6.0 Remunerative work (child care provisions)**

6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this scheme as engaged in remunerative work if he is engaged in work for which payment is made or which is done in expectation of payment. This provision applies to child care disregards only. For all earnings disregards defined in Schedule 3, earnings applies to any number of hours worked.

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

- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- b. in any other case, the period of 5 weeks immediately prior to that date of claim, or

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<sup>5</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,

- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
  - b. no other payment is made or is expected to be made to him.

#### **7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control**

##### **Persons treated as not being in Great Britain**

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
  - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
    - (i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or
    - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
  - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of

that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).

- 7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
  - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
  - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
  - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 7.4B Paragraph (4A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
  - (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 7.5 A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
    - (i) the Afghan Relocations and Assistance Policy; or
    - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
  - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
  - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
    - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
    - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
    - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
  - (zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—
    - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,
    - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or
    - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
  - (ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—
    - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;



	<p>(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or</p> <p>(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act</p> <p>(a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;</p> <p>(b) a family member of a person referred to in sub-paragraph (a);</p> <p>(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;</p> <p>(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;</p> <p>(cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;</p> <p>(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</p> <p>(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;</p> <p>(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</p> <p>(f) a person who has humanitarian protection granted under those rules;</p> <p>(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;</p> <p>(h) in receipt of income support or on an income-related employment and support allowance; or</p> <p>(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).</p>
7.6	A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.
7.7	A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
7.8	<p>In this regulation—</p> <p>"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;</p> <p>"Crown servant" means a person holding an office or employment under the Crown;</p> <p>"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020</p> <p>"EEA national" has the meaning given in regulation 2(1) of the EEA Regulations;</p> <p>"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);</p> <p>"relevant person of Northern Ireland" has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and</p>

“His Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

#### **Persons subject to immigration control**

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

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

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

#### **7A.0 Transitional provision**

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

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

7A.2 The events are—

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

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

#### **8.0 Temporary Absence (period of absence)**

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

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

8.3 In paragraph 8.2, a ‘period of temporary absence’ means—

- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
  - i. the person resides in that accommodation;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
  - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;
- b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
  - i. the person intends to return to the dwelling;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
  - iii. that period is unlikely to exceed 13 weeks; and

- c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
  - i. the person intends to return to the dwelling;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let;
  - iii. the person is a person to whom paragraph 8.4 applies; and
  - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.4 This paragraph applies to a person who is;

- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
  - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
  - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
- b. resident in a hospital or similar institution as a patient;
- c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in the United Kingdom or elsewhere, a training course;
- e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- h. a student;
- i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
- j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.5 is paragraph applies to a person who is:

- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986; and
- b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—

- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident.

8.7 In this section;

- ‘medically approved’ means certified by a medical practitioner;
- ‘patient’ means a person who is undergoing medical or other treatment as an in- patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
  - a. in a care home;
  - b. in an independent hospital;

- c. in an Abbeyfield Home; or
- d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- 'training course' means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

**Sections 9 - 11**  
**The family for Council tax reduction purposes**

## **9.0 Membership of a family**

- 9.1 Within the reduction scheme adopted by the Council 'family' means;
- a. a married or unmarried couple;
  - b. married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
  - c. two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
  - d. two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
  - e. and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
  - f. except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person'

A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- a. on income support ;
  - b. an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
  - c. a person to whom section 6 of the Children (Leaving Care) Act 2000 applies.
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable.

## **10.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.**

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him, and this includes a child or young person to whom paragraph 9.3 applies.
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- a. the person who is receiving child benefit in respect of him; or
  - b. if there is no such person;
    - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or

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

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

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

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

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

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

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

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

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

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

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

**Sections 12 – 14 & Schedule 1**

**Applicable Amounts for Council tax reduction purposes**



## **12.0 Applicable amounts**

12.1 Subject to sections 13 and 14, an applicant's weekly applicable amount shall be aggregate of such of the following amounts as may apply in his case;

- a. an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 as the case may be, of Schedule 1 of this scheme;
- b. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme in respect of any child or young person who is a member of his family;
- c. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium);
- d. the amount of any premiums which may be applicable to him, determined in accordance with paragraphs 4 to 16 of Schedule 1 of this document (premiums).
- e. the amount of either the
  - i. work-related activity component; or
  - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 of this document (the components)
- f. the amount of any transitional addition which may be applicable to him in accordance with paragraph 19 to 20 of Schedule 1 of this scheme (transitional addition).

## **13.0 Polygamous marriages**

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

- a. the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this scheme as if he and that partner were a couple;
- b. an amount equal to the lowest amount within paragraph 1 of Schedule 1 of this scheme in respect of each of his other partners;
- c. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme (applicable amounts) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in paragraph 3 of Schedule 1 of this scheme (family premium);
- e. the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this scheme (premiums).
- f. the amount of either the;
  - i. work-related activity component; or
  - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 (the components).
- g. the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this scheme (transitional addition)

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

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

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

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

- 14.2 The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.
- 14.3 In this paragraph “maximum amount” means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012

**Sections 15 – 32 & Schedules 3 & 4**

**Definition and the treatment of income for Council tax reduction purposes**

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

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

is to be calculated in accordance with the provisions of this Part.

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

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

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

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

- 15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of
- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
  - (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings: persons who are not pensioners);
  - (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
  - (d) section 33 (circumstances in which income and capital of non-dependant is to be treated as applicant's) if the authority determines that the provision applies in the applicant's case;
  - (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

- 15A.4 sections 33 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

- 15A.5 In determining the capital of an applicant;
- (a) who has, or
  - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award.

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

16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income- based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.'

16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

**17.0 Calculation of income on a weekly basis**

17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;

- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
- b. by adding to that amount, the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2 are met, from those earnings plus whichever credit specified in sub- paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

17.2 The conditions of this paragraph are that;

- a. the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
- b. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;

- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

**18.0 Treatment of child care charges**

18.1 This section applies where an applicant is incurring relevant child-care charges and;

- a. is a lone parent and is engaged in remunerative work;

- b. is a member of a couple both of whom are engaged in remunerative work; or
  - c. is a member of a couple where one member is engaged in remunerative work and the other;
    - i. is incapacitated;
    - ii. is an in-patient in hospital; or
    - iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).
- 18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—
- a. is paid statutory sick pay;
  - b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
  - c. is paid an employment and support allowance;
  - d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
  - e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- 18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
- a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
  - b. the first day of the period in respect of which earnings are credited, as the case may be.
- 18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply and shall be calculated on a weekly basis in accordance with paragraph 18.10.
- 18.6 The charges are paid by the applicant for care, which is provided;
- a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
  - b. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—
- a. in respect of the child's compulsory education;
  - b. by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
  - c. in respect of care provided by a relative of the child wholly or mainly in the child's home.
- 18.8 The care to which paragraph 18.7 refers may be provided;
- a. out of school hours, by a school on school premises or by a local authority;
    - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
    - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or

- b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
- c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- e. by;
  - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
  - ii. local authorities registered under section 8(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
- f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
- g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering, or kinship carer is looking after; or
- l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- m. by a person who is not a relative of the child wholly or mainly in the child's home.

18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where.

- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013;

- d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose, any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 20018 or Employment and Support Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- f. there is payable in respect of him one or more of the following pensions or allowances—
  - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
  - ii. attendance allowance under section 64 of the Act;
  - iii. severe disablement allowance under section 68 of the Act;
  - iv. disability living allowance under section 71 of the Act;
  - v. personal independence payment under the Welfare Reform Act 2012;
  - vi. an AFIP;
  - vii. increase of disablement pension under section 104 of the Act;
  - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (vii) above;
  - ix. main phase employment and support allowance;
- g. a pension or allowance to which head (ii), (iv), (vi) or (viii) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.
- h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12 For the purposes of paragraph 18.11 once paragraph 18.11d) applies to the applicant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.



- 18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person–
- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
  - b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
  - c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- 18.14 For the purposes of paragraph 18.1 a person on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that–
- a. in the week before the period of maternity leave, paternity leave or shared parental leave effective from 5/4/2015 or adoption leave began she was in remunerative work or adoption leave began they were in remunerative work;
  - b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
  - c. They are entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.
- 18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on–
- a. the date that leave ends;
  - b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
  - c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.
- whichever shall occur first.
- 18.16 In paragraphs 18.14 and 18.15
- a. **'qualifying support'** means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
  - b. **'child care element'** of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.
- 18.17 In this section 'applicant' does not include an applicant;
- a. who has, or
  - b. who (jointly with his partner) has,
- an award of universal credit
- 19.0 Average weekly earnings of employed earners.**
- 19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment–
- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
    - i. 5 weeks, if he is paid weekly; or
    - ii. 2 months, if he is paid monthly; or
  - b. whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated

as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)

- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

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

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26.

#### **20.0 Average weekly earnings of self-employed earners**

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

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme.

#### **21.0 Average weekly income other than earnings**

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 4 of this scheme.

21.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that support is payable.

21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this scheme.

#### **22.0 Calculation of average weekly income from tax credits**

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3.

22.3 Where the instalment in respect of which payment of a tax credit is made is;

- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- b. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due

- to be paid;
- c. a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- d. a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

22.4 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

### **23.0 Calculation of weekly income**

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

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

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

### **24.0 Disregard of changes in tax, contributions etc.**

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

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

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

### **25.0 Earnings of employed earners.**

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

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice, or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly,

- exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
- g. (i) travelling expenses incurred by the applicant between his home and his place of employment;
- (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended<sup>6</sup>.

**25.2 Earnings shall not include—**

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of an applicant participating as a service user.

**25.3** Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)

**26.0 Calculation of net earnings of employed earners.**

**26.1** For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

**26.2** There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

**26.3** For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
  - i) income tax;
  - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
- d. where those earnings include a payment which is payable under any enactment having

<sup>6</sup> Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

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

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

## **27.0 Earnings of self-employed earners**

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

the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

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

## **28.0 Calculation of net profit of self-employed earners**

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be;

- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
  - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.

- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.

- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less;

- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- b. an amount in respect of;
  - (i) income tax, and
  - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.

- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of—

- a. any capital expenditure;
- b. the depreciation of any capital asset;
- c. any sum employed or intended to be employed in the setting up or expansion of the employment;
- d. any loss incurred before the beginning of the assessment period;

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

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

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

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

29.3 In this section 'chargeable income' means—

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

### **30.0 Calculation of income other than earnings**

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

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

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

30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 27.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending



with 5th April in the next.

30.7 Paragraphs 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—

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

Where;

A =

the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section— ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of sections 43 to 45, ‘assessment period’ means—

a. in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

b. in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—

i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or

ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those dates is earlier.

‘quarter’ in relation to an assessment period means a period in that year beginning on;

a. 1st January and ending on 31st March;

b. 1st April and ending on 30th June;

c. 1st July and ending on 31st August; or

d. 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

- 30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1;
- a. any payment to which paragraph 25.2 (payments not earnings) applies; or
  - b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.
- 31.0 Capital treated as income.**
- 31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £16,000, be treated as income.
- 31.2 Any payment received under an annuity shall be treated as income.
- 31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.
- 31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income.
- 31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.
- 32.0 Notional income**
- 32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of reduction or increasing the amount of that reduction.
- 32.2 Except in the case of—
- a. a discretionary trust;
  - b. a trust derived from a payment made in consequence of a personal injury;
  - c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
  - d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
  - e. any sum to which paragraph 48(a) of Schedule 5 refers;
  - f. rehabilitation allowance made under section 2 of the 1973 Act;
  - g. child tax credit; or
  - h. working tax credit,
  - i. any sum to which paragraph 32.13 applies;
- any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.
- 32.3 – 32.5 Not used
- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made—
- a. to a third party in respect of a single applicant or a member of the family (but not a

- member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
  - c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made—
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
  - b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
  - c. pursuant to section 2 of the 1973 Act in respect of a person's participation—
    - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
    - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
    - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
    - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
    - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
  - d. in respect of a previous participation in the Mandatory Work Activity Scheme;
  - e. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
    - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration, or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
    - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
    - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.
- 32.9 Subject to paragraph 32.10, where—
- a. applicant performs a service for another person; and
  - b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

32.10 Paragraph 32.9 shall not apply–

- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- b. in a case where the service is performed in connection with–
  - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
  - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or
- c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

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

**Sections 33 – 42 & Schedule 5**

**Definition and the treatment of capital for Council tax reduction purposes**

<b>33.0</b>	<b>Capital limit</b>
33.1	For the purposes of this scheme, the prescribed amount is £16,000 and no reduction shall be granted when the applicant has an amount greater than this level.
<b>34.0</b>	<b>Calculation of capital</b>
34.1	For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).
34.2	There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.
<b>35.0</b>	<b>Disregard of capital of child and young person</b>
35.1	The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.
<b>36.0</b>	<b>Income treated as capital.</b>
36.1	Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.
36.2	Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.
36.3	Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.
36.4	Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.
36.5	In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.
36.6	Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.
36.7	There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.
36.8	Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.
36.9	Any arrears of working tax credit or child tax credit shall be treated as capital.
<b>37.0</b>	<b>Calculation of capital in the United Kingdom</b>
37.1	Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less— <ul style="list-style-type: none"> <li>a. where there would be expenses attributable to the sale, 10 per cent.; and</li> <li>b. the amount of any encumbrance secured on it;</li> </ul>

### **38.0 Calculation of capital outside the United Kingdom**

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

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

### **39.0 Notional capital**

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

39.2 Except in the case of

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

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

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

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

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

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

- Allowance Regulations;
    - ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
    - iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
    - iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
    - v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
  - c. in respect of a person's participation in the Mandatory Work Activity Scheme;
  - d. Enterprise Scheme;
  - e. in respect of an applicant's participation in the Employment, Skills, and Enterprise Scheme or Back to Work Scheme;
  - f. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
    - i. a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
    - ii. the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
    - iii. the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case;
- a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
  - b. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.
- 39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.
- 39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.
- 40.0 Diminishing notional capital rule.**
- 40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;
- a. in the case of a week that is subsequent to
    - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
    - (ii) a week which follows that relevant week, and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
  - b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where
    - (i) that week is a week subsequent to the relevant week; and
    - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.
- 40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that;
- a. he is in receipt of council tax reduction; and
  - b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.



- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- a. the additional amount to which sub-paragraph 40.2 (b) refers;
  - b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
  - c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
  - d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
  - e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
  - b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
    - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
    - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
 and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
  - c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
  - d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which

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

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

**41.0 Capital jointly held.**

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

**42.0 Calculation of tariff income from capital**

- 42.1 Where the applicant's capital calculated in accordance with this scheme exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £16,000.
- 42.2 Notwithstanding paragraph 42.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.
- 42.3 For the purposes of paragraph 42.1, capital includes any income treated as capital under section 36 (income treated as capital).

## **Sections 43 - 56**

### **Definition and the treatment of students for Council tax reduction purposes<sup>7</sup>**

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<sup>7</sup> Amounts shown in sections 43 to 56 will be uprated in line with the Housing Benefit Regulations 2006 (as amended)

### 43.0 Student related definitions

#### 43.1 In this scheme the following definitions apply;

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

**‘access funds’** means;

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

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

**‘contribution’** means;

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

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

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

**‘education authority’** means a government department, a local education authority as defined in section 12 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973 an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body of the Channel Island, Isle of Man or any other country outside Great Britain;

**‘full-time course of study’** means a full time course of study which;

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

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

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

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

**'grant income'** means;

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

**'higher education'** means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992; 'last day of the course' means;

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

**'period of study'** means—

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

**'periods of experience'** means periods of work experience which form part of a sandwich course;

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

**'modular course'** means a course of study which consists of two or more modules, the

successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

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

**'standard maintenance grant'** means—

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

**'student'** means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

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

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

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

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

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

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

#### **44.0 Treatment of students**

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

#### **45.0 Students who are excluded from entitlement to council tax reduction.**

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

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

45.3 Paragraph 45.2 shall not apply to a student;

(a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) who is a lone parent;

(c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose, any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

(i) aged under 21 and whose course of study is not a course of higher education, or

(ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);

(j) in respect of whom

i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

(v) a supplementary requirement has been determined under paragraph 9 of



Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

45.3A For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19

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

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

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

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

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
  - (i) engaged in caring for another person; or
  - (ii) ill;
- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

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

- (a) the day on which he resumes attending or undertaking the course; or
  - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
- which shall first occur.

#### **46.0 Calculation of grant income**

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

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

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
- (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;

	<ul style="list-style-type: none"> <li>(f) intended to meet the cost of books and equipment;</li> <li>(g) intended to meet travel expenses incurred as a result of his attendance on the course;</li> <li>(h) intended for the child care costs of a child dependant.</li> <li>(i) of higher education bursary for care leavers made under Part III of the Children Act 1989.</li> </ul>
46.3	<p>Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;</p> <ul style="list-style-type: none"> <li>(a) the sum of £303 per academic year in respect of travel costs; and</li> <li>(b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.</li> </ul> <p>The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).</p>
46.4	<p>There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.</p>
46.5	<p>Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;</p> <ul style="list-style-type: none"> <li>(a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;</li> <li>(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.</li> </ul>
46.6	<p>Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.</p>
46.7	<p>In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.</p>
46.8	<p>In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.</p>
<b>47.0</b>	<p><b>Calculation of covenant income where a contribution is assessed.</b></p>
47.1	<p>Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.</p>

- 47.2 The weekly amount of the student's covenant shall be determined—
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
  - (b) by disregarding from the resulting amount, £5.
- 47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).
- 48.0 Covenant income where no grant income or no contribution is assessed.**
- 48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;
- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
  - (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
  - (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
  - (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.
- 48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;
- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
  - (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.
- 49.0 Student Covenant Income and Grant income – non disregard**
- 49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme.
- 50.0 Other amounts to be disregarded.**
- 50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.
- 51.0 Treatment of student loans**
- 51.1 A student loan shall be treated as income.
- 51.2 In calculating the weekly amount of the loan to be taken into account as income;
- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;

- (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
  - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,
- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
  - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
  - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
  - (i) the first day of the first reduction week in September; or
  - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June;

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5;

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
  - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
  - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
  - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
  - (ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4;
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

#### **51A.0 Treatment of fee loans**

- 51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

#### **52.0 Treatment of payments from access funds**

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
  - b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

- 52.4 Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
  - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

#### **53.0 Disregard of contribution**

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

#### **54.0 Further disregard of student's income**

- 54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

#### **55.0 Income treated as capital.**

- 55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

- 55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.
- 55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.
- 56.0 Disregard of changes occurring during summer vacation**
- 56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

**Sections 57 – 63**

**The calculation and amount of Council tax reduction**

## **57.0 Maximum council tax reduction**

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax reduction in respect of a day for which he is liable to pay council tax, shall be 80 per cent, of the amount A divided by B where;

- (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
- (b) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under section 58 (non-dependant deductions).

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

57.2 In calculating a person's maximum council tax reduction any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax reduction) applies, in determining the maximum council tax reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case.

## **58.0 Non-dependant deductions<sup>8</sup>**

58.1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum council tax reduction) shall be;

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £15.10 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £4.90 x 1/7.

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

- (a) less than £256.00, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
- (b) not less than £256.00, but less than £445.00, the deduction to be made under this section shall be £10.05 x 1/7
- (c) not less than £445.00, but less than £554.00, the deduction to be made under this section shall be £12.60 x 1/7;

58.3 Only one deduction shall be made under this section in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount shall be deducted.

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<sup>8</sup> The amounts shown within this section shall be uprated in line with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012. These are current to be confirmed (TBC)



- 58.4 In applying the provisions of paragraph 58.2 in the case of a couple or, as the case may be a polygamous marriage, regard shall be had, for the purpose of that paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.
- 58.5 Where in respect of a day–
- a. a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
  - b. other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
  - c. the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.
- 58.6 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is–
- a. blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
  - b. receiving in respect of himself:
    - attendance allowance, or would be receiving that allowance but for:
      - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - ii. an abatement as a result of hospitalisation; or
    - the care component of the disability living allowance, or would be receiving that component but for:
      - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - ii. an abatement as a result of hospitalisation; or
  - c. the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
  - d. an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- 58.7 No deduction shall be made in respect of a non-dependant if:
- a. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
  - b. he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
  - c. he is a full time student within the meaning of section 44.0 (Students); or
  - d. he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
  - e. 'patient' has the meaning given within this scheme, and
  - f. where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
  - g. he is not residing with the claimant because he is a member of the armed forces away on operations.
- 58.8 No deduction shall be made in respect of a non-dependant;
- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;

- (b) to whom Schedule 1 of the 1992 Act applies (persons disregarded for purposes of discount) but this sub-paragraph shall not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers;
- (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.”;  
For the purposes of sub-paragraph (c), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

58.9 In the application of paragraph 58.2 there shall be disregarded from his weekly gross income:

- a. any attendance allowance, disability living allowance or personal independence payment or an AFIP received by him;
- b. any payment made under or by the Trusts, the Fund, the Eileen Trust , MFET Limited, the Skipton Fund, the Caxton Foundation, or the Independent Living Fund (2006) which had his income fallen to be calculated under section 30 (calculation of income other than earnings) would have been disregarded under paragraph 24 of Schedule 4 (income in kind); and
- c. any payment which had his income fallen to be calculated under section 30 would have been disregarded under paragraph 36 of Schedule 4 (payments made under certain trusts and certain other payments).

#### **59.0 Weekly Excess Income**

59.1 An applicant will have excess income where their income exceeds their applicable amount. The amount of reduction will be calculated in accordance with the table specified within Schedule 2 of this scheme. Where the applicant's excess income exceeds the level specified, no reduction will be awarded.

#### **60.0 Extended reductions**

60.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;

- (a) the applicant or the applicant’s partner was entitled to a qualifying income- related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant’s partner–
  - (i) commenced employment as an employed or self-employed earner;
  - (ii) increased their earnings from such employment; or
  - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
- (c) the applicant or the applicant’s partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker’s allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant’s partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker’s allowance during any period of less than five weeks in respect of which the applicant or the applicant’s partner was not entitled to any of those benefits because the applicant or the applicant’s partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

60.3 For the purpose of this section, where an applicant or an applicant’s partner is entitled to and in receipt of joint-claim jobseeker’s allowance they shall be treated as being entitled to and in receipt of jobseeker’s allowance.

60.4 An applicant must be treated as entitled to council tax reduction by virtue of the general

conditions of entitlement where–

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

60.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

#### **60A.0 Duration of extended reduction period**

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax if that occurs first.

#### **60B.0 Amount of extended reduction**

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of–

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement if section 60 did not apply to the applicant.

60B.1A An extended reduction may be awarded at same rate as any previous Council Tax Benefit awards where extended reduction starts during March 2013.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

#### **60C Extended reductions – movers**

60C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

60C.2 The amount of the extended reduction payable from the Monday from which this section

applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

- (a) the second authority; or
- (b) the mover directly.

60C.4 Where—

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

**60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement**

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

**61.0 Extended reductions (qualifying contributory benefits)**

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
  - (i) commenced employment as an employed or self-employed earner;
  - (ii) increased their earnings from such employment; or
  - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

61.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which

- (c) entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

**61A.0 Duration of extended reduction period (qualifying contributory benefits)**

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax if that occurs first.

**61B.0 Amount of extended reduction (qualifying contributory benefits)**

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement if section 61 did not apply to the applicant.

61B.2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

**61C.0 Extended reductions (qualifying contributory benefits) – movers**

61C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to—

- (a) the second authority; or
- (b) the mover directly.

**61C.4 Where**

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

**61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement**

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction– movers).

