

MEETING:	Full Council
DATE:	Thursday, 27 February 2020
TIME:	10.00 am
VENUE:	Council Chamber, Barnsley Town Hall

AGENDA

1. Declarations of Interests

To receive any declarations of interest of a pecuniary or non-pecuniary nature from Members in respect of the items on this agenda.

2. Suspension of Standing Orders

To consider suspending Standing Order No 13(5) in respect of the consideration of the Budget insofar as it relates to restrictions on Members speaking more than once.

Cabinet Recommendations to Council

Note: In accordance with the requirements of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, a recorded vote will be required to be taken in relation to items 3(A) and (B) below.

To consider the following recommendations of the Cabinet meeting held on the 5th February, 2020. The Cabinet Spokesperson with the Portfolio for the services in question will respond to any comments or amendments concerning these minutes.

3. The Council's Medium Term Financial Strategy 2020/21 - 2022/23 (Cab.5.2.2020/6) (Pages 5 - 238)

(A) 2020/21 BUDGET PROPOSALS

RECOMMENDED TO COUNCIL:-

- (i) that the report of the Service Director Finance (S151 Officer), under Section 25 of the Local Government Act 2003 at Section 1 be noted, that the 2020/21 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, submit, for early consideration, detailed plans that ensure the Council's ongoing financial sustainability for 2021/22 and beyond;
- (ii) that the revised Medium Term Financial Strategy (MTFS) and Forecast for 2020/21 to 2022/23 contained at Section 2a (supported by the suite of background papers in Sections 2b – 2g) be noted and monitored as part of the arrangements for the delivery of the MTFS;
- (iii) that the proposed efficiency savings in 2020/21 at Section 4a be approved for implementation and that the 2021/22 efficiency savings proposals at Section 4b be noted subject to further consideration in future budget processes taking account of any further Equality Impact Assessments;

- (iv) that the cash limited budgets for each service with overall net expenditure for 2020/21 of £172.577M be approved;
- (v) that total additional one-off investments (capital and revenue) of £19.4M, including 2019/20 investments, as outlined at Section 5 be approved subject to further detailed reports on the proposals for its use;
- (vi) that provision be made to reflect a market supplement in the Council's care contracts to help address the pay and condition issues in the local care market;
- (vii) that the 2020/21 – 2022/23 budget proposals presented at Sections 6a – 6c be approved subject to Cabinet receiving detailed implementation reports where appropriate;
- (viii) that the changes to the schools funding formula including the transfer of funding from the schools block to the high needs block and the proposed 2020/21 schools block budget as set out at Section 6d be approved;
- (ix) that the new General Fund capital investment of £10.4M (Section 7 Appendix A) and specifically funded schemes of £13.5M (Section 7 Table 7) be included within the capital programme and released subject to further detailed reports on the proposals for their use;
- (x) that the Aggregated Equality Impact Assessment (Section 9) of the proposals be noted and the proposed mitigation actions in the report be approved;
- (xi) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 2020/21 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above;
- (xii) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of savings proposals;
- (xiii) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget/savings monitoring including any action required;
- (xiv) that Cabinet and the Section 151 Officer be authorised to make any necessary technical adjustments to form the 2020/21 budget; and
- (xv) that appropriate consultation on the budget proposals takes place with the Trade Unions and representatives of Non Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council.

(B) COUNCIL TAX 2020/21

RECOMMENDED TO COUNCIL:-

- (i) that the Council Tax Collection Fund net surplus as at 31st March 2020 relating to BMBC of £3.200M be used to reduce the 2020/21 Council Tax requirement, in line with statute;
- (ii) that the 2020/21 Band D Council Tax increase for Barnsley MBC's services be set at 3.90% (1.90% for Barnsley MBC services and an additional 2.0% for the Chancellor's Adult Social Care levy);
- (iii) that the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and Crime Commissioner and South Yorkshire Fire Authority precepts for 2020/21; and
- (iv) that the Band D Council Tax for areas of the Borough with Parish/Town Councils be determined following confirmation of individual parish precepts for 2020/21.

Note: with regard to recommendations (iii) and (iv) of item 3(B) above, the precepts for the Police and Crime Commissioner for the South Yorkshire Police area, the South Yorkshire Fire Authority and for Parish/Town Councils will be circulated as soon as they are received

(C) TREASURY MANAGEMENT STRATEGY AND POLICY STATEMENT 2020/21

RECOMMENDED TO COUNCIL:-

- (i) that the 2020/21 Treasury Management Policy Statement at Section 2e Appendix A be noted;
- (ii) that the 2020/21 Minimum Revenue Provision (MRP) Statement detailed at Section 2e Appendix B be approved;
- (iii) that the 2020/21 Borrowing Strategy at Section 2e including the full suite of Prudential and Treasury Indicators (Section 2e Appendix C) be approved; and
- (iv) that the 2020/21 Annual Investment Strategy at Section 2e be approved.

4. Proposed options to replace the existing Council Tax Support Scheme for Working Age Claimants (Cab.5.2.2020/7) (Pages 239 - 390)

RECOMMENDED TO COUNCIL: that the proposed new Local Council Tax Support Scheme, attached at Appendix 1 to the report, be approved.

A handwritten signature in grey ink, appearing to read 'SN', followed by a long horizontal line extending to the right.

Sarah Norman
Chief Executive

Wednesday, 19 February 2020

MEETING:	Cabinet
DATE:	Wednesday, 5 February 2020

BUDGET PROPOSALS 2020/21

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BARNSELY METROPOLITAN BOROUGH COUNCIL

**LOCAL GOVERNMENT ACT 2003, SECTION 25 REPORT ON THE
2020/2021 BUDGET PROPOSALS**

1. **Purpose of the Report**

- 1.1 To provide, in accordance with the requirements of Section 25 of the Local Government Act 2003, advice from the Authority's Chief Finance Officer (CFO) on aspects of the 2020/21 budget proposals.

2. **Background**

- 2.1 Part 2 of the Local Government Act 2003 contains a series of duties and powers that give statutory support to aspects of good financial management within local government.
- 2.2 Section 25 requires the CFO to report to an Authority, when it is making its decision on determining the council tax, providing advice on the following issues:
- The robustness of the estimates included in the budget; and
 - The adequacy of the reserves the budget will provide.
- 2.3 The CIPFA Prudential Code also requires consideration to be given to the affordability and prudence of future capital investment - given its impact on the revenue budget.
- 2.4 CIPFA's Financial Management Code also highlights the importance of the budget setting framework which operates within local authorities and the legal requirements under which this sits.

3. **Advice of the Chief Finance Officer**

- 3.1 This report is based on the Budget Recommendations (separately attached).

Robustness of the Estimates

- 3.2 As Members are aware, the setting of the 2020/21 Revenue and Capital budgets are part of the Council's Medium Term Financial Strategy that forms the framework for the budget for the period 2020-2023.
- 3.3 The Council's financial strategy has sought to clearly identify the risks associated with the budget so that properly informed and prioritised decisions are made. This is particularly relevant given the outcome of the recent election, the continuing uncertainty around certain aspects of the UK's exit from the EU and the impact this may ultimately have on local government finance.

- 3.4 Specifically, the Government has not yet indicated what resources local government is likely to receive beyond 2020/21. Whilst the Government announced a one year settlement in September, it has not outlined its long term spending plans as it originally intended, mainly because of Brexit and the subsequent December election. The Government's Comprehensive Spending Review is not now scheduled until late in 2020 and there are also delays to the Government's other intended reforms such as Fair Funding and the move to 75% Business Rate Retention. This general uncertainty makes it very difficult to assess the Council's future funding position beyond 2020/21 and this is identified as a key risk facing the Council moving forwards.
- 3.5 Moreover, there are other financial risks facing the Council that Members need to be aware of and, where necessary, provide for. One specific risk relates to the way the Council receives the majority of its income under the Business Rate Retention (BRR) model. Whereas previously, our funding used to be largely grant dependent, it is now much more localised and thereby increasingly reliant upon the actual rate of collection. This means our primary sources of income (e.g. Business Rates, Council Tax) are subject to greater volatility than prior to the introduction of the BRR model which, in turn, makes financial planning and forecasting more difficult to predict.
- 3.6 My Section 25 report reflects this changing financial environment in addition to the specific proposals contained within the budget. In terms of the estimates which are included in the proposed 2020/21 budget, I would offer the following comments:

(i) ***Council Tax Income Assumptions***

The estimates for Council Tax Income are based on a collection rate of 95%. This remains at the same level as in previous years and takes into account proposed policy changes including the recently revised Local Council Tax Support scheme and ongoing issues surrounding Universal Credit. At this stage I have no reason to believe that this is not a robust assumption, although given the aforementioned policy changes, the position will need to be closely monitored during the course of the year.

(ii) ***Business Rates Income Assumptions***

Under the current Business Rate Retention scheme, Barnsley retains 49% of the total income collected. As previously mentioned, there is the potential for volatility around this income source in relation to the impact of the UK's exit from the EU on the level of businesses in the Borough and in respect of any appeals that are already within the 'system' that fall on the Council to fund. At this stage the expected income of £23.6M from retained business rates included within the budget is, I believe, based on prudent assumptions although again the position will need to be closely monitored during the course of the year.

(iii) ***Pay Inflation Assumptions***

A provision for a pay award equating to a 2% increase has been included in the 2020/21 budget and the forecast for 2021-2023. The Trade Unions made an initial pay claim in July 2019 although the negotiations have stalled due to the recent election. As the pay claim is outside of the sums provided for within the budget, further consideration may need to be given to this provision on conclusion of the national pay claim negotiations.

A provision has also been made in relation to the potential impact of the increase in the National Living Wage on external contracts. The full impact will need to be monitored and managed during the year.

(iv) ***Interest Rate Assumptions***

A prudent view of interest rates has been taken in constructing estimates for interest charges in 2020/21 and future years. Whilst these estimates are currently considered to be adequate and take on board advice/forecasts from our treasury advisors, there is the potential for considerable volatility in relation to interest rates. This is due to the current economic uncertainty as a consequence of the ongoing EU exit negotiations but also reflects the recent unexpected 1% rise in PWLB rates. As such, interest rates will need to be closely monitored throughout the year and regular updates will be submitted into the Council's Treasury Management Panel and Cabinet, to ensure timely action is taken to optimise the Authority's position.

(v) ***Service/ Demand Pressures***

Both the budget for 2020/21 and the forecast for 2021-2023 contain some significant increases in expenditure that result from increasing demand for Council services. Changes in demand / demographics are already particularly acute in adult and children's services and create significant financial pressures. It is highly likely that our financial position may also be impacted by the promised Government review of social care, when this is eventually concluded. Moreover, similar impacts are being felt across other services, such as waste and home to school transport. Whilst these have been quantified as far as is possible, the nature of the services means that demand can be difficult to predict. I have no reason to believe that the current assumptions are not robust but it is vital that these areas are monitored closely during the year so that any action required can be taken in a timely manner.

Adequacy of Reserves

3.7 **Section 2c** of the 2020/21 Budget Proposals set out the Council's position in relation to the current level of provisions, reserves and balances available to the Authority.

- 3.8 As indicated in that paper, the current Minimum Working Balance held by the Authority remains at £15M as agreed last year. I consider that this level remains prudent.
- 3.9 As part of the 2019/20 budget proposals, I recommended that a further contingent reserve be set up to assist the Council in preparing for 'Brexit' and its potential impact on the Council's major economic regeneration schemes such as the Glassworks. As Brexit remains unresolved at the time of writing this report and significant uncertainty prevails, it is recommended that this contingent reserve is retained for 2020/21.
- 3.10 The review of the Council's reserves has also included an assessment of its earmarked reserves / provisions to ensure their continued validity and make additional earmarking's where appropriate. I consider the current levels to be adequate subject to my comment at paragraph 3.12 below.
- 3.11 The 2020/21 one-year settlement has enabled the release of additional resources to be used on the Council's strategic priorities. I recommend that this additional resource is treated as one off pending the full 3 year spending review which is expected to be announced in Autumn 2020.
- 3.12 It should also be noted that not all resources have yet been received and need to be 'banked' before being committed to future investments. I will ensure that this position is reviewed and reported through future monitoring reports. In addition, I also consider it appropriate and necessary to continually monitor reserve levels in the light of the changing circumstances facing the Council and as such, a further detailed review will be carried out as an integral part of the 2019/20 accounts closure.

Prudence and Affordability

- 3.13 The current Prudential Borrowing regime places a duty on the CFO to ensure that the financial impact of decisions to incur additional borrowing over and above that supported by Government, are affordable both in the immediate future and over the longer term.
- 3.14 Consideration of the revenue impact of all new capital schemes is therefore undertaken alongside other operational service issues to ensure that resources are allocated in accordance with the Authority's overall priorities and within the overall resources available.
- 3.15 The 2020/21 budget includes provision for £5.0M of prudential borrowing which has already been earmarked to support the Glassworks redevelopment. My advice is that due to the significant borrowing necessary to complete the scheme, that only prudent and modest additional borrowing be considered for the remainder of the planning period, in order that the Council can effectively manage its risk exposure over the life of the MTFs.

Financial Resilience and Sustainability

- 3.16 CIPFA has recently published their Financial Resilience assessment of the Council based on the 2018/19 financial year.
- 3.17 Following a detailed review of the results combined with the other internal governance and financial control measures in place, I conclude that the Council is on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position.
- 3.18 However, the assessment does highlight that the Council has high levels of debt compared to its statistical neighbours. Whilst these levels have been agreed on a prudent, affordable and sustainable basis, this overall position underpins my advice to limit additional significant borrowing over the planning period until such a time as the risks associated with the Glassworks scheme have been appropriately mitigated.

Medium Term Financial Strategy (MTFS) and Budget Reduction Measures

- 3.19 A balanced 2020/21 budget can be delivered through the agreement of the proposals within the budget papers. However, this view is contingent upon the additional matters identified at paragraph 3.6 above and paragraphs 3.20 to 3.23 below.
- 3.20 The draft budget for 2020/21 is again based upon a significant volume of budget reduction measures and there needs to be a strong and sustained focus on ensuring the timely and comprehensive implementation of these measures. This equally applies to the budget reduction measures proposed to deliver a balanced budget in 2021/22.
- 3.21 In addition and as mentioned at paragraph 3.4, there remains considerable uncertainty around the overall level of resources available to local authorities beyond 2020/21.
- 3.22 Although we have taken a prudent approach in relation to our medium term financial strategy and provided for known pressures over the planning period, any additional pressures will need to be considered as part of future budget processes. Members therefore need to be mindful that if these pressures cannot be contained, then the current balanced position (identified within the current MTFS paper at **Section 2**) is likely to deteriorate and necessitate an urgent review of both our MTFS and Reserves Strategy respectively.
- 3.23 The Council has a strong financial planning and control framework in place to deliver a balanced position both in 2020/21 and over the medium term. This has been evidenced through the Corporate Peer Review in May 2019 that concluded that the Council has a 'strong financial grip on both its expenditure and performance' and 'benefits from early forward thinking and planning'. As mentioned above, I have also reviewed the Council's position against CIPFA's Financial Resilience Index and can conclude that, in my opinion, the Council is a financially resilient authority. Furthermore I will be undertaking an assessment

against CIPFA's Financial Management Code during 2020/21 and will report back my findings on this in due course.

4. **Budget Recommendations**

- 4.1 As indicated in the 3 year forecast at **Section 2a (Appendix 1)** and based on the Budget Recommendations, a balanced budget will be set for 2020/21.
- 4.2 This would see the Minimum Working Balance being maintained at £15.0M and a further £16.8M set aside as a contingency in light of the economic and political uncertainty facing local government. This position also allows for new General Fund investment of £19.4M (**Sections 5 and 7 refer**).
- 4.3 The proposals identified within the budget papers also provide the foundation around which Barnsley's 2030 Plan can be developed whilst also providing the framework to deliver and a balanced position achieved for 2021/22 (in addition to 2020/21) based on current assumptions.
- 4.4 However, it is evident that these assumptions could change and therefore further action may be needed to ensure that the plan not only delivers a balanced position in 2020/21 but remains on track to deliver a balanced position over the full planning period.
- 4.5 **In summarising my advice, I would stress that the robustness of the estimates and adequacy of the reserves which the budget will provide are satisfactory. However, this is contingent upon the requirements outlined at paragraphs 3.19 – 3.23 and reiterated at paragraph 4.4 above being delivered.**

N Copley CPFA
Service Director Finance and S151 Officer

BARNSELY METROPOLITAN BOROUGH COUNCIL

MEDIUM TERM FINANCIAL STRATEGY - EXECUTIVE SUMMARY

1. Purpose

1.1 This paper provides a summary of the Council Medium Term Financial Strategy (MTFS) updated to cover the period 2020/21 – 2022/23 maintaining the Council's rolling 3 year planning framework.

2. Background

2.1 On 28 February 2019, the Council approved the revised Medium Term Financial Strategy (MTFS) and supporting papers. This executive summary has been updated to cover the planning period 2020/21 to 2022/23. The full strategy is contained at **Paper 2a** in this budget pack.

2.2 This position is presented against the backdrop of continuing uncertainty in Local Government Finance. The Government have recently announced a one year spending review in order to provide funding certainty for 2020/21. The usual three year spending review has been put back to autumn 2020 to allow for further consideration of the economic impact of the UK exiting the European Union whilst allowing more time to consider the Fair Funding and Business Rates Retention reviews.

3. Updated 2020/21 – 2022/23 Position & Recommended Actions

3.1 The forecast financial position as at December 2019 is shown in Table 1.

Table 1 – Forecast Position as at December 2019

	2020/21 £M	2021/22 £M	2022/23 £M
Revised Forecast prior to efficiencies	7.448	8.713	3.879
Updated efficiencies proposals	(7.448)	(8.682)	-
Revised Forecast as at Feb 2020 (post efficiencies)	(0.000)	0.031	3.879

3.2 The forecasted 2020-23 gaps have arisen as a result of the following provisions and assumptions:-

- Provision for pay awards @ 2%;
- Pension triennial increase @ 1.5%;
- Reduction in Government funding of £6.6M over 2020/21 – 2021/22;
- Delivery of efficiency proposals totalling £16.1M over 2020/21 – 2021/22;
- Contingency to address known underlying service pressures if required;
- Provision for demographic pressures including further specific investment in Adult Social Care (ASC);
- Additional investment in a number of front line services; and

- Council Tax income based on a 3.9% increase for 2020/21 (including an additional 2% ASC precept and 1.9% increase for general services thereafter).
- 3.3 The detailed forecast is provided at **Paper 2a (Appendix 1)**. A further paper on the options analysis on Council Tax and the impact each option has on the forecast is provided in **Paper 2b**.
- 3.4 Approval is sought for efficiencies totalling £7.4M, to address the deficit in 2020/21. A number of efficiencies totalling £8.7M are also presented “in principle” to address the forecast gap in 2021/22. Full details are provided in **Section 4**.
- 3.5 In relation to the outstanding deficit in 2022/23, it is proposed to delay any formalised approach for dealing with it until greater clarity is gained from the UK’s exit from the European Union, the Government’s Comprehensive Spending Review and its impending reforms around Fair Funding and Business Rates Retention. The overall level of uncertainty has also been exacerbated by the General Election as well as the economy contracting for the first time in 6 years which adds to the uncertainty surrounding future local government funding.

4. 2020/21 One Year Comprehensive Spending Review

- 4.1 As mentioned above, Government have announced a one year spending review in order to provide funding certainty for 2020/21.
- 4.2 Key messages from the one year spending review include:
- Roll over of core funding and one-off grants from 2019/20;
 - Additional £1bn identified for Social Care;
 - Government consultations on a further 2% Adult Social Care precept;
 - An additional £0.7bn for SEND in 2020/21;
 - Real term inflationary increase in Public Health Grant; and
 - Better Care Fund resources to increase by 3.4%.
- 4.3 This has provided the council with a significant one-off betterment in terms of both general baseline resources as well as service specific ring-fenced grants. This is summarised in Table 2 below.

Table 2 Summary of Estimated One-Off Resources for 2020/21

General Funding	2020/21 £M	Notes
Revenue Support Grant	4.310	Previous MTFS assumed cut in RSG
Improved Better Care Fund	1.750	Previous MTFS assumed grant fall out in 2019/20
Social Care Grant	7.790	Previous MTFS assumed grant fall out in 2019/20
Total General Funding	13.850	

SEND Funding (earmarked for commitments)	2020/21 £M	Notes
SEND Funding	2.820	BMBC Share of High Needs Block – earmarked to support the SEND deficit
Total SEND	2.820	

Other Specific Funding (earmarked for commitments)	2020/21 £M	Notes
Winter Pressures	1.200	Earmarked to fund pressures in Adult Social Care
Troubled Families	0.510	Continuation of existing funding
Public Health	0.400	Increased in line with CPI. Earmarked to support delivery of the Public Health 4 year plan
Total Specific Funding	2.110	

TOTAL ONE-OFF FUNDING	18.780	
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- 4.4 Of the £18.8M additional grant, £5M has been set aside to invest in the specific areas that the funding was provided for leaving £13.8M available for general schemes and initiatives. This is shown in Table 3 below:-

Table 3 One-Off Resources available for General Schemes

	£M
Additional One Off Funding	18.780
Less: Specific Funding – SEND	(2.820)
Less: Specific Funding – OTHER	(2.110)
Total	13.850

- 4.5 On the basis of the above position, it is recommended that our current forecast assumptions remain in place over the planning period but are re-assessed when the Government's full three year spending review is released in 2020. This approach is also suggested on the basis that the savings proposals in place to bridge the previously anticipated budget gaps across 2020-2022 are, in the main, efficiency or productivity improvements that would otherwise be progressed in the normal course of events.
- 4.6 This allows for significant one-off investment in statutory Social Care and other services / priorities whilst also protecting the Council from any potential shocks that may stem from next year's spending review. A full list of proposed investment priorities (revenue and capital) is provided in **Section 5** of this budget pack for approval.
- 4.7 Depending on the extent of any variance in the assumptions made, this could also provide an opportunity to close the 2022/23 gap if the three year spending review is more favourable or if not, the Council can concurrently revisit the strategies/ contingencies previously set aside.

5. Updated Reserves Position

- 5.1 The Council's reserves position has been updated to reflect the closure of the 2018/19 accounts and the Government's single year spending review. The planning period has also been extended to 2022/23 to align with the Council's MTFS.
- 5.2 A review of available reserves has been undertaken. In addition to the £13.8M 'one off' funding identified from the single year spending review, a further £7.0M of general reserves is also available for investment. In addition, a review of housing reserves also identified a further £13.1M that can be freed up for housing related investment. Table 4 provides a summary breakdown of this review.

Table 4 Availability of Reserves/ One off Grants for Investment

	£M
General One Off Funding	13.850
Review of Strategic Reserves	7.000
Total	20.850
Review of Housing Reserves	13.100
Available for Investment	33.950

- 5.3 The total level of reserve balances available to the Council through to 2022/23 is £ 251.0M. Previous Council decisions have already committed the vast majority of these balances. A summary of the approved earmarking's / investments is set out in Table 5 below which includes the £33.9M of balances available for investment over the planning period.

Table 5 Current Use of Available Reserves 2019/20 – 2022/23

	Earmarked Under Statute £M	Earmarked - Invest to Save/ Future Commitments £M	Earmarked - Future Capital Investment £M	Capital Programme Reserve £M	Currently Available for Investment £M	Total Available Resources £M
Sub Total – GF	17.335	67.546	79.708	16.801	20.850	202.240
Sub Total – Housing	5.200	4.957	25.527	-	13.100	48.784
GRAND TOTAL	22.535	72.503	105.235	16.801	33.950	251.024

- 5.4 Further detail on the updated reserves position is provided in *Paper 2c*.

6 Capital Investment Strategy Update

- 6.1 Members will recall that the Council adopted a revised Capital Investment Strategy as part of the 2019/20 Budget process. This strategy provides a mechanism by which capital expenditure and investment decisions are aligned, over the medium term (five year) planning period, with the Council's Corporate Plan and its key priorities.

6.2 The strategy has been updated to reflect available resources. A number of revenue and capital proposals have also been considered that align with the Council corporate priorities to meet the following objectives:-

1. Supporting wellbeing and managing demand for statutory services;
2. Improve the efficiency of the Council / invest to save;
3. Positive environmental impact / zero carbon objectives;
4. Support the renaissance of the town centre and principal towns;
5. Support the growth of the digital sector in Barnsley; and
6. Make a visible difference in communities.

6.3 The detailed strategy is provided at **Paper 2d** with full details on the Council's investment proposals for consideration provided in **Section 5** in the pack. The proposed 2020 – 2025 Capital Programme is presented in **Section 7** for approval.

7. **Treasury Management Strategy**

7.1 The Treasury Management Strategy sets out the Council's:

- Treasury Management Policy - the key objectives for its treasury management activities;
- Capital expenditure plans – what resources are required to deliver agreed capital projects;
- Borrowing strategy - how the Council's borrowings are to be organised;
- MRP Policy - how its debt repayments will be provided for over time; and
- Annual Investment Strategy - the parameters on how investments are to be managed.

7.2 The TM strategy has been updated to reflect how the Council will manage the resources required to finance its capital expenditure plans and manage its cash flows to ensure that sufficient cash is available when needed to meet its spending obligations.

7.3 The full strategy is provided at **Paper 2e** in this budget pack.

8 **Fees and Charges**

8.1 The Council is required to update its Fees and Charges policy on an annual basis which includes approving the schedule of charges for the upcoming financial year.

8.2 Full details of the revised policy is provided at **Paper 2f** for consideration.

9 **CIPFA Financial Management Code of Practice**

9.1 CIPFA has recently introduced a Financial Management Code of Practice. The Code, to be implemented from April 2020, seeks to promote good financial management and assist local authorities in demonstrating financial sustainability. Further information on the Code is provided in **Paper 2g**.

- 9.2 The Section 151 Officer will undertake a detailed assessment against the Code during 2020/21 in preparation for full adoption from 1st April 2021. An update will be provided during 2020/21.
- 9.3 It should be noted, however, that the Corporate Peer Challenge, undertaken during 2019, highlighted that the Council already benefits from having “sound financial management” and that there is “a willingness to take reasonable risks to bring about change”.

10 Financial Resilience

- 10.1 Members will recall that CIPFA introduced the Financial Resilience Index at the start of 2019/20. The tool is designed to identify those councils displaying consistent and comparable features that highlight good practice, but crucially, also highlight areas that are associated with potential financial failure.
- 10.2 The S151 Officer has carried out an analysis against the index during 2019/20 the results of which have been reported to Cabinet via the quarterly Financial Performance report. As at Q3 the overall assessment shows that the Council is on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position.
- 10.3 CIPFA have recently updated the index and published their own assessment of the Council’s resilience in comparison to other local authorities. This also shows, overall, that Barnsley is on a sound financial footing.

MEDIUM TERM FINANCIAL STRATEGY

2020/21-2022/23

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	B – PROCESS FOR ADDRESSING DEMOGRAPHIC PRESSURES

SECTION A – OVERVIEW

The financial future for local government remains decidedly uncertain. Whilst the Government's 2020/21 Comprehensive Spending Review has arrested some of the extensive funding cuts that local authorities have suffered since austerity commenced in 2010, there are, nevertheless, repeated headlines of local authorities facing severe financial difficulties. Northamptonshire County Council is the most high profile example but there are repeated reports of other local authorities facing financial difficulties and/or struggling to deliver adequate core services because of resource shortfalls.

In addition, the political and economic upheaval around the UK's exit from Europe and the ongoing Government reviews of local government funding are likely to impact on the Council's financial position. More details are provided in Section B but the key reviews include:-

- One year spending review for 2020/21;
- Comprehensive Spending Review (CSR) due to be released in autumn 2020;
- Fair Funding Review – due for implementation in 2021/22;
- 75% Business Rate Retention (from 50% currently) - due for implementation in 2021/22;
- Adult Social Care Green paper – originally due in the summer of 2018 but still not released.

Against this backdrop, the Council's Medium Term Financial Strategy (MTFS) is a vital tool in understanding our financial position and driving our financial strategy forward.

It is also a key document in identifying how the Council will align its existing and future resources to its agreed priorities.

Whilst this strategy covers a rolling three year period to 2022/23, it will be further updated and aligned to the Borough's 2030 Corporate Plan and Council's updated Corporate Plan which are due for publication later in 2020. The updated Corporate Plan will also continue to put in place a structure to ensure that, as a Council, we are effective, efficient, high performing and sustainable. By doing this, we will reduce any unnecessary costs, maximise our income and ensure we focus depleted resources on our key priorities.

The MTFS has been developed to put in place a solid financial platform to support and deliver our Corporate Plan against an uncertain financial outlook. As such, the following document sets out the context for our 3 year financial position and outlines our approach for ensuring that the Council can deliver its key priorities in a sustainable way.

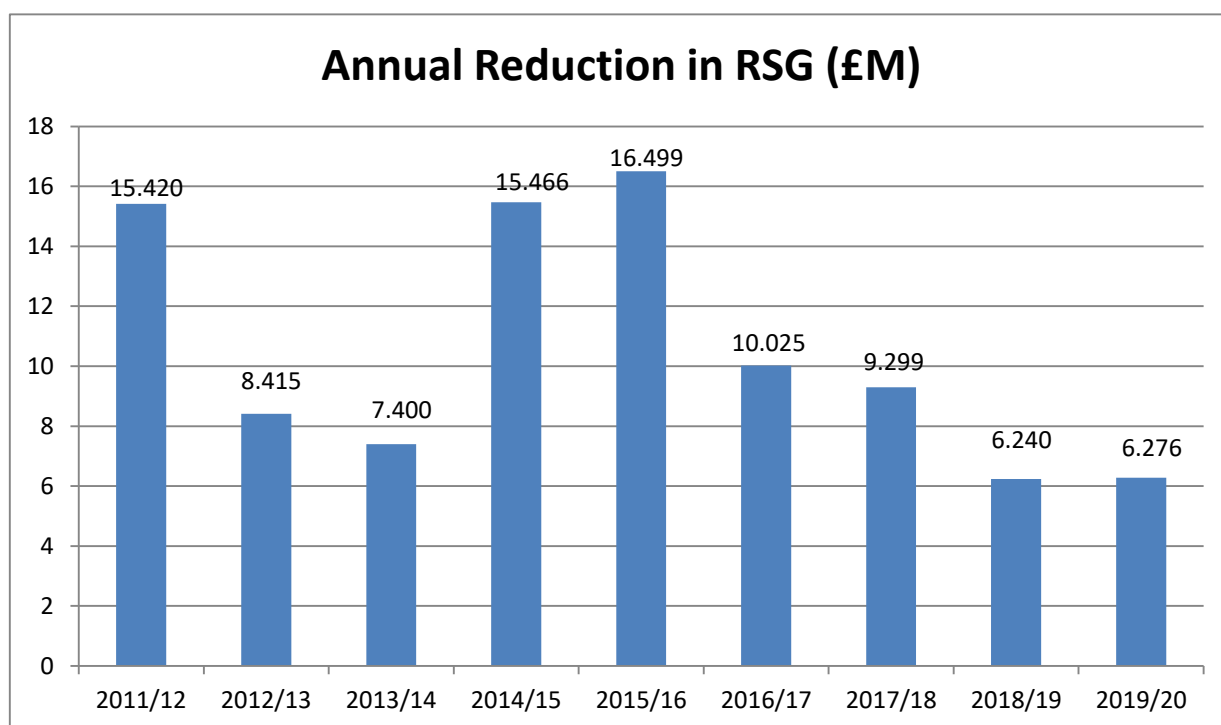
SECTION B – THE NATIONAL CONTEXT

Barnsley's 2021 – 2024 Corporate plan will seek to establish the Council as a sustainable organisation. We, nevertheless, remain dependent upon the national agenda and more specifically, central government decisions around our future funding.

As such, our MTFS is set within the context of the uncertainty surrounding BREXIT and the new Conservative's Government's public sector expenditure plans. These have had, and will continue to have, a fundamental impact on Local Government with the key issues set out in more detail below.

2020/21 Local Government Finance Settlement

In terms of cuts in Government funding, Barnsley has been one of the hardest hit. The chart below shows the year on year cuts which amountsto our Revenue Support Grant (RSG) falling by some £95M since 2010 (equating to a 58% cash cut);



Government have recently announced a one year spending review to provide funding certainty for 2020/21. The Local Government financial settlement received in December 2019 confirmed the following:

- Roll over of core funding and one-off grants from 2019/20;
- Additional £1bn identified for Social Care;
- A further 2% Adult Social Care precept increase;
- An additional £0.7bn for SEND in 2020/21;
- Real term inflationary increase in Public Health Grant;
- Better Care Fund resources to increase by 3.4%.

Whilst the 2020/21 CSR provides a release from the funding cuts experienced over the previous 10 years, it remains to be seen whether this only provides temporary betterment in terms of our general baseline resources.

Nevertheless the 2020/21 CSR does provide the Council with an enhanced opportunity for significant one-off investment in statutory Social Care and other services / priorities. The table below summarises the financial impact of the one year settlement:

Summary of Estimated One-Off Resources for 2020/21

General Funding	2020/21 £M	Notes
Revenue Support Grant	4.310	Previous MTFS assumed cut in RSG
Improved Better Care Fund	1.750	Previous MTFS assumed grant fall out in 2019/20
Social Care Grant	7.790	Previous MTFS assumed grant fall out in 2019/20
Total General Funding	13.850	

SEND Funding	2020/21 £M	Notes
SEND Funding	2.820	BMBC Share of High Needs Block – earmarked to support the SEND deficit
Total SEND	2.820	

Other Specific Funding (earmarked for commitments)	2020/21 £M	Notes
Winter Pressures Monies	1.200	Earmarked to fund pressures in Adult Social Care
Troubled Families	0.510	Continuation of existing funding
Public Health increase	0.400	Increased in line with CPI. Earmarked to support delivery of the Public Health 4 year plan
Total Specific Funding	2.110	

TOTAL ONE-OFF FUNDING	18.780	
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The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below:-

2020-21 Schools Funding Settlement

The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below:-

- The Government confirmed (September 2019) detailed aspects of schools and high needs funding arrangements for 2020-21. The funding for schools and high needs will rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23;
- The funding settlement for 2020-21 includes £700 million extra for children with Special Educational Needs and Disabilities (SEND).
- The National Funding Formula (NFF) for schools and high needs has been updated and used to determine DSG funding allocations for 2020/21 (including the above additional funding).
- Total DSG allocation for Barnsley for 2020-21 (confirmed in December 2019) is £204.4M and includes the additional high needs funding. This equates to a £15.5M increase in funding compared to the updated 2019/20 baseline funding and is attributable to the increased schools settlement and changes in pupil numbers / data.
- The £15.5M increase in funding can be explained by the following: increase in direct funding to schools / academies (£11.2M); additional funding for high needs (£4.1M); early years funding increase (£0.3M); and a reduction in the funding for centrally retained schools expenditure (£0.1M).
- The Government has confirmed the continuation of the teachers' pay grant and teachers' pension employer contribution grant in the 2020-21 financial year. Other schools grants and applicable funding rates (e.g. pupil premium grant; PE sports grant, etc.) will be confirmed in the new year.
- The recommendation to approve the 2020-21 schools budgets, particularly the changes to the Barnsley funding formula following the consultation with schools and the transfer of funding to high needs, will be included in a separate report within the budget papers.

Beyond 2020/21, the funding outlook is far more uncertain especially as the Government are proposing some significant changes to the way local authorities receive their funding in future and these are outlined below.

Comprehensive Spending Review (CSR)

As mentioned, Government have announced a one year spending review for 2020/21. The Chancellor of the Exchequer has announced that there will be a full spending review across Government in autumn 2020. This is a comprehensive re-assessment of the Government's spending plans with the aim of setting the national fiscal context for the next five years.

It is expected that the spending review will set out the total level of public spending for the period from 2021 onwards as well as indicative spending allocations across Government departments.

Fair Funding Review

The Ministry for Housing, Communities & Local Government (MHCLG) is currently in the process of reviewing the formula that determines baseline funding levels for all local authorities. The results of this review are currently uncertain for the Council.