**61E.0 Extended reductions: movers into the authority's area<sup>9</sup>**

**61E.1 Where;**

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
  - (i) another billing authority in England; or
  - (ii) a billing authority in Wales,the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

**62.0 - 63.0 Not Used**

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<sup>9</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**Sections 64 – 67**

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

**64.0 Date on which entitlement is to begin.**

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

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

**65.0 - 66.0 Not Used**

**67.0 Date on which change of circumstances is to take effect.**

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

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

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

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

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

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

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

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

67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes



effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

**Sections 68– 74A**

**Claiming and the treatment of claims for Council tax reduction purposes**

**68.0 Making an application<sup>10</sup>**

68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.

68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;

- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
- (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
- (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.

68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.

68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);

- (a) it may at any time revoke the appointment;
- (b) the person appointed may resign his office after having given 4 weeks' notice in writing to the authority of his intention to do so;
- (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

68.7 The authority must;

- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a);
- (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
- (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

**69.0 Procedure by which a person may apply for a reduction under the authority's scheme<sup>11</sup>**

69.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme (for clarity this will include electronic information received from the Department for Work and Pensions); or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

69.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

69.4 (1) Where an application made in writing is defective because—

- (a) it was made on the form supplied for the purpose, but that form is not accepted by the authority as being properly completed; or
- (b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

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

(1) Where an applicant ;

(a) makes an application under this scheme which includes (or which

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

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 authority considers is reasonable;
- b. the day 12 months before the date the application was made;
- c. the day 12 months before the date when the applicant requested that the application should include a past period.

**69A.0 Date on which an application is made.**

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

- (a) in a case where;

- (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and
- (ii) the application for a reduction is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

- (b) in a case where

- (i) an applicant or his partner is a person in receipt of a guarantee credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling he occupies as his home, and
- (iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

- (c) in a case where;

- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
- (ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

- (d) in a case where;

- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

- (e) in a case where;

- (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
- (ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which an application is received at the designated office.

69A.2 For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days), have been entitled to that allowance.

69A.3 Where there is a defect in an applications by telephone;

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.

69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

69A.5 The conditions are that—

(a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

(b) where an application is not on approved form or further information requested by authority applies;

(i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;

(ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,

in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application, but the authority is of the opinion that unless there is a change of circumstances, he will be entitled to a reduction

under its scheme for a period beginning not later than;

(a) in the case of an application made by;

- (i) a pensioner, or
- (ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit, the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

69A.8 In this paragraph “appropriate DWP office” means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

#### **70.0 Submission of evidence electronically**

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim.

#### **71.0 Use of telephone provided evidence**

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim.

#### **72.0 Information and evidence<sup>12</sup>**

72.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority’s scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

72.2 This sub-paragraph is satisfied in relation to a person if—

(a) the application is accompanied by;

- (i) a statement of the person’s national insurance number and information or evidence establishing that that number has been allocated to the person; or
- (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or

(b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;

- (i) evidence of the application for a national insurance number to be so allocated; and
- (ii) the information or evidence enabling it to be so allocated.

72.3 Sub-paragraph (2) does not apply;

(a) in the case of a child or young person in respect of whom an application for a reduction is made;

(b) to a person who;

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

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

- 72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
- 72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.
- 72.6 Where the authority makes a request under sub-paragraph (4), it must;
- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
  - (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.
- 72.7 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
  - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
  - (c) a payment which is disregarded under paragraph 58.9.
- 72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
- (a) the name and address of the pension fund holder;
  - (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.
- 73.0 Amendment and withdrawal of application<sup>13</sup>**
- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

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



73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

**74.0 Duty to notify changes of circumstances<sup>14</sup>**

74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;

(a) between the making of an application and a decision being made on it, or

(b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.

74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;

(a) in writing; or

(b) by telephone—

(i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

(ii) in any case or class of case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying;

(a) changes in the amount of council tax payable to the authority;

(b) changes in the age of the applicant or that of any member of his family;

(c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

74.6 Not used.

74.7 A person who has been awarded a reduction under the authority's scheme who is also on state pension credit must report;

(a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;

(b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.

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<sup>14</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 74.8 In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only a savings credit must also report—
- (a) changes affecting a child living with him which may result in a change in the amount of reduction under the authority's scheme allowed in his case, but not changes in the age of 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; or
    - (ii) a person to whom their partner is treated as member of the household,and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.
- 74.9 A person who is entitled to a reduction under the authority's scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).
- 74.10 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances.

**Sections 75- 90**

**Decisions, decision notices and awards of Council tax reduction**

**75.0 Decisions by the authority<sup>15</sup>**

75.1 The authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and section 69 being satisfied, or as soon as reasonably practicable thereafter.

**76.0 Notification of decision<sup>16</sup>**

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;

(a) informing the person affected of the duty imposed by 74.1;

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000<sup>(3)</sup> 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,

<sup>15</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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

receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

#### **77.0 Time and manner of granting council tax reduction<sup>17</sup>**

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

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
  - (i) such a reduction is not possible; or
  - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
  - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
  - (i) must be paid to that person if he so requires; or
  - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

#### **78.0 Persons to whom reduction is to be paid<sup>18</sup>**

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount of a reduction must be made to that person.

<sup>17</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>18</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

**79.0 Shortfall in support / reduction<sup>19</sup>**

79.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

**80.0 Payment on the death of the person entitled<sup>20</sup>**

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

**81.0 Offsetting**

81.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

**82.0 Payment where there is joint and several liability<sup>21</sup>**

82.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
  - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
  - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,
- it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

82.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an

<sup>19</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>20</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>21</sup> Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

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

**83.0 – 88.0      Not Used**

**89.0      Underlying Entitlement**

- 89.1      In calculating the amount of any reduction the authority may deduct any amount of council tax reduction, which should have been determined to be payable in respect of the whole or part of the period for which any overpayment has arisen;
- (a)      on the basis of the claim as presented to the authority;
  - (b)      on the basis of the claim as it would have appeared had any misrepresentation or non-disclosure been remedied before the decision; or
  - (c)      on the basis of the claim as it would have appeared if any change of circumstances had been notified at the time that change occurred.

**90.0      Overpayments**

- 90.1      An overpayment is created when a retrospective change is made to an award of Council Tax reduction that reduces the amount of reduction originally granted. The overpaid amount will be added to the Council Tax outstanding except in the following circumstance.
- Where the overpayment has occurred due to an error made by the Local Authority and
  - The applicant could not have reasonably been aware that they were being overpaid.
- 90.2      In the above circumstance the Authority may choose to make the overpayment unrecoverable so this amount would not be added to the Council Tax demand notice.

**Sections 91 – 94**

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



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

91.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements<sup>22</sup>.

**92.0 Collection of information**

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from–

- (a) persons making claims for council tax reduction;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

92.2 The authority may verify relevant information supplied to or obtained.

**93.0 Recording and holding information.**

93.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

**94.0 Forwarding of information.**

94.1 The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being;

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to council tax reduction.

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<sup>22</sup> Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

**Sections 95 – 98**

**Revisions, Written Statements, Termination of Council tax reduction**

#### **95.0 Persons affected by Decisions.**

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- a. an applicant;
  - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
    - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction on his behalf,
    - (ii) Not used
    - (iii) an attorney with a general power or a power to receive benefit or reduction appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
  - c. a person appointed by the authority under this scheme;

#### **96.0 Revisions of Decisions**

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
  - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
  - (ii) such extended time as the authority may allow

#### **97.0 Written Statements**

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council tax reduction. The request must be received within one month of the date of the notification being issued by the authority.

#### **98.0 Terminations**

- 98.1 The authority may terminate reduction in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
  - b. a decision as to an award of such a reduction should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
  - b. a decision as to an award of such a reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

**Section 99**

**Appeals against the authority's decisions.**

**99.0 Procedure by which a person may make an appeal against certain decisions of the authority<sup>23</sup>**

- 99.1 A person who is aggrieved by a decision of the authority, which affects;
- (a) the person's entitlement to a reduction under its scheme, or
  - (b) the amount of any reduction to which that person is entitled,
- may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must
- (a) consider the matter to which the notice relates;
  - (b) notify the aggrieved person in writing;
    - (i) that the ground is not well founded, giving reasons for that belief; or
    - (ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act<sup>24</sup>.
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<sup>23</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>24</sup> As amended by the Tribunal Procedure (Amendment No 3 ) Rules 2014

## **Section 100**

**Procedure for applying for a discretionary reduction.**

**100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act<sup>25</sup>**

- 100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
  - (b) by means of an electronic communication in accordance this scheme or
  - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 100.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
  - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

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<sup>25</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**Section 101 – 106A<sup>26</sup>**

**Electronic Communication**

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<sup>26</sup> Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012



### **101.0 Interpretation**

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

### **102.0 Conditions for the use of electronic communication**

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.
- 102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.
- 102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.
- 102.4 The second condition is that the person uses an approved method of;
- (a) authenticating the identity of the sender of the communication;
  - (b) electronic communication;
  - (c) authenticating any application or notice delivered by means of an electronic communication; and
  - (d) subject to sub-paragraph (7), submitting to the authority any information.
- 102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.
- 102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.
- 102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.
- 102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

### **103.0 Use of intermediaries**

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

### **104.0 Effect of delivering information by means of electronic communication.**

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

104.2	The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).
104.3	Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.
<b>105.0</b>	<b>Proof of identity of sender or recipient of information</b>
105.1	If it is necessary to prove, for the purpose of any legal proceedings, the identity of— (a) the sender of any information delivered by means of an electronic communication to an official computer system; or (b) the recipient of any such information delivered by means of an electronic communication from an official computer system, the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.
<b>106.0</b>	<b>Proof of delivery of information</b>
106.1	If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where; (a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or (b) any such information has been delivered by the relevant authority if the delivery of that information has been recorded on an official computer system.
106.2	If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case if that information delivered to the relevant authority has not been recorded on an official computer system.
106.3	If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.
<b>106A.0</b>	<b>Proof of content of information</b>
106A.1	If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

**Section 107**  
**Counter Fraud and Compliance**

#### **107.0 Counter Fraud and compliance**

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

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

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

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

107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully.

**Schedule 1**  
**Applicable Amounts<sup>27</sup>**

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<sup>27</sup> <sup>27</sup> The amounts shown within this schedule shall be uprated in line with the Housing Benefit Regulations 2006 as amended.

### Personal Allowance

- 1 The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes the main scheme;

Column 1 Person or Couple	Column 2
1. A Single applicant who; a) is entitled to main phase employment and support allowance	£90.50
b) is aged not less than 25	£90.50
c) is aged not less than 18 but less than 25	£71.70
2. Lone Parent	£90.50
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£142.25
b) Where one member is aged not less than 18	£142.25
c) For each additional spouse who is a member of the same household as the claimant	£51.75

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

- Paragraph 17 or 18 is satisfied in relation to the applicant; or
- The applicant is entitled to a converted employment and support allowance.

- 2 (1) The amount specified in column (2) below in respect of each person specified in column (1) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of the main scheme

Column 1 Child or Young Person	Column 2
Person in respect of the period— (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£83.24
(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.	£83.24

(2) In column (1) of the table in paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

### Family Premiums

3. (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- where the applicant is a lone parent to whom sub-paragraph (3) of Schedule 3 of the Housing Benefit Regulations 2006 applies, £22.20;
  - in any other case, £19.15;

### **Premiums**

4. Except as provided in paragraph 5, the premiums specified this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
5. Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
- 6 (1) The following premiums, namely–
- a. severe disability premium to which paragraph 10 applies;
  - b. an enhanced disability premium to which paragraph 11 applies;
  - c. a disabled child premium to which paragraph 12 applies; and a
  - d. carer premium to which paragraph 13 applies,
- may be applicable in addition to any other premium which may apply under this Schedule.
7. (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
- a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
  - b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns(Scotland) Act 1990 for any period during which he is in receipt of a training allowance.
- (2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

### **Disability Premium**

8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

### **Additional Condition for the Disability Premiums**

9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

### **Severe Disability Premiums**

10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

### **Enhanced Disability Premium**

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

### **Disabled Child Premium**

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

### **Carer Premium**

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

### **Persons in receipt of concessionary payments**

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that

benefit.

**Persons in receipt of benefit for another**

15. For the purposes of this Schedule, a person shall be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and shall be so regarded only for any period in respect of which that benefit is paid.

**Amounts of Premium**

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
<b>Disability Premium</b>	£42.50
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£60.60
<b>Severe Disability Premium</b>	£81.50
a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006	£81.50
i. in a case where there is someone in receipt of carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 14(5);	
ii. in a case where there is no one in receipt of such an allowance	£163.00
<b>Disabled Child Premium</b>	£80.01 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
<b>Carer Premium</b>	£45.60 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
<b>Enhanced Disability Premium</b>	(a) £32.20 in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied; (b) £20.85 in respect of each person who is neither— (i) a child or young person; nor (ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied;



Premium	Amount
	(c) £29.75 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.

#### **The components**

17. The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
18. The amount of the work-related activity component is £35.95. The amount of the support component is £47.70.

#### **Transitional Addition**

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

#### **Amount of transitional addition**

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

**Schedule 2**

**Council Tax Reduction (Discount) Calculation based on the Banded Scheme  
(Excess Income)**

1. The following table is to be used to calculate the amount of any reduction in accordance with this scheme.
2. The applicants excess income shall be calculated in accordance within the provisions of the scheme and will be:
  - the applicant's calculated weekly net income (from all sources) including earnings, unearned income and tariff income from capital; **LESS;**
  - the applicant's weekly applicable amount
3. The amount of reduction for 2024/25 is shown in the table below. Any reduction will be calculated based on the council tax liability defined within Section 57 of this scheme (maximum council tax reduction):

Band	Council Tax Reduction (Discount)	Weekly excess income threshold
1	80%	£0-£14.99
2	65%	£15-£39.99
3	40%	£40.00-£69.99
4	20%	£70.00-£79.99
5	0%	£80.00 or more

### **Schedule 3**

#### **Sums to be disregarded in the calculation of earnings<sup>28</sup>**

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<sup>28</sup> All amounts within this schedule will be amended in line with the Housing Benefit Regulations 2006 (as amended)

1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged–
  - (a) where–
    - (i) the employment has been terminated because of retirement; and
    - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,  
any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
  - (b) where before the first day of entitlement to council tax reduction the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except–
    - (i) any payment of the nature described in  
(aa) paragraph 25.1(e), or  
  
(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
    - (ii) any award, sum or payment of the nature described in  
(aa) paragraph 25.1(g) or (h), or  
(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),  
including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
  - (c) where before the first day of entitlement to council tax reduction–
    - (i) the employment has not been terminated, but
    - (ii) the applicant is not engaged in remunerative work,  
  
any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii) (bb) or paragraph 25.1(i), or (j).
2. In the case of an applicant who, before first day of entitlement to council tax reduction;
  - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
  - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,  
any earnings paid or due to be paid in respect of that employment except;
    - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
    - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (i) or (j).
- 2A. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation

of his employment any earnings derived from that employment except earnings to which paragraph 27.3 and paragraph 27.4 (earnings of self-employed earners) apply.

3. (1) In a case to which this paragraph applies and paragraph 4 does not apply, £33; but notwithstanding section 15 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant, it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £33.  
  
(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component.  
  
(3) This paragraph applies where
  - (a) he is a member of a couple, and his applicable amount includes an amount by way of the disability premium; and
  - (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.  
(4)–(5) Not used.
4. In a case where the applicant is a lone parent, £41.
5. (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium, £33 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with this scheme as being in receipt of carer's allowance.  
  
(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £33 of the aggregated amount.
6. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £33, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment;
  - (a) specified in paragraph 8(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 5 exceed £33;
  - (b) other than one specified in paragraph 8(1), so much of the other member's earnings from such other employment up to £17 as would not when aggregated with the amount disregarded under paragraph 5 exceed £33.
7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £17; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £17.
8. (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the applicant, £33 of earnings derived from one or more employments as–
  - (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;

- (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005(a)) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
  - (c) an auxiliary coastguard in respect of coast rescue activities;
  - (d) a person engaged part-time in the manning or launching of a life boat;
  - (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;

but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant, it shall not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the applicant's partner is engaged in employment;
  - (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £33;
  - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £17 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £33.
- 9. Where the applicant is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £33 in any week and he is also engaged in any other employment so much of his earnings from that other employment, up to £8 if he is a single applicant, or up to £17 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 8 exceed £33.
- 10. In a case to which none of the paragraphs 3 to 9 applies, £8.
- 10A. (1) Where;
  - (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
  - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
  - (c) paragraph 12 does not apply,

the amount specified in sub-paragraph (7) ('the specified amount').

  - (2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case, where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph.
  - (3) Notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4).
  - (4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £33 unless the Secretary of State is satisfied that B is also undertaking exempt work.
  - (5) This sub-paragraph applies to a person who is;
    - (a) in receipt of a contributory employment and support allowance;
    - (b) in receipt of incapacity benefit;
    - (c) in receipt of severe disablement allowance; or
    - (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975

- (6) 'Exempt work' means work of the kind described in;  
(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations; or (as the case may be)  
(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,  
and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.
- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).
- 11.** Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.
- 12.** Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.
- 13.** Any earnings derived from employment, which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.
- 14.** Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.
- 15.** Any earnings of a child or young person.



#### **Schedule 4**

#### **Sums to be disregarded in the calculation of income other than earnings<sup>29</sup>**

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<sup>29</sup> Any amounts shown in this schedule will be uprated in line with the Housing Benefit Regulations 2006 as amended.

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

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

agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by—
    - (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
    - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
  - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
  - (b) a war widow's pension or war widower's pension;
  - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - (d) a guaranteed income payment;
  - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
  - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
  - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
  - (a) widowed mother's allowance paid pursuant to section 37 of the Act;
  - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.  
(2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of—
  - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
  - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.  
(3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—
  - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student's award;
  - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
  - (c) the student's student loan,an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

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

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

to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
  - (b) is aged 18 or over, and
  - (c) continues to live with the applicant.

- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
  - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
  - (b) meet any amount due by way of premiums on—
    - (i) that policy; or
    - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home, and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund), or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013
- 33.** Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 34.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 35.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).  
(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a

member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
  - (i) to that person's parent or step-parent, or
  - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
  - (i) to that person's parent or step-parent, or
  - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

**37.** Any housing benefit.

**38.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

**39. - 40.** not used



- 41.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
- 42.** Not used
- 43.** Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
- 44.** Not used
- 45.** (1) Any payment or repayment made—  
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);  
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);  
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).  
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
- 46.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
- 47.** Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
- 48.** (1) Where an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.  
 (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.  
 (3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
- 48A.** (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.  
 (2) In paragraph (1)  
 'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;  
 (a) the Child Support Act 1991;  
 (b) the Child Support (Northern Ireland) Order 1991;  
 (c) a court order;  
 (d) a consent order;  
 (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;  
 'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that

definition.

**49. Provision for all applicants: Homes for Ukraine scheme**

(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—

- (a) an applicant's entitlement to a reduction under the scheme; or
- (b) the amount of any reduction to which the applicant is entitled.

(2) In this regulation—

“the Homes for Ukraine scheme” means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

**50.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

**51.** Any guardian's allowance.

**52.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

**53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

**54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

**55** (1) Any payment which is

- (a) made under any of the Dispensing Instruments to a widow, widower or
- (b) surviving civil partner of a person;
  - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
  - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph ‘the Dispensing Instruments’ means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

**55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.

**56.** Not used.

**57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).

- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—  
 (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;  
 (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.  
 (2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).  
 (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.  
 (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
- 61.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
- 62.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
- 63.** (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.  
 (2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
- 64.** Any payment of Council Tax Rebate paid under the Government announcement on 3<sup>rd</sup> February 2022.
- 65.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 66.** Any payment of child benefit.
- 67.** Any payment made under the Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017 (Bereavement Support payments).

**Schedule 5**  
**Capital to be disregarded<sup>30</sup>**

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<sup>30</sup> Any amounts shown in this schedule will be uprated in line with the Housing Benefit Regulations 2006 as amended.

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills, and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
  - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
  - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8.
  - (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
  - (2) The assets of any business owned in whole or in part by the applicant where—
    - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
    - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged

or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(3) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
  - (b) an income-related benefit under Part 7 of the Act;
  - (c) an income-based jobseeker's allowance;
  - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
  - (e) working tax credit and child tax credit
  - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

- (3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—
- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
  - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
    - (i) is the person who received the relevant sum; or
    - (ii) is the partner of the person who received the relevant sum or was that person's partner at the date of his death.

10. Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
  - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired, or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

- 11.** Any sum—

  - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
  - (b) which was so deposited, and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)

  - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
  - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
  - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
  - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial

assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

- 20.** Any social fund payment made pursuant to Part 8 of the Act.
- 21.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 22.** Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24.** (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
  - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
  - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and



- (b) the payment is made either;
  - (i) to that person's parent or step-parent; or
  - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,
 but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either;
  - (i) to that person's parent or step-parent; or
  - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,
 but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

- 25.** (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

- 26.** Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

- 27.** Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

- 28.** Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
  - (a) to purchase premises intended for occupation as his home; or
  - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant, or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
  - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
  - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
  - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),but only for a period of 52 weeks from the date of receipt of the payment or repayment.  
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.

- 41.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 41A.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 42.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
- 43.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 44.** Not used
- 45.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
- 46.** Not used.
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and  
     (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;  
     (b) which can only be disposed of by order or direction of any such court; or  
     (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.  
 (2) This sub-paragraph applies to a sum of capital which is derived from;  
     (a) an award of damages for a personal injury to that person; or  
     (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 48.** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from  
     (a) award of damages for a personal injury to that person; or  
     (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 49.** Any payment to the applicant as holder of the Victoria Cross or George Cross.
- 50.** Not used
- 51.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
- 52.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).  
 (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that

applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to—
    - (i) regulations made under section 518 of the Education Act 1996;
    - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
    - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
  - (b) corresponding to such an education maintenance allowance, made pursuant to;
    - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
    - (ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
  - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
  - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

**53A.-53B.** Not used

- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of—

- (a) the applicant;
- (b) the applicant's partner;
- (c) the applicant's deceased spouse or deceased civil partner; or
- (d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

- 57.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
  - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at

- the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
    - (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
    - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
    - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
      - (i) two years after that date; or
      - (ii) on the day before the day on which that person—
        - (aa) ceases receiving full-time education; or
        - (bb) attains the age of 20,
 whichever is the latest.
  - (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
    - (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
    - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
    - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
  - (4) Where a payment as referred to in sub-paragraph (3) is made to—
    - (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
    - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
    - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
      - (i) two years after that date; or
      - (ii) on the day before the day on which that person
        - (aa) ceases receiving full-time education; or
        - (bb) attains the age of 20,
 whichever is the latest.
  - (5) In this paragraph, a reference to a person—
    - (a) being the diagnosed person's partner;
    - (b) being a member of a diagnosed person's family;
    - (c) acting in place of the diagnosed person's parents,
 at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
  - (6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;  
 'relevant trust' means a trust established out of funds provided by the Secretary of State

in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions; 'trust payment' means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner
- (a) was a slave labourer or a forced labourer;
  - (b) had suffered property loss or had suffered personal injury; or
  - (c) was a parent of a child who had died,
- during the Second World War.
- 59 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.
60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
64. Any payment made under the Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017 (Bereavement Support payments).
65. Any payment of Council Tax Rebate paid under the Government announcement on 3<sup>rd</sup> February 2022.
66. **Provision for all applicants: Homes for Ukraine scheme**
- (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
- (c) an applicant's entitlement to a reduction under the scheme; or
  - (d) the amount of any reduction to which the applicant is entitled.
- (2) In this regulation—
- "the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

# COUNCIL TAX SUPPORT CONSULTATION 2024/25

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## Methodology

The consultation was carried out between December 2023 until February 2024 for a period of 8 weeks.