There are potential drawbacks to our position if parts of the formula that currently benefit the Council (e.g. the funding for population density) are, in the round, decreased in favour of less-advantageous measures to Barnsley (eg sparsity). This, of course, could work in reverse and changes may be to the Council's advantage.

Similarly the quantum of Government funding allocated to local authorities will also impact the Council's position irrespective of the final distribution formula/mechanism.

The new baseline funding model, currently under review, is now scheduled to be implemented in 2021/22. Officers are continuing to represent the Council during each phase of consultation.

Business Rate Retention (BRR)

The Local Government Finance Settlement for 2018/19 announced the Government's intention to increase the retention of business rates by local authorities from 50% to 75%. There has also been pressure to reform or even replace the current business rates system.

The Council's current MTFS prudently assumes that any growth in retained rates will be matched by reductions in Government grants or additional responsibilities i.e. a neutral effect. This is also in line with Government's announcements.

An increased retention rate does present the Council with the opportunity of benefitting from additional growth. However, the downside is that the Council would suffer a greater impact of any BBR decline as well as picking up a larger share of any successful appeals. An increase to 75% will make the Council's future income streams even more susceptible to volatility and make our financial projections even harder to predict.

It is also our experience that the new BRR system hasn't really benefitted the Council compared to other authorities in that we have experienced fairly low growth since the BRRS system was introduced in 2013. Whilst the new Glassworks development and other regeneration projects should help improve this position, the Council fundamentally believes that the Government's funding reforms should primarily ensure a Council's service needs are met rather than focused on rewarding growth. The Council has made / will be making this point as part of our Fair Funding consultation responses.

Adult Social Care Green Paper

The Government intended to publish a green paper on care and support for older people during 2019/20 but this has been further delayed. (The paper was originally scheduled for publication in the summer 2018).

The paper will set out plans for how the Government proposes to improve care and support for older people and tackle the challenge of putting in place long term sustainable solutions for an ageing population. The Government has also recognised the possible funding implications of this policy by stating that they intend to build on the funding they have already provided in the last 3 years.

Once the green paper is published, it will still be subject to a full public consultation.

Children Services

The Council has seen a significant increase in demand for children services over the past few years, e.g. rise in looked after children, children / families in need of support, children with special educational needs etc. This increasing demand is exerting pressure on our budgets (e.g. high needs, home to school transport) despite increased investment by the Council in children's safeguarding.

The budget submission by the Local Government Association identified a national funding gap for children services in the region of £2bn. Whilst the one year spending review has provided some specific funding to help meet the increasing demand in Children Services including an additional £0.7bn of funding for high needs, a long term funding solution is still required to address the funding gap.

Financial Management Code of Practice/ Financial Resilience

Currently there is significant attention on the financial health of local government as a result of the stringent cuts faced since 2010. This is specifically focused on how local authorities have dealt with the funding reductions from a financial management perspective. The National Audit Office produced a report on the 'financial sustainability of local authorities 2018' which highlighted a number of key conclusions such as:

- The funding position for local authorities has deteriorated since their previous report in 2014;
- The financial resilience of local authorities varies considerably with some authorities having much reduced reserve levels to deal with unforeseen events;
- The demands on local authorities have radically increased especially around adult and children's social care issues;
- The Government need to introduce longer term proposals to address the funding and demand issues rather than the short term measures currently being adopted.

CIPFA have recently introduced the Financial Management Code of Practice. The FM Code is designed to "support good practice in financial management and assist local authorities in demonstrating financial sustainability".

The code sets out 17 FM standards across 7 sections:

SECTION

- 1 The responsibilities of the Chief Finance Officer and Leadership Team.
- 2 Governance and financial management style.
- 3 Long to medium-term financial management.
- 4 The annual budget.
- 5 Stakeholder engagement and business plans.
- 6 Monitoring financial performance.
- 7 External financial reporting.

Local authorities are required to apply the requirements of the FM Code from 1st April 2020, with full compliance by 1st April 2021.

Full details of the content of the Code of Practice are provided in the 2020/2021 budget pack and the S151 Officer will undertake a detailed assessment against the Code during 2020/21 with full adoption being made from 1st April 2021. As context to this review, it should be noted that the Corporate Peer Review, undertaken in 2019, highlighted that the Council “benefits from strong financial management” and that there is “a willingness to take reasonable risks to bring about change”.

Financial Resilience

Linked to the above, there are more and more reports of local authorities reaching breaking point and only been able to deliver core statutory functions to maintain a balanced financial position. There is also an increasing trend in the number of authorities drawing down their reserves in an unsustainable manner placing them in financial difficulty.

As a result, the financial resilience of local government is under greater scrutiny than ever before, placing an increasing importance on each Council’s ability to provide assurance to local leadership in relation to ongoing financial sustainability and the ability to continue to deliver statutory responsibilities.

CIPFA introduced the Financial Resilience Index in 2019/20. As part of the of 2019/20 Budget Setting Process the S151 Officer carried out a review of the Council’s financial health in line with CIPFA’s financial resilience indices and concluded that the Council is on a sound financial footing. An updated assessment has also been undertaken throughout the financial year and reported via the quarterly financial performance report. CIPFA have recently updated their financial resilience analysis to incorporate information from 2018/19 and based on this and other wider control measures already in place across the organisation, the S151 Officer believes that the Council is still on a sound financial footing.

CIPFA have also published their own assessment of the Council’s financial resilience compared against other similar sized Local Authorities and this shows the Council is currently on a sound financial footing.

Full details are provided in the 2020/2021 budget pack.

SECTION C – THE COUNCIL’S KEY PRIORITIES

Barnsley 2030

The Council has continued to reshape its service delivery to ensure our model is both effective and adaptable and thereby capable of delivering our 4 key priorities:-

- A thriving and vibrant economy;
- People achieving their potential;
- Strong, resilient communities;
- One Council.

Our key priorities also currently seek to deliver 13 outcomes and these are the basis for determining our corporate objectives and re-aligning our budgets. The Council’s budgets are set on both a service basis and an outcome basis and budget monitoring is reported into Cabinet quarterly on both bases. This allows Members to review spend against key priorities and re-align funding where necessary to enable our objectives to be delivered (see section F).

The next phase of our transformation journey is to create a strong and compelling vision and ambition for Barnsley in 2030.

The whole project will take approximately ten months with the new vision and ambition for Barnsley ready to launch next September. Between now and then the key milestones will be:

- Phase one: August to September 2019 - developing a good understanding of what Barnsley is like now using local and national data.
- Phase two: October 2019 – February 2020 - developing a shared vision and set of ambitions about what we want Barnsley to become.
- Phase three: March – May 2020 - what is the feedback telling us?
- Phase four: June – August 2020 - creating a bold and compelling vision for Barnsley.
- Phase five: September 2020 - showcasing Barnsley 2030 and how we will use it to create a bright future.

In the meantime, the Council’s current 2017-2020 Corporate Plan will be extended by a further year to allow time to develop a new Corporate Plan to run from 2021 to 2024.

Our MTFs has also been developed on a similar flexible basis to incorporate any changes to our priorities as well as address the uncertain financial outlook. This is underpinned by key strategies that will deliver our priorities including for example, SEND, Carers, Community Engagement, Health & Well Being, Employment & Skills and Community Engagement amongst others.

Section E outlines how the financial forecast incorporates the priorities arising out of our key strategies and ensures that our future demands are managed effectively.

A number of key strategies that underpin the Council's modernisation agenda are outlined below:

- *Capital Investment Strategy*. The Council's Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017. The Strategy forms a key part of the Council's overall planning process by providing a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's Corporate Plan and its core priorities.
- *Commercial Strategy*. Embedding a more business-like culture to continually improve Council services for our customers and residents. This approach not only seeks to increase income and deliver value for money but also instil a more commercial mind set across the organisation.
- *Asset Management Strategy*. As part of the national one Public Estate programme, we have established a five year programme that seeks to assess the best use of our assets. Working with Directorates and partners, the programme aims to review our assets to determine the most appropriate way to deliver services in future. A disposal programme has also been established to sell any surplus assets as a result of the review of our One Public Estate.
- *Digital First Programme*. This is a fundamental redesign of our existing technology to digitally empower our citizens and employees and build a more confident and capable Council. The Digital First programme aims to put 'digital' at the heart of everything we do.

Accompanying this framework is a clear principle that we match ongoing spending requirements with ongoing income. This means that we will use our reserves for one off revenue or capital investment that supports our priorities and strategies. Any use of reserves as a short term bridging strategy will only be used in very exceptional circumstances and this has not been necessary for a number of years.

In addition, services seek to identify and deliver efficiencies and/or commercial opportunities on an ongoing basis not just at budget setting times. This approach not only aims to ensure that all our business units spend within their resource envelopes but also identify ongoing savings that can be 'freed up' to fund our corporate priorities.

The Capital Oversight Board oversees the Council's capital programme, reviews business cases and recommends new capital investment priorities to SMT/Cabinet. The Commercial Board, set up to deliver the commercial strategy, reviews business cases for new commercial investment and the Authority's leadership team oversees delivery of the Council's efficiency proposals on an ongoing basis.

The framework, set out above, seeks to ensure that we maximise our overall resources in support of our priorities. The Asset Management Strategy is a key facet of this approach but in addition, we are also developing the Council's external funding strategy to be launched in 2020. This will focus on funding opportunities that will support our priorities especially funding that has been allocated to other partnership groups. Building on our successes to date, we will continue to have a strong focus on influencing and accessing resources that will become available to bid into especially in relation to devolution and health funding. This will include identifying/ establishing our investment priorities to be able to attract funding from these available sources as well as leveraging in other funding streams (eg private/ third party contributions).

Finally, a key principle of our financial planning framework is that all our capital and revenue decisions are fully integrated and made simultaneously. This is an important strand of our strategy since it ensures that Members understand and prioritise competing commitments irrespective of whether they are of a revenue or capital nature.

SECTION D – THE COUNCIL’S RESOURCES

Core Resources

The introduction of the Business Rate Retention (BRR) model in 2013/14 changed the way that local authorities receive their funding. Whereas business rates were previously pooled nationally and redistributed to local authorities based on need, the new system allows local authorities to retain 50% of locally collected business rates.

From 2013/14, Barnsley has received its core funding in 3 ways:-

- Government funding through the BRR model;
- Retained Business Rates; and
- Council Tax.

Our ‘core’ resource totals for the next 3 years are shown in the table below and covered in more detail in the following sections:-

	2020/21 £M	2021/22 £M	2022/23 £M
Government Funding (BRR)			
- RSG	8.5	6.1	6.1
- Top Up Grant	33.4	34.0	34.6
- S31 Grant	3.1	3.1	3.1
Retained Business Rates	23.6	24.6*	25.6*
Council Tax	104.0	108.2	111.7
Sub Total	172.6	176.0	181.1
One - off resource announced as part of one year settlement- (see below)	18.8	2.8**	2.8**
Total	191.4	178.8	183.9

*assumes a neutral impact of the 75% retention proposals

** assumes funding for High Needs block continues for 3 years

Government Funding (BRR model)

Government funding is received in line with calculations through the BRR model. The model makes an assessment of how much business rate income each local authority will raise and allocates grant on the following basis:-

- Revenue Support Grant (RSG);
- Top Up Grant; and
- Section 31 Grant.

Revenue Support Grant (RSG): This is the traditional way that Government has supported local authorities.

Assumptions: Government have confirmed that RSG remains unchanged from the level awarded in 2019/20. The S151 officer will

review the assumptions on RSG in future years in line with release of the three year CSR in late 2020.

Top Up Grant: When the BRR model was introduced in 2013/14 the new system benefitted some authorities at the expense of others. A self-financing mechanism was introduced to ensure that the introduction of the new scheme would be broadly neutral with 'losing' authorities such as Barnsley receiving 'top up' payments from 'gaining' authorities who pay a tariff.

Assumption: Top up grant is inflated based on September CPI figures. Estimates of 2% have been made for 2021/22 and 2022/23. It is expected that top up grant will be reset as part of the ongoing Fair Funding and Business Rates Retention reviews.

Section 31 Grant: This largely relates to compensation payments from Government when they introduce a policy change that leaves a local authority in a worse financial position than it would otherwise be in e.g. awarding business rate reliefs to small businesses.

Assumption: No changes to the allocation assumed over the planning period. It is expected that this grant will be rolled into the Business Rates re-set.

Retained Business Rates

Barnsley currently retains 50% of its locally collected business rates (including 1% that is paid over to the SY Fire and Rescue Authority) with the remaining 50% paid over to Central Government. Although the Government make an assessment around how much they expect the Council to collect, this is only undertaken to assess how much RSG to pay to local authorities. Our business rates income is derived from what we actually collect not via Government grant.

Compared to government grant, business rates income represents a much more volatile income stream for the Council.

The Council benefits if we collect more than we are estimated to (based on Government forecasts) although this has not been our experience since the BRR model was first introduced in 2013. We have witnessed very little growth in that time and had to contend with issues that affect how we plan for future business rate income. These include academies (and potentially NHS trusts) receiving charitable relief from paying business rates and appeals by businesses against their bills which can be backdated over a long period of time.

So not only have we failed to benefit from this system to date, it has made planning for our future resources much more difficult to forecast as a result of the issues outlined above. That said, the forecast does include some growth within this planning period to reflect the opening of the Glassworks scheme and other major economic regeneration schemes.

Assumptions: Limited growth in the business rate tax base and overall income assumed to be rising in line with inflation (calculated on the same basis as Top Up grant as above).

Council Tax

The revised projections in the updated forecast reflect the national context that the Government has set for Council Tax increases.

The Government establish a threshold to limit the level of future Council Tax increases by requiring local authorities to carry out referendums above a certain level of increase. The referendum threshold set by the Government for 2020/21 is 2%. This is lower than the threshold in 2019/20 at 3%.

As part of the one year settlement, Government also announced that they would allow Authorities with Adult Social Care (ASC) responsibilities to raise Council Tax by a further 2% in 2020/21. It proposed that the Council takes advantage of this flexibility in 2020/21.

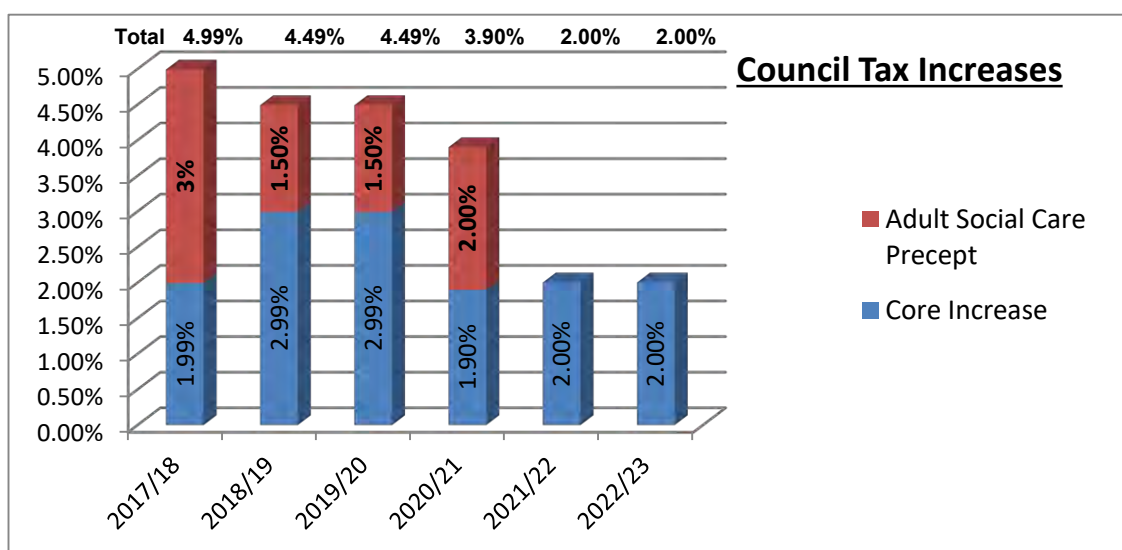
For illustrative purposes the current forecast assumes:-

2020/21 3.9% (1.9% Core Services / 2.0% Adult Social Care);

There has been no further Government guidance for the following two years of the forecast and therefore as a prudent approach, the forecast assumes the following increases which are for Core Services only:-

2021/22 2.0%
2022/23 2.0%

The chart below shows the council tax increases forecast over period from 2017-2023



A review of the Council’s tax base has been carried out and the forecast assumes an increase of 1300 Band D equivalent properties in 2020/21 and 2021/22 with a further growth of 800 Band D equivalent properties in 2022/23.

This is deemed prudent especially in light of the recently adopted Local Plan which releases further development land for housing. The estimates for Council Tax Income are based on a collection rate of 95%.

In addition, a review of the Collection Fund Reserve has also been undertaken and it is recommended that the following sums can be prudently released into the forecast;

2020/21	£3.200M
2021/22	£3.200M
2022/23	£3.200M

A paper on the different council tax options is provided in the 2020/21 budget pack for information.

Assumptions: The forecast assumes a 3.9% Council Tax increase in 2020/21 and 2% thereafter. The Council Tax base assumes an increase of 1300 Band D equivalent properties in 2020/21 and 2021/22 and 800 properties thereafter. The Collection Fund Reserve assumptions are as set out above.

Social Care (Better Care) Funding

The NAO report (previously mentioned under the Financial Management Code of Practice section) stated that Central Government's approach of allocating short term funding to address ongoing demands was a particular problem for local authorities.

The best example of this is the way the Government has funded Social Care over recent years that has repeatedly been one off in nature.

For 2019/20 the Chancellor announced that £650M of funding for social care demands covering winter pressures and general adult and children's social care issues would be made available. This equated to some £3.3M for Barnsley in 2019/20.

The one year settlement confirmed that this funding would carry forward into 2020/21 but also confirmed a further £1bn for Social Care. This equates to an additional estimated £5.8M for Barnsley; bringing the total funding for Social Care to £9.1M. In addition, as mentioned earlier Councils can also levy a further adult social care precept of upto 2%.

We have assumed this funding is for one year only and the Council has drawn up plans on how this resource will be invested.

The biggest single grant from the Government for ASC is the improved Better Care Fund (iBCF). The Government has awarded iBCF to local authorities to address adult social care pressures in two tranches with the second tranche effectively front loading the initial allocations to take account of immediately pressing ASC requirements. IBCF funding has only been announced upto 2020/21 to coincide with Government planning cycles.

Assumptions: The Council's current forecast assumes the first tranche of grant (awarded in 2017/18) will continue beyond 2019/20 but that the second tranche will fall out beyond 2020/21. This assumption is in line with other local authorities that we have consulted with but remains a risk pending further spending announcements by the Government.

Fees and Charges & Other Non Core Income

The Council's fees and charges policy sets a corporate framework within which all decisions on the implementation and/ or changes to the levels of fees and charges can be considered and approved.

Fees and charges are either used to bridge the deficits in the MTFS or used for service mitigations. The 2020/21 Fees and Charges policy is included within the 2020/21 Budget setting pack.

SECTION E – THE COUNCIL’S SPENDING PLANS

The Council reviews its spending plans on a rolling basis. At a corporate level, it categorises future spend in three ways:-

- Fixed and ongoing commitments;
- Policy or investment decisions; and
- Demographic and/ or demand factors.

The incremental increases are shown below:-

	2020/21 £M	2021/22 £M	2022/23 £M
<i>Base Budget b/f</i>	169.0	180.0	192.1
Fixed & Ongoing	5.4	6.0	4.9
Demographic & Demand	5.1	2.0	2.5
Policy / Investment	0.5	4.1	1.5
Sub Total	180.0	192.1	201.0

Fixed and Ongoing Commitments

The Council has a number of ongoing commitments. These are largely linked to the inflationary impact of our spending commitments. The assumptions underpinning fixed and ongoing changes are as follows:-

- Pay award & contractual inflation 2% over the next 3 years;
- National living wage average increases assumed of 3.5% for residential care and 2.8% for non-residential care over the period 2020-2023;
- Pension increases reflecting the anticipated actuarial assessment;

Policy & Investment Decisions

Whilst our resources have been significantly cut, it remains necessary to invest in our priorities to make sure that as a Council and as a Borough we are in the best possible place to deal with the future financial landscape (eg the funding reforms proposed by Government).

The most significant investment in our MTFs is to our town centre and our renowned markets. The Glassworks scheme will alter and significantly improve our town centre ‘offer’ with the aim of not only giving our residents a 21st market place but encouraging new businesses into the area. This is an investment that prepares us for the Government’s plan to allow local authorities to retain 75% of business rates from 2021/22 and will help us to become more financially sustainable in future.

Demographic and Demand

In addition to fixed and ongoing commitments, there are a number of demand led costs that we need to provide for in the forecast. Such costs generally relate to population changes (eg no. of elderly people, no. of children in care

and requiring transport etc) but can also arise from global market changes that are incredibly difficult to foresee (eg income from recycled products).

The Council assesses these issues in a systematic, strategic way with plans in place to address their predicted impact. These plans include a financial impact assessment and an outline of our approach to mitigate key demographic issues. The process that is followed for the key demographic pressures is provided at Appendix 2

SECTION F – THE COUNCIL’S FINANCIAL PLANNING FRAMEWORK

Having set out all the key assumptions around our future core resources and spending plans (see Sections D & E above) the revised financial forecast shows the following gaps:-

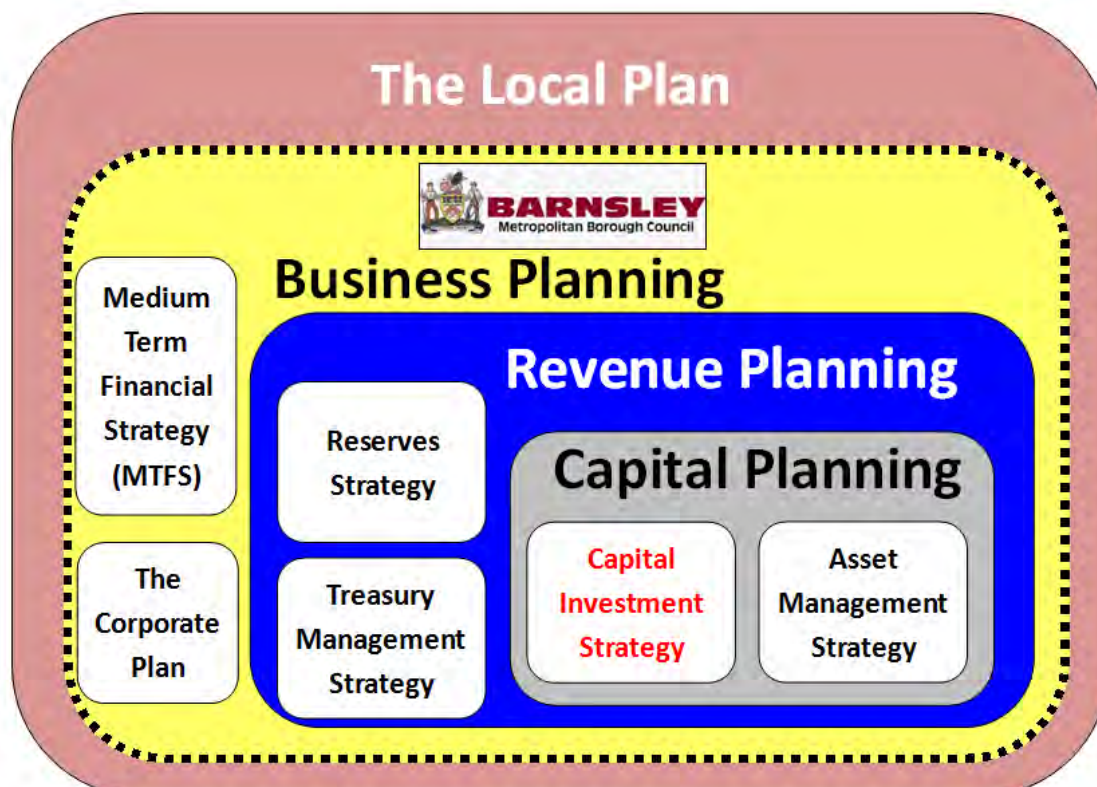
	2020/21 £M	2021/22 £M	2022/23 £M
Core Spending (Section E)	180.0	192.1	201.0
Core Resources (Section D)	-172.6	-176.0	-181.1
Deficit – prior to savings	7.4	16.1	19.9

The following section describes our financial planning framework and the process for delivering a balanced position both in the short and medium term.

Our Financial Planning Framework

The Council has a strong financial framework in place that aligns ongoing resources to priorities. It is a fully integrated process that considers and approves our key financial strategies / budgets (capital and revenue) at the same time so the impact of considering relative priorities is transparent to members.

The process has been outlined in previous sections which the diagram below summarises:-



The forecast is rolled forward as soon as the previous year's budget has been approved. This commences an iterative process to identify issues and pressures along with a plan to deal with them.

Integral to the financial planning process is a robust budget monitoring process where we report our financial and non-financial performance into Cabinet on a quarterly basis. This also includes a 'Financial Outlook' section to report any underlying issues.

This is a vital and, to date, successful process for ensuring that our underlying position is robust and where issues or overspends arise, a project focused approach is put in place.

A further reflection of our financial health is the external scrutiny we receive. This is ultimately embodied in the external audit opinion. We have had unqualified opinions on both our accounts and VFM statements for a number of years which is again reflective of a robust financial planning framework. As mentioned previously CIPFA's financial resilience assessment also shows the Council's is currently in a stable financial position.

Balancing the MTFS

Since 2015/16 the financial strategy has sought to put in place a balanced position for, at least, a minimum 2 year period. This is no different for this planning period and actions have been put in place to ensure that the 2020/21 budgets are balanced with plans in place to address the outstanding 2021/22 deficit too.

As mentioned in the Overview section, a key feature of our strategy is to ensure that there are ongoing resources/ savings to fund ongoing spending commitments. The Council's strategy for delivering 2020-2021 efficiencies is split into two key facets:-

- Cross cutting programmes such as digitalisation, commercialisation and accelerated growth programmes that span most services and are key themes for our Future Council model; and
- Service efficiencies that reflect the outcome framework / transformational programmes.

As a result of the above process, proposals have been identified to effectively bridge the forecast deficits in the next two years. These proposals are subject to extensive challenge and scrutiny.

The revised forecast position, following the approval of the savings proposals, is set out below:-

	2020/21	2021/22	2022/23
	£M	£M	£M
Deficit (prior to efficiencies)	7.4	16.1	19.9
<i>2020/21 Efficiencies</i>	-7.4	-7.4	-7.4
<i>2021/22 Efficiencies</i>	0.0	-8.7	-8.7
Sub Total – Efficiencies	-7.4	-16.1	-16.1
Revised Forecast (post efficiencies)	0.0	0.0	3.8

SECTION G – KEY ASSUMPTIONS & RISK ASSESSMENT

Key Assumptions

As outlined in the body of this report, the forecast is underpinned by a number of key assumptions for the planning period 2020/21 – 2022/23. These are subject to change particularly in light of the uncertain economic landscape and the proposals to reform local government funding.

The key assumptions are outlined in the table below:-

Forecast Item	Assumption
<i>Expenditure Items</i>	
Pay Awards & Contracts	Pay and contractual inflation is included at 2% over the full planning period. All other inflation is contained by services.
Interest Rate Fluctuations	Currently interest rates are very low and are only likely to increase. Whilst some protection has been awarded by locking in rates, interest rate rises do pose a cost risk.
<i>Income Items</i>	
Business Rates	Inflated in line with actual and estimated inflation. Limited future growth assumed to reflect the Glassworks scheme.
Core Government Grant	2021/22 based on the same trajectory of cuts (%) as the preceding 4 years (2016-2020) with a neutral effect in 2022/23. Subject to review following the 20/21 settlement.
Council Tax	Inflated by 3.9% in 2020/21 (1.9% core and 2.0% Adult Social Care) and 2% (core only) for 2021/22 and 2022/23.
Fees & Charges	Increased on a case by case basis within the Council's overall fees and charges framework
Improved Better Care Fund/ Social Care Grants	Continuation of the iBCF (at @£10.2M) into 2020/21 & onwards. Other social care grants are assumed to be one off and therefore fall out after 2020/21.
New Homes Bonus	Not included in MTF5. NHB is treated as one off funding and included in our reserves position / strategy.

Sensitivity Analysis

A sensitivity / risk assessment of the 2020 - 2023 forecast has been produced which clearly identifies the key areas that may have a significant impact on the delivery of the Medium Term Financial Strategy.

2020/21 IMPACT (+ equals extra cost/- equals cost reduction)

-5.00% Variation £M	-2.50% Variation £M	Forecast Item	+1.00% Variation £M	+2.00% Variation £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+1.605	+3.210
N/A - prevailing interest rates too low to bear a 5% reduction	N/A - prevailing interest rates too low to bear a 2% reduction	Interest Rate Fluctuations	+1.600	+3.200
INCOME				
+1.180	+0.590	Business Rates	-0.235	-0.470
+0.425	+0.212	Core Government Grant	-0.085	-0.170
+5.020	+2.510	Council Tax	N/A as at referendum cap	N/A as at referendum cap
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.510	+0.255	Improved Better Care Fund	-0.100	-0.200

2021/22 IMPACT (+ equals extra cost/- equals cost reduction)

-5.00% Variation £M	-2.50% Variation £M	Forecast Item	+1.00% Variation £M	+2.00% Variation £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+1.285	+2.570
N/A - prevailing interest rates too low to bear a 5% reduction	N/A - prevailing interest rates too low for a 2% reduction	Interest Rate Fluctuations	+2.000	+4.000
INCOME				
+1.230	+0.615	Business Rates	-0.245	-0.490
+0.300	+0.150	Core Government Grant	-0.060	-0.120
+5.230	+2.615	Council Tax	-1.045	-2.090
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.510	+0.255	Improved Better Care Fund	-0.100	-0.200

2022/23 IMPACT (+ equals extra cost/- equals cost reduction)

-5.00% Variation £M	-2.50% Variation £M	Forecast Item	+1.00% Variation £M	+2.00% Variation £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+1.205	+2.410
N/A - prevailing interest rates too low to bear a 5% reduction	-0.965	Interest Rate Fluctuations	+2.400	+4.800
INCOME				
+1.280	+0.640	Business Rates	-0.255	-0.510
+0.300	+0.150	Core Government Grant	-0.060	-0.120
+5.400	+2.700	Council Tax	-1.080	-2.160
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.510	+0.255	Improved Better Care Fund	-0.100	-0.200

Risk Assessment

The key risks underpinning the forecast (based on value) are shown in more detail below. However, it is considered that the underlying assumptions of the current MTFs are prudent given the level of future uncertainty and potential for change.

Forecast Item	Budget £M	Comment/ Mitigation
Future Council Budget Reductions	16.1	Delivery plans in place for 2020/21 and 2021/22 with a proposal to delay any formalised approach to dealing with the 2022/23 deficit until greater clarity is gained from the UK's exit from the European Union, the Government's Comprehensive Spending Review and its impending reforms around Fair Funding and Business Rates Retention.
Government Funding	6.2	Budget shown is the estimated position as at the end of 2023. Estimated government funding for 2020/21 has been released and future projections for 2021/22 and 2022/23 are included on a prudent basis.
Improved Better Care Fund	10.2	No indication to date that Government will reduce/remove this funding. More information expected during 2020/21 as part of the Fair Funding Review and green paper on ASC.
Council Tax	108.1	Budget shown is estimated position as at the end of 2023. Future years (2021/22 & 2022/23) council tax increases are assumed to be 2% together with a prudent assumption on tax base growth.
Pay Awards	8.2	Provision made for a 2% pay award in each year to 2023.
Demography / Demands	9.2	Budget shows provision made in MTFs over the full planning period through to 2023. Demography demands are monitored rigorously throughout each year with forecasts being updated as necessary and separate mitigations being put in place.

SECTION H – THE COUNCIL’S RESERVE STRATEGY & CAPITAL SPENDING

Reserves Position/ Strategy

The Council builds up income streams that result from, for example, capital receipts (e.g. sale of assets) and/ or year-end underspends. Such resources tend to be 'one off' in nature and the Council has a specific strategy in place for using/ retaining this type of income.

The position on our level of reserves is regularly reviewed and updated. A report on our reserves position is submitted alongside the MTFs and will detail all funding streams (capital and revenue) that are available for strategic priorities across the 2020 -2023 period.

As outlined previously, our strategy for using one-off resources is split between:-

- Investing in priority one off / capital investment schemes that focus on delivering economic regeneration or social value;
- Revenue 'invest to save' priorities.

NB In very exceptional circumstances reserves may be used as an overall bridging strategy for the Council's budget however this has not been necessary for a number of years.

An updated reserves position reported to Cabinet shows the following position.

	£M
General Fund Resources:	
General Fund Resources	202.2
Existing Capital / Revenue Commitments	(164.6)
Capital Programme Reserve	(16.8)
General Fund Resources Available for Immediate Investment	20.8
HRA / Berneslai Homes Surpluses	13.1
General Fund / Housing Resources Available for Immediate Investment	33.9

The above position includes:

- Review of General Fund reserves which has enabled the release of **£7.0M**; and
- Additional one off funding announced in the 2020/21 finance settlement of **£13.8M**;

It should also be noted that there are currently a number of funding bids that are currently being progressed particularly in relation to submissions into

Sheffield City Region/MHCLG. It is intended to incorporate the outcome of these funding bids into the ongoing review of the MTFs and reserves strategy which is regularly reported into Cabinet.

Prior to releasing these balances for use, the Council (on the advice of the S151 officer) establishes an appropriate level of retained balances. In advising on an appropriate level there are a number of issues that need to be taken into consideration:-

- Excessive balances can be an opportunity cost to the tax payer with additional spending on services not taking place or Council Tax increases being higher than they would otherwise be;
- Retained balances earn income and can provide internal funding for capital expenditure rather than borrowing;
- Balances that are too low may put the organisation at risk if unexpected demands occur at short notice.

The Council has already established a Minimum Working Balance (MWB) of £15M for General Fund services. It is recommended that the MWB remains at £15M especially in light of the future uncertainty facing the Council (as outlined throughout this document) as well as the increasing difficulty of implementing the scale and nature of savings required to balance the forecast. This leaves the full £33.9M available for strategic use.

Capital Strategy

The approach for utilising available reserves is captured in our Capital Strategy.

The Capital Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over the medium term (five year) planning period with the Council's [Corporate Plan](#) and its key priorities.

This Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. This also links to the Council's other strategies and plans e.g. Treasury Management and Reserves Strategies.

On the basis of this strategy, services have submitted outline capital investment proposals for consideration against the total resource available. To assist with the prioritisation process, these proposals have been organised into six main categories.

The six categories are:-

1. Supporting wellbeing and managing demand for statutory services:

- a) SEND Investment Early identification and support, quality of provision for young people and where appropriate transition them back into local provision, the quality and timeliness of the EHC

process and annual review process, improve school attendance and educational outcomes.

- b) Early Help Early identification and support, quality of provision for young people and where appropriate transition them back into local provision, the quality and timeliness of the EHC process and annual review process, improve school attendance and educational outcomes.
 - c) Placement Sufficiency and Quality (Looked After Children) Safeguard and improve outcomes and placement stability for children in care, particularly older children with complex needs and reduce the use and cost of external placement provision.
 - d) Population Level Mental Health. A population mental health approach to keep people healthy and providing early intervention when problems arise. We will work upstream, with and at a community level, to build individual resilience and improve wellbeing.
 - e) Children and Young People's Health. A range of early intervention and prevention programmes that will positively impact on emotional and mental health and wellbeing of CYP and families, increase resilience, reduce isolation, prevent adverse childhood experiences in future generations and reduce the need for more specialist interventions through the life course.
 - f) Cardio Vascular Disease prevention. Provide advice, support and training to our at risk communities in order to raise awareness of CVD alongside a greater understanding of where to go for help and support. This will impact on population health by contributing to reducing CVD premature mortality and associated morbidity.
 - g) Healthy Environment. Improve population health through the delivery of cost effective health enhancing policies and actions at a place level. Using World Health Organisation evidence, we will create healthy environments where residents can thrive.
 - h) Excellence in Care Excellence in Care Tackling Pay and Conditions across homecare & residential care; Improving the quality of residential care; Commissioning sustainable & effective homecare; Valuing Care through campaigns / awards; Development of career pathways (recruit / retain / grow staff); Development of Community of Practice; Greater use of technology in care; Living a good life - connecting care to our communities; Market shaping – defining what we need, why and when.
- 2. Improve the efficiency of the Council / invest to save:** Various efficiency / productivity proposals including dealing with customer enquires more effectively; Reduce the need for reactive tree maintenance; Improved vehicle fleet management; Improved throughput & enforcement of Traffic Regulation Orders; Maximising external funding opportunities; and Improving employee wellbeing.