The survey was hosted on the Let's Talk Coventry platform. This is the platform where Coventry City Council hosts all its live consultations. Supporting documents were provided on the Let's Talk page as well as a description of the proposed changes to the scheme, including the Background Document of CTS Proposal, [the proposed scheme document](#), the Cabinet Report proposing the changes, Case Studies giving real life example scenarios and the Equalities Impact Assessment.

Also included were Frequently Asked Questions outlining where to gain further support, who pays etc.

Everybody in receipt of Council Tax Support were contacted directly 14,022 electronically, 2190 of these were undelivered and letters were issued to these customers. There were a further 1596 letters issued to customers where we held no phone number or email address for them. They were all given details of how to have their say on the proposals and dates for face-to-face drop-in sessions. An email address and telephone number were provided for those requiring the survey in a different format.

Two public drop-in sessions were arranged at Customer Services Centre on January 9 and 19, so those seeking support with any specific queries could attend and gain advice and support.

A session was held with advice agencies and partners on January 10<sup>th</sup> to discuss the proposals.

The consultation was promoted across the city through Let's Talk Coventry newsletters through December and January.

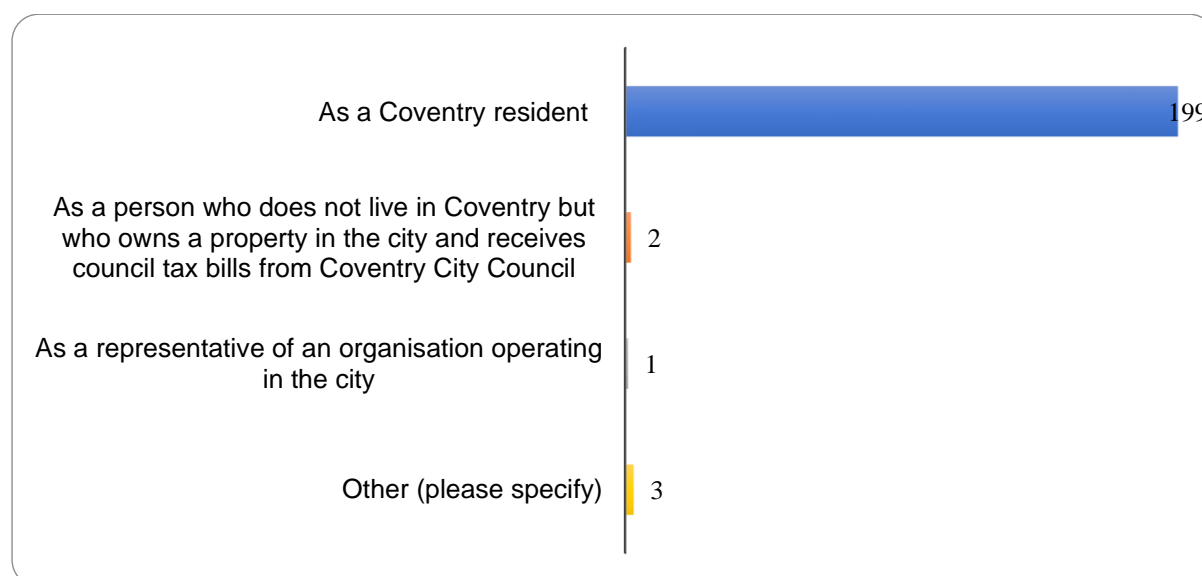
## Survey Findings

Have you read the background information about the proposed changes to the Council Tax Support Scheme?

Information read?	Number
Yes, I have read it	199
No, I have not read it	5

98% of respondents stated that they had read the background information before completing the survey.

## How are you responding to this survey?



This question was answered by 205 respondents, the majority of respondents were responding as Coventry residents.

One response was received from an organisation, Acorn Coventry.

## Which of the following statements best describes Council Tax Support for your property in Coventry?

Support Received	Number	%
I live in Coventry and my household receives full Council Tax Support	87	42%
I live in Coventry and my household receives partial Council Tax Support.	86	42%
I live in Coventry and my household receives no Council Tax Support.	27	13%
I do not live in Coventry.	2	1%
Don't know	4	2%

Responses were fairly split between those receiving full and partial Council Tax Support at 42% each.

Followed by 13% of respondents that do not receive any Council Tax Support.

Proposals were outlined within the Consultation document, there were 3 outlined changes, these proposed changes come under the headings of reduction in maximum support, introduction of an income banded scheme and changes to income disregard.

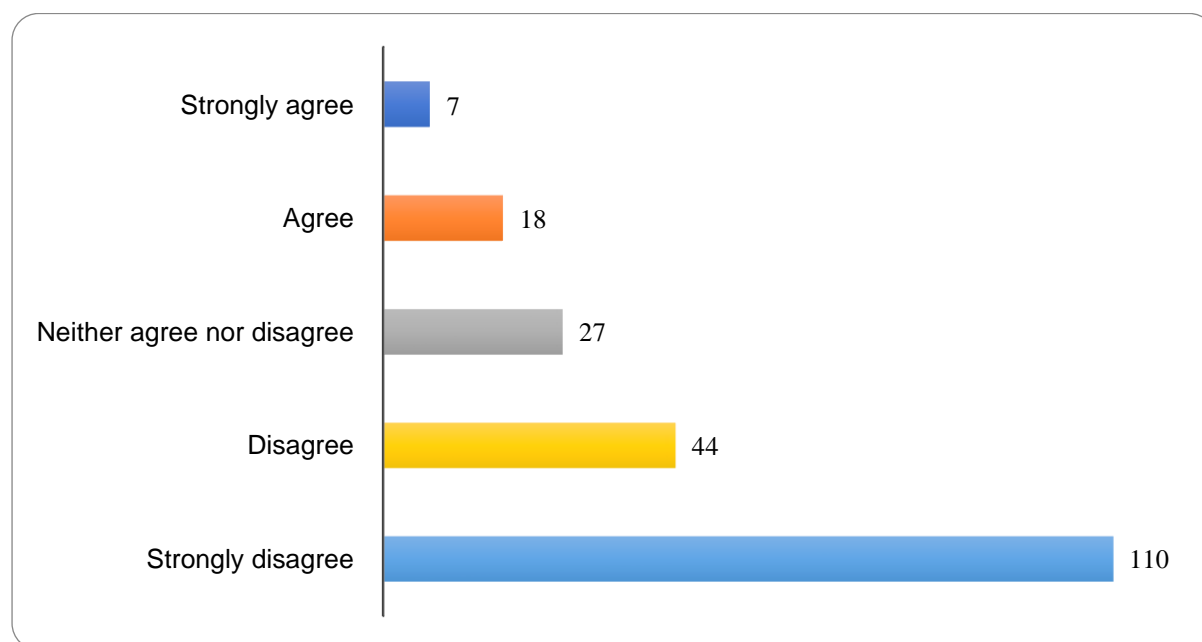
Respondents were asked their opinions about the proposed changes.

### Do you agree with the proposed changes to the Council Tax Support scheme?

How much agreement	Number	%
Strongly agree	7	4%
Agree	18	9%
Neither agree nor disagree	27	13%
Disagree	44	21%
Strongly disagree	110	53%

Over half of the respondents disagreed strongly with the proposal, 53% and a further 21% disagreed.

Therefore, almost three-quarters of respondents are in disagreement.



What impact (positive/negative) do you think the proposal could have for different groups of people? (Please consider age, disability, gender reassignment, pregnancy and maternity, race/ethnicity, religion and belief, sex/gender, and sexual orientation)

179 people provided feedback to the survey. Overall, 10 common themes were highlighted within the feedback which are shown in the table below.

Theme	Number
Negative Impact	91
Financial Worries	83
Disability	32
Feeling targeted	18
Carers	9
Poor Services	7
Woman	6
Mental Health	5
Positive	5
Do not understand the proposal	2

91% of the responses stated overall this proposal would have a negative impact and 83% said the proposal would exacerbate their financial worries. Some of the key quotes were:

- *'People on benefits are on benefits for a reason, most cannot make ends meet already and your proposals will surely encourage their early demise'.*
- *'I think we are all struggling at the minute and with Gas and Electric going up next month things are going to get even worse'.*
- *'Speaking for myself as a disabled person that needs to finance extra needs ( travel costs, carer, special food ) I'm already struggling financially and if I have to pay more towards council tax than I do already ( getting 85% discount currently plus single occupancy discount ) then I will not survive financially. This proposal will drive more people into even more financial hardship. More people will become depressed, suicidal, or homeless.'*

5% of the responses stated the proposal was positive with the key theme being this may drive people back into work and everyone should pay equally for the services they receive.

- *'People in Coventry who use the services should pay council tax'*
- *'I believe that as the reduced support is managed weekly, then the proposed impact is manageable; more so for those who are in receipt of PIP'*
- *'It is a positive proposal for everyone to pay for services they use in the city'*

There is a fear that people with disabilities and people caring for people with disabilities are being targeted with this proposal. Some key quotes are:

- *I am a carer and money is very tight with the increase in energy prices and now you want to take even more of people you don't deliver services now so the only losers will be disabled and low income you should be ashamed of yourselves because you have no money management skills*
- *'I think this would have a negative impact. People are already choosing between eating and heating we are in the biggest cost of living crisis. So many people are going hungry and in freezing cold homes. Vulnerable people cannot afford to pay any more'*
- *'This will negatively affect the quality of life for people whose households include a disabled family member and/or person caring for them. Utility bills increase for everyone in January and disabled households are usually disproportionately affected by this due to health and care needs. It is disgraceful that more money will be taken from disabled households.'*
- *'Taking more money away from people on benefits especially with disabilities will impact them even more. Feels like you are targeting people on benefits, who hv the least, to make up the short fall!! It's not fair or just!!'*

5% of people who respondents felt this proposal will worsen people mental health and increase pressure on other services.

- These changes will have a negative effect on virtually everyone. My daughter works part-time for herself and has mental health issues. She struggles as it is. More changes & letters will really confuse and frustrate her. Her health will decline, and she will fall into more arrears. She will spiral.
- I will struggle to pay more too. I don't work due to health problems and get help with council tax. I pay £15 approx. a month. If this increases, where am I getting the extra from?
- I'm a 22 year old who can't afford to pay council tax now. I have been sent to court twice because I simply CANNOT pay. Reducing support is only going to add more debt and more struggle. This has a detrimental effect on my mental health.
- It will cause more people to take their own lives.

Impact on woman was a key theme picked up with the responses. Women are more likely to be living in poverty and this proposal could further disadvantage them.

- According to the council's own equalities report, women are more likely to be living in poverty. People with the other protected characteristics above are also more likely to be disadvantaged. It seems that this proposal will increase inequality and push many people with protected characteristics, many of whom would be women, further into poverty. This proposal will have a detrimental effect on these groups and takes no consideration of the council's own research.
- Through work I am aware of just how many people this might affect. There are too many women and single mothers in the city who would be absolutely devastated if the level of support were to decline. They rely on this income and reducing it would have huge effects on the ability of their children to pursue their education to the best of their abilities, as well as prevent them from a risk of homelessness.

A small number of people did not understand the proposal and seek further advice:

- *'I need to speak in person, i don't understand nothing'*
- *'Think it is going to be very confusing for people to understand.'*

If you have any other comments on the current proposal and/or would like to make alternative suggestions.

Comments have been themed and shown in the table below:

Theme	Number
Raise money through other means	35
Stop wasting money on non-essential things	26
The vulnerable will be affected the most	21
Will cause financial hardship	19
Review how Council Tax is charges	15
Those that can afford it should pay more	13
In favour of some of the proposal	10
The Government should provide more money	2

The majority of comments received were against the proposal. Those respondents that are against the proposal cited various reasons.

Some suggested that the Council should raise money through other means.

*"Please reconsider this proposal and maybe minimise council expenditure elsewhere".*

*"The council should use Landlord Licensing to raise revenue, protect members of the public and make Coventry a better place to live".*

Some respondents suggested that the council should stop wasting money on non-essential projects and expenditure.

*"I have noticed that the bike lanes in Binley and other places are not very effective or popular. I suggest you reconsider these projects and allocate funds to more urgent needs of the city"*

*"Stop doing vanity projects. Even those which are 'fully funded' by other organisations take staff, time and resources away from areas that actually need it. Pull back on non-essential services and focus on the areas people actually care about for example social care, waste, road maintenance."*

*I'm sure they'll be other alternatives, maybe up parking charges by 10%, cut back on needless upgrades of traffic lights, get more people working from home where possible saving on heating, lighting etc. charge for garden waste collection maybe £1 a week in the summer months. Charge a nominal fee for using the waste disposal site something like 50p.*

Concerns over the proposal affecting the most vulnerable were raised.

*“Personally if I was to have my CTS cut by even the smallest amount I would struggle. I have to heat my home otherwise my condition which I’m disabled by would become even more unbearable than it already is. If I had even more to pay out I’m scared that I wouldn’t be able to heat my home to save the extra few quid”*

*“Make households which include a disabled family member exempt from the decrease in council tax support”*

*“Council tax is already crippling so many families who cannot afford food or heating. Reducing the support is going to see more people, disabled, vulnerable and children starving. We cannot afford to pay more. It’s the government who need to step up we the people are on our knees”*

Similarly, respondents tended to comment on the proposal bringing about general financial hardship.

*“I think that the ten percent reduction to full council tax support isn’t realistic to those most in need when weighed against many other reductions to support happening and cost of living increases. A five percent reduction is a more realistic estimate that although would be a tough adjustment for many would be more manageable to their daily life”.*

*“As a non-worker due to health and low income it will cause me stress and financial hardship. I understand the council are struggling but I ask why?”*

Some respondents suggested that the rules for charging Council Tax should be reviewed, with many of this group suggesting that students should be charged Council Tax

*“Repeal the student Council Tax waiver. This city is bursting with students who contribute nothing to the city, but they still use the services (such as refuse collection) Ask them to pay a nominal amount, say 10%. That will help to close the funding gap.”*

*“Reduction for single occupancy could be reviewed.”*

*“Charge council tax to students and/or the owners of the massive purpose built student blocks. Surely even a reduced rate payable by the huge part of the city’s population would bring in revenue?”*

A theme raised by a small number of respondents was that those residents able to afford more Council Tax should pay more so that those on lower incomes would not be penalised.

*“Increase council tax for Coventry residents on higher incomes or with savings.”*

A small number of respondents were in favour of parts of the proposal

*“I believe that the banded proposal to the council tax support would be a welcome change. However, I would continue to base the calculation of council tax support for working age people on 85%. As an increase in council tax could have a serious effect on the poorest members of our community”*

*“Good initiative, people will rely less on benefits and finally move on to looking for better-paid jobs*

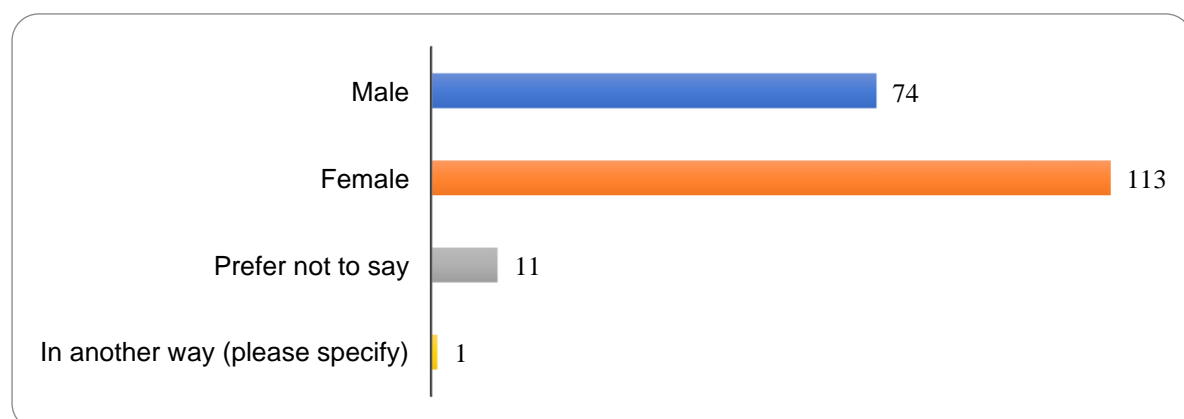
## Profile of Respondents

What is the postcode for your property in Coventry?

Bablake	5
Binley and Willenhall	10
Cheylesmore	4
Earlsdon	7
Foleshill	15
Henley	11
Holbrook	10
Longford	18
Lower Stoke	5
Radford	14
Sherbourne	5
St Michael's	9
Upper Stoke	10
Wainbody	1
Westwood	10
Whoberley	12
Woodlands	4
Wyken	7
<b>Grand Total</b>	<b>157</b>

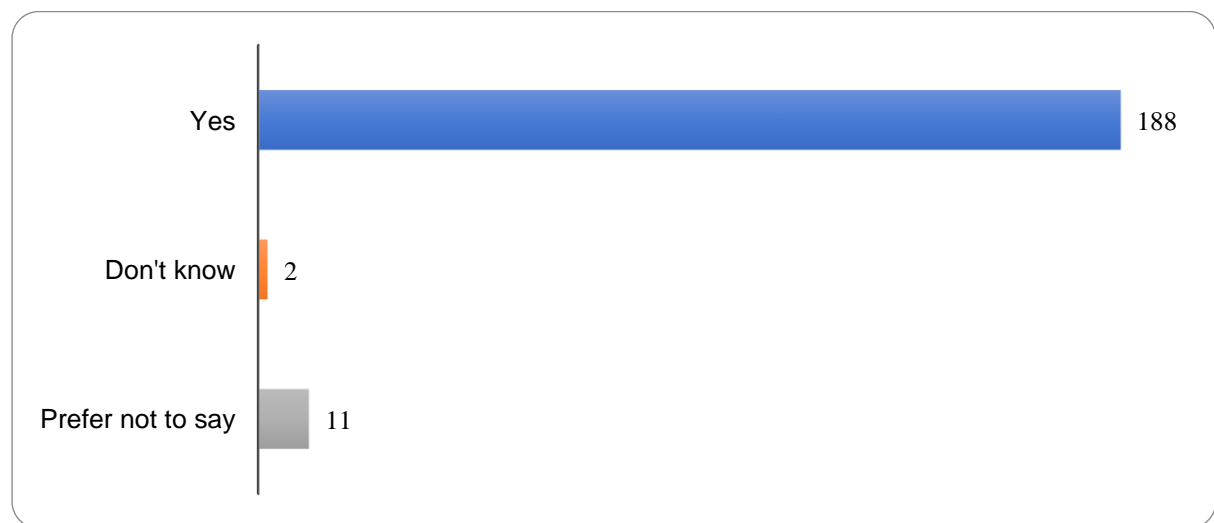
157 of the responses to this question could be matched to a Ward.

How would you best describe yourself?

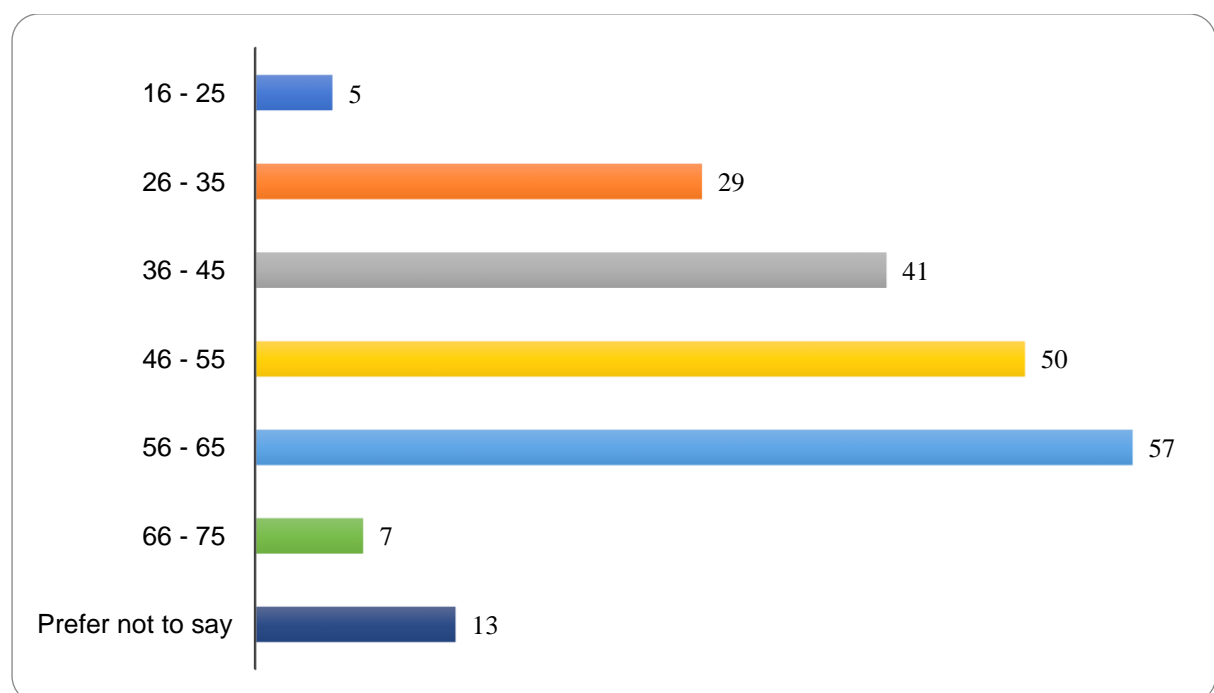




Is the gender you identify with the same as your sex registered at birth?

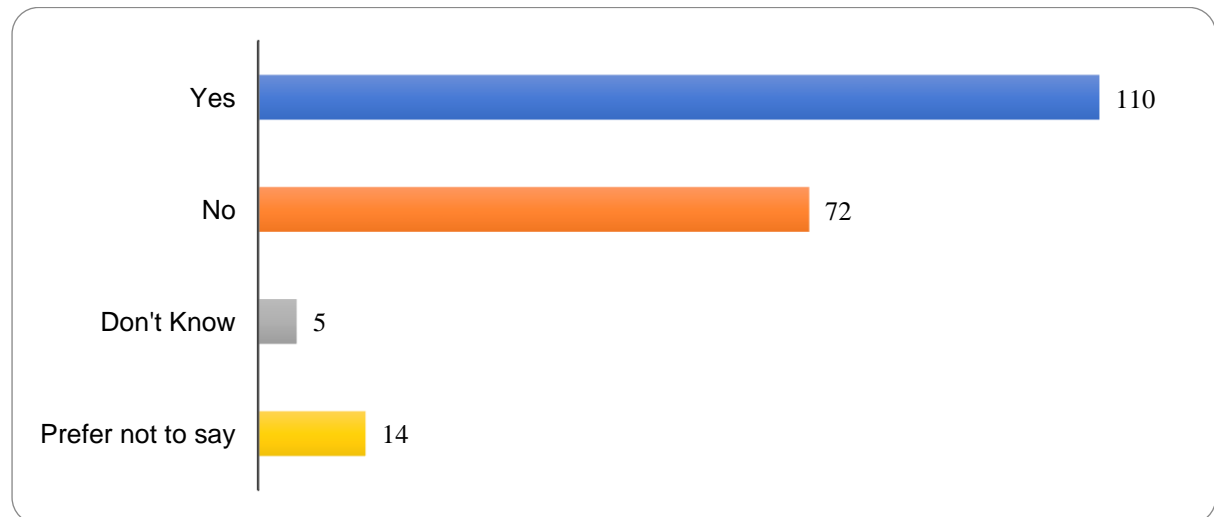


What is your age?