3. Positive environmental impact / zero carbon objectives: Improvements to help tackle the climate change agenda such as increasing active travel, planting of more trees, improved levels and types of recycling and seeking to investigate the switch away from fossil fuels to electric and hydrogen fuelled industries and vehicles.

4. Support the renaissance of the town centre and principal towns:

a) Initiatives to help make the town centre / principal towns feel safer and reduce anti-social behaviour. Overall impact would include improvement in public perception of town centre safety, reduction in crime, prevention of escalation of incidents, reduction in environmental blight in key areas and protection of key assets. The resulting increased public and business community confidence will help to support the renaissance of the town centre / principal towns.

b) Improvements in promoting and marketing the town centre / principal towns to help drive footfall. Improvements in the offer within the market such as including town centre events, food hall and incubation space in the market. Additional funding to support the development of the Dearne Valley rail plan to significantly improve connectivity for our towns and cities in the region

5. Support the growth of the digital sector in Barnsley: Increasing the roll out and take up of fibre broadband and developing the case for 5G infrastructure investment. Increase the adoption of digital technology and skills within the SME business sector to help improve productivity.

6. Make a visible difference in communities:

a) Borough wide investments to make a difference in communities through enhanced community capacity building, improved support to vulnerable and disadvantaged residents, promotion of social inclusion and improvement in public perceptions of the environment across neighbourhoods.

b) A range of initiatives to improve management of greenspaces and cleanliness. This includes additional support for weeds and graffiti removal, covert cameras to assist with enforcement, cleansing of kerbs and gullies and building on the success of the Dearne Valley landscape partnership.

Cabinet have put forward the following priority schemes for approval in principle as set out below:

General Fund - Proposal Themes	Total Investment £
Supporting Wellbeing and Managing Demand for Statutory Services	3,856,000
Improve the efficiency of the Council / Invest to Save	905,000
Positive environmental impact / Zero Carbon objectives	780,000
Support the growth of the Digital sector in Barnsley	400,000
Support the renaissance of the Town Centre and Principal Towns	1,421,850
Making a visible difference in communities	1,641,000
Emerging Capital Priorities	10,426,000
TOTAL	19,429,850
Total GF Funding Available	(20,850,000)
REMAINING / CONTINGENCY	(1,420,150)

Housing - Proposal Themes	Total Investment £
Independent Living	1,000,000
Service Transformation	2,000,000
Inclusive Growth	635,000
Zero 2045	1,000,000
Housing Growth	7,215,000
TOTAL	11,850,000
Total HRA Funding Available	(13,100,000)
REMAINING / CONTINGENCY	(1,250,000)

SECTION I APPENDICES

Appendix 1 – Detailed Medium Term Financial Forecast

Appendix 2 - Process for Addressing Demographic Pressures

MEDIUM TERM FINANCIAL FORECAST 2020 – 2023

	FORECAST 2020/21	FORECAST 2021/22	FORECAST 2022/23
	£m	£m	£m
EXPENDITURE:			
1. Base Net Expenditure (Net of Schools)			
Revised Base Position	169.064	172.577	176.011
2. Fixed and Ongoing (already reported)			
Pay Award, National Insurance and NJC Pay Review in 20/21	2.457	2.059	2.121
Increments	0.755	0.510	0.290
Pension - Actuarial Assessment 2020-2023	0.621	0.380	
Other Inflation (inc BSF)	0.565	0.965	0.965
Financing Capital New Starts Programme & MRP	0.570	1.070	0.570
Childrens - Contingency	1.000	1.000	1.000
Catering	0.260		
Base budget review	-0.794	0.000	0.000
	5.434	5.984	4.946
3. Demographic and Demand			
Waste	0.545	0.200	0.200
Home To School	0.200	0.200	0.200
Adults Social Care (Demographics and other pressures)	0.605	0.605	0.605
Children's Social Care (Demographics/base issues)	0.195	0.195	0.195
National Living Wage /Inflationary Increases Adult Social Care	1.020	1.832	1.832
Cost of Care (Residential Fees)	0.750		
Demographics Contingency	1.732	-1.000	-0.500
	5.047	2.032	2.532
4. Investment & Other Policy Issues			
Town Centre Issues (Glassworks - Shortfall in Income)		2.300	
Provision for Youth Zone		0.300	
Town Centre Wardens	0.100		
Weed Control	0.110		
Zero 40/45	0.200		
Care Leaver Apprentices	0.070		
Glassworks Pressure		1.500	1.500
	0.480	4.100	1.500
5. One-Off investment			
One-off investment priorities across the Council			
TOTAL EXPENDITURE BEFORE EFFICIENCIES	180.025	184.693	184.989
5. Efficiency Proposals			
2020 Efficiency Programme	-6.848	-6.484	
Debt Costs - Glassworks		-0.700	
HRA Capital Receipts	-0.200	-0.300	
Westgate b/f	-0.100	0.100	
Pension Deficit		-1.300	
Change in KLOE's	0.150	0.102	
Additional Savings	-0.450	-0.100	
	-7.448	-8.682	0.000
TOTAL EXPENDITURE	172.577	176.011	184.989
RESOURCES:			
8. Core Resources			
<u>Council Tax</u>			
Council Tax Income inc Base	95.063	100.797	104.947
Council Tax Collection Fund Surplus	2.615	3.200	3.200
	97.678	103.997	108.147
<u>Business Rates Retention (BRR) scheme</u>			
Local Share - Business Rates (net 75% share)	22.814	23.614	24.614
Local Share - Top Up Grant	32.240	32.840	33.455
S31 Grant for 2% Capping - Top Up	0.552	0.552	0.552
Revenue Support Grant (RSG)	12.745	8.539	6.177
	68.351	65.545	64.798
<u>S31 Grant Per NNDR1 form (Business Rates)</u>			
S31 Grant for Small Business Rate Relief	3.035	3.035	3.035
	3.035	3.035	3.035
Core Resources b/f	169.064	172.577	175.980
9. Change in Resources			
<u>Council Tax</u>			
Council Tax increase in tax base	1.950	2.050	1.300
Council Tax Collection Fund Surplus	0.585		
Council Tax increase (@ 3.9% + 2% in future years)	3.784	2.100	2.200
	6.319	4.150	3.500
<u>Business Rates Retention (BRR) scheme</u>			
Local Share Business Rate Growth move to 75% share	0.800	1.000	1.000
Top Up Grant inflation @ 2%	0.600	0.615	0.630
Cuts in Top Up Grant	-4.206	-2.362	
	-2.806	-0.747	1.630
TOTAL RESOURCES	172.577	175.980	181.110
NET SHORTFALL	0.000	0.031	3.879

PROCESS FOR ADDRESSING DEMOGRAPHIC PRESSURES

Adult Social Care – Older People (OP)

Overview

Barnsley's population of adults aged 65+ has grown over recent years. There is an increasing demand and greater reliance on adult social services. Whilst the numbers receiving support may not increase significantly, the cost of care packages are rising due to complexity of needs.

Strategy/Plan to manage demand

The demand for adult social care services (based on current and future needs) and the service provision to meet such needs is outlined in the Council's *Market Position Statement*. This is informed by other corporate strategies/plans such as the: *Health & Wellbeing Board strategy* and the *Joint Strategic Needs Assessment (JNSA)*.

Approach to forecasting demand

The following approach has been used to project future demographic changes and costs namely:-

- population projections analysed by age ranges;
- a trend analysis of numbers of OP supported with care packages; and
- actual spend by the Council including changes in the average cost of care packages to reflect the complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against OP's net spend (i.e. residential / nursing, homecare and direct payments). It takes into account the level of client contributions and health funding. The impact of interventions has also been allowed for by using spend and activity data rather than ONS population analysis.

Adult Social Care – Learning Disabilities

Overview

There is a rise in the number of children with significant learning disabilities (LD) living longer and transitioning into adult services. Life expectancy of people with significant learning disabilities has increased. The complexity of needs is a challenge as it results in very high cost care packages.

Strategy/Plan to manage demand

Whilst the Council's *Market Position Statement* broadly outlines the service provision to meet identified needs of adults with learning disabilities, the *Transforming Care Plan / Strategy* specifically details the approach to

addressing the long term care needs of adults with very complex / significant learning disabilities within a community based setting.

Approach to forecasting demand

Population projections together with trend analysis of activity and spend data has been used as a basis for projecting future demographic impact. Changes in average cost of care packages over the years are a good indicator of complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against LD's net spend which incorporates significant contributions from the Health Service (e.g. S117) towards high cost care packages. The impact of specific interventions has been incorporated (e.g. supported living, high cost placement reviews, step-down enablement provisions etc).

Children's Social Care – Looked After Children (LAC)

Overview

There is an increasing demand for children services partly driven by growth in population (aged 0 – 17). However, the main financial pressures facing the Council in relation to children social care results from the rising number of children in care and associated placement costs. A residential care placement (e.g. secure welfare) could cost anything between £2k to £5k per week (ie upto £250k in a full year for a single case).

Strategy/Plan to manage demand

The *Looked after Children Placement & Sufficiency Strategy* details the council's approach to addressing the current/ future accommodation and support needs of children in care in the most efficient / cost effective way possible. A copy of the current strategy can be found in the attached link: <https://barnsleymbc.moderngov.co.uk/documents/s34726/Appendix%201.pdf>

Approach to forecasting demand

Assumptions around the Council's LAC population in future years are forecast based on local (and regional) context, needs and trends. The strategy equally sets out an approach / action plan for managing LAC numbers with clear targets for the different placement types. Cost is forecast using average unit cost (local and benchmarking data).

Allowable cost (& tolerances)

Demographic growth has been applied to specific LAC placements e.g. residential care, fostering and other low cost placements. It takes into account the interventions / agreed actions to manage LAC numbers.

Special Educational Needs (SEN)

Overview

The Council continues to face increasing financial pressures (against the schools budget) in relation to SEN provision due to rising demand. There are increasing numbers of pupils with Education Health and Care (EHC) plans requiring additional educational support as well as a rising number of SEN pupils in 'Out of Authority' specialist placements.

Strategy/Plan to manage demand

The *SEN Pupils' Placement & Sufficiency Strategy* details the Council's approach to developing a more sustainable system for commissioning placements for pupils with EHC plans through investing in and improving the capacity of mainstream and specialist schools.

Approach to forecasting demand

Assumptions of the Council's future SEN needs are set out in the strategy based on local (and regional) context, needs and trends. The strategy equally sets out the commissioning actions for managing SEN numbers. This has also informed the assessment of the funding gap in future years.

Allowable cost (& tolerances)

Current / future funding from the Government and contributions from schools have been taken into account in assessing the funding gap facing the Council. Commissioning actions / interventions have been costed and the impact reflected in the financial forecasts for SEN.

Homelessness

Overview

Homelessness and rough sleeping is on the increase both nationally and locally. Prevention is key in reducing homelessness but this is reliant on people seeking assistance at an early stage as well as workers/ officers identifying the risk of homelessness and putting in place appropriate support plans before people actually lose their homes. This is the focus of the new Homeless Reduction Act that came into force in April 2018.

Strategy/Plan to manage demand

Barnsley's new Homeless Prevention and Rough Sleeping strategy has recently been approved at:-

<https://www.barnsley.gov.uk/media/9406/homeless-prevention-and-rough-sleeping-strategy.pdf>

Approach to forecasting demand

The current forecast estimates the increasing demand for housing advice and support. This takes into account a significant rise in the use of temporary accommodation over the last couple of years. The projections also reflect an

increase in the numbers of single people presenting as homeless who have a range of complex needs (egs offending, mental health and substance misuse) which require a multi-agency response.

Allowable cost (& tolerances)

Spend on temporary accommodation is also set to increase next year although the Council is in the process of looking to potentially use vacant council house properties as a mitigation.

Travel Assistance/ Home to School Transport

Overview

The Council has a statutory duty under Section 508A and 508D of the Education Act 1996 to ensure travel assistance is made available to facilitate attendance at school for eligible children and students. Since 2016/17, there has been a significant increase in the number of children eligible for Home to School Transport which is linked directly with the increase in the number of SEN children.

Strategy/Plan to manage demand

As a result of the above and to fulfil its duty, Cabinet introduced an updated Home To School/College Travel Assistance Policy in February 2018 (link to the [Home to School Policy](#)).

This policy sets out the framework under which eligible children and students will be supported including the different travel options available for consideration to assist with managing demand.

Approach to forecasting demand

A detailed review of ongoing demand has been undertaken including a review of the following factors:

- Pupil school census;
- % of SEN pupils;
- Population data;
- % of pupils requiring travel assistance for SEN;
- Out of Borough Placements for SEN;
- Mileage Reimbursement numbers;
- Average travel cost per school day;
- Number of vehicles used per school day;
- Number of escorts used per school day.

The review has enabled the Council to accurately forecast future demand together with calculating an associated cost.

Allowable cost (& tolerances)

Different forms of Travel Assistance transport are considered and selected based on suitability, cost and availability. Route optimisation is regularly considered. The Council is also currently seeking to introduce a dynamic purchasing system for transport providers.

Other Demographic/ Demand - Waste Pressures

Overview

The Council, as part of its Local Plan, has housing growth aspirations to build additional properties within the Borough which will create additional demand for local services. Whilst some of this demand will be supported by the additional council tax income generated from these properties, additional investment is inevitably required for the services impacted by additional housing such as waste collection and disposal.

Strategy/Plan to manage demand

The Council in conjunction with three other South Yorkshire authorities, have adopted the South Yorkshire Municipal Waste Strategy. This strategy's has 5 key priorities covering; 1. educating South Yorkshire residents to recycle more; 2. providing a more reliable service; 3. delivering value for money; 4. improving technology and 5. influencing decision-making on waste at a European, national and local level in order to drive further investment into waste infrastructure in the Sheffield City Region economy.

Approach to forecasting demand

Using data gathered from a variety of sources (including current and forecast waste tonnage levels, recycling rates and current national policies such as plastic reduction), an annual assessment is made of the likely financial impact of the requirement for additional waste collection, disposal and recycling. A corresponding investment is made in the service to reflect the estimated demand.

Allowable cost (& tolerances)

The additional cost of waste collection and disposal is allowed for in the forecast.

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 COUNCIL TAX OPTIONS

1. Introduction

1.1 This report considers the calculation and options for setting Council Tax levels for 2020/21.

2. Basis of Council Tax Calculation

2.1 The following stages are involved in determining options for setting the Council Tax:

- 1) Determining the Council Tax base;
- 2) A review of past performance in collecting Council Tax;
- 3) Identifying the potential impact on the Council's Medium Term Financial Strategy of various Council Tax increases; and
- 4) Options for setting the Council Tax in the context of national and local policy.

Step 1 – Determining the Council Tax Base

2.2 The Council Tax Base represents the estimated number of chargeable dwellings in the area, expressed in terms of Band D equivalent properties after allowing for disabled persons relief, discounts and other statutory adjustments.

2.3 The calculation of the tax base is further complicated by the Government's Local Government Finance reforms that took effect from 1st April 2013. These changes are summarised below.

Local Council Tax Support Scheme

2.4 The Local Council Tax Support Scheme (LCTS) was introduced in 2013/14. Funding for the scheme forms part of the overall resources allocated to the Council as part of the Local Government Finance Settlement.

2.5 Following a public consultation on the scheme in Autumn 2019, the Council approved a new scheme to be implemented from 1st April 2020.

Technical Changes to Council Tax

2.6 Since 2013/14, local authorities have been afforded discretion to charge Council Tax on second homes and empty properties. The Council's current policy is as follows:-

- A discount of 0% be applied to second homes and empty furnished homes;
- A discount of 25% be applied to properties that are vacant and undergoing repair or major structural alterations for up to 12 months, or 6 months after the completion of works, whichever is shorter;

- A discount of 8.3% (1 month) be applied to properties that are vacant and unfurnished from the date the property becomes empty;
- A 100% premium be charged on properties which have been empty and unfurnished for in excess of two years; and
- A 200% premium be charged on properties which have been empty and unfurnished for in excess of five years.

2.7 The 2020/21 Council Tax Base report approved in January 2020 (Cab.8.1.2020/6 refers) set a tax base of 65,405.74.

Step 2 - Review of Performance in Collecting Council Tax

2.8 Cabinet has received a regular update on the performance in Council Tax collection. As at the end of Quarter 3 in 2019/20, the current performance was meeting the stretch target set at the start of 2019/20 financial year. As such, no adjustments have been made to collection rate targets for 2020/21. Collection rates will continue to be monitored throughout 2020/21 and reported to Cabinet accordingly.

Step 3 – Potential Council Tax Yields 2020/21

2.9 Table 1 below provides information on the estimated Council Tax yields that could be generated based on the currently estimated Council Tax base at different levels of tax increase.

Table 1 – Council Tax Options (2020/21)

% Increase	0% £M	1% £M	1.50% £M	2.00% £M	2.50% £M	3.00% £M	3.50% £M	3.90% £M
Council Tax Income	97.013	97.983	98.468	98.953	99.438	99.923	100.408	100.797
Collection Fund Surplus	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200
Total Council Tax Income	100.213	101.183	101.668	102.153	102.638	103.123	103.608	103.997

2.10 Each 1% increase in our Band D Council Tax generates additional income of approximately **£0.970M** per annum recurrently (0.5% = £0.485M).

2.11 Table 2 below provides an analysis of the impact of the various increases on the actual Council Tax for council services for each band.