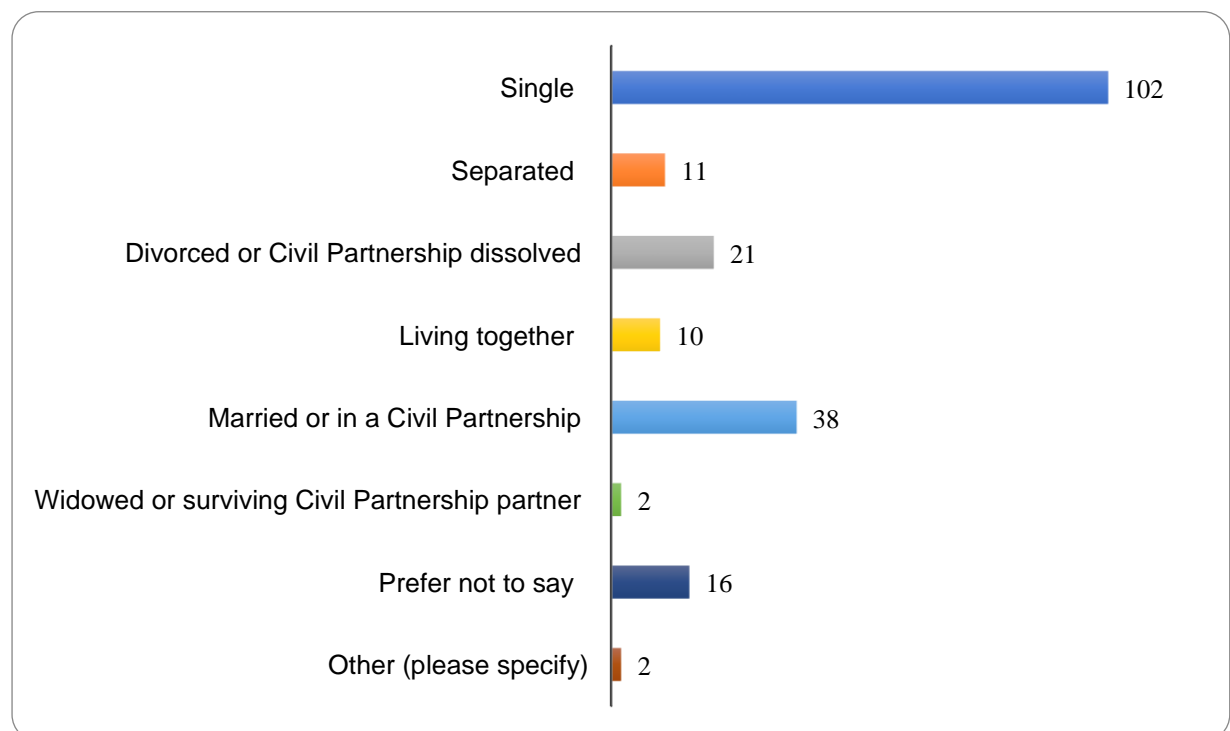


## Do you consider yourself to have a disability?

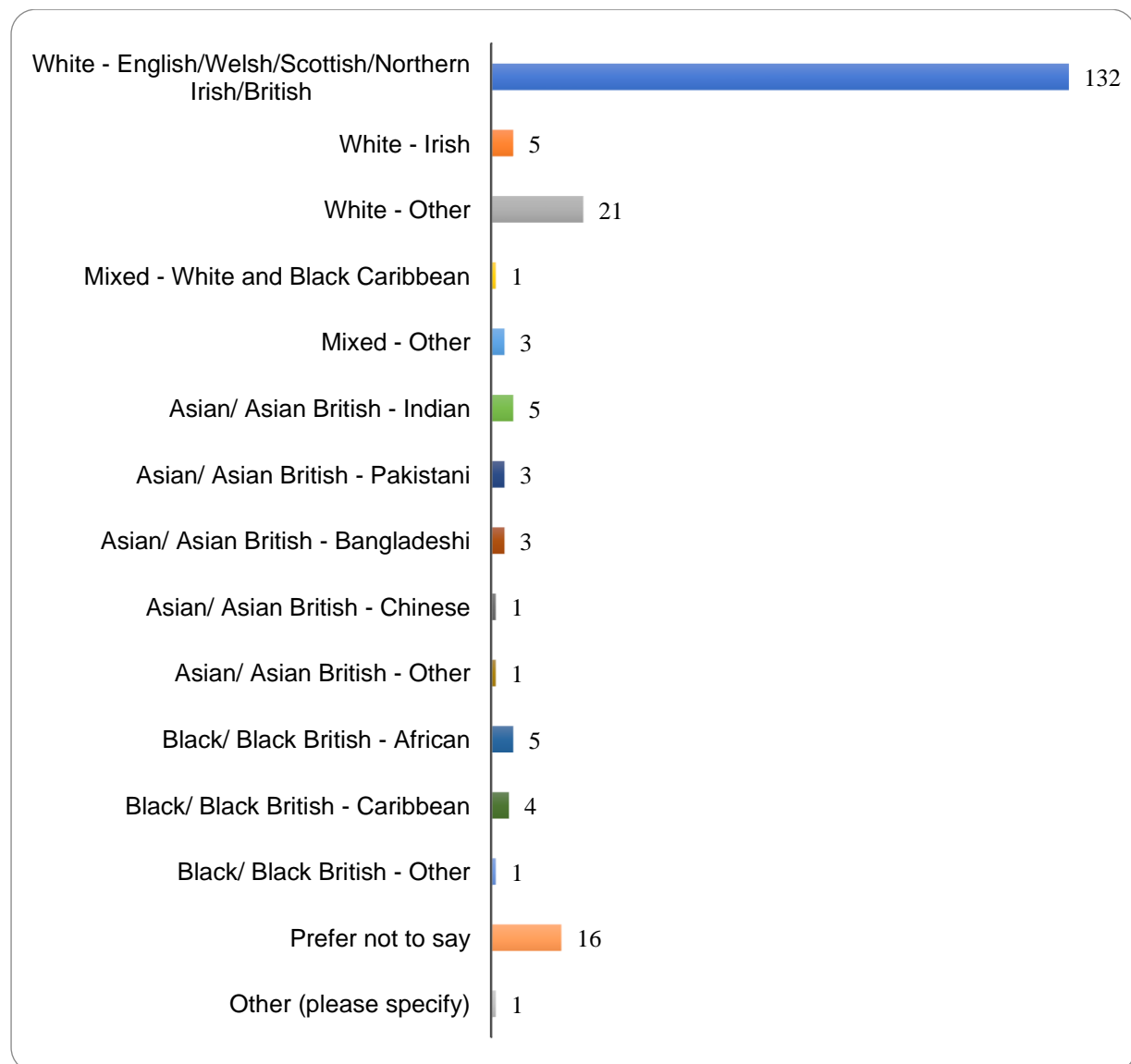
The Disability Discrimination Act defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities.



## What is your legal marital or Civil Partnership status?



## How would you describe your ethnic background?



## Feedback from Partner Agencies Session

### Council tax support scheme:

- Fill in the survey and provide feedback on the proposal. (All attendees)
- Share a copy of the letter sent to customers with the partner agencies. (Strain)
- Get data on how many CTS recipients reach an enforcement agent and pay fees. (Strain)
- Review the EIA and the impact on different groups of people. (Emma)
- Test the proposal in a test environment and check for any irregularities. (Sharma and Strain)
- Work with DWP to ensure that people migrating to UC are not losing out on CTS entitlement. (Strain)
- Review the process of taking cases off the enforcement agent and applying attachment of benefits. (Strain and Caroline)

### Some of the questions that were asked during the meeting are:

- What is Council tax support and how has it changed since 2013?
- What are the financial challenges that the Council is facing and how does that affect the Council tax support scheme?
- What are the three main changes that are being proposed to the scheme and how will they impact the households?
- How will the income banded scheme work and what are the advantages and disadvantages of it?
- How will the changes affect the protected characteristics and what are the mitigations that are being considered?
- What are the other options that have been considered and why were they rejected? 6
- How will the migration to Universal Credit affect the Council tax support claimants and what are the implications for the communication and support?

### Key Topics:

- **Council tax support scheme changes:** (Sharma and Strain), presented the proposal to reduce the maximum support from 85% to 75%, introduce an income banded scheme and change the income disregard for working age households. They explained the financial and simplification reasons for the changes and the expected impact on different groups of customers.
- **Consultation and communication:** The presenters invited feedback from the attendees, who represented various partner agencies and advice services. They also shared the link to the online survey and the drop-in sessions for the public. They said they would send a copy of the letter sent to current Council tax support recipients and the equality impact assessment.
- **Questions and concerns:** The attendees raised several questions and concerns about the proposal, such as the impact on the most vulnerable and low-income households, the overlap with the migration to Universal Credit, the alternatives to the banded scheme, the costs of enforcement and collection, and the mitigation measures available.

# Appendix I | Budget Setting 2024-2025: summary of equality impacts

The table below shows the potential equality impact of the policy proposals in the pre-budget report.

**P** shows a positive impact; **N** shows a negative impact; **PN** shows positive & negative impacts and **U** shows the impact is unknown at this stage. (No entry – indicates no impact)

	Protected Characteristics										
	Age 0-18	Age 19-64	Age 65+	Disability	Gender Reassignment	Marriage & Civil	Pregnancy & Maternity	Race	Religion & Belief	Sex	Sexual Orientation
Coventry Connects (Appendix 12)	PN	PN	PN	PN				PN			
Integrated Place Based Services (Appendix 13)	PN	PN	PN	PN			PN	PN	PN		
Common Roles (Appendix 14)	U	U	U	U	U	U	U	U	U	U	U
Advice Review (Appendix 15)	PN	PN	PN	PN			PN	PN		PN	
Redesign Council Tax Support Scheme (Appendix 16)	PN	PN		PN		PN	PN			PN	
Garden Waste Charge (Appendix 17)		N	N	N				N		N	
Temporary Accommodation provision (Appendix 18)		P	P	P	P					P	
Overnight switch off street lighting (Appendix 19)		U	N	N			N	N		N	
Introduce Separate Food Waste Collection (Appendix 20)				N				N			
City centre car park price increase (Appendix 21)		N	N				N	N			
Residents Parking Permit fees (Appendix 22)		U	U	U				U			
Traveller Incursions (Appendix 23)								P			
Transport Review (Appendix 24)	PN	PN		PN	U			U	PN	U	U
Funding to cultural organisations (Appendix 25)	U	U	U	U	U	U	U	U	U	U	U

# Appendix I | Budget Setting 2024-2025: summary of equality impacts

The table below shows the potential equality impact of the policy proposals in the pre-budget report.

**P** shows a positive impact; **N** shows a negative impact; **PN** shows positive & negative impacts and **U** shows the impact is unknown at this stage. (No entry – indicates no impact)

	Protected Characteristics										
	Age 0-18	Age 19-64	Age 65+	Disability	Gender Reassignment	Marriage & Civil	Pregnancy & Maternity	Race	Religion & Belief	Sex	Sexual Orientation
Godiva Festival (Appendix 26)	N	N	N	N				N			
Expansion of Residential Strategy (Appendix 27)	P	P		P	P			P	P	P	P
Council Tax Premium for second homes (Appendix 28)		PN	PN								

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>Coventry Connects Programme</b>
<b>EIA Author</b>	<b>Name</b>	<b>Tracy Ledwidge &amp; Janine Shortland</b>
	<b>Position</b>	<b>ICT Service Delivery Manager &amp; Customer Services Assurance Manager</b>
	<b>Date of completion</b>	<b>23 November 2023 Updated 8 February 2024</b>
<b>Head of Service</b>	<b>Name</b>	<b>Adrienne Bellingeri</b>
	<b>Position</b>	<b>Head of Customer Services</b>
<b>Cabinet Member</b>	<b>Name</b>	<b>Councillor Brown</b>
	<b>Portfolio</b>	<b>Cabinet Member for Strategic Finance and Resources</b>

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☒ Other project *(please give details)*

#### 1.2 In summary, what is the background to this EIA?

The Coventry Connects programme is a new programme aligned to organisational priorities and will involve different activity across the organisation (considering both external and internally focussed activity), through the delivery of various projects within the following initial workstreams:-

- Administration Re-design
- AI/RPA
- Data
- Digital Inclusion
- Digital Solution
- Infrastructure
- Organisational Improvement
- Resident Experience
- Service (re)design
- Volunteering
- Policy & Strategy

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

It will focus on best use of citywide resources, with resident/user voice and community collaboration at its heart, requiring the reprioritisation and refocus of current work activity, programmes and resources across the council to deliver radical change. Also, delivers solutions to support cost of living, health inequalities and green agendas.

Including #CovConnects a city wide, LA-led digital inclusion programme, working in partnership across the public private and VCSE organisations. #CovConnects provides a core offer of community digital drop-ins, National Databank distribution and the #CovConnects Device Bank. In addition to this, there is a diverse portfolio of bespoke digital inclusion initiatives, aiming to improve outcomes for Coventry residents with digital as the enabler.

Some of the programme aims are detailed below:-

- Increased resident satisfaction
- Improved interface/connectivity and data sharing internally and with partners
- Reduced transactional costs
- Removed duplication
- Increased self serve (internal and external users)
- Process automation
- Targeted support/earlier interventions to our most vulnerable/in need residents informed by data
- Appropriate use of finances
- Informed demand management

This EIA aims to ensure that all projects within this programme meets the Council's statutory equality duties and separate EIA's will be produced for each project.

### SECTION 2 – Consideration of Impact

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

#### 2.1 Baseline data and information

This will be looked at in detail once projects have been agreed. Each project will have its own EIA.

#### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-18	PN	This will be looked at in detail once projects have been agreed.
Age 19-64	PN	This will be looked at in detail once projects have been agreed.
Age 65+	PN	This will be looked at in detail once projects have been agreed.
Disability	PN	This will be looked at in detail once projects have been agreed.
Gender reassignment	NI	
Marriage and Civil Partnership	NI	
Pregnancy and maternity	NI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	PN	This will be looked at in detail once projects have been agreed.
Religion and belief	NI	
Sex	NI	
Sexual orientation	NI	

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

Potential Impact Yes – However unknown at present - will be looked at in further details once projects have been agreed and developmental work as started.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

Potential Impact Yes – However unknown at present - will be looked at in further details once projects have been agreed and developmental work as started.

### 4.0 How will you monitor and evaluate the effect of this work?

These will be considered in the design of all projects and where feasible (and where users have elected to disclose information) equality data will be tracked through engagement with processes

### 5.0 Action Planning

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☐

**Both positive and negative impact has been identified for one or more protected groups ☒**

### 7.0 Approval

<b>Signed: Head of Service:</b> 	<b>Date: 08/02/2024</b>
<b>Name of Director:</b> Kirston Nelson	<b>Date sent to Director:</b> 08.02.24
<b>Name of Lead Elected Member:</b> Cllr R Brown	<b>Date sent to Councillor:</b> 08.02.24

## Appendix 13 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>One Coventry Model - Integrated Place Based Services</b>
<b>EIA Author</b>	Name	<b>Max Shakespeare</b>
	Position	<b>Change Manager</b>
	Date of completion	<b>First Completed: 24/11/2023 Updated: 6/12/2023 Updated: 08/02/24</b>
<b>Head of Service</b>	Name	<b>Michelle McGinty</b>
	Position	<b>Strategic Lead Transformation &amp; Change</b>
<b>Cabinet Member</b>	Name	<b>Councillor Welsh</b>
	Portfolio	<b>Cabinet Member for Housing and Communities</b>

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☒ Other project (please give details) **Medium Term Financial Strategy Project**

#### 1.2 In summary, what is the background to this EIA?

As part of the development of the One Coventry Delivery Model, the Integrated Place Based Services programme will focus on protecting services by delivering differently across council/cross organisational services.

The programme will initially focus on realising co-location and integration aspirations, retaining and preventing closure of services through delivering from a reduced number of buildings. With further plans to develop a future operating model in collaboration with partners.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

## Appendix 13 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

This will be looked at in detail once further scoping has been completed and all initiatives within the programme will have their own EIA.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	PN	<p>These changes could potentially have a positive impact on children under 18 because the activities and services are all provided in one place locally that children and young people know, trust and attend on a regular basis.</p> <p>These changes could potentially have a negative impact on children under the age of 18 due to activities and services no longer being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.</p>
Age 19-64	PN	<p>These changes could potentially have a positive impact on adults aged 19 - 64 because the activities and services are all provided in one place locally that are well known, trusted and attended on a regular basis.</p> <p>These changes could potentially have a negative impact on adults aged 19 - 64 due to activities and services no longer being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.</p>
Age 65+	PN	<p>These changes could potentially have a positive impact on adults aged 65 + because the activities and services are all provided in one place locally that are well known, trusted and attended on a regular basis.</p>

## Appendix 13 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

		These changes could potentially have a negative impact on adults 65 + due to activities and services no longer being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.
Disability	<b>PN</b>	<p>These changes could potentially have a positive impact on disabled adults because the activities and services are all provided in one place locally that are well known, trusted and attended on a regular basis.</p> <p>These changes could potentially have a negative impact on disabled adults due to activities and services no longer being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.</p>
Gender reassignment	<b>NI</b>	There is no positive or negative expected for this protected characteristic.
Marriage and Civil Partnership	<b>NI</b>	There is no positive or negative expected for this protected characteristic.
Pregnancy and maternity	<b>PN</b>	<p>These changes could potentially have a positive impact on pregnant women and those on maternity leave with babies because the activities and services are all provided in one place locally that are well known, trusted and attended on a regular basis.</p> <p>These changes could potentially have a negative impact on pregnant women and those on maternity leave with babies due to activities and services no longer being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.</p>
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>PN</b>	<p>These changes could potentially have a positive impact on different races, due to activities and services no longer being available in locally that are well known, trusted and attended on a regular basis.</p> <p>These changes could potentially have a negative impact on residents from different races, due to activities and services no longer being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.</p>
Religion and belief	<b>PN</b>	<p>These changes could potentially have a positive impact on residents from different religions and beliefs, due to activities and services no longer being available in locally that are well known, trusted and attended on a regular basis.</p> <p>These changes could potentially have a negative impact on residents from different religions and beliefs, due to activities and services no longer</p>

## Appendix 13 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

		being available in current locality buildings. Mitigation through protecting services through co-located delivery in accessible community locations.
Sex	<b>NI</b>	There is no positive or negative expected for this protected characteristic.
Sexual orientation	<b>NI</b>	There is no positive or negative expected for this protected characteristic.

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

There could be a potential impact as a result of co-locating and integrating services through a reduced number of buildings. However specific impacts at this stage are not known yet and will be considered in further detail as work is further developed.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

There could be a potential impact as a result of co-locating and integrating services through a reduced number of buildings. However specific impacts at this stage are not known yet and will be considered in further detail as work is further developed.

### 4.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report. Qualitative and quantitative metrics are being developed which will monitor and evaluate the impact of Integrated Place Based Services programme

<b>5.0</b>	<b>Action Planning</b>	
<b>Issue Identified</b>	<b>Planned Action</b>	<b>Timeframe</b>
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☒
- The potential impact of this proposal on protected groups is not yet known ☐

### 7.0 Approval

## Appendix 13 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Name of Director:</b> Kirston Nelson	<b>Date sent to Director:</b> 08/02/24
<b>Name of Lead Elected Member:</b> Cllr D Welsh	<b>Date sent to Councillor:</b> 9/2/2024

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## APPENDIX 14 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>One Coventry Model - Common Roles Review</b>
<b>EIA Author</b>	Name	Ceri Brettle
	Position	Change Manager
	Date of completion	First Completed: 24/11/2023 Updated: 6/12/2023 Updated: 08/02/2024
<b>Head of Service</b>	Name	Michelle McGinty
	Position	Strategic Lead Transformation & Change
<b>Cabinet Member</b>	Name	Councillor R Brown
	Portfolio	Strategic Finance and Resources

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☒ Other project (please give details)

#### 1.2 In summary, what is the background to this EIA?

As part of the development of the One Coventry Delivery Model, exploratory work is being undertaken to consider across the Council's establishment, common activity, roles, and functions that could represent duplication, or be considered for alternative models. The aim of this being to harness opportunities to deliver required activity efficiently while allowing resource to be deployed with greater flexibility to respond to corporate priorities, making us a more efficient and effective organisation.

This work will focus on what we need from functions and implement most effective models with a centre of excellence.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we

## APPENDIX 14 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

must look at our duty to

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

Detailed baseline data cannot be provided at this stage as the baseline of roles that are within scope is still being refined.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	UI	
Age 19-64	UI	
Age 65+	UI	
Disability	UI	
Gender reassignment	UI	
Marriage and Civil Partnership	UI	
Pregnancy and maternity	UI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	UI	
Religion and belief	UI	
Sex	UI	
Sexual orientation	UI	

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

## APPENDIX 14 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

As we are still at the stage of refining and agreeing the baseline of roles in scope, details of how proposals will reduce health inequalities cannot be known at this stage. However, the driving force for this work is to identify opportunities to deliver required activity efficiently - while allowing resource to be deployed with flexibility to respond to corporate priorities, including those included within the One Coventry Plan (2022-30).

### 3.0 Will there be any potential impacts on Council staff from protected groups?

Work is at a very early stage and roles within scope have not yet been agreed so it is not possible to describe impact and/or mitigation at this stage. When roles that are within scope has been established, detailed work will be undertaken to understand the breakdown in terms of potential impact on those with protected characteristics.

### 4.0 How will you monitor and evaluate the effect of this work?

When roles within scope have been established detailed work will be undertaken in order to understand activities currently undertaken by these roles to determine potential impacts including and specifically taking into account potential impacts on protected characteristics both in terms of post holders and service users. Once this is established a more detailed plan to monitor and evaluate impacts of proposals will be established.

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

5.0	Action Planning	
Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known X☒

## APPENDIX 14 BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 7.0 Approval

<b>Name of Director:</b> Kirston Nelson	<b>Date sent to Director:</b> 08/02/24
<b>Name of Lead Elected Member:</b> Cllr R Brown	<b>Date sent to Councillor:</b> 09/02/24

## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>One Coventry Delivery – One Coventry Advice Model</b>
<b>EIA Author</b>	Name	<b>Gemma Tate</b>
	Position	<b>Programme Manager</b>
	Date of completion	<b>First completed 27.11.23 Updated 06/12/23 Updated 08/02/24</b>
<b>Head of Service</b>	Name	<b>Peter Barnett</b>
	Position	<b>Head of Service – Libraries and Migration</b>
<b>Cabinet Member</b>	Name	<b>Cllr David Welsh</b>
	Portfolio	<b>Housing and Communities</b>

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☒ Review of service
- ☒ Commissioning
- ☒ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

The council have historically commissioned external providers to deliver advice services to Coventry residents. As part of the One Coventry Delivery Model we are reviewing our approach and proposing the development of a One Coventry Advice Model which will look to deliver advice and support at the earliest opportunity and as efficiently as possible.