Table 2 – Indicative 2020/21 Council Tax Levels for BMBC Services

% Increase	0.00%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	3.90%
Band A-	824.14	832.39	836.51	840.54	844.75	848.87	852.99	856.29
Band A	988.98	998.87	1,003.81	1,008.66	1,013.70	1,018.65	1,023.59	1,027.55
Band B	1,153.81	1,165.35	1,171.12	1,176.77	1,182.66	1,188.42	1,194.19	1,198.81
Band C	1,318.64	1,331.83	1,338.42	1,344.88	1,351.61	1,358.20	1,364.80	1,370.07
Band D	1,483.48	1,498.31	1,505.73	1,513.00	1,520.56	1,527.98	1,535.40	1,541.33
Band E	1,813.13	1,831.26	1,840.33	1,849.21	1,858.46	1,867.53	1,876.59	1,883.84
Band F	2,142.80	2,164.23	2,174.94	2,185.44	2,196.37	2,207.08	2,217.80	2,226.37
Band G	2,472.45	2,497.18	2,509.54	2,521.65	2,534.26	2,546.63	2,558.99	2,568.88
Band H	2,966.95	2,996.62	3,011.46	3,025.99	3,041.13	3,055.96	3,070.80	3,082.66

2.12 It must be noted that the final overall Council Tax increase for properties in the borough will also depend on the precepts levied by the Police and Fire Authorities. These are currently being discussed by the respective authorities. If the maximum increases are made during 2020/21 (assumed to be 2% for Police and 1.99% for Fire) it will equate to an additional 0.3% to the overall headline Council Tax increase.

Step 4 – Options for Setting Council Tax in the Context of National and Local Policy

Options for 2020/21

Council Tax Referendums and Council Tax Capping

General Services

2.13 Schedule 5 of the Localism Act introduced a new chapter into the 1992 Local Government Finance Act, making provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State and agreed by Parliament.

2.14 The Secretary of State for Housing, Communities and Local Government announced as part of the 2020 Local Government Settlement, that the referendum principles would be set allowing for up to a 2% increase in Council Tax for general (core) services, before the requirement to hold a referendum. There remains the option to increase Council Tax above 2% and thus hold a referendum. The cost of holding a referendum is estimated to be around £0.4M so any additional income received for increases above 2% would be needed to cover this cost.

2.15 The Council could agree an increase in Council Tax of say 1.90% without the requirement to hold a referendum. This would result in additional **permanent** base resources of £1.844M per annum.

Additional Flexibility for Adult Social Care Pressures

- 2.16 Members will recall the further flexibilities Government made to local authorities around the Adult Social Care (ASC) precept. This flexibility was offered in recognition of the increasing demand for ASC services arising from demographic pressures and the consequential impact on Council budgets and permitted authorities to introduce total increases of 6% over the period 2017-2020.
- 2.17 Such pressures have clearly impacted on Barnsley over the last three years and continue to increase moving forwards. The Council took the decision to implement the full 6% increase over the period (3% in 2017/18, 1.5% in 2018/19 and a further 1.5% in 2019/20).
- 2.18 As part of the one year settlement the Chancellor of the Exchequer announced a consultation process to allow a further ASC precept of upto 2% during 2020/21. If Members choose to take up the option of implementing a further 2% for ASC this would generate an additional £1.940M per annum over and above any agreed increase for general services.
- 2.19 Table 3 below provides an analysis of the impact of an additional 3.90% increase (1.90% for Core Services plus 2.0% for ASC) on the actual Council Tax for our residents for each band.

Table 3 – Indicative 2020/21 Council Tax Levels at 3.9%

		GENERAL INCREASE		ADULT SOCIAL CARE PRECEPT		CUMULATIVE INCREASE		2020/21 TOTAL	
% Increase	0.00%	1.90%		2.0%		3.90%			
BAND	Current Annual Charge	Annual Increase	Weekly Increase	Annual Increase	Weekly Increase	Annual Increase	Weekly Increase	Annual Cost	Weekly Cost
Band A-	824.14	15.66	0.30	16.48	0.32	32.14	0.62	856.29	16.47
Band A	988.98	18.79	0.36	19.78	0.38	38.57	0.74	1027.55	19.76
Band B	1,153.81	21.92	0.42	23.08	0.44	45.00	0.87	1198.81	23.05
Band C	1,318.64	25.05	0.48	26.37	0.51	51.43	0.99	1370.07	26.35
Band D	1,483.48	28.19	0.54	29.67	0.57	57.86	1.11	1541.33	29.64
Band E	1,813.13	34.45	0.66	36.26	0.70	70.71	1.36	1883.84	36.23
Band F	2,142.80	40.71	0.78	42.86	0.82	83.57	1.61	2226.37	42.81
Band G	2,472.45	46.98	0.90	49.45	0.95	96.43	1.85	2568.88	49.40
Band H	2,966.95	56.37	1.08	59.34	1.14	115.71	2.23	3082.66	59.28

Conclusion

- 2.20 Given the significant financial pressures that the Council continues to face, particularly in relation to Adult Social Care, Members will need to give careful consideration as to whether to:
- Increase Council Tax over and above the referendum cap and hold a referendum; or
 - Increase Council Tax up to the existing 2% referendum cap for general (core) services (proposal to increase by 1.90%);
 - Take up the flexibility of an additional increase of up to 2.0% to fund Adult Social Care pressures (proposal to increase by 2%).

BARNSELY METROPOLITAN BOROUGH COUNCIL

RESERVES STRATEGY UPDATE

1. Purpose of Report

1.1 The purpose of the report is to update the Council's Reserves position from the last report in February 2019, following the closure of the 2018/19 accounts and the announcement of the Government's single year spending review. The planning period has also been extended to 2022/23 to align with the Council's Medium Term Financial Strategy (MTFS).

1.2 The report will provide:

- a reminder of the Council's current Reserves Strategy;
- an updated Reserves position; and
- the level of available reserves along with a recommended approach for future investment.

2. Recommendations

2.1 **Note the updated reserves position shown in Table 1 totalling £251.0M;**

2.2 **Note the reserves available for investment in Table 7 totalling £33.9M (£20.8M General Fund and £13.1M Housing);**

2.3 **That SMT work up detailed options for investing in revenue and capital schemes aligned with the Council's corporate priorities and objectives as outlined in Section 5 and 7 of the report.**

3. Background

Reserves Strategy

3.1 The Council has a medium term financial planning framework that incorporates a rolling 3 year forecast and reserves strategy.

3.2 One of the key components of the Council's Reserves Strategy is to maximise balances / one off resources. This is done through a range of strategies / activities including:-

- establishing a rolling 5 year Asset Management Strategy that supports the national One Public Estate programme and seeks to maximise capital receipts through the sale of appropriate Council assets;
- implementing other strategies (e.g. External Funding, Commercial, Digital First) to ensure that we both maximise and efficiently use our available resources and in turn 'free up' the Council's balances for one off investments / commitments; and
- Delivering year end underspends to bolster the Council's reserves position wherever possible.

- 3.3 The Council's strategy for using available one-off resources to deliver our objectives is broadly outlined in our MTFS and fully detailed in the Capital Investment Strategy. It is based on the clear principle that we match ongoing spending requirements with ongoing income. As such, we only use one off reserves as a bridging strategy in very exceptional circumstances; something which has not been necessary for a number of years.
- 3.4 The Capital Investment Strategy sets out the framework for utilising the Council's available reserves which reflects the following criteria:-
- Setting aside contingencies required by Statute (e.g. Minimum Working Balance);
 - Setting aside provisions to fund known, one off service pressures / commitments (e.g. redundancy and pension costs);
 - Investing in 'one off' expenditure that delivers ongoing efficiencies / service improvement e.g. the Council's Invest to Grow Fund and/or its Commercial Fund; and
 - Investing in priority development / regeneration schemes focusing on, for example, inclusive growth;

Updated Reserves Position

- 3.5 The closure of the 2018/19 accounts and the announcement of the Government's one year spending review for 2020/21 has resulted in an updated balances position for the Council as at January 2020.
- 3.6 The closure of the Council's 2018/19 accounts resulted in additional balances to reflect the following:-
- an underspend on the Council's 2018/19 General Fund (GF) of **£0.737M**; and
 - an underspend on the Council's 2018/19 Housing Revenue Account (HRA) of **£1.247M**.
- 3.7 The one year Government spending review for 2020/21 has also provided additional one-off General Fund reserves to the estimated value of **£6.0M**. Government also announced one-off general funding (Social Care) estimated to be in the region of **£7.8M**.
- 3.8 Further resources are also expected to be received which are to be earmarked for specific purposes including **£2.8M** for SEND and **£2.1M** for other specific service priorities (e.g. Public Health / Troubled Families).
- 3.9 As mentioned, the Council has also extended its planning period to 2022/23. This releases further resources that are expected to materialise in the extended period. These are prudently assessed and any 'release' is only made after ensuring that the Council's spending profiles remain within 'banked' resources.
- 3.10 By extending the planning period to 2022/23, a further **£7.6M** is available for future investment in line with the borrowing allocation and other unallocated resources already included in the Council's MTFS. This is a modest allocation that reflects the S151 Officer's overall approach to minimise and manage the risks attached to the Council's overall debt levels whilst still providing for necessary and prudent investment in the Borough.

- 3.11 In addition, an allocation for other unbudgeted funding such as New Homes Bonus (NHB) is usually included when the Council's Reserves Strategy is rolled forward. It is, however, recommended that future projections beyond 2021/22 exclude NHB allocations at this stage because of the general uncertainty that exists around this particular funding stream. This recommendation will be reviewed after the Government's 3 year Comprehensive Spending Review (CSR) is announced (currently scheduled for the autumn of 2020).
- 3.12 Table 1 below summarises the Council's total balances as at January 2020. The position is in line with the Council's 2018/19 Statement of Accounts together with an estimate of future resources likely to be available.

Table 1: Total Available Resources 2019/20 - 2022/23 (as at September 2019)

	1 st April 2019 £M	Anticipated Resources £M	Total Balances £M
Reserves and Balance	145.184	43.206	188.390
Reserves – 1 Year Settlement (inc. Social Care monies)	-	13.850	13.850
Sub Total - GF	145.184	57.056	202.240
Housing Reserves and Balances	40.374	-	40.374
Berneslai Homes Company Surplus	8.410	-	8.410
Sub Total - Housing	48.784	-	48.784
GRAND TOTAL	193.968	57.056	251.024

- 3.13 It should also be noted that the Council has a proactive approach towards bidding for, and securing, external funding streams, most notably via Sheffield City Region. Maximising the Council's income streams is an integral part of our reserves strategy to support our capital priorities.
- 3.14 The current capital programme (2019-21) has some £43M of grants and third party contributions that help support our capital priorities. Some examples of the most significant contributions and funding sources are set out in Table 2 below.

Table 2: Major External Funding/ Contributions Supporting Capital Schemes

Scheme Description	Amount £M	Funding Source
M1 Junction 36 – Phase 1 Hoyland	9.8	Sheffield City Region Investment Fund (SCRIF)
M1 Junction 36 – Phase 2 Goldthorpe	7.0	SCRIF
Disabled Facilities Grant	6.7	MHCLG
Penistone School Extension	2.2	Basic Needs Grant
Cannon Hall	1.8	Heritage Lottery Fund
M1 Junction 37 Phase 1	1.7	SCRIF
Market Gate Bridge	1.6	Network Rail
Refurbishment of the Core Building	1.3	SCRIF
TOTAL	32.1	

4. Current Use of Reserves

- 4.1 As shown at Table 1, the total level of balances available to the Council through to 2022/23 is £251.0M. However, previous Council decisions have already committed the vast majority of these balances. A summary of the approved earmarkings / investments is set out in Table 3 with further details provided at paragraphs 4.2 – 4.6.

Table 3: Current Use of Available Resources 2019/20 - 2022/23

	Earmarked Under Statute (Para. 4.2) £M	Earmarked - Invest to Save/ Future Commitments (Para. 4.3) £M	Earmarked - Future Capital Investment (Para. 4.4) £M	Capital Programme Reserve (Para. 4.5) £M	Currently Available for Investment (Section 5) £M	Total Available Resources £M
Sub Total – GF	17.335	67.546	79.708	16.801	20.850	202.240
Sub Total – Housing	5.200	4.957	25.527	-	13.100	48.784
GRAND TOTAL	22.535	72.503	105.235	16.801	33.950	251.024

Resources Earmarked Under Statute

- 4.2 Certain resources are required to be earmarked under statute or are recommended to support good financial practice e.g. Minimum Working Balance (MWB). Table 4 summarises this category of earmarkings.

Table 4: Earmarked Resources Under Statute (as at 1st April 2019)

Investment	Amount £M	Description
General Fund		
Minimum Working Balance	15.0	MWB set aside as a contingency for unforeseen events.
School Balances	2.3	Balances held for maintained schools.
Sub Total - GF	17.3	
Housing		
Minimum Working Balance	5.2	MWB set aside as a contingency for unforeseen events.
Sub Total - Housing	5.2	
TOTAL	22.5	

Resources Earmarked for Invest to Save/ Future Commitments

- 4.3 Cabinet has previously approved reserves to be set aside to fund Invest to Save schemes or to provide for known commitments / pressures such as future Social Care pressures. These types of earmarking tend to be revenue in nature. Table 5 below highlights the most significant examples under this category.

Table 5: Earmarked for Revenue Commitments/Investment (as at 1st April 2019)

Investment	Amount £M	Description
Social Care	10.0	Resources set aside to fund future priorities/pressures in Social Care.
Capital Financing	9.7	Resources earmarked in accordance with the agreed Treasury Management Strategy (e.g. MRP/ BSF).
Budget Mitigation / Organisational Re-design	7.6	Reserves set aside to fund costs (e.g. redundancy & pensions) associated with planning for 2030.
Insurance Fund	6.2	Resources earmarked in accordance with the Council's Insurance Strategy.
Earmarked Grant Funding/Contributions	7.5	Specific funding where conditions are attached e.g. S75 NHS funding and Public Health Grant.
Directorate and Corporate investment / commitments	26.5	Investments / commitments approved for individual Directorate priorities e.g. Invest to Grow fund, District Libraries Review and Town Centre Estate Management.
Sub Total - GF	67.5	

Welfare Reform	3.0	Resources set aside to manage the impact of rolling out the Government's welfare reforms and Universal Credit.
HRA Business Plan Review	1.0	Resources held pending a review of the 30 year HRA Business Plan.
Other	1.0	Various other investments
Sub Total - Housing	5.0	
TOTAL	72.5	

Resources Earmarked for Capital Investments

- 4.4 Cabinet have previously approved capital investments and 'new start' programmes that have been funded from reserves. Such investments include the Glassworks project but other notable schemes are provided in Table 6.

Table 6: Earmarked for Capital Commitments/Investment (as at 1st April 2019)

Investment	Amount £M	Description
Glassworks	22.5	This amount reflects the <u>remaining</u> reserves set aside to fund the completion of the development. Further funding of £109M has also been approved via prudential borrowing and other contributions.
Digital Campus	15.3	Resources set aside to progress the redevelopment of the Courthouse site into a Digital Campus. It is proposed to develop a Digital Media Centre PH2/3, provide a housing offer and replace the lost car parking spaces.
Property Investment Fund	5.0	Remaining resources to complete PIF 2 and commence PIF 3.
Principal Towns	4.7	Remaining resources set aside to complete the Principal Towns Programme
Street Lighting LED Replacement	4.2	Resources set aside to complete the replacement of Group A and the remaining Group B street lighting lanterns from energy inefficient HID lanterns to energy efficient LED units.
Digital First and Other IT Investment	3.4	Investment to ensure the efficient rollout of the Digital First Strategy.
Other	24.6	Various other capital priorities
Sub Total - GF	79.7	
Development at St Michaels Avenue	4.7	The scheme seeks to build 37 new housing properties of which 18 will be affordable.
Development at King Street Hoyland	2.8	Mixed housing development.
Empty Homes Strategy	3.5	A strategy to bring back long term empty houses into use by supporting landlords or compulsorily acquiring properties.
Other Housing Priorities	14.5	Various Housing development schemes including the Council's new build programme.
Sub Total Housing	25.5	
TOTAL	105.2	

Capital Programme Reserve

- 4.5 As part of the 2019/20 budget setting process, the Council committed available balances to a number of capital investments including economic regeneration schemes. In light of this and the continuing uncertainty surrounding the UK's exit from the EU, the Council also agreed to set aside a reserve (**£16.8M**) to deal with any additional costs required to complete schemes already in delivery. It is already

evident that the purpose of the reserve is going to be realised as it appears increasingly likely that the Glassworks scheme, for example, will need to make a call upon it, to address an ever changing retail environment.

- 4.6 In addition, the current Capital Programme also includes a specific contingency of **£1.1M** for immediate, short term issues associated with existing schemes which can also be used to address any other urgent pressures that SMT / Cabinet identify. It is recommended that this is undertaken on a case by case basis.

5. Future Use of Available Resources

General Fund

- 5.1 As outlined at paragraph 3.7, a further **£6.0M** is available following the Government's 2020/21 Spending Review. Government have also announced one-off general funding for Social Care totalling **£7.8M**.
- 5.2 Additionally **£5.0M** of borrowing for modest and prudent Capital investment is also available from 2022/23.
- 5.3 A comprehensive review of the resources currently earmarked for commitments / investment purposes has also enabled the potential to release a further **£2.0M** of resources to be considered for future investments purposes.
- 5.4 This brings total general resources available for priority investment across the period to **£20.8M**.
- 5.5 The Council already has a framework in place for prioritising available resources. The prioritisation process, including establishing pipeline schemes, has been managed via the Capital Oversight Board and SMT with final proposals subsequently submitted to Cabinet for approval. These proposals and processes are considered in more detail in the Capital Programme report at Section 7.

Service Specific and SEND

- 5.6 Additional one off funding has also been announced for specific services. **£2.8M** is expected to be received to specifically support children with Special Educational Needs (SEND). This resource has been earmarked in line with the agreed SEND strategy. Further funding of **£2.1M** is also anticipated to support specific services (e.g. Public Health/Troubled Families) and has therefore been set aside to fund specific commitments in those areas.