Working in a One Coventry way will strengthen how Council services and commissioned advice providers work together to ensure that residents can access the advice and support they need by:

- Maximising self-service opportunities for the majority of residents and using technology to drive automation
- Focussing resources on residents who need additional support and/or have multiple advice needs through effective triage processes.
- Proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support

## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

The Service review seeks to improve processes both internally and externally to create a more efficient way of delivering advice and information. There may be changes to commissioned and internally provided advice services as a result.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

#### 2.1 Baseline data and information

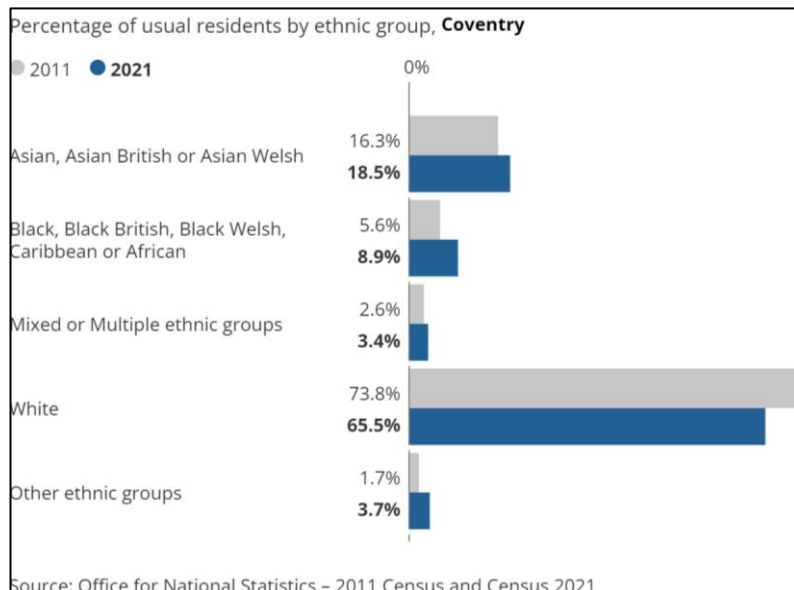
To gain an initial understanding of any potential impacts of the proposed changes data from a limited number of commissioned services (from 2021/22) has been compared with Census 2021 data. It should be noted that as the data relates to a limited number of commissioned services only it may not be fully accurate and provides an indication only.

If the changes proposed are implemented, Coventry residents seeking advice, information and services could potentially be impacted. There could potentially be a disproportionate impact on people with the following protected characteristics:

##### **Ethnicity Data**

There has been a change in the ethnic composition of Coventry with an increase of ethnic minority groups being identified in the 2021 Census.

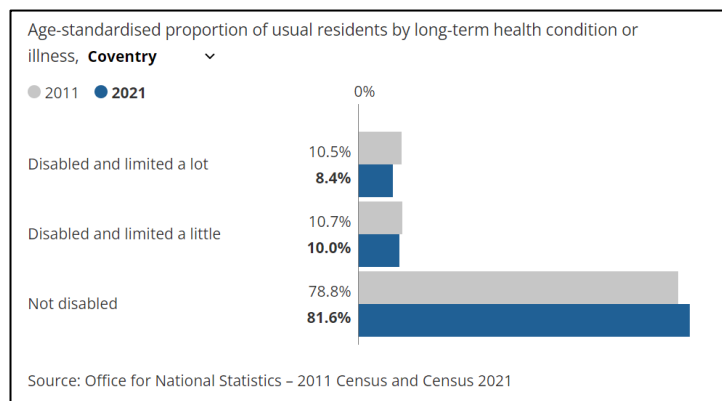
## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)



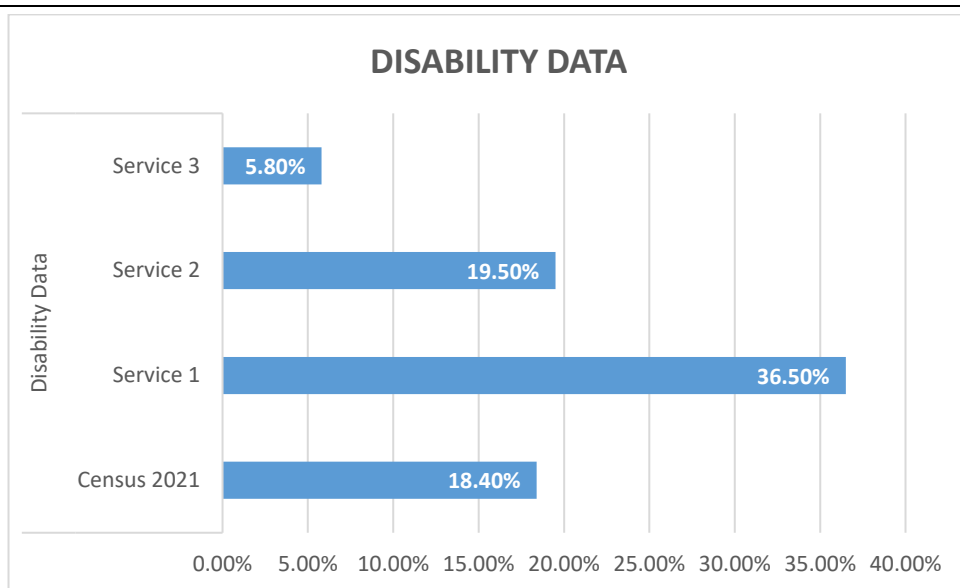
The commissioned services data shows the ethnic groups are accessing current services and that within some ethnic groups there is higher percentage accessing services when compared to city as a whole.

### Disability

In 2021, 18.4% of Coventry residents were identified as being disabled. Based on the data available there are higher numbers of people with disabilities/long term illnesses currently accessing those services

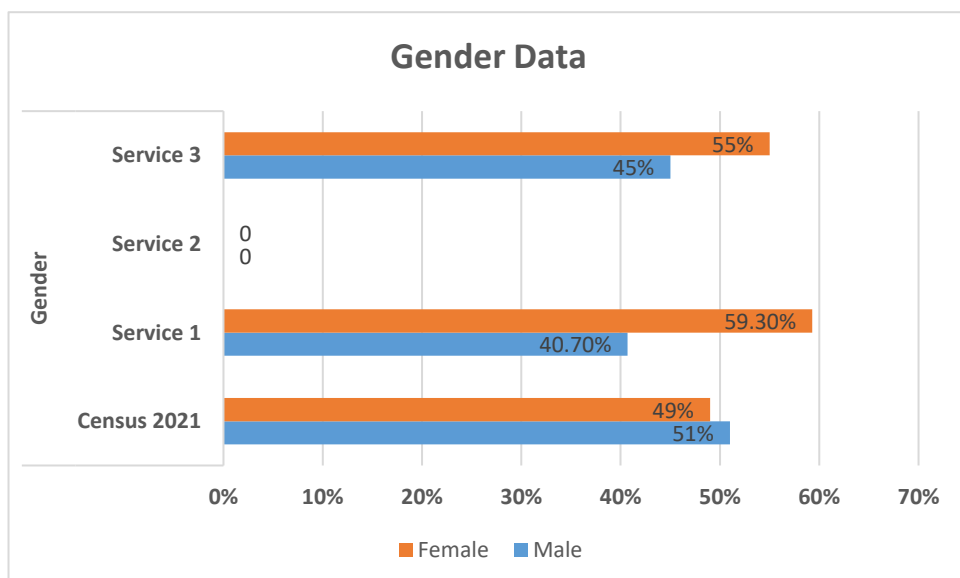


## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)



### Gender

The estimated male population of Coventry in 2021 is 51% of the population, whilst the estimated female population is 49% of the population. The available data shows that there is an underrepresentation of the male population where some have an overrepresentation of the female population when compared to Census data. Service 2 has insufficient data.



If proposed changes are implemented further data analysis of council and other commissioned service data will be used as part of any further analysis of equality impacts, including where residents have declined to self report or stated unknown. Where needed, we will improve our data collection of monitoring data to ensure that we are able to monitor the equalities impacts.



## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

**2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.**

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	PN	<p>The proposed changes could potentially have a positive and negative impact on families with children. A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p> <p>In order to understand and monitor any potential positive or negative impact of any future changes, improved age related data collection is needed.</p>
Age 19-64	PN	<p>The proposed changes could have a positive and negative impact on 19-64 years , current data indicates that this age group are seeking information and advice more frequently than other age ranges.</p> <p>A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p> <p>In order to understand and monitor any potential positive or negative impact of any future changes, improved age related data collection is needed.</p>
Age 65+	PN	<p>The proposed changes could have a positive and negative impact on aged 65+ According to the the data currently held, this population group have slightly lower support numbers than the population percentage from Census figures.</p> <p>A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively</p>

## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

		<p>contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p> <p>In order to understand and monitor any potential positive or negative impact of any future changes, improved age related data collection is needed.</p>
Disability	<b>PN</b>	<p>The proposed changes could potentially have a positive and negative impact on people with disabilities.</p> <p>A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p> <p>In order to understand and monitor any potential positive or negative impact of any future changes, improved disability related data collection is needed.</p>
Gender reassignment	<b>NI</b>	<p>There is no positive or negative impact expected for this protected characteristic.</p>
Marriage and Civil Partnership	<b>NI</b>	<p>There is no positive or negative impact expected for this protected characteristic.</p>
Pregnancy and maternity	<b>PN</b>	<p>The proposed changes could potentially have a positive impact and negative on pregnancy and maternity.</p> <p>A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p> <p>In order to understand and monitor any potential positive or negative impact of any future changes, improved pregnancy and maternity related data collection is needed.</p>
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>PN</b>	<p>The proposed changes could potentially have a positive and negative impact. For people where English is not their first language, face to face advice and support can be important.</p> <p>A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p>

## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

		In order to understand and monitor any potential positive or negative impact of any future changes, improved race related data collection is needed.
Religion and belief	<b>NI</b>	There is no positive or negative expected for this protected characteristic.
Sex	<b>PN</b>	<p>The proposed changes could potentially have a positive and negative impact on sex.</p> <p>A new service model if implemented could have a positive impact as resources would potentially focus on residents who need additional support and/or have multiple advice needs. And/or by proactively contacting households who have been identified as being in/or going to face significant financial difficulty to offer advice and support.</p> <p>From the initial data analysis , it shows that men are generally under-represented in using the advice services captured and women are potentially over-represented due to family breakdown. There will need to be further investigation into why this may be the case in order to improve numbers and access for men.</p> <p>In order to understand and monitor any potential positive or negative impact of any future changes, improved sex related data collection is needed.</p>
Sexual orientation	<b>NI</b>	There is no positive or negative expected for this protected characteristic.

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

As a Marmot City, we will ensure that as we develop a One Coventry Advice Model we support the Marmot Principle “Ensure a healthy standard of living for all.” and consider how resources are potentially targeted to support those in most need.

This will be explored more fully over the coming months as the EIA is developed further and in conjunction with the Coventry Connects Programme.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

A number of Council Services will be involved in the delivery of the One Coventry Advice Model. The specific impact is not yet known.

## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 4.0 How will you monitor and evaluate the effect of this work?

Outcomes and monitoring criteria are being worked up. This will be used to evaluate the impact of the work being delivered and this will be regularly reviewed to support changes to service delivery and ongoing equality impacts. Within the outcomes and monitoring data, equality data will be embedded.

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

5.0 Action Planning		
Issue Identified	Planned Action	Timeframe
Further identification of any equalities impacts of service re-design	Use other data sources and/or national and local research findings to support the development of a future model. This will include further collaboration with the advice sector to inform further EIA development.	During service re-design phase
When and how equalities data is captured	During service re-design, collaborate with the advice sector and Council services to understand the point at which equalities information is captured.	During service re-design phase and including in any future commissioning processes
Insufficient and inconsistent data collection of equalities data	Embed data collection into the processes of the new model. Consideration will be needed as to how commissioned advice services collect and report equalities information across their different funding streams, particularly where interventions can only be targeted to specific protected characteristics.	1 year

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☒ x
- The potential impact of this proposal on protected groups is not yet known ☐

## APPENDIX 15 - BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 7.0 Approval

<b>Name of Director:</b> <b>Kirston Nelson</b>	<b>Date sent to Director:</b> <b>08/02/24</b>
<b>Name of Lead Elected Member:</b> <b>Cllr D Welsh</b>	<b>Date sent to Councillor:</b> <b>09/02/24</b>

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## EQUALITY IMPACT ASSESSMENT (EIA)



<b>Title of EIA</b>		<b>Council Tax Support Scheme 2024/2025</b>	
<b>EIA Authors</b>	Name	K Gist	L Sharma
	Position	Benefits Manager	Benefits Subsidy & Policy Lead
	Date of completion	08/09/2023 Updated 08/02/24	08/09/2023
<b>Head of Service</b>	Name	B Strain	
	Position	Head of Revenues and Benefits	
<b>Cabinet Member</b>	Name	Cllr R Brown	
	Portfolio	Strategic Finance and Resources	

EIA	<ul style="list-style-type: none"> <li>• Having identified an EIA is required, ensure that the EIA form is completed as early as possible.</li> <li>• Any advice or guidance can be obtained by contacting Jaspal Mann (Equalities), Mamta Kumar (Equalities), Alicia Philips (Health Inequalities), Lisa Young (Health Inequalities), Emily Stewart (Health Inequalities), Laura Waller (Digital Inclusion).</li> </ul>
Sign Off	<ul style="list-style-type: none"> <li>• Brief the relevant Head of Service/Director/Elected Member for sign off</li> <li>• Have the EIA Form ready for consultation if it is required</li> <li>• Amend according to consultation feedback and brief decision makers of any changes</li> </ul>
Action	<ul style="list-style-type: none"> <li>• Implement project / changes or finalise policy/strategy/contract</li> <li>• Monitor equalities impact and mitigations as evidence of duty of care</li> </ul>

**PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM**

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☒ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

## 1.2 In summary, what is the background to this EIA?

Council Tax Support (CTS) is a means tested assessment to support low-income households with the cost of council tax payments. In 2013, design of the CTS scheme for working age households was devolved to Local Authorities and funding from central government was reduced by 10 per cent.

Budgetary challenges faced by the Council for 2024/25 require the Council to review the potential option to reduce the amount provided through the CTS scheme for working age households.

The change to the CTS scheme is a combined three-change proposal. The proposal would take effect from 1 April 2024.

Note: CTS scheme for people of pension age households is set in law by the Government. Therefore, this document only refers to scheme changes in respect of working age households.

### **Change 1 of proposal: Reduction of maximum support**

In Coventry the current maximum support for working age households is 85%.

If the current scheme continues in 2024/25, Coventry expects to award approximately £28.4 million in council tax support to 25,000 households. Approximately £18.1 million relates to working age claims and £10.3 million to pension age.

However, in setting the CTS scheme for 2024/25, the council is managing the competing tasks of balancing the budget, alongside supporting low-income households. Lowering the maximum support would provide the Council savings towards the gap in its budget.

- Therefore, the proposal is to reduce maximum CTS entitlement from 85% to 75%.

### **Change 2 of proposal: Introduce income banded scheme**

Around 30% of CTS schemes in England are now income banded. An income banded scheme means that the amount of CTS a household would receive will depend on which band their income falls into.

The proposal would award CTS based upon the household's "excess income" rather than total income. Excess income is calculated by comparing the total household income against the "applicable amount". The applicable amount is the amount of money the Government says a household requires to meet their basic needs.

This means the applicable amount will vary depending on age, family size and any specific circumstances, such as whether someone in the household is disabled or a carer.

By using excess income rather than total income, income required for specific circumstances is considered which means the most vulnerable households are not disproportionately affected by an income banded scheme.



The CTS awarded will not change if a household's excess income remains within that band.

An income banded scheme could therefore be easier for households to understand, confirm how much support they will receive and therefore manage their budgets accordingly.

- Therefore, the proposal is to introduce an income banded scheme, as shown in table 1. Table 1 also indicates the likely impact identified from initial modelling, although their protected characteristics are not known.

**Table 1: proposed income bands and likely impact**

Band	Weekly excess income threshold	CTS award (% of council tax bill)	Number of households
1	£0 to £15	75%	15,722
2	£15 to £40	65%	280
3	£40 to £70	40%	519
4	£70 to £80	20%	178
5	£80 and more	0%	459

## **Change 3 of proposal: Changes to income disregard**

When a customer or their partner are working, a standard earnings disregard is applied which reduces the income used in the CTS calculation. Under the current CTS scheme a further earnings disregard known as Additional Earnings Disregard of £17.10 can also be applied which further reduces the income used in the CTS calculation.

An Additional Earnings Disregard will be applied if members of the household work on average 16 or 30 hours per week, depending on their circumstances. However, modern work patterns such as zero-hour contracts and fixed-term contracts mean Additional Earnings Disregards frequently have to be added or removed, which affects CTS calculations. This means households can receive multiple revised council tax bills in a year, which makes it more challenging for people to manage their household budgets.

Under the proposal the Additional Earnings Disregard will be removed. To compensate for this, the standard earnings disregards will be increased. The amounts proposed are shown in the final columns in Tables 2 and 3.

**Table 2: Eligible households currently receiving the standard earnings disregard and Additional Earnings Disregard**

Circumstance	Current weekly standard earnings disregard (a)	Current weekly Additional Earnings Disregard (b)	Total current weekly income disregard (a + b)	Proposed new total weekly standard earnings disregard
Single	£5	£17.10	£22.10	<b>£8</b>
Couple	£10	£17.10	£27.10	<b>£17</b>
Disabled / Carer	£20	£17.10	£37.10	<b>£33</b>
Lone parent	£25	£17.10	£42.10	<b>£41</b>

**Table 3: Households currently receiving only the standard earnings disregard**

Circumstance	Current weekly amount	Proposed new weekly amount
Single	£5	<b>£8</b>
Couple	£10	<b>£17</b>
Disabled / Carer	£20	<b>£33</b>
Lone parent	£25	<b>£41</b>

Note: anyone currently eligible for the Additional Earnings Disregard of £17.10, will no longer receive it. If working, the household will only receive the proposed standard earnings disregard.

The change to income disregard is proposed to be cost neutral (no saving and no extra spend) to the CTS scheme.

- Therefore, the proposal is to remove the Additional Earnings Disregard and to increase the standard earnings disregards, which are not based on the number of hours worked.

## Summary of likely impact of proposed changes

From initial modelling undertaken for the combined three proposed changes to the Council Tax Support scheme, the following are some key impacts which have been identified:

- These changes will provide £2.16 million towards the gap in the Council's budget.
- As maximum support will be reduced from 85% to 75%, the majority of households will have a reduction in support, regardless of protected characteristics.
- All working age households will be affected regardless of any protected characteristics. The combined impact of the three proposals is specific to the household circumstance, so some households will have increased support, but the majority will have decreased support, as shown by Table 4.

**Table 4: shows the combined impact of the proposals to change the CTS scheme**

Impact of proposed CTS changes	Total
Number of decreased claims	16,362
Average weekly CTS decrease	£2.62
Number of increased claims	754
Average weekly CTS increase	£1.88

## Mitigations for protected characteristics

### Age – child under 17

- Benefits Service will actively identify households in which members are entitled to Free School Meals.
- Considerations have been given whether to change the following, but remain in place:
  - Households with dependants will continue to have Child Benefit, Child Maintenance and Childcare payments (at capped amount) disregarded in calculation of CTS.
  - Two-child limit is not being proposed, so number of dependants in calculation of a household's CTS will not be limited.

### Disability

- Considerations have been given whether to change the following, but remain in place:
  - Disability-related applicable amounts and premiums remain unchanged.

### All protected groups

- Benefits Service will actively identify households who are not maximising welfare support.
- The income banded scheme is proposed to be based upon excess income, which is calculated by comparing the total household income against household requirements. This means the most vulnerable households are not disproportionately affected by a banded scheme.
- The income banded scheme means the CTS award will not change if their excess income remains within that band, which will enable households to manage their budgets accordingly.
- Council tax department will aim to put in place individual council tax payment plans for any household who contacts early to explain they are experiencing payment difficulties.
- Council tax department will not apply court costs for anyone receiving CTS that is summonsed for non-payment of council tax.
- CTS information is available from the Council through various channels, such as:
  - Customer service centre, which is open 9am to 5pm Monday to Friday.
  - Online chat function, when officers are available.
  - Email to the Benefits Service, which is available 24/7.
  - Register for an online account, providing access to their CTS award and council tax bill, which is available 24/7.
  - Council website, which is available 24/7.



## Public Engagement

Coventry City Council will undertake a public consultation on the proposals to the Council Tax Support scheme. The results of this will be used to inform decisions about the proposed model.

A variety of methods will be used to ensure the consultation is accessible to all Coventry residents. Methods will include:

- a mailshot to all working age households currently in receipt of Council Tax Support
- phone support, as alternative method of engagement
- information in an alternative language, if requested
- information through a Let's Talk page on the Council's website
- feedback through a survey
- drop-in sessions and stakeholder meetings.

This is not an exhaustive list.

## 1.3 List of organisations and people who are involved in this area of work

- Coventry residents
- Benefits Service
- Financial Management
- Legal Services
- Council Tax collection and enforcement teams
- Public Health Insight team
- Advice agencies and third sector organisations
- Social landlords
- Precepting authorities
- Policy in Practice
- Airey Consultancy Service Ltd

## SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010



- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

- Please include an analysis of the equalities data your service holds. This could include surveys, complaints, compliments, management information and customer profiles. *(Please refer to Diversity Guide)*
- Where possible compare your data to local data using
  - Facts about Coventry
  - Census 2011
  - Census 2021
  - JSNA

In Coventry, Council Tax Support is currently awarded to approximately 17,000 working age households (aged 18 to 65).

Of this, approximately:

32% of households have children (aged 0 to 17).

33% of households have a disabled household member.

18% of households are formed as a couple (either married, civil partnership or living together as partners).

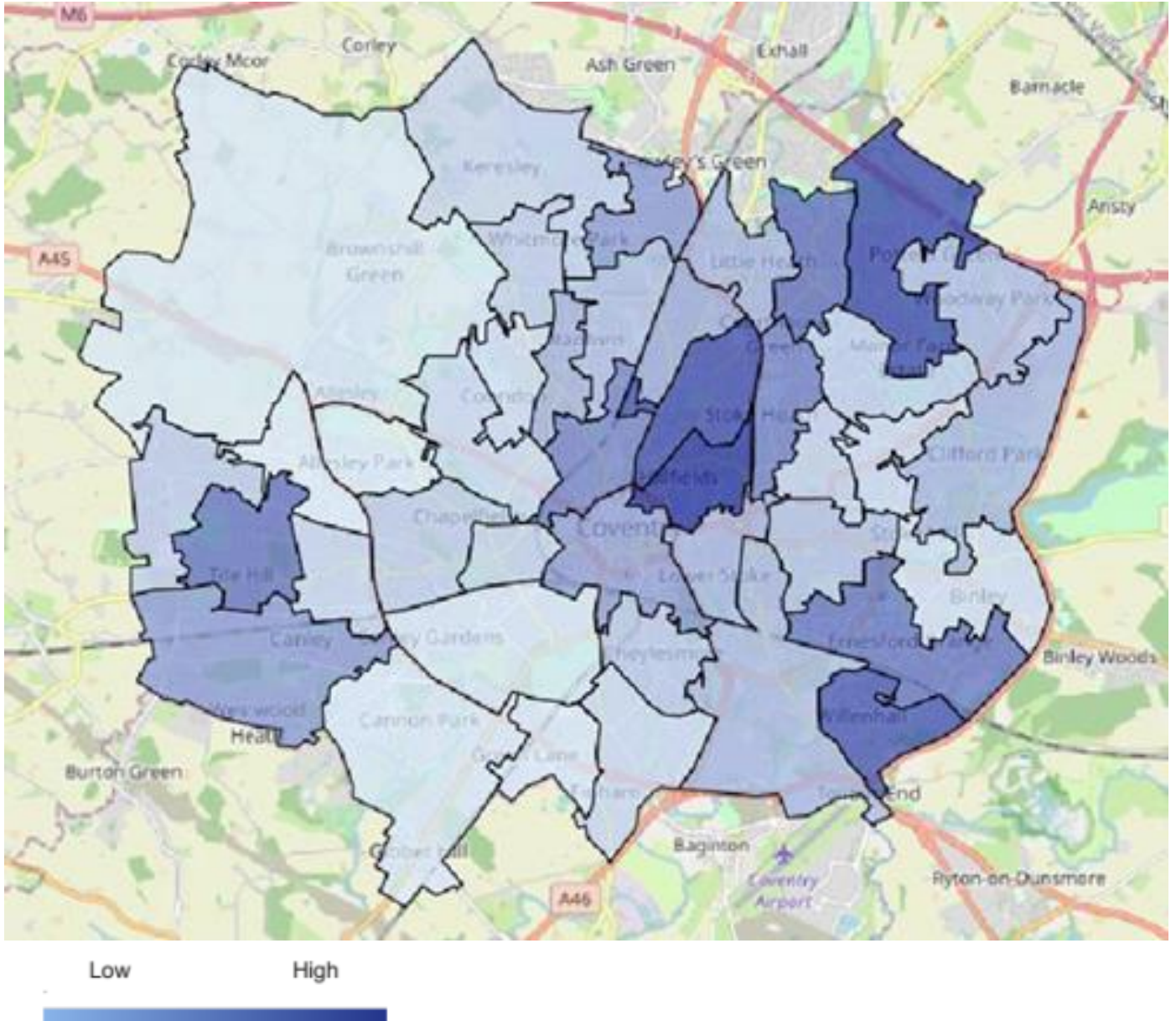
62% of Council Tax Support is awarded to females and 38% is awarded to males.

Of the Council Tax Support awarded to single people and lone parents, 67% is awarded to females and 33% is awarded to males.

For the purposes of Council Tax Support, data is not routinely collected the following equality groups:

- Gender reassignment
- Pregnancy or maternity
- Race
- Religion and Belief
- Sexual orientation

**Map 1: shows the Index of Multiple Deprivation for recipients in Coventry, by postcode**



Map 1 shows which areas of Coventry will be most affected by the proposed changes to CTS scheme. The greatest impact will be in the following areas:

- Hillfields
- Stoke Heath
- Potters Green
- Willenhall
- Tile Hill



## 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)

*\*Any impact on the Council workforce should be included under question 5.0 – **not below***

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-17	P, N	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>As shown in section 2.1, nearly 1/3<sup>rd</sup> of the CTS households have dependant members in this age group. So, this group would be impacted through the CTS claim typically made by their parents.</p> <p>The proposed changes will affect all households, including where there is a lone parent or couple with children, through either reduced CTS or no further CTS award.</p> <p>- For mitigations, see section 1.2</p>
Age 18-65	P, N	<p>Working age CTS customers are typically aged between 18 and 65, so this group will be directly impacted by the proposed changes.</p> <p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>Table 4 also shows that 16,362 households will receive reduced support and initial modelling results indicate 459 households will lose all CTS support.</p> <p>However, the protected characteristics for those receiving increased, decreased or no further support are not known.</p> <p>- For mitigations, see section 1.2</p>

## EQUALITY IMPACT ASSESSMENT (EIA)



Age 66 and over	<b>NI</b>	Pension age customers are those aged 66 or over. The rules governing CTS for people of pension age households are prescribed nationally by the Government, so will not be affected by the proposed change to the CTS scheme.
Disability	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>As shown in section 2.1, in Coventry, 1/3<sup>rd</sup> of CTS support is to households who have a disabled member.</p> <p>Therefore, the proposed changes, are likely to impact people in this group through none or reduced CTS.</p> <p>- For mitigations, see section 1.2</p>
Gender reassignment	<b>NI</b>	This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their gender reassignment.
Marriage and Civil Partnership	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>Data for marriage and civil partnership is not routinely collected for CTS purposes.</p> <p>However, for CTS it is relevant whether the household consists of a couple or single person. A couple is where people are living together as partners, regardless of whether they are married, in a civil partnership or not entered a marriage/civil partnership.</p> <p>Households who are couples with children, will potentially be impacted to a greater extent through either reduced CTS or no further CTS award.</p> <p>- For mitigations, see section 1.2</p>



## EQUALITY IMPACT ASSESSMENT (EIA)



Pregnancy and maternity	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>Data by pregnancy and maternity is not routinely collected unless the Benefits Service is specifically notified, so firm conclusions in relation to equality impact cannot be drawn.</p> <p>Females who are pregnant or on maternity leave may be more likely to seek support through the CTS scheme due to low income, but there is no data to confirm this.</p>
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>NI</b>	<p>This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their race.</p>
Religion and belief	<b>NI</b>	<p>This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their religion or belief.</p>
Sex	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>As shown in section 2.1, in Coventry, around 2/3<sup>rd</sup> of CTS support is to females and exactly 2/3<sup>rd</sup> of support to single or lone parent households are female.</p> <p>The maximum support for all low-income households will be reduced, which means females will be impacted to a greater extent.</p> <p>Also, research evidence regarding gender and poverty indicates females are more likely to be living in financial hardship than males. Therefore, the proposed changes are likely to further exacerbate that hardship.</p> <p>- For mitigations, see section 1.2</p>
Sexual orientation	<b>NI</b>	<p>This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their sexual orientation.</p>

## SECTION 3 – HEALTH INEQUALITIES - See the health inequalities pre EIA guidance sheet for this section.

<b>3</b>	<b>Further information on health inequalities is available on the Intranet</b>
<b>3.1 Please tell us how the proposal you are submitting this EIA form will reduce health inequalities:</b> <i>Please include which Marmot Principles this work covers.</i>	
<p>Coventry is a Marmot City. The proposal to change the Council Tax Support scheme is based upon using Proportionate Universalism. This ensures that the Council will allocate its resources across the social gradient, proportionate to people's needs.</p> <ul style="list-style-type: none"> <li>• Council Tax Support scheme primarily supports the Marmot principle: <ul style="list-style-type: none"> <li>- Ensure a healthy standard of living for all</li> </ul> </li> <li>• Council Tax Support scheme also supports the Marmot principles: <ul style="list-style-type: none"> <li>- Enable all children, young people, and adults to maximise their capabilities and have control over their lives</li> <li>- Create fair employment and good work for all</li> </ul> </li> </ul>	
<b>3.2 What information do you have to show you are going to reduce health inequalities:</b>	
<p>The Council, like many households, is seeing significant increases in expenditure as a result of rising prices. So far, the money the Council receives from Government and through council tax and business rates, has not increased in line with the increasing cost of providing services. The result is that in 2024/25, the Council's spending is now forecast to exceed its income by over £30m. The Council must, by law, set a balanced budget each year which means the amount planned to spend cannot be more than the income expected to receive. We are therefore looking at a number of ways that we could reduce Council spending, or increase income, to ensure that we are able to continue providing our most essential services. One of the options is to increase the amount of council tax income the Council receives by reducing the maximum amount of CTS provided to working age households.</p> <p>Modelling data for CTS claims based upon the proposal, shows the changes will provide £2.16 million towards the gap in the Council's budget, which will help in setting the above budget and allocation of services and resources.</p> <p>The outcomes are likely to be:</p> <ul style="list-style-type: none"> <li>- fewer in-year CTS changes due to introduction of income banded scheme and the changes to income disregards. If a household is aware of how much CTS award they are due, they are in a better position to manage their household budget accordingly.</li> <li>- an income banded scheme based upon excess income, as covered in section 1.2. By using excess income rather than total income, this means that income required for specific circumstances is</li> </ul>	

considered and the most vulnerable households are not disproportionately affected by an income banded scheme.

- changing the income disregard will mean everyone who is in employment or self-employment will be given the increased earnings disregard because it will no longer be limited to those people who are only working the relevant number of hours week-to-week.
- households facing financial hardship who may be adversely impacted by these changes, will be supported if they make early contact with the Council Tax department. The Council will aim to provide households with the right support and agree where possible, affordable payment plans.

### **3.3 Who/which groups of people might face the biggest health inequalities for your work and why:**

Residents in Coventry who are in receipt of Council Tax Support are those groups of people who are more likely to be impacted by the proposed changes.

The Council Tax Support scheme aims to support low-income households and those groups who are known to face the biggest health inequalities.

This is shown by the data for Coventry in section 2.1 – see Map 1.

### **3.4. What can be done to improve health equity for the groups of people you have identified?**

Using proportionate universalism in calculating CTS award, the level of excess income will identify which households need the most financial support.

We will ensure a One Coventry approach by working with our partners to ensure information and support is available for those groups facing the biggest health inequalities and to support households to engage in the public consultation.

The Benefits Service will actively identify households:

- in which members are entitled to Free School Meals
- who are not maximising welfare support

Council tax department will aim to put in place individual council tax payment plans for any household who contacts early to explain they are experiencing payment difficulties.

Any information which identifies those groups disproportionately impacted by the CTS change who are known to face health inequalities, will be used to inform decisions as part of ongoing service development.



## SECTION 4 - DIGITAL EXCLUSION INEQUALITIES

Please consider the digital exclusion information in the supporting document prior to completing this section.

### 4.1 Starting point:

Thinking of the main aims of your work area that this EIA is for; does your work area impact digital inequalities or exacerbate? No

- Does your work assume service users have digital access and skills?  
No, CTS processes remain the same as they currently are.
- Do outcomes vary across groups, for example digitally excluded people benefit the least compared to those who have digital skills and access?  
Yes. Low household income is an indicator for digital exclusion. Reduced Council Tax Support for low income households may impact digital access, as this might make connectivity unaffordable.
- Consider what the unintended consequences of your work might be.  
The CTS processes remain the same as they currently are.

### 4.2 4.1 Reducing digital exclusion inequalities

Where are the opportunities for your area to reduce digital exclusion inequalities and embed supports/interventions as part of your work?

Communication about the proposed changes will be made by post, drop-in sessions will be available and there will be the option to request a survey in paper format.

The proposed changes are to the levels of financial support, which could impact finances available for digital connectivity. By collaborating with our partners, these households could be supported through the National Databank.

The process for making a Council Tax Support claim and contacting the Benefits Service remain the same. This includes application forms that are online. However, customers who cannot access this continue to have the option to ring the Benefits Customer Services team, who will help complete an application form over the telephone. Customers can still report change in circumstances through email, telephone, online or through the post.

## EQUALITY IMPACT ASSESSMENT (EIA)



If the award of Council Tax Support changes, customers will continue to be sent a notification letter through the post. They will also receive a revised council tax bill through their usual method, which if they have not opted for electronic means, will be a paper-based bill through the post.

### 5.0 Will there be any potential impacts on Council staff from protected groups?

There will be no impact on job numbers and no restructure planned as an outcome of these proposals.

You should only include the following data if this area of work will potentially have an impact on Council staff. This can be obtained from: [Nicole.Powell@coventry.gov.uk](mailto:Nicole.Powell@coventry.gov.uk)

#### Headcount:

##### Sex:

Female	
Male	

##### Disability:

Disabled	
Not Disabled	
Prefer not to state	
Unknown	

##### Ethnicity:

White	
Black, Asian, Minority Ethnic	
Prefer not to state	
Unknown	

##### Sexual Orientation:

##### Age:

16-24	
25-34	
35-44	
45-54	
55-64	
65+	

##### Religion:

Any other	
Buddhist	
Christian	
Hindu	
Jewish	
Muslim	
No religion	
Sikh	
Prefer not to state	
Unknown	



Heterosexual	
LGBT+	
Prefer not to state	
Unknown	

## 6.0 How will you monitor and evaluate the effect of this work?

- Monitor groups requesting council tax hardship support.
  - Operate a dedicated section 13a 1 c (hardship fund) policy to support those in the greatest need.
- Capture and analyse data through the Council's complaints process.
  - All officers across Revenues and Benefits will flag any complaints regarding the impact of the CTS changes/ability to pay the increased council tax amounts.
- Monitor groups affected by increased council tax and council tax arrears.
  - Review the council tax recovery process for those in receipt of CTS.

6.1	Action Planning	
Issue Identified	Planned Action	Timeframe
Capture complaints about the impact of CTS changes	Capture and analyse data through the council's complaints process.	Incorporated into Business As Usual processes.
Ensure households on low income and those disproportionately impacted by inequalities are supported.	Continue to operate a dedicated section 13a 1 c (hardship fund) policy to support those in the greatest need.	Incorporated into Business As Usual processes.
Increase uptake of support available	Continue to work collaboratively with partners to ensure the most vulnerable households are maximising the support available to them.	31/03/2024
Ensure recovery action and additional costs are minimised	Review the council tax recovery process for those in receipt of CTS.	31/03/2024
Ensure households receive the best service and are aware of additional help	Provide training to Revenues, Benefits and Customer Services on changes, to include signposting to other support available.	31/03/2024

## EQUALITY IMPACT ASSESSMENT (EIA)



Ensure the impact of changes to the scheme are identified and reviewed for 2025/26	Monitor and review the impact of the changes to the scheme for 2024/25 and diarise to review CTS for 2025/26.	30/06/2024
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### 7.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**


No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☐

Both positive and negative impact has been identified for one or more protected groups ☒

### 8.0 Approval

Signed: Head of Service: 	Date: 08/02/24
Name of Director: Barry Hastie	Date sent to Director: 08/02/24
Name of Lead Elected Member: Councillor Richard Brown	Date sent to Councillor: 08/02/24

Email completed EIA to [equality@coventry.gov.uk](mailto:equality@coventry.gov.uk)

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## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Charge For Green Waste
EIA Author	Name	Andrew Walster
	Position	Director Streetscene & Regulatory Service
	Date of completion	24 <sup>th</sup> November 2023 Updated 08.02.24
Head of Service	Name	Sarah Elliott
Cabinet Member	Name	Cllr P Hetherton
	Portfolio	City Services

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☒ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

The aim of this EIA is to evaluate the potential impact of introducing charges for the Garden Waste at £40 a year per bin. Residents can opt out.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

#### 2.1 Baseline data and information

## BUDGET SETTING 2024-25

### EQUALITY IMPACT ASSESSMENT (EIA)

Many authorities charge for the collection of Garden Waste with the average cost nationally in 2021 thought to be in the £40 per annum region. These charges will have increased over the years.

Similar policies are already in place in most other LAs, including all WM Mets and 5 in Warwickshire. A more detailed analysis will be carried out if the proposal is agreed. However, the price proposed is comparable across the region.

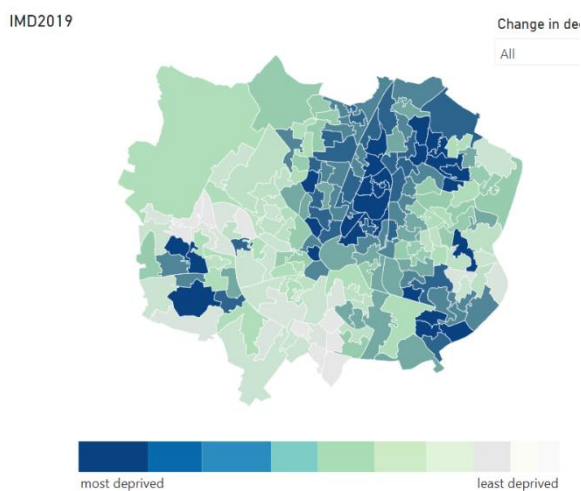
A summary of 20 /21 charges is provided below.

Authority	Current Charge 20/21
Harborough District Council	£55.00
Hinckley and Bosworth BC	£30.00
Leicester City Council	£47 Direct Debit £52 Non-Direct Debit
Melton BC	£57.00
Oadby and Wigston BC	£50.00 for either 240ltr or 140 litre bin

Councils where this service is already in place have stated there is no evidence of increased fly-tipping in other areas where this has been operating for years

#### Deprivation

Nearly 19% of Coventry neighbourhoods are amongst the 10% most deprived neighbourhoods in England. In 2019, Coventry ranked 64th nationally (with 1st being most deprived), an improvement in ranking of 46th in 2015.



Map showing deprivation levels across the city.

Mitigations will be looked at in detail to ensure any potentially negative impact is mitigated where possible.

#### Consultation feedback

The feedback from the budget consultation process has highlighted a range of views in respect of this proposal, including some support for the introduction of charges.

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

**2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.**

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	NI	
Age 19-64	N	This increase might impact upon residents who are on a low income.
Age 65+	N	This increase might impact upon elderly residents who are also on a low income or on pensions
Disability	N	This increase might impact upon this group who may be on low income or disability benefits.
Gender reassignment	NI	
Marriage and Civil Partnership	NI	
Pregnancy and maternity	NI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	N	A lot of our minority ethnic residents live in priority neighbourhoods/ more deprived parts of the Coventry. Therefore, there could be a potential impact upon this protected characteristic.
Religion and belief	NI	
Sex	N	
Sexual orientation	NI	

**2.3 Will there be any potential impacts in relation to health and/or digital inequalities?**

There will be potential negative impact on those living in the areas of highest deprivation

**4.0 Will there be any potential impacts on Council staff from protected groups?**

Any potential impacts on staff would be in the context of them as residents of the city.

**5.0 How will you monitor and evaluate the effect of this work?**

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>5.1</b>	<b>Action Planning</b>	
<b>Issue Identified</b>	<b>Planned Action</b>	<b>Timeframe</b>
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☒
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known ☐

### 7.0 Approval

<b>Signed: Head of Service:</b> Sarah Elliott	<b>Date:</b> 24.11.23 / 08.02.24
<b>Name of Director:</b> Andrew Walster	<b>Date sent to Director:</b> 24.11.23 / 08.02.24
<b>Name of Lead Elected Member:</b> Cllr P Hetherton	<b>Date sent to Councillor:</b> 24.11.23 / 08.02.24

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Increasing Alternative Temporary Accommodation Provisions
EIA Author	Name	Pete Fahy
	Position	Director of Adult Social Care and Housing
	Date of completion	20 November 2023 Updated 08.02.24
Head of Service	Name	Jim Crawshaw
	Position	Head of Housing
Cabinet Member	Name	David Welsh
	Portfolio	Housing, Culture and Communities

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☒ Commissioning
- ☐ Other project (please give details)

#### 1.2 In summary, what is the background to this EIA?

Demand for temporary accommodation for singles has continued to grow and has increased by about 60% since 2021. The council has a legal obligation to house people who are legally homeless and vulnerable. Due to a lack of affordable housing much of that accommodation is secured via expensive spot purchased accommodation from the private rental sector such as B and B and HMO's

Therefore the city council is proposing to develop 2 further supported temporary accommodation schemes for single people who are homeless

Further details to be added once proposal is agreed

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

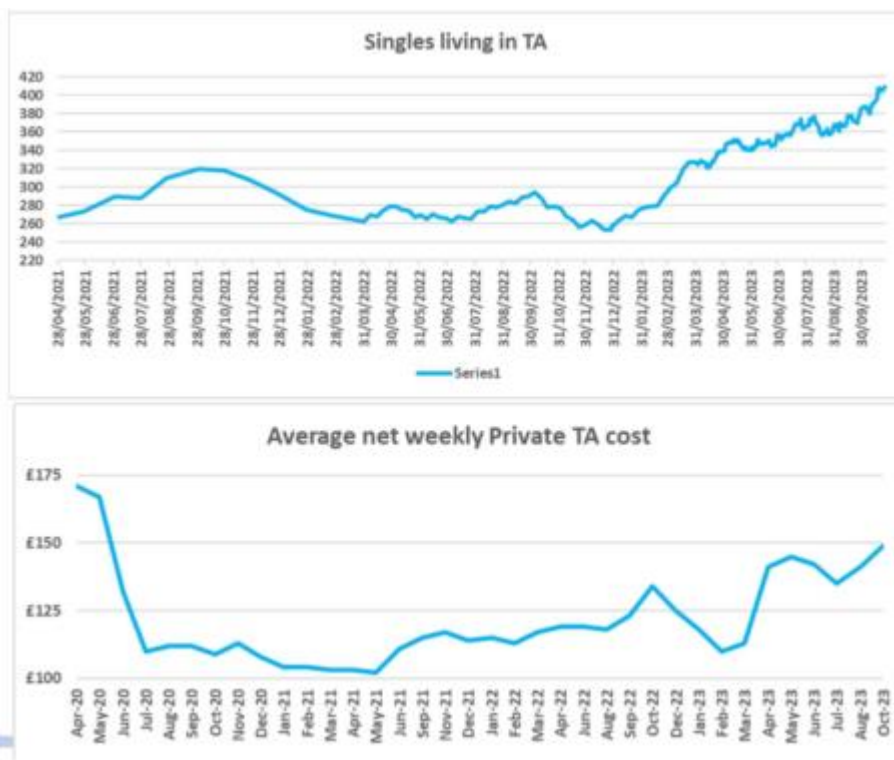
In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

Coventry, like most local authorities are facing a sustained increase in both singles and families presenting as homeless for which the statutory housing duty applies. This proposal is in relation to singles for the growth and increasing cost is as below:



A range of provision exists to support single homeless people for which the overall objective is to avoid the use of B&B provision. However, due to the growth in numbers we can expect to have between 60 and 90 single people in B&B provision in any week. Most people who are placed in a B&B are moved to more appropriate accommodation in a HMO or a supported accommodation scheme as quickly as possible.

With the ongoing cost of living issues, combined with social factors including the cost of living crisis, domestic abuse and families being no longer willing to accommodate we are not expecting a decrease in numbers and if anything a further increase is forecast.

Additionally, as the home office continues to progress asylum applications we can expect that once a decision is made by the home office that this will also have an impact on the numbers of single people for which we owe a housing duty.

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

**2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.**

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	<b>NI</b>	
Age 19-64	<b>P</b>	Positive as accommodation proposed has a better support environment than HMOs and B&B provision Further information to be added once proposal is agreed
Age 65+	<b>P</b>	Positive as accommodation proposed has a better support environment than HMOs and B&B provision Further information to be added once proposal is agreed
Disability	<b>P</b>	The building has 15 ground floor rooms which assist single households with mobility conditions, there are rooms with specific provision and adaptations (wetroom) Further information to be added once proposal is agreed
Gender reassignment	<b>P</b>	The supported temporary accommodation team have in place guidance and suitability assessments for positively working with and accommodating people from the trans community. Further information to be added once proposal is agreed
Marriage and Civil Partnership	<b>NI</b>	
Pregnancy and maternity	<b>NI</b>	
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>NI</b>	
Religion and belief	<b>NI</b>	
Sex	<b>P</b>	Further information to be added once proposal is agreed
Sexual orientation	<b>NI</b>	

**2.3 Will there be any potential impacts in relation to health and/or digital inequalities?**

Proposals such as the one referred to here will help as would the development of more permanent and sustainable housing options. Long term reform and better resourcing of mental health support and addiction support might help too.

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 3.0 Will there be any potential impacts on Council staff from protected groups?

To be successful the proposed facilities will require support staff in place. No impacts of staff from protected groups are anticipated.

### 4.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

### 5.0 Action Planning

Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☒
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known ☐

### 7.0 Approval

<b>Name of Director:</b> Pete Fahy	<b>Date sent to Director:</b> 27.11.23 / 08.02.24
<b>Name of Lead Elected Member:</b> Cllr D Welsh	<b>Date sent to Councillor:</b> 27.11.23 / 08.02.24



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT

Title of EIA		Switch off street-lighting between 12am and 5.30 am
EIA Author	Name	Ravinder Sekhon
	Position	Acting Head of Traffic
	Date of completion	21.11.23 Updated 08/02/24
Head of Service	Name	Ravinder Sekhon
	Position	Acting Head of Traffic
Cabinet Member	Name	Councillor Patricia Hetherton
	Portfolio	City Services

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☒ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

This EIA examines the implications of a part-night switch off for the Street Lighting in the PFI portfolio.

Switch off Sunday – Thursday 12am – 5.30am and Friday – Saturday 1am – 5.30am. If all the lights are included in the part night switch off except subways and traffic lights the CO2 saving will be 838 tonnes per annum. If all the lights are switch off the savings at the current energy price will be over £1m. Currently the majority of residential street lights have been dimmed to the maximum of 55% output and the traffic routes have some dimming applied. The exemptions to the dimming are the City Centre and Hillfields LED lighting trial.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

In the Annual Street Lighting Survey undertaken in Qt 2 2003 the following scored very highly:

- Provision of good lighting on footpaths
- Provision of good lighting on local roads
- Provision of good lighting improves road safety
- Provision of good lighting improves personal Safety
- Provision of good lighting reduces the free of crime

We do receive complaints and enquiries about the reduced lighting levels and especially when street lights are not working.