Housing

- 5.7 The availability of funding for Council Housing totals **£13.1M**. This is comprised of £8.8M of available HRA reserves, derived from the total reserves set aside for housing growth priorities as at 1st April 2019. In addition to this, £1.0M of Berneslai Homes surpluses and £3.3M of Section 106 contributions specifically linked to housing are available for consideration.
- 5.8 It is recommended that available housing balances are set aside to specifically support the Council's Housing Strategy. Proposals for use of the available balance will be considered and submitted for approval in due course.

Table 7: Resources Available for Investment Purposes

	Existing Provision £M	One- Off Resources CSR £M	TOTAL £M	Already Committed £M	Total Available for Investment £M
<i>Sub Total – GF</i>	7.000	13.850	20.850	-	20.850
<i>Sub Total – Service Specific (Revenue)</i>	-	2.110	2.110	(2.110)	-
<i>Sub-Total – SEND Resources</i>	-	2.820	2.820	(2.820)	-
<i>Sub Total – Housing</i>	13.100	-	13.100	-	13.100
GRAND TOTAL	20.100	18.780	38.880	(4.930)	33.950
					Table 3

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**THE CAPITAL INVESTMENT STRATEGY
2020/21**

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1 EXECUTIVE SUMMARY

1.1 This Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017 which local authorities must 'have regard to' when carrying out their duties in England under Part 1 of the Local Government Act 2003.

1.2 The Capital Investment Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's [Corporate Plan](#) and the four core priorities that it looks to achieve:

- thriving and vibrant economy;
- people achieving their potential;
- strong and resilient communities; and
- one council.

1.3 This Capital Investment Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. It is also linked and cross-referenced to the Council's other strategies and plans.

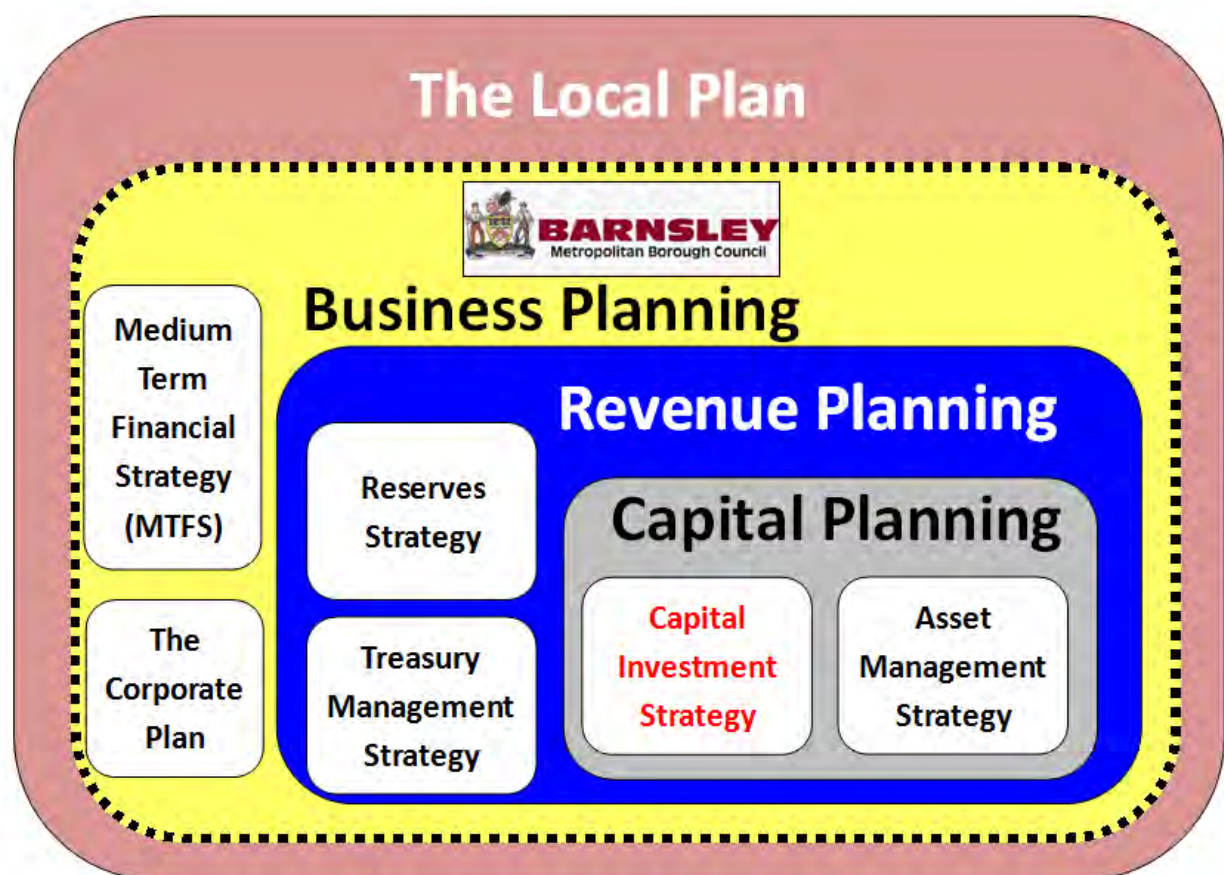
1.4 The objectives of the Capital Investment Strategy are to:

- Provide a framework together with a clear set of objectives, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities within the Council's Corporate Plan;
- Set out how the Council identifies programmes and prioritises funding requirements and proposals arising from business plans submitted through its Capital Oversight Board. This process establishes a stringent gateway appraisal mechanism comprising of an Outline Business Case (OBC), progressing to Full Business Cases (FBC) before the necessary approval;
- Link with the Council's revenue processes in respect of aligning available one off revenue resources to the Council's priorities. Ongoing investment proposals are dealt with through the Medium Term Financial Planning process;
- Consider options available for funding expenditure and how resources may be maximised to generate investment in the area. To determine a prudent, affordable and self-sustaining funding policy framework, whilst minimising or mitigating the ongoing revenue implications of any such investment;
- Identify the resources available for investment over the MTFS planning period;

- Ensure the strategy has an overall balance of risk on a range of projects over time, funding mechanism and rate of return; and establish effective arrangements for the management of expenditure including the assessment of project outcomes, budget profiling, deliverability, outcomes, value for money and security, liquidity and yield of investments.

2. STRATEGY FRAMEWORK

- 2.1 The framework established by the Prudential Code supports local strategic planning, local asset management planning and proper option appraisal.
- 2.2 This Capital Investment Strategy has been considered within the overarching context of the Council's adoption of the Local Plan, which sets out the long term, strategic plan for the Borough as a whole, delivered by the private sector, other public sector agencies and the Council.
- 2.3 The Local Plan considers the future use of all land within the borough, including Barnsley Town Centre, and establishes policies and proposals up to the year 2033. The Local Plan sets the framework that considers planning applications and coordinates investment decisions that affect the towns, villages and countryside of Barnsley.
- 2.4 The Local Plan includes policies to deliver:
- housing;
 - retail, leisure and commercial development;
 - education, health, police and community facilities;
 - support for transport, minerals, energy, telecoms, water supply and sewage treatment;
 - energy, including renewable sources;
 - the protection and improvement of historic and countryside areas; and
 - the protection of homes and properties from flooding.
- 2.5 The Capital Investment Strategy forms an fundamental part of the Council's overall planning process and, like the other budget papers, is formulated within the context of the overarching Future Council Strategy which establishes the principles by which the Council will achieve the overall Corporate Plan, including the Medium Term Financial Strategy framework
- 2.6 The Capital Investment Strategy is an integral part of the Medium Term Financial Strategy as it complements and informs various elements of the budget setting cycle, predominately the Treasury Management and Reserves strategies respectively.
- 2.7 The graph below shows how the Capital Investment Strategy fits into the wider planning framework and the links into the budget process.



- 2.8 There are extensive connections between the Council’s various strategies and plans due primarily to the way they interrelate with and inform each other. Where applicable, these are cross-referenced throughout the Capital Investment Strategy and vice versa.

3 CAPITAL EXPENDITURE

What is Capital Expenditure?

- 3.1 An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential Framework.
- 3.2 The Local Government Act 2003, which includes the legislation for the capital finance system, does not specify what precisely constitutes capital expenditure.

Instead it:

- Refers to “expenditure of the authority which falls to be capitalised in accordance with proper practices; and
 - Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall, or shall not, be treated as capital expenditure.
- 3.3 The Council defines capital expenditure/investment as “Expenditure on the acquisition, creation, or enhancement of non-current assets”. Non-current

assets include those items of land, property and plant/equipment, which have a useful life of more than one year.

3.4 The following categories of expenditure will require capital resources to fund their purpose:

- The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures;
- The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;
- The acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels;
- The making of advances, grants or other financial assistance towards expenditure or on the acquisition of investments;
- The acquisition of share capital or loan capital; and
- The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year.

3.5 Enhancement of an existing fixed asset means:

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of, or in connection, with the functions of the Council.

3.6 There are two additional situations where expenditure may be capitalised:

- The Secretary of State makes a direction that the expenditure is permitted to be treated as capital expenditure. For example, the Secretary of State issued a capitalisation direction to allow local authorities the opportunity to apply for redundancy expenditure to be treated as capital instead of revenue. These directions are only issued in exceptional circumstances; and
- Expenditure incurred on works to any land or building in which the Council has no future direct control or benefit from the resultant assets, which would be capital expenditure if the local authority had an interest in that land or building. This is commonly known as (Revenue Expenditure Funded by Capital Under Statute) (REFCUS).

3.7 Unless expenditure qualifies as capital, it will normally fall outside the scope of the framework and therefore be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of

capital, there may be an opportunity to finance the outlay from available resources (reserves / receipts) or by spreading the cost over future years' revenues (borrowing) where it is prudent to do so.

De Minimis

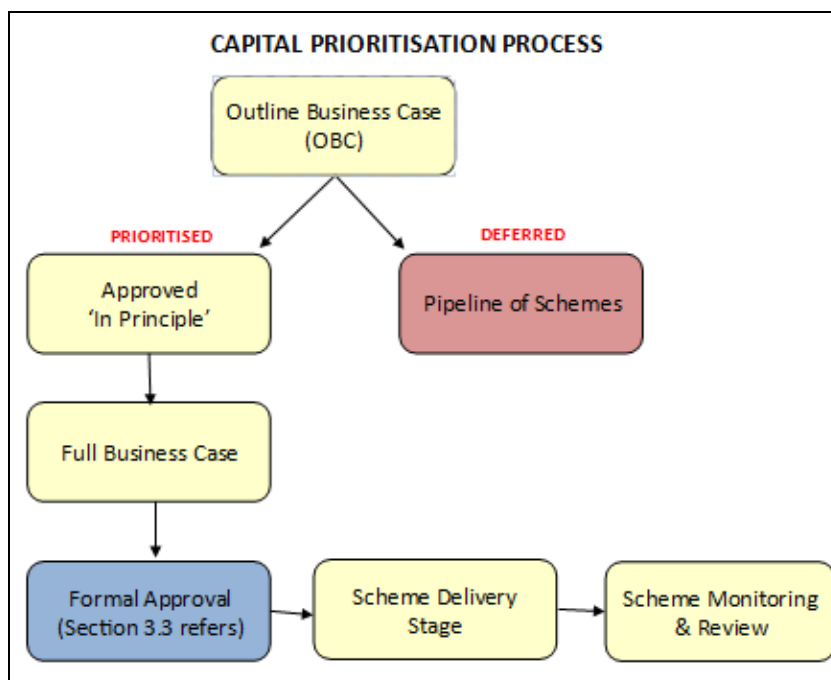
- 3.8 The Council operates a de-minimus limit of **£10,000**. This means that, whilst expenditure may meet the definition of capital expenditure, the Council will treat that expenditure as revenue, if the amount is below the de-minimus threshold.

Flexible Use of Capital Receipts

- 3.9 The Council also has the opportunity to utilise its capital receipts (which are ordinarily to be used on capital expenditure), on revenue expenditure relating to service transformation projects that are expected to generate revenue savings to the Council.
- 3.10 Some examples include: funding the cost of service reconfiguration, restructuring or rationalisation, sharing the costs of senior management, improving systems and processes to tackle fraud and corruption and setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue.
- 3.11 The Council has, at this time, not exercised this flexibility.

Capital Programme Governance & Prioritisation Process

- 3.12 The nature of capital schemes means that they are often, complex, high risk, high profile and are delivered over a multi-year period. Additionally, the implications and legacy of capital schemes are far reaching.
- 3.13 For these reasons, it is important that the Council adopts and maintains a consistent and robust approach to the development, prioritisation and delivery of capital schemes.
- 3.14 As part of the governance arrangements embedded within the One Council Framework, the Capital Oversight Board is an established body within that overall governance structure.
- 3.15 The main responsibility and focus of the Capital Oversight Board is to review, challenge and ultimately prioritise capital projects as they work through the capital framework (outlined in the paragraphs below), ensuring alignment to the Council's overall corporate priorities within the finite resources that are available.
- 3.16 The prioritisation process is shown in the figure below and each stage is explained in the subsequent paragraphs.



Outline Business Case

- 3.17 At this stage, services complete an outline business case, which demonstrates their proposal from a high-level point of view including, for example, the indicative financial requirements, the anticipated financial and non-financial returns and how the proposal would contribute to the Council's objectives.
- 3.18 Members of the Capital Programme Oversight Board then rank each outline business case based on the initial assessment against four scoring and three non-scoring criteria as described below:

No.	Scored Criteria	Scoring Weighting	No.	Non-Scored Criteria
1	Does the proposal deliver efficiency (financial and non-financial) and / or clear return on investment?	30%	1	Impact on corporate priorities
2	Will the proposal lever in other funding sources and investment? E.g. voluntary sector, private sector, SCR	30%	2	Is the investment required for staffing?
3	What are the measurable outputs / outcomes?	20%	3	Timing of return on investment
4	Is there a clear and robust evidence base for doing the scheme?	20%	4	Inclusive Economy Impact

- 3.19 The Council's scoring process evolves over time to take account of the fluidity in respect of emerging priorities, providing flexibility in terms of aligning resources to those priorities at that time. The key themes in respect of the Council's priorities for 2020/21 are described in the table below:

No.	Council Priority Area	Potential Proposals
1	Supporting wellbeing and managing demand for statutory services	Initiatives to support children with SEND to stay in mainstream education and reduce waiting lists for CAMHS. Adult mental wellbeing and suicide prevention initiatives. Work with adolescents to reduce entry to care and reduce

		teenage pregnancy. A range of active travel and healthy environment initiatives including introduction of water fountains in public spaces.
2	Improve the efficiency of the Council / invest to save	Investment in digital marketing to promote council services (e.g. recycling), investing in the skills and wellbeing of the workforce; improve throughput of TRO's / review and implementing CHATBOTS to deal with simple customer enquiries.
3	Positive environmental impact / zero carbon objectives;	Increasing the range of recyclable materials; rolling out a tree-planting programme; improvements to cycling infrastructure and promoting the use of hydrogen as a fuel to help decarbonise the borough.
4	Support the renaissance of the town centre and principal towns	Removing barriers which prevent people benefiting from economic investment including: targeting ASB hotspots; employing additional town centre wardens; town centre cleanliness; continuing with the street pastor initiative; investment in a new town centre radio system and enhancing the town centre event offer.
5	Support the growth of the digital sector in Barnsley	Initiatives to grow the digital sector in Barnsley including: promoting digital connectivity in SME's; demand stimulation for South Yorkshire Superfast Broadband; promoting the use of 5G and supporting a third round of the Internet Of Things project.
6	Make a visible difference in communities	Borough wide investment supporting local communities including a further £10k per ward alliance; purchase of electric mobility bikes and mobile sensory equipment; additional seasonal grass cutting and planting; enhanced gully / kerb block cleansing and the continuation of the Rose Voucher Scheme.

3.20 The Council's one off revenue investments are to be also considered against the same emerging Council priorities. Any ongoing investments will continue to be dealt with through the Council's Medium Term Financial Planning process.

3.21 The outline business cases are ranked into score order and considered against the total resources identified at that time which results in two lists:

- Pipeline of schemes; and
- Schemes approved in principle.

Pipeline of Schemes

3.22 The pipeline of schemes represents those schemes that are not currently prioritised under the above process and are in effect deferred in terms of progression at that point. Where future resources are identified, these schemes are considered together with all other identified schemes including any new emerging priorities to derive a live pipeline of schemes.

Approved 'in Principle' Schemes

3.23 Once schemes have been prioritised, they are deemed approved 'in principle' which means that, given the outline business case, the project is approved to progress through to the full business case stage. The terminology of 'approved in principle' is to distinguish between this and formal Cabinet approval.

- 3.24 Ordinarily, the 'approved in principle' schemes are included in the budget papers that are considered by Cabinet. At this stage, Cabinet would be provisionally approving the setting aside of the resources for such schemes whilst awaiting subsequent reports outlining the detailed business case and associated funding implications.
- 3.25 It should be noted that this list is not intended to be a static position, it is meant to be fluid to allow flexibility in terms of dealing with any unforeseen emerging priority that becomes apparent. A reprioritisation exercise would be undertaken to include the revised priority if it was deemed more of a priority than other schemes, obviously managed within the finite financial envelope at that point in time.

Full Business Case

- 3.26 Each scheme is then subject to a full and detailed business case, that gives further information around the particulars of the scheme. These business cases are presented to the Capital Oversight Board and SMT respectively, where they are scrutinised and challenged on their robustness and the assumptions therein. Any amendments are weaved in, where applicable, and subsequently signed off as approved to progress to the next stage by the Board.

Formal Approval

- 3.27 A formal approval report is then sought outlining the proposal to be considered by the appropriate approval level. The type of formal approval is dictated by the overall capital value of the scheme and follows the Authority's governance and approval arrangements, as outlined in paragraph 3.14.

Scheme Delivery Phase

- 3.28 Once approved, the scheme is consolidated into the Council's capital programme and budget assigned as per the approvals accordingly. Project managers can commence incurring expenditure against that budget and the scheme is in delivery phase.