There is no evidence from any other local authorities that part night switch off increases crime; it has actually been reported that it decreases crime. Evidence of this can be seen in the Warwickshire part-Night street Lighting Review and the following studies:

- A [study published in 2015 by the London School of Hygiene and Tropical Medicine \(LSHTM\)](#) found no link between street lights being dimmed or switched off and any increase in road accidents or crime.
- <https://www.nihr.ac.uk/news/street-lighting-may-help-rather-than-hinder-vehicle-crime/30285#:~:text=%E2%80%9COur%20previous%20research%20showed%20that,reduce%20some%20types%20of%20crime.%E2%80%9D>
- <https://www.ucl.ac.uk/news/2022/mar/street-lighting-may-enable-rather-hinder-street-crime>

**Consultation feedback** – this has been broadly supportive of the proposal, with some concerns highlighted around potential public safety issues – however, see links above for additional information for studies showing decreases in crime rates.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

*\*Any impact on the Council workforce should be included under question 5.0 – not below*

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-18	NI	Lower levels of activity for this groups are expected in the hours of 12am - 5.30am
Age 19-64	UI	There may be a disproportionate impact on resident out of the home between the hours of 12am – 5.30am. However we expect this to be minimal Sunday-Thursday and have therefore shortened the switch off period to 1am – 5.30am when they may be outside.
Age 65+	N	There may be a disproportionate impact on elderly residents who are outside of their homes – typically some of these residents having poor eyesight and potential physical frailty. Consideration can be given to specific locations – close to elderly people care homes, sheltered accommodation and A&E Departments. Consider the public communications about the changes.
Disability	N	There may be a disproportionate impact on people with physical disabilities who may place additional reliance on having roads and pavements lit. Consider an exemption scheme and explore lit routes. Consider the public communications about the changes.
Gender reassignment	NI	Changes in lighting would not have any specific/targetted impact
Marriage and Civil Partnership	NI	Changes in lighting would not have any specific/targetted impact
Pregnancy and maternity	N	There maybe a disproportionate impact on people who are pregnant who may place additional reliance on having roads and pavements lit. Consider the public communications about the changes.
Race (Including: colour, nationality, citizenship ethnic or national origins)	N	In areas of high racially motivated hate crime - changes in lighting could have a potentially negative impact
Religion and belief	NI	Changes in lighting would not have any specific/targetted impact
Sex	N	Females may feel more vulnerable and the risk of assault may be greater. Consider an exceptions scheme based on crime rates and ASB hotspots and explore lit routes.
Sexual orientation	NI	Changes in lighting would not have any specific/targetted impact

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

Yes - Elderly, disabled and females as they have more reliance on lighting of roads and pavements.

Street lighting risk assessment to be undertaken in view to keeping on lighting:

- Where there are potential hazards on the highway such as roundabouts, traffic signal controlled junctions, central carriageway islands, traffic calming features, road humps etc.
- At formal pedestrian crossings (Zebra, Pelican, Puffin, Toucan and Pegasus).
- Areas covered by permanent Local Authority/Police CCTV cameras.
- Areas adjacent to elderly people care homes, sheltered accommodation complexes and

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- A&E departments.
- Lighting adjacent to operational taxi ranks
- Lighting on public footpaths, alleyways and cycle paths which are located away from roads.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

No

### 4.0 How will you monitor and evaluate the effect of this work?

A trial period to be considered in which we can monitor impact on reported crime, personal incidents & road safety.

### 5.0 Action Planning

Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☒

Both positive and negative impact has been identified for one or more protected groups ☐

### 7.0 Approval

<b>Signed: Head of Service:</b> Ravinder Sekhon	<b>Date:</b> 06.02.24 / 08.02.24
<b>Name of Director:</b> Colin Knight	<b>Date sent to Director:</b> 06.02.24 / 08.02.24
<b>Name of Lead Elected Member:</b> Councillor Patricia Hetherton	<b>Date sent to Councillor:</b> 06.02.24 / 08.02.24

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Food Waste
EIA Author	Name	Sarah Elliott
	Position	Head of Waste & Fleet Management
	Date of completion	7 <sup>th</sup> February 2024 Updated 08.02.24
Head of Service	Name	As above
	Position	As above
Cabinet Member	Name	Cllr P Hetherton
	Portfolio	City Services

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☒ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

Legislative changes have made the separate weekly collection of food waste by local authorities mandatory from April 2026. This document identifies the potential equality impacts related to the introduction and provision of this service

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

Separate food waste collections will reduce the amount of food waste going to landfill, where it releases harmful greenhouse gases, helping to achieve targets to eliminate biodegradable waste sent to landfill. Instead, where food waste is collected separately, it can be reprocessed to create organic fertiliser and biogas, which can be used to generate electricity, bolstering energy security and offsetting fossil fuel use.

The weekly collection of food waste will lead to a reduction in the proportion of organic material in residual bins, leading to improved hygiene and a reduction in vermin and bad odours.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	NI	
Age 19-64	NI	
Age 65+	NI	
Disability	N	People with disabilities may require assistance in presenting their food waste caddy for collection.
Gender reassignment	NI	
Marriage and Civil Partnership	NI	
Pregnancy and maternity	NI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	N	There could potentially negative impact on people from particular ethnic groups whose first language is not English and any subsequent misunderstandings about the correct food waste disposal instructions. See 4.0 below
Religion and belief	NI	
Sex	NI	
Sexual orientation	NI	

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

See 4.0 below

### 3.0 Will there be any potential impacts on Council staff from protected groups?

No

### 4.0 How will you monitor and evaluate the effect of this work?

It will be important, in the communication of this proposal (if implemented) to:

- ensure that all publicity and promotional information concerning the new service is accessible to all residents and ethnic groups;
- monitor contamination levels and ensure there is no ethnicity literacy bias connected with understanding the Council's promotional literature.
- monitor levels of complaint / dissatisfaction in areas of the city

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

5.0	Action Planning	
Issue Identified	Planned Action	Timeframe
N/A		

### 6.0 Completion Statement

As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☒
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known ☐

### 7.0 Approval

<b>Signed: Head of Service:</b>  Sarah Elliott	<b>Date:</b>  07.02.24 / 08.02.24
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**BUDGET SETTING 2024-25**  
**EQUALITY IMPACT ASSESSMENT (EIA)**

<b>Name of Director:</b>  Andrew Walster	<b>Date sent to Director:</b>  07.02.24 / 08.02.24
<b>Name of Lead Elected Member:</b>  Cllr P Hetherton	<b>Date sent to Councillor:</b>  07.02.24 / 08.02.24



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Increased Car Parking Charges
EIA Author	Name	John Seddon
	Position	Strategic Lead – Policy and Innovation
	Date of completion	21 November 2023 Updated 08.02.24
Head of Service	Name	Colin Knight
	Position	Director of Transportation, Highways and Sustainability
Cabinet Member	Name	Councillor Patricia Hetherton
	Portfolio	City Services

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☒ Other project (*please give details*) Budget review

#### 1.2 In summary, what is the background to this EIA?

This EIA examines the implications of a potential increase in car parking charges at City Council managed on and off street parking facilities. The existing rates will increase in line with inflation (i.e. by circa 10%) and will apply to all charges throughout Monday to Sunday. It is expected that the new rates would be introduced from 1<sup>st</sup> April 2024.

The increase in car parking charges would apply equally to all existing users of the Council's parking facilities whilst exemptions from parking charges (disabled badge holders) would be unaffected. The impact on individuals will depend on how frequently they use the parking facilities and how long they park for.

Parking charges are periodically reviewed and adjusted in line with transport or other Council priorities.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

The Council operates 17 public car parks comprising circa 4000 parking spaces. In excess of 1.3million parking sessions are bought each year across all the Council's public on and off-street parking facilities.

People who use the parking facilities in Coventry are not necessarily residents in the city.

We do not collect or monitor equalities data about customers who use the car parks.

Coventry City Council has recently undertaken a public consultation exercise in respect of all budget proposals, including the proposed increase to car parking fees. Whilst there was a mixed response to the proposal, many respondents were supportive of it. None of the feedback to the consultation exercise expressed concerns in regard to potential impacts on protected groups.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-18	NI	
Age 19-64	N	There is no data held on the number of car park users who fall into each protected category, so we cannot establish the scale of this impact for different groups. The changes will affect all residents, visitors and businesses in the affected car parks. Mitigations will be put in place for low income families.
Age 65+	N	Older people on fixed incomes may be disproportionately affected. Some older people who are not registered disabled are less mobile and less able to walk significant distances may also be disproportionately impacted by additional costs

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Disability	<b>NI</b>	Disability exemption permits/ blue badge permits are not being changed therefore there is no impact to this group
Gender reassignment	<b>NI</b>	
Marriage and Civil Partnership	<b>NI</b>	
Pregnancy and maternity	<b>N</b>	There is some potential for pregnant women and new parents to be adversely affected due to their limited mobility if they are more likely to use a car than public transport or active travel during this time
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>N</b>	A lot of minority ethnic residents live in priority neighbourhoods/ more deprived parts of the Coventry Therefore, there could potentially be more impact upon this protected characteristic.
Religion and belief	<b>NI</b>	
Sex	<b>NI</b>	
Sexual orientation	<b>NI</b>	

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

A more detailed equality impact assessment will be carried out if this proposal forms part of the final budget report which goes for approval in early 2024.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

Negative impact identified – charges will apply to employees

### 4.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

### 5.0 Action Planning

Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

No impact has been identified for one or more protected groups ☐


Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☒

**BUDGET SETTING 2024-25  
EQUALITY IMPACT ASSESSMENT (EIA)**

Both positive and negative impact has been identified for one or more protected groups ☐

**8.0 Approval**

<b>Signed: Head of Service:</b> 	<b>Date: 21 November 2023 / 08.02.24</b>
<b>Name of Director:</b> Colin Knight	<b>Date sent to Director:</b> 21 November 2023 / 08.02.24
<b>Name of Lead Elected Member:</b> Councillor Patricia Hetherton	<b>Date sent to Councillor:</b> 21 November 2023 / 08.02.24

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>Increased Resident Car Parking Permit Charges</b>
<b>EIA Author</b>	<b>Name</b>	<b>John Seddon</b>
	<b>Position</b>	<b>Strategic Lead – Policy and Innovation</b>
	<b>Date of completion</b>	<b>21 November 2023 Updated 08.02.24</b>
<b>Head of Service</b>	<b>Name</b>	<b>Colin Knight</b>
	<b>Position</b>	<b>Director of Transportation, Highways and Sustainability</b>
<b>Cabinet Member</b>	<b>Name</b>	<b>Councillor Patricia Hetherton</b>
	<b>Portfolio</b>	<b>City Services</b>

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☒ Other project (*please give details*) Budget review

#### 1.2 In summary, what is the background to this EIA?

This EIA examines the implications of a potential increase in resident car parking permit charges.

At present, the City Council operates several Residents Parking Schemes across the city, covering residential areas around the city centre, the CBS Arena, University Hospital and the University of Warwick. There are circa 22,000 properties across the city within a resident parking zone.

For some (but not all) of these schemes, residents are charged a small fee to offset the administrative charges associated with the issue of the permit and administration of the scheme. The income derived from these charges does not cover the cost of administering the service, which operates at a deficit of around £200,000 per year.

Some schemes operate at no cost to the resident. The existing cost model is inequitable and isn't aligned with Council policy. Drivers with a disabled persons Blue Badge are allowed to park in resident parking schemes without the need for a permit.

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

The proposal would involve the increase in permit charges to be more reflective of the administrative costs incurred by the Council in operating the schemes. The City Council currently charges significantly less than comparable schemes operated by other similar highway authorities.

The increased charge, which is expected to be between £10 - £20 per year, would still be relatively low (the equivalent of a few days car parking a year within the city centre), especially when compared to the cost of owning and operating a vehicle. However, for residents with limited income, it would represent an additional financial burden.

Coventry City Council has recently undertaken a public consultation exercise in respect of all budget proposals, including the proposed increase to resident permit charges. The consultation indicated that many respondents were supportive of the proposal. None of the feedback to the consultation exercise expressed concerns in regard to potential impacts on protected groups.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

#### 2.1 Baseline data and information

The total number of properties within all resident permit schemes is c22,000.

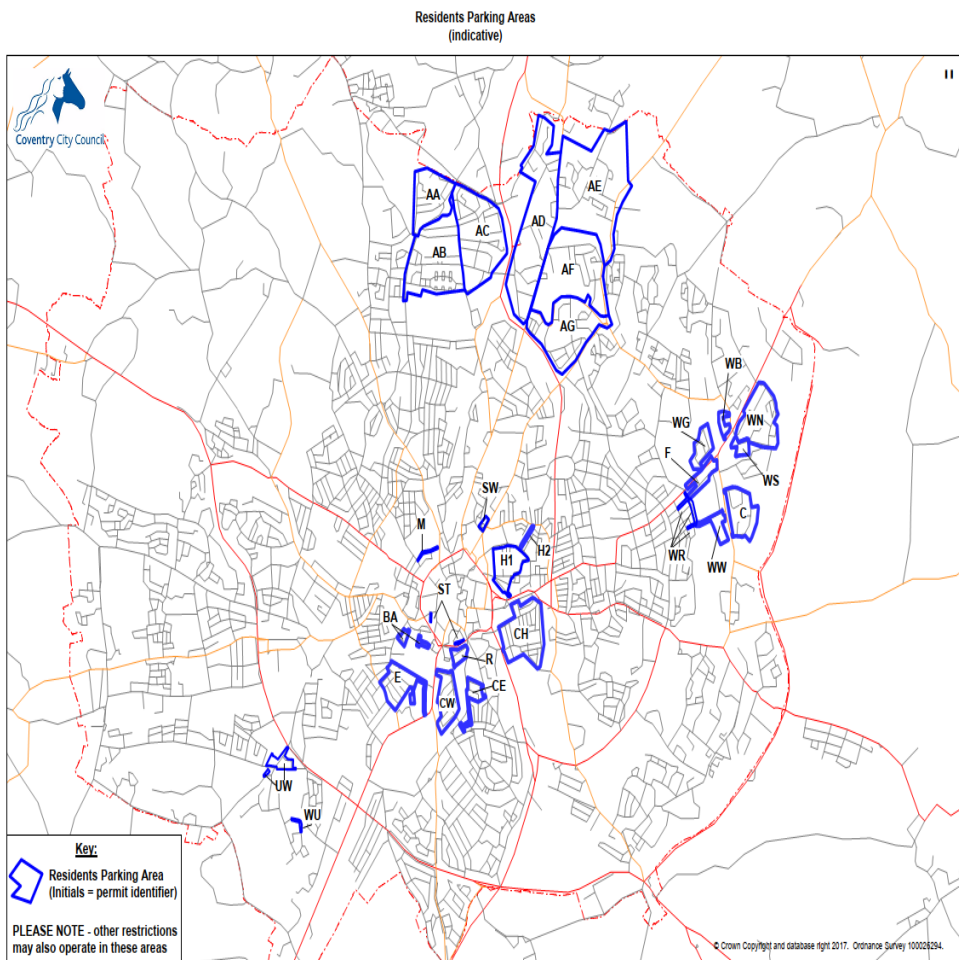
The breakdown by scheme is as follows:

- CBS / Ricoh Arena (Zones AA – AG) 12,130
- Walsgrave Hospital (Zone WB – WG, F) 3,146
- Charterhouse (Zone CH) 1,582
- The Butts (Zone BA) 273
- Cheylesmore East and West (Zones CE & CW) 1,382
- Earlsdon (Zones EA) 902
- Ball Hill (Zone BH) 305
- Hillfields / Swanswell / King Edward Rd (H1 & H2) 800
- Swan Lane (Zone SW) 16

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Heathcote / St Augustines (Zone HS) 27
- Stoney Rd (Zone R) 76
- Middleborough Rd (Zone M) 214
- Burnsall / Canley (Zones CA1 & CA2) 456
- Cannon Hill (Zone CP2) 16
- Cannon Park (Zone C) 103
- Knights Templar (Zone KT) 49
- Warwick University (Zone UW and WU) 294

Demographic data for each RPS area.



**2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.**

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-18	NI	
Age 19-64	UI	
Age 65+	UI	
Disability	UI	
Gender reassignment	NI	
Marriage and Civil Partnership	NI	
Pregnancy and maternity	NI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	UI	
Religion and belief	NI	
Sex	NI	
Sexual orientation	NI	

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

Negative Impact identified - A more detailed equality impact assessment will be carried out if this proposal forms part of the final budget report which goes for approval in early 2024.

### 5.0 Will there be any potential impacts on Council staff from protected groups?

N/A

### 6.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

<b>6.1</b>	<b>Action Planning</b>	
<b>Issue Identified</b>	<b>Planned Action</b>	<b>Timeframe</b>
N/A		



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 7.0 Completion Statement

As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:

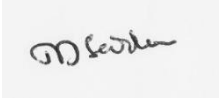
No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☒

Both positive and negative impact has been identified for one or more protected groups ☐

### 8.0 Approval

<b>Signed: Head of Service:</b> 	<b>Date: 21 November 2023 / 08.02.24</b>
<b>Name of Director:</b> Colin Knight	<b>Date sent to Director:</b> 21 November 2023 / 08.02.24
<b>Name of Lead Elected Member:</b> Councillor Patricia Hetheron	<b>Date sent to Councillor:</b> 21 November 2023 / 08.02.24

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## BUDGET SETTING 24-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Unauthorised Traveller Encampments
EIA Author	Name	Andrew Walster
	Position	Director, Streetscene & Regulatory Services
	Date of completion	24.11.23 Updated 08.02.24
Cabinet Member	Name	Cllr A S Khan
	Portfolio	Policing & Equalities

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☒ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

This proposal relates to enabling the enforcement of unauthorised Traveller incursions by the Police through the establishment of a Traveller Transit site in the city. The exact location of the site has not yet been determined.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

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## BUDGET SETTING 24-25

### EQUALITY IMPACT ASSESSMENT (EIA)

#### 2.1 Baseline data and information

Although the majority of Romani Gypsies and Travellers (“Gypsies and Travellers”) now reside in conventional housing, a significant number still live in caravans in accordance with their traditional way of life.

Romani Gypsies and Irish Travellers are recognised as separate ethnic groups who are protected minorities under the Equality Act 2010.

It is well-established that there is a chronic national shortage of sites for Gypsies and Travellers; this lack of suitable and secure accommodation forces many Gypsies and Travellers onto unauthorised encampments and developments.

The evidence shows that where a local authority focuses on the provision of authorised sites, their expenditure on enforcement is likely to drop considerably. There is also a potential saving to be made in relation to avoiding any damage to public spaces through unauthorised encampments. Coventry City Council is therefore proposing to provide a temporary, transit site for occupation by the Gypsy Traveller communities in the city.

#### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-18	NI	
Age 19-64	NI	
Age 65+	NI	
Disability	NI	
Gender reassignment	NI	
Marriage and Civil Partnership	NI	
Pregnancy and maternity	NI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	P	There will be a potentially positive impact on the Romani Gypsy Traveller community through the provision of a transit site for encampment.
Religion and belief	NI	
Sex	NI	

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## BUDGET SETTING 24-25 EQUALITY IMPACT ASSESSMENT (EIA)

Sexual orientation	NI	
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### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

As one of the most marginalised and vulnerable ethnic groups, there will be a potentially positive impact on the Romani Gypsy Traveller community through the provision of a transit site for encampment.

### 3.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

4.0	Action Planning	
Issue Identified	Planned Action	Timeframe
N/A		

### 5.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☒

Negative impact has been identified for one or more protected groups ☐

Both positive and negative impact has been identified for one or more protected groups ☐

The potential impact of this proposal on protected groups is not yet known

### 6.0 Approval

<b>Name of Director:</b> Andrew Walster	<b>Date sent to Director:</b> 24.11.23 / 08.02.24
<b>Name of Lead Elected Member:</b> Cllr P Hetherton	<b>Date sent to Councillor:</b> 24.11.23 / 08.02.24

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## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>Education Transport Review (Home to school travel assistance)</b>
<b>EIA Author</b>	<b>Name</b>	<b>Jeannette Essex</b>
	<b>Position</b>	<b>Head SEND and Specialist Services</b>
	<b>Date of completion</b>	<b>27<sup>th</sup> November 2023 Updated 8<sup>th</sup> February 2024</b>
<b>Head of Service</b>	<b>Name</b>	<b>Jeannette Essex</b>
	<b>Position</b>	<b>Head SEND and Specialist Services</b>
<b>Cabinet Member</b>	<b>Name</b>	<b>Cllr Dr Kindy Sandhu</b>
	<b>Portfolio</b>	<b>Education and Skills</b>

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☒ Review of policy / strategy
- ☒ Review of service
- ☒ Commissioning
- ☒ Other project *(please give details)*

#### 1.2 In summary, what is the background to this EIA?

The Council's statutory duty to assist children to attend both school and college is set out in law, underpinned by a policy that was approved in 2017 which remains compliant. However, demand for the service has increased year on year, the costs of provision has been impacted by the increase in vehicle running costs and a lack of competition within the external marketplace.

A full review is proposed to ensure that services are delivered within a value for money framework, without compromising the council's statutory duties or children's safety. The review will include provisions commissioned through both education and social care and non-statutory provisions, that are delivered under the Council's discretionary powers specifically faith schools.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

#### Home to School Travel Assistance – demand comparator 2019/20 (pre-pandemic) – 2023/24

	2019/20	2023/24
<b>Pupils by age cohort:</b>		
Statutory school age	911	1049
Post 16	103	125
Post `19	19	33
Total	1033	1207
<b>Mode of transport:</b>		
Minibus/taxi	893	1092
Personal travel budget (PTB)	117	107
Bus pass	23	8*
Total	1033	1207

#### Financial Breakdown:

- Actuals (outturn) for Financial Year 2019/20 (best recent comparator as 2020/21 and 2021/22 were impacted by Covid).
- Actuals (outturn) for Financial Year 2022/23.
- Q2 Forecast for 2023/24.

Note: These figures exclude CECs (overheads).

Category	FY2019/20 Actuals	FY2022/23 Actuals	FY2023/24 Forecast
In-House Transport	2,651,245	3,159,989	3,592,743
Taxis	1,510,953	2,338,423	2,683,691
School Transport	53,165	90,347	68,026
Personal Transport Budgets	146,928	147,388	144,183
Other	107	0	0
Travel Trainers	74,080	80,851	79,199
Coach subsidy – faith schools			220,000
Total	£4,436,478	£5,816,998	£6,789,842

\*Note: data on social care demand and costs to be added.



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

**2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.**

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	PN	Families may be inconvenienced by a potential change in travel arrangements, Students relying on subsidised coach travel to a faith school will need to make alternative arrangements, those entitled to travel assistance will continue to receive this. Offer and support for pupils attending faith schools will be in line with the Travel Assistance Policy for all schools.
Age 19-64	PN	Adults who are responsible for a young person's financial affairs may need to budget for a higher contribution to post 16 travel assistance if they choose to continue to access a Council procured service. Those electing to make transport arrangements for young people who are unable to travel independently will have their costs fully met.
Age 65+	NI	
Disability	PN	Children with a disability may need support to adapt to change.
Gender reassignment	UI	
Marriage and Civil Partnership	NI	
Pregnancy and maternity	NI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	UI	
Religion and belief	PN	The Council currently subsidises 5 coaches to support transport to two faith schools. This offer is not equitable (it does not subsidise transport costs for all pupils attending faith schools) and is not statutory. Families will need to take travel into account when expressing a preference for a school on the grounds of faith. There is a faith criteria within the policy under extended rights eligibility, which is in line with statutory guidance.
Sex	UI	
Sexual orientation	UI	

**2.3 Will there be any potential impacts in relation to health and/or digital inequalities?**

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Encouraging more children and young people to make arrangements to travel independently may reduce travel time and have positive impact on health by increasing physical movement.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

No

### 4.0 How will you monitor and evaluate the effect of this work?

This EIA will be developed more fully over coming months after approval of the final budget report in 2024.

### 5.0 Action Planning


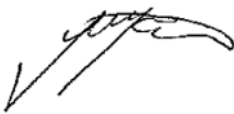
Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☒
- The potential impact of this proposal on protected groups is not yet known ☐

### 7.0 Approval

<div style="text-align: center;">   RE_ URGENT - EIA  Transport Review - fir </div> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="flex: 1;"> <p><b>Signed:</b></p>  </div> <div style="flex: 1; text-align: center;"> <p><b>Head of Service:</b></p> </div> </div>	<p><b>Date: 08/02/2024</b></p>
<p><b>Name of Director: Kirston Nelson</b></p>	<p><b>Date sent to Director: 08/02/24</b></p>
<p><b>Name of Lead Elected Member:</b> Cllr Dr Kindy Sandhu</p>	<p><b>Date sent to Councillor: 08/02/24</b></p>

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Grant / contract value reductions to cultural organisations
EIA Author	Name	Andy Williams
	Position	Director, Business, Investment & Culture
	Date of completion	24.11.23 Updated 08.02.24
Head of Service	Name	David Nuttall
	Position	Strategic Lead, Culture, Sports, Events and Destination
Cabinet Member	Name	Cllr David Welsh
	Portfolio	Housing & Communities

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☒ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

This proposal relates to a 15% reduction in the Council's funding to Culture Coventry Trust and the Belgrade Theatre by 2025/26.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 2.1 Baseline data and information

The continuing financial pressures on the Council to achieve savings has resulted in this proposal being formulated – to reduce the level of funding to both Culture Coventry Trust (management agreement) and the Belgrade Theatre (grant agreement). This will likely result in a reduction of services and events for both organisations, potentially affecting access, opening hours, or entrance, event and production prices. The reduction may also impact residents' access to cultural and heritage venues, programmes, workshops and arts performances, potentially leading to increased prices for events, workshops and productions.

The decrease in local funding may potentially impact funding from arts and cultural organisations at the national and regional level. Such current and potential future funding may be linked to conditions and/or performance indicators regarding care of collection items and acquisitions; public access; levels of participation etc.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	UI	
Age 19-64	UI	
Age 65+	UI	
Disability	UI	
Gender reassignment	UI	
Marriage and Civil Partnership	UI	
Pregnancy and maternity	UI	
Race (Including: colour, nationality, citizenship ethnic or national origins)	UI	
Religion and belief	UI	
Sex	UI	
Sexual orientation	UI	

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 3.0 Will there be any potential impacts on Council staff from protected groups?

No

### 4.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

However, potential mitigations of this proposal could include the following:

1. Early engagement with both organisations is crucial to collaboratively developing business plans for the future and for mitigating the impact of reduced budgets.
2. Review with both organisations existing funding agreements and commitments from wider funders, in order to mitigate the risk of secondary financial impact (where a reduction in Council funding may impact on activities funded in part or full by wider funding arrangements).
3. Explore grant application opportunities with WMCA, CWG Legacy funds, to name immediate opportunities, and other funds and funding bodies to secure funding for specific projects and initiatives.

### 5.0 Action Planning

Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known ☒

### 7.0 Approval

**Signed: Head of Service:**  
David Nuttall

**Date:**  
24.11.23 / 08.02.24

**BUDGET SETTING 2024-25**  
**EQUALITY IMPACT ASSESSMENT (EIA)**

<b>Name of Director:</b> Andy Williams	<b>Date sent to Director:</b> 24.11.23 / 08.02.24
<b>Name of Lead Elected Member:</b> Cllr D Welsh	<b>Date sent to Councillor:</b> 24.11.23 / 08.02.24

**BUDGET SETTING 2024-25  
EQUALITY IMPACT ASSESSMENT (EIA)**

<b>Title of EIA</b>		<b>Removal of Council Funding for the Godiva Festival</b>
<b>EIA Author</b>	Name	<b>Andy Williams</b>
	Position	<b>Director – Business, Investment &amp; Culture</b>
	Date of completion	<b>24.11.23 Updated 08.02.24</b>
<b>Head of Service</b>	Name	<b>David Nuttall</b>
	Position	<b>Strategic Lead, Culture, Sports, Events and Destination</b>
<b>Cabinet Member</b>	Name	<b>Cllr A S Khan</b>
	Portfolio	<b>Policing &amp; Equalities</b>

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

## SECTION 1 – Context & Background

### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☒ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

### 1.2 In summary, what is the background to this EIA?

This proposal relates to a recommendation that the Council removes all direct funding to support the delivery of the Godiva Festival by 2025/26

## SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 2.1 Baseline data and information

The continuing financial pressures on the Council to achieve savings has results in this proposal being formulated – to remove all direct Council funding for the Godiva Festival by 2025/26. The emphasis will likely shift from a community-oriented event to a narrower, more commercially focused one. It is likely that audience will reduce and/or come from a broader catchment area and will be less representative of the city's demographic. It is also likely that opportunities for local communities and emerging artists to perform or participate in the Festival programme will reduce.

In the absence of a Council subsidy, ticket prices would significantly increase as the primary source of revenue for the event. This will significantly impact all groups as potential attendees of the event.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	<b>N</b>	Higher ticket process for the event could impact on this group.
Age 19-64	<b>N</b>	Higher ticket process for the event could impact on this group.
Age 65+	<b>N</b>	Higher ticket process for the event could impact on this group.
Disability	<b>N</b>	Higher ticket process for the event could impact on this group.
Gender reassignment	<b>NI</b>	
Marriage and Civil Partnership	<b>NI</b>	
Pregnancy and maternity	<b>NI</b>	
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>N</b>	Higher ticket process for the event could impact on this group.
Religion and belief	<b>NI</b>	
Sex	<b>NI</b>	
Sexual orientation	<b>NI</b>	



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

There is a potentially negative impact on those living in the areas of highest deprivation – as increased ticket prices may mean that the event can longer be accessed by them.

### 3.0 Will there be any potential impacts on Council staff from protected groups?

No

### 4.0 How will you monitor and evaluate the effect of this work?

This equality impact assessment will be reviewed if this proposal is implemented following approval of the final budget report.

### 5.0 Action Planning

Issue Identified	Planned Action	Timeframe
n/a		

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☐
- Negative impact has been identified for one or more protected groups ☒
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known ☐

### 7.0 Approval

<b>Signed: Head of Service:</b> David Nuttall	<b>Date:</b> 24.11.23 / 08.02.24
<b>Name of Director:</b> Andy Williams	<b>Date sent to Director:</b> 24.11.23 / 08.02.24
<b>Name of Lead Elected Member:</b> Cllr A S Khan	<b>Date sent to Councillor:</b> 24.11.23 / 08.02.24

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## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA		Residential Childrens Homes Strategy
EIA Author	Name	Tim Green
	Position	Operational lead for Residential.
	Date of completion	26.11.23 Updated 08.02.24
Head of Service	Name	Angela Whitrick
Cabinet Member	Name	Cllr Seaman
	Portfolio	Lead Cabinet Member for Children and Young People

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☒ New policy / strategy
- ☒ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☐ Other project (please give details)

#### 1.2 In summary, what is the background to this EIA?

In line with our sufficiency duty, it has been identified that Coventry is in need of additional residential provision for both disabled, looked after children and those looked after children who have been identified as having emotional behavioural difficulties. It is hoped that this will reduce the number of children and young people that are placed out of city due to a lack of available provision within the city. This will mean less disruption to the child/young person in terms of access to education, health and other services and enable them to be close to family, friends and their local community. There are also significant financial benefits to be made by using internal placements as opposed to external ones.

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010

## BUDGET SETTING 2024-25

### EQUALITY IMPACT ASSESSMENT (EIA)

- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

#### 2.1 Baseline data and information

The additional homes for looked after children with disabilities will be purpose built and therefore will allow the children to experience living in a fully accessible environment. The environment will enable them rather than disable them, giving them maximum independence. Because the home will be accessible, it will give the children living there more opportunities to have similar experiences to their non-disabled peers.

Establishing new homes for disabled children in a community environment will allow the children to become part of that community and will allow the community to have positive interactions with disabled children and young people which will enable them to make a positive contribution. This will help to dispel any myths or prejudices about disabled people.

The four homes for looked after children who have been identified as having emotional, behavioural difficulties, will provide for up to 12 children, across the homes, the opportunity to live as a 'family' within a community location as their non Looked After peers do. This can again give them the opportunity to make a positive contribution to their community and help to integrate them with their peers. Two of the homes, will only care for up to two children, reflecting higher levels of needs and that for some children, living with their peers can be difficult.

Children who are looked after by their very nature are disadvantaged. Being able to stay within the city they and their family come from eliminates a further disadvantage. Being placed out of Coventry city would mean living in potentially an unfamiliar environment away from important family members and friends. Evidence tells us that being placed at distance from family, can cause not only emotional distress for both the child and their family but can also become a barrier to family time.

The Government's Children's Social Care Market Study report, 22/3/22 says;

*First, and most importantly, it is clear that the placements market, particularly in England and Wales, is failing to provide sufficient supply of the right type so that looked-after children can consistently access placements that properly meet their needs, when and where they require them. This means that some children are being placed in settings that are not appropriate for their own circumstances, for instance where they are:*

- *far from where they would call 'home' without a clear child protection reason for this, thereby separated from positive friend and family networks: 37% of children in England in residential placements are placed at least 20 miles from their home base*

The Independent Review of Children's Social Care, May 2022, quoted care experienced young people as follows;

*"It is scary going to new places and moving away. Its new schools and new faces so kids often run away to something familiar."*

*"I think people assume that children are getting their basic needs, it's enough. Like you know they've got food and shelter... OK, they're better off than where they used to be, and you as a child you do have that mindset you're like, oh, I'm better than where I used to be, so it's OK, but those basic needs aren't necessarily enough."*

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

All of the proposed new homes will help to address these issues.

The majority of looked after children have additional needs which require interventions from support services such as education, health and social care. This can be particularly prevalent amongst disabled children who often need a large amount of additional support services. Moving children out of city can often mean that there is a hiatus in them receiving crucial support whilst new services are found.

A significant number of looked after children have autism spectrum disorder and nearly all have attachment issues. Both conditions mean that any change in those caring for them will have a significant impact on those looked after children. Having continuity of care and support is of the upmost importance and this would be possible if children are placed within the city.

Coventry is a very ethnically and culturally diverse city which has well established community groups, places of worship and services which meet ethnic and cultural needs within the city. Placing children with ethnic and cultural needs in placements which are not as well served as Coventry with provisions that address these needs, put them at a disadvantage.

In addition, for those children that remain in our care until they transition to adulthood, will have established support networks and meaningful relationships with carers who live close by, providing them with 'Staying Close' opportunities.

### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required
Age 0-18	P	Looked after children aged 10 –18, who have been identified as having emotional, behavioural difficulties, will be able to live in Coventry near to their families, friends and communities and received continuity of care and services.
Age 19-64	P	Through the work of the Staying Close Project, care leavers will receive continuity of care and support from the same carers who looked after them until the age of 18. This supports a better transition into adult services. Additional jobs will be created within the city, recruiting carers that reflect the diversity of the children we care for and in the communities they live in.
Age 65+	NI	

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Disability	<b>P</b>	Looked after disabled children will have the opportunity to reside in Coventry close to family, friends, communities and support services. This ensures a continuity of care and support.
Gender reassignment	<b>P</b>	Those who wish to go through, or are going through gender reassignment, will be fully supported to do so. Remaining in Coventry city may reduce any disruption to services that can support with gender reassignment.
Marriage and Civil Partnership	<b>NI</b>	
Pregnancy and maternity	<b>NI</b>	
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>P</b>	Children from ethnically, racially and culturally diverse backgrounds will be able to stay connected to their families, friends and communities and will be able to continue to access places of worship, groups and support services.
Religion and belief	<b>P</b>	Children are supported to practice the religion of their choice if they wish to do so. Carers support children to explore belief systems and understand the advantages and disadvantages to these.
Sex	<b>P</b>	Homes are of mixed gender and children will be supported in relation to gender identity.
Sexual orientation	<b>P</b>	Carers support children to explore their sexual orientation if they wish to do so and they are supported in whatever choices they make in this respect.

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

Many looked after children have suffered poverty, neglect, physical abuse, emotional abuse, sexual abuse, domestic violence and substance misuse. Nearly all looked after children have attachment difficulties. Due to these issues, looked after children often have developmental delay, ADHD, ASD, ODD, poor mental and emotional wellbeing, low self-esteem and can be prone to self-harm. Some looked after children self-medicate through the use of alcohol and drugs and a large number of them smoke and vape.

Children who live in poverty can suffer malnutrition and poor dental hygiene. Those who suffer neglect can miss crucial childhood immunisations, malnutrition, poor dental hygiene, poor personal hygiene, recurrent headlice, recurrent infections, missed developmental and physical health checks. Children who suffer physical abuse can have unhealed or badly healed bone fractures and breaks, and psychological problems such as PTSD. Children who suffer sexual abuse can suffer enuresis and encopresis as well as psychological issues. Children who have suffered emotional abuse and have witnessed domestic violence and parental substance misuse will often have psychological issues and behavioural problems. All exposure to toxic stress in babies and children causes brain development to be affected negatively.

Disabled looked after children can experience all of the above in addition to underlying medical and neurological developmental conditions.

The children our provisions are intended for will most likely come from areas of deprivation within the city and poor socio-economic households, as we know from research that the numbers of looked after children is disproportionately high from deprived areas and that these factors do contribute towards family breakdowns. Equally, the numbers of disabled children from these areas and backgrounds are also disproportionately high. Our

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

proposed services will impact these children and their families positively. They will be able to live safely in near proximity to their families, friends and communities. This will enable continuity of services, regular family time, no disruption to education, CAMHS, health, voluntary and short breaks interventions. Being placed locally may also allow for additional interventions, such as, family therapy, to take place. It would also support the work of the reunification team, Life long Links and the Staying Close project.

### Digital

There is no assumption made about children's access to digital skills and devices. Where appropriate children are given a phone and a monthly top up allowance. We will tutor them in IT skills if needed and we will also complete online safety work with them. All the homes have Wi-Fi access and we will ensure that all children have access to a laptop

### 5.0 Will there be any potential impacts on Council staff from protected groups?

Although, the home for disabled children may be fully accessible, the other homes may not be suitable for wheelchair users.

Additional posts/jobs will be created, recruitment will seek to appoint staff from across the communities who we work with and reflect key priorities of the Council in relation to:

1. Increasing the economic prosperity of the city and region
2. Improving outcomes and tackling inequalities within our communities

### 6.0 How will you monitor and evaluate the effect of this work?

Feedback from children, young people, their families and the professional networks that support them.

- Our work is extensively scrutinised and monitored in the following ways:
- Regulation 44 visits once a month by an independent person who produces a Regulation 44 report which is then sent to Ofsted.
- Ofsted inspections, at least once a year that are unannounced. We are inspected and judged against the SCIFF and the Children's Homes Quality Standards.
- Internal QA by Children's commissioning
- Internal QA by Managers – Monthly
- Oversight of practice and performance by the Operational Lead for Residential, Strategic Lead for looked after children (corporate parenting) who is also the Responsible Individual to the children's homes.
- Via Corporate Parenting Board and as appropriate Scrutiny Board 2.

<b>6.1</b>	<b>Action Planning</b>		
<b>Issue Identified</b>	<b>Planned Action</b>	<b>Timeframe</b>	
n/a			

### 7.0 Completion Statement

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

- No impact has been identified for one or more protected groups ☐
- Positive impact has been identified for one or more protected groups ☒
- Negative impact has been identified for one or more protected groups ☐
- Both positive and negative impact has been identified for one or more protected groups ☐
- The potential impact of this proposal on protected groups is not yet known ☐

### 8.0 Approval

<b>Signed: Head of Service:</b>  	<b>Date: 26.11.23 / 08.02.24</b>
<b>Name of Director:</b> <b>Neil MacDonal</b>	<b>Date sent to Director: 26.11.23 / 08.02.24</b>
<b>Name of Lead Elected Member:</b> <b>Cllr Seaman.</b>	<b>Date sent to Councillor: 26.11.23 / 08.02.24</b>



## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

<b>Title of EIA</b>		<b>Council Tax charges for second homes</b>
<b>EIA Authors</b>	Name	Karen Holtom
	Position	Policy and Projects Manager
	Date of completion	20/11/23 Updated 08.02.24
<b>Head of Service</b>	Name	Barrie Strain
	Position	Head of Revenues and Benefits
<b>Cabinet Member</b>	Name	Cllr R Brown
	Portfolio	Strategic Finance and Resources

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

### SECTION 1 – Context & Background

#### 1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☒ New policy / strategy
- ☐ New service
- ☐ Review of policy / strategy
- ☐ Review of service
- ☐ Commissioning
- ☐ Other project (*please give details*)

#### 1.2 In summary, what is the background to this EIA?

The Levelling Up and Regeneration Act 2023 enables billing authorities to charge a 100 per cent council tax premium for empty furnished second homes. Billing authorities must notify taxpayers 12 months in advance of the tax year in which the charge comes into effect. Therefore, the earliest that the charge can be implemented in Coventry would be April 2025.

The Government's policy intention in respect of second homes is particularly focused at addressing issues associated in localities with high levels of second home ownership – where this can distort local housing markets and limit the supply of affordable homes for local people. Coventry has comparatively low levels of second home ownership.

The Government, through regulations, will seek to distinguish between a second home which someone may occupy periodically – such as a holiday home – and second homes which are owned for the purpose of being let regularly.

It is estimated that the second home premium could generate £0.1 million in additional council tax revenue to the Authority.

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Aims will be to:

To encourage empty properties back in to use

Ease housing supply pressures

• Reduce negative impacts, such as anti-social behaviour,

Reductions in rental & market values on surrounding properties, desirability of an area.

The proposal is to:

- charge up to 100% premium (double the full rate) on council tax for second homes

### SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

#### 2.1 Baseline data and information

At any given time there are approximately 2,500 properties in Coventry recorded as empty furnished second homes. The council tax database does not differentiate between a second home which is being marketed for rent and a second home that is occupied periodically by someone who's main residence is somewhere else.

This makes it difficult to identify the number of properties that would be subject to a second home premium. We can make the assumption that a property is a true second home for the purpose of the second home premium if it has been empty for a certain period of time, if it is not listed as having an executor as the liable party and the liable person has only one entry in the council tax list (assuming that anyone liable party with multiple entries is a landlord/letting agent).

On this basis approximately 500 properties would attract the second home premium. However, until the policy is implemented we will not know specifically which properties are true second homes and which are rental properties. The final number is likely to be significantly lower and possibly less than 100 properties. These properties could be located anywhere within the city boundary.

Anecdotally it could be assumed that owners of second properties are likely to be from the higher earning segment of tax paying residents.

## BUDGET SETTING 2024-25

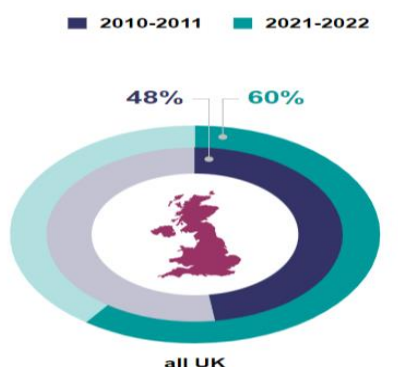
### EQUALITY IMPACT ASSESSMENT (EIA)

We do not hold any demographic or equality and diversity information due to the fact that we cannot identify precisely which properties will be affected by the policy.

#### National Data

Facts taken from <https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-second-homes-fact-sheet/english-housing-survey-2021-to-2022-second-homes-fact-sheet>

The proportion of second homes in the UK has increased since the last decade



#### Characteristics of households with second homes

The likelihood of owning a second home generally increases with age. Those aged between 55-64 were the most likely to have a second home, with 31% of households with access to a second home from this age group, across the UK. The proportion slightly decreased in the 65 and over age group (27%). The proportions across age groups were similar to what they were in 2010-11, save for those in the 35-44 age group. In 2021-22, 9% of second homes were owned by those 35-44. In the 2010-11, 18% of second homes were owned by people in the same age group.

Most people with a second home were in the highest income quintile (46%). This was similar to 2010-11 when the majority of people with second homes were also in the highest income quintile (52%),

Couples with no dependent children were the most likely household type to have at least one second home - 54% of households with access to a second home were from this household type. This was followed by couples with dependent children (22%). **Most households that have access to a second home are couples without dependent children.**

#### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown Impact (UI)

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-17	NI	
Age 18-65	PN	<p>Impacted tax payers will be required to pay more council tax (100 per cent increase). The Council will retain discretion to waive additional charges on a case by case basis as appropriate.</p> <p>The wider policy may have some benefits for the overall supply of housing as second home owners look to make their homes available for permanent occupation.</p>
Age 66 and over	PN	<p>Impacted tax payers will be required to pay more council tax (100 per cent increase). The Council will retain discretion to waive additional charges on a case by case basis as appropriate.</p> <p>The wider policy may have some benefits for the overall supply of housing as second home owners look to make their homes available for permanent occupation.</p>
Disability	NI	No specific impact has been identified in relation to this group
Gender reassignment	NI	No specific impact has been identified in relation to this group
Marriage and Civil Partnership	NI	No specific impact has been identified in relation to this group
Pregnancy and maternity	NI	No specific impact has been identified in relation to this group
Race (Including: colour, nationality, citizenship ethnic or national origins)	NI	No specific impact has been identified in relation to this group
Religion and belief	NI	No specific impact has been identified in relation to this group
Sex	NI	No specific impact has been identified in relation to this group
Sexual orientation	NI	No specific impact has been identified in relation to this group

### 2.3 Will there be any potential impacts in relation to health and/or digital inequalities?

The Second homes supports the Marmot principle  
Create and develop healthy and sustainable places and communities  
Further details to be added if proposal is agreed

## BUDGET SETTING 2024-25 EQUALITY IMPACT ASSESSMENT (EIA)

### 3.0 Will there be any potential impacts on Council staff from protected groups?

No

### 4.0 How will you monitor and evaluate the effect of this work?

The Council will monitor the level of revenue generated from the additional premiums and any feedback from tax payers on a case by case basis to identify any unintended consequences.

5.0	Action Planning	
Issue Identified	Planned Action	Timeframe
Capture complaints about the impact of the second home premium.	Capture and analyse data through the council's complaints process.	Incorporated into Business As Usual processes.
Data quality	Undertake a data gathering and cleansing exercise prior to implementation to ensure an accurate record of second home ownership.	31/03/2025

### 6.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**

No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☐

Both positive and negative impact has been identified for one or more protected groups ☒

### 8.0 Approval

<b>Signed: Head of Service:</b> Barrie Strain	<b>Date:</b> 25.11.23 / 08.02.24
<b>Name of Director:</b> Barry Hastie	<b>Date sent to Director:</b> 25.11.23 / 08.02.24
<b>Name of Lead Elected Member:</b> Cllr R Brown	<b>Date sent to Councillor:</b> 25.11.23 / 08.02.24

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