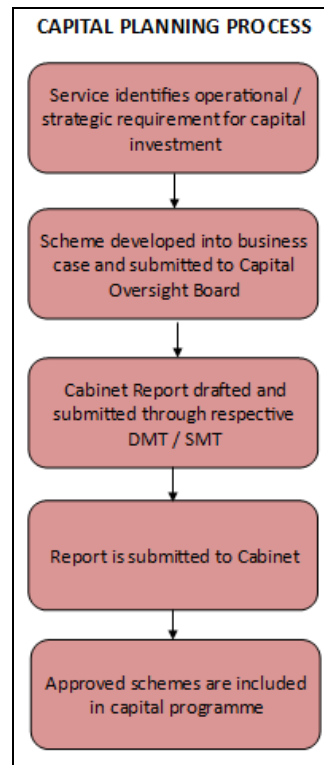
Scheme Monitoring & Review

- 3.29 During the delivery phase, project managers work closely with finance staff to monitor the financial position over the life of the scheme and identify any potential issues relatively early to allow mitigation actions to be implemented.
- 3.30 Updates on both the operational and financial performance of each scheme are given to the Capital Oversight Board on a quarterly basis as well as being included in the overall Council capital programme quarterly budget monitoring reports that are presented to Cabinet throughout the financial year.
- 3.31 Upon completion of the scheme, an investment benefits template is completed by the project manager and submitted to the Capital Oversight Board with the intention of presenting the realised benefits from the

scheme and any learning points, positive or negative, for consideration on future schemes.

Capital Planning & Approval Process

3.32 The Council's capital planning process is shown in the figure below and each stage is explained in the subsequent paragraphs. The process is continuous throughout the financial year with the main budget-setting element at the start of the financial year seen as the major component to it.



Service Identifies Requirement

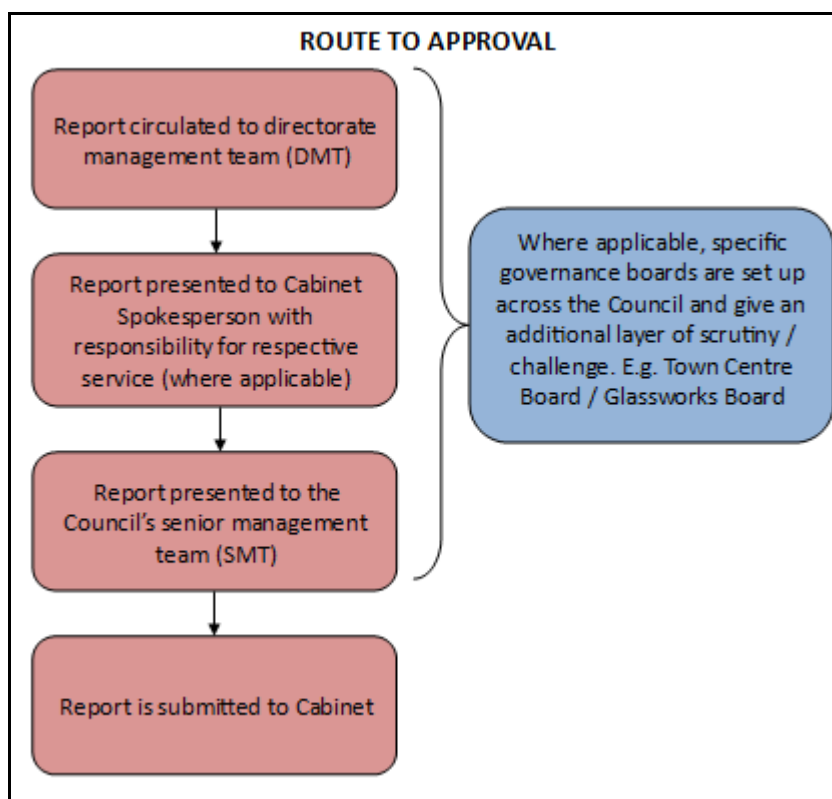
3.33 Through the Council strategic planning arrangements, individual business units are responsible for setting their own objectives, aligned to the Council's overall corporate plan. Where a requirement is identified, whether it be strategic or for service delivery, these requirements are built into both operational and financial plans and duly considered.

Scheme Developed to Business Case

3.34 Schemes that are deemed priority require the compilation of a business case irrespective of whether specific funding has been sourced or it requires a call on the Council's overall available resources (identified through the Reserves Strategy). A business case is compiled in conjunction with the process explained in paragraph 3.16. The implications from both capital and revenue perspectives are considered using a whole life cycle costing methodology.

Cabinet Report Produced

- 3.35 Once the business case is established, formal approval is sought and drafted for consideration through the Council's reporting framework, which ordinarily goes through the following route:



Reports Submitted for Approval

- 3.36 The annual budget papers for both the General Fund and the HRA are submitted to Cabinet for approval in January (HRA) and February (General Fund) respectively. These papers include indicative capital programmes for both areas, which include a combination of a high-level split between high-level work programmes and detailed schemes at this stage. Cabinet are, at this stage, approving the high-level resource allocations matched to the respective work programmes.
- 3.37 The budget papers incorporate both recurrent external resources that the Council receives, typically via government grants and the Council's own one off resources as identified through its Reserve Strategy and Borrowing Strategy. The Council updates its Reserves Strategy periodically throughout the financial year as the budget monitoring position develops and other issues emerge.
- 3.38 Where external funding bids are to be considered in the context of the above, the Council follows the principles set out in its Capital Funding Approach (section 5.38 refers) in respect of the holistic approach adopted. Furthermore, additional elected member consultation is sought at this point via the respective Cabinet representative for the service preparing the bid.
- 3.39 Individual services that are responsible for those work programmes then submit subsequent Cabinet reports that outline, on a more granular and

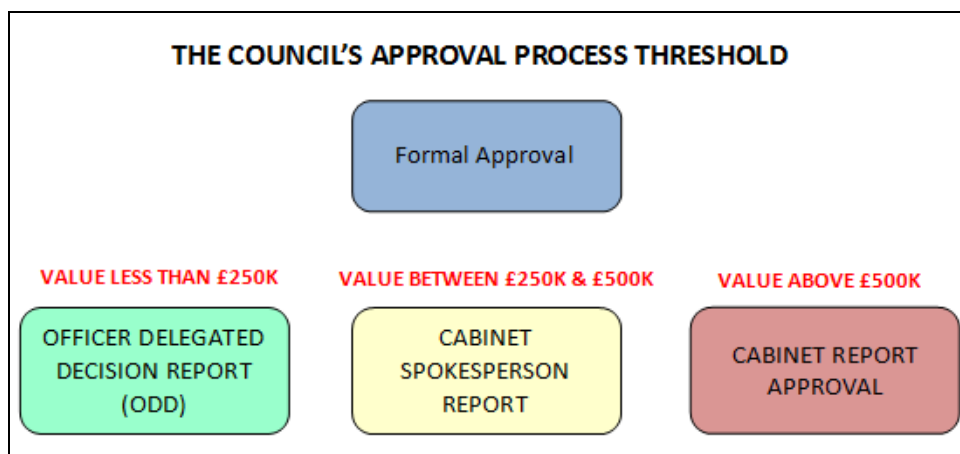
detailed basis, how the resources set aside intend to be used on a scheme by scheme basis. This is based on a business plan that has been through the capital oversight board process. Cabinet are, at this stage, approving the capital expenditure plans.

Approved Schemes Included in Capital Programme

- 3.40 Following approval by Cabinet, these proposals, and their financial plans are included within the Council’s Capital Programme and the individual schemes can commence in terms of delivery. See paragraphs 3.29 to 3.31 for commentary on the monitoring and review process.

Capital Programme Approval Thresholds

- 3.41 The Authority’s constitution, financial regulations and governance arrangements set out the approval process, which governs the Council’s capital programme.
- 3.42 The figure below sets out the type of approval required for each respective range thresholds for values of individual capital schemes. It should be noted that these thresholds are applicable only for schemes that are fully funded. Where the proposal is unfunded, such schemes require Cabinet approval regardless of value.



- 3.43 Where a proposal is politically sensitive, then, at the discretion of SMT, these particular reports may be submitted to Cabinet, regardless of value.

Capital Planning Strategy

- 3.44 The Council will therefore pursue an active strategy that incorporates the following processes:-

- Where specific, external, ring-fenced resources are received, the responsible service prioritises the resources to the areas of greater need (using highways asset condition survey for example) within the requirements and stipulations within those specific funding agreements (e.g. School Condition Grant);
- Where the Council receives general funding that have no restrictions, including its own resources, due consideration is given to the

prioritisation process as described in paragraphs 3.17 through to 3.31 in the financial envelope identified. Reprioritisation exercises can take place as and when new priorities emerge;

- Consideration for using borrowing / leasing will be undertaken for specific gap funding requirements only where the risk resides with the developers and not with the Council. The significant investment in the Glassworks Scheme in the medium terms means that only prudent and modest additions to the borrowing requirement will be considered and such schemes will be subject to a rigorous analysis to ensure that there is a strong evidence base for the expected future income streams/ economic return.

2020 Capital Programme

- 3.45 The Council is required to present to Cabinet for approval, its capital investment programme on an annual basis for both the general fund and HRA, that are included in the papers to Cabinet in February (GF) and January (HRA) respectively.

Area	Date Approved	Cabinet Ref
General Fund	On the agenda with this Capital Investment Strategy	N/A
Housing Revenue Account	8 th January 2020	

- 3.46 These papers outline the position for the forthcoming financial year then give an indicative position for the subsequent four years to give an outlook over the medium term 5-year period. The respective programmes are set within the context of this Capital Investment Strategy.
- 3.47 In addition, the capital plans from previous financial years are still included in the programme as multiyear capital projects finalise and complete.
- 3.48 Each project, for reporting purposes, is aligned to the council priority that it contributes towards. The table below shows the capital programme including the 2020/21 budget setting papers for an indicative snapshot of the entire approved programme.

3.49 Indicative Capital Programme for 2019/20 through 2024/25 per Corporate Priority

<u>Corporate Priorities</u>	<u>Corporate Outcomes</u>	Existing GF Capital Programme £M	New Approvals - GF £M	Existing HRA Capital Programme £M	New Approvals - HRA £M	New Approvals – Specific Funding £M	Total BMBC Capital Programme £M
STRONG & RESILIENT COMMUNITIES	(1) Create More & Better Jobs & Good Business Growth	22.840	-	-	-	-	22.840
	(2) Increase Skills To Get More People Working	-	-	-	-	-	-
	(3) Develop A Vibrant Town Centre	165.936	2.000	-	-	-	167.936
	(4) Strengthen Our Visitor Economy	7.638	-	-	-	-	7.638
	(5) Create More & Better Housing	11.149	-	43.889	117.438	2.976	175.452
	Sub Total	207.563	2.000	43.889	117.438	2.976	373.866
PEOPLE ACHIEVING THEIR POTENTIAL	(6) Every Child Attends a Good School	9.073	-	-	-	5.880	14.953
	(7) Early, Targeted Support For Those That Need It	0.035	-	-	-	-	0.035
	(8) Children & Adults Are Safe From Harm	0.254	2.106	-	-	-	2.360
	(9) People Are Healthier, Happier, Independent & Active	3.028	-	-	-	-	3.028
	Sub Total	12.390	2.106	-	-	5.880	20.376
THRIVING & VIBRANT ECONOMY	(10) People Volunteering & Contributing Towards Stronger Communities	-	-	-	-	-	-
	(11) Protecting The Borough For Future Generations	41.326	6.320	-	-	4.653	52.299
	(12) Customers Can Contact Us Easily & Use More Services Online	0.326	-	-	-	-	0.326
	Sub Total	41.652	6.320	-	-	4.653	52.625
	Total	261.605	10.426	43.889	117.438	13.509	446.867

3.50 **Indicative Revenue Investments for 2019/20 through 2024/25 per Corporate Outcome**

<u>Revenue Investments</u>	2019/20	2020/21	Future Years	Total Revenue Investment
	£M	£M	£M	£M
Supporting Wellbeing and Managing Demand for Statutory Services	0.135	3.139	0.582	3.856
Improve the Efficiency of the Council / Invest to Save	0.030	0.875	-	0.905
Positive Environmental Impact / Zero Carbon Objectives	0.040	0.740	-	0.780
Support the Renaissance of the Town Centre and Principal Towns	0.033	1.256	0.133	1.422
Support the Growth of the Digital Sector in Barnsley	-	0.400	-	0.400
Making a Visible Difference in Communities	0.480	1.086	0.075	1.641
Total	0.718	7.496	0.790	9.004

4 THE COUNCIL'S CAPITAL ASSETS & MANAGEMENT OF THOSE ASSETS

What Type of Capital Asset Does The Council Control?

- 4.1 The Council is responsible for a wide variety of capital assets, which are located physically throughout the Borough. The Authority controls, but not necessarily legally owns, these assets for a number of reasons:
- firstly, the Council may have inherited them as part of local government reorganisation and by virtue of the existence of the Council in its legal capacity as a local authority e.g. the road network and heritage assets;
 - secondly, the assets could have been purchased or enhanced by the Council through capital investment via its capital programmes over the years e.g. Industrial Sites and software packages such as SAP;
 - thirdly, the Council could have leased or financed the assets via PFI agreement e.g. BSF Schools and leased fleet vehicles; or
 - finally, the assets could be held as a strategic decision made by the Council e.g. loans made to third parties of financial assistance.
- 4.2 These assets are shown in the table below, with their respective value to the Authority as at the 31st March 2019, in accordance with the regulatory reporting requirements. It must be noted that these values do not necessarily constitute what the Authority actually paid for the assets as the asset base is regularly reviewed to reflect their current existing use 'value' and depreciated over its useful life.
- 4.3 It is important to understand the make-up of the overall Council asset base when considering this Capital Investment Strategy from the contextual viewpoint that ultimately the Council's capital (and revenue) programmes contribute towards maintaining, enhancing and adding to this asset base. A synopsis of each category, together with illustrative examples and commentary of any specific issues is shown in the subsequent paragraphs.

Asset Category	Value as at 31st March 2019 £M
Council Dwellings	564.595
Other Land & Buildings	280.804
Vehicles, Plant, Furniture & Equipment	5.709
Infrastructure Assets	257,291
Heritage & Community Assets	10.427
Assets Under Construction	36.876
Surplus & Held for Sale Assets	8.995
Intangible Assets	1.109
Long Term Investments	4.537
Long Term Debtors	2.333

Council Dwellings

- 4.4 Council dwellings represent the Council's social housing stock held in its role as housing authority, which are held in the Council's HRA and are required to be separately treated from GF activity as per the statutory ring-fence arrangements.
- 4.5 The Council's dwellings are subject to a decency standard, called the Barnsley Home Standard, which continues the Decent Homes Standard as previously set out by Government. Within this context and as part of the HRA budget process, significant capital investment plans are proposed, in conjunction with the 30-year HRA business plan that ensures that this decency standard is maintained.
- 4.6 A further issue in respect of the council dwelling stock is the Right to Buy (RTB) agenda introduced by Government, which allows, within certain parameters, council tenants the right to buy their council home at a discount. To part mitigate the impact of this and again, as part of the HRA budget setting process, capital investment is planned in purchasing empty homes and new build programmes within the Borough to recycle back into the housing stock.
- 4.7 In respect of the maintenance of the Council's dwellings, the HRA revenue budget sets aside a significant maintenance budget to ensure the upkeep of its dwelling portfolio. The HRA planned maintenance programme is outlined in paragraphs 4.59 through to 4.63.

Other Land & Buildings

- 4.8 Other land and buildings represent other operational assets of the Council, used in the provision of services, with examples including industrial estates, leisure centres and maintained schools.
- 4.9 The Asset Management Strategy sets out the Council's approach in respect of the management of its land and buildings, and is explained in further detail at paragraphs 4.28 and 4.29.
- 4.10 With respect to maintenance of these assets, the Council has a planned maintenance programme that ensures the upkeep of these assets, which is outlined in paragraphs 4.55 through to 4.58.

Vehicles, Plant, Furniture & Equipment

- 4.11 The vehicles, plant, furniture & equipment category is relatively self-explanatory and includes both leased and owned assets including wheeled bins, waste disposal vehicles and computer hardware.
- 4.12 The Council has a vehicle replacement programme and an IT Technology Refresh programmes to cater for future requirements in those areas. The vehicle replacement programme is applied in the context of the Fleet Strategy, which provides the overarching approach to how the Council disposes, and acquires its fleet vehicles (paragraphs 4.38 through 4.41 refers). Both of these programmes are managed in line with customer requirements and service needs accordingly.

- 4.13 In terms of replacement / renewal, where a priority is identified relating to VPF&E and necessitates an additional call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Infrastructure Assets

- 4.14 Infrastructure assets are assets relating to roads, cycleway and footpath networks as well as its structures, street furniture, traffic management systems, street lighting and highway land.
- 4.15 The Highways Asset Strategy, as summarised in paragraphs 4.32 through to 4.37 below, demonstrates how the Council manages these assets over the medium term in respect of both maintenance and adoption of whole lifecycle costs that determines the approach of renewal and appropriate treatment.

Heritage & Community Assets

- 4.16 Heritage assets are assets that have historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for its contribution to knowledge and culture. Community assets are assets held in perpetuity by the Council for the benefit of its residents, often with some restriction on future disposal.

Assets Under Construction

- 4.17 Assets under construction are capital assets that have yet to become operational at the reporting date i.e. they are still under construction and are not currently delivering services.

Surplus & Held for Sale Assets

- 4.18 Surplus assets are assets that are deemed surplus insofar as they are no longer providing services on the Council's behalf, but they are not designated held for sale.
- 4.19 Assets Held for Sale are assets that are, in financial reporting terms, designated as held for sale which means they are actively being marketed and there is an expectation that these assets will be sold within the next 12 months.
- 4.20 The Asset Management Regeneration & Growth Plan, outlined in paragraph 4.30 to 4.31 would consider such assets against potential disposal requirements.

Intangible Assets

- 4.21 Intangible assets are non-physical; capital assets held by the Authority, examples include software packages.
- 4.22 In terms of replacement / renewal, where a priority is identified relating from an intangible asset point of view, if the proposal meant an additional

call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Long Term Investments

- 4.23 Long-term investments in this context relate to strategic decisions made by the Council to invest in certain special purpose vehicles (SPV's) and partner organisations that support front line service delivery, which used capital resources to originally fund them – as opposed to treasury management investments that are purely for cash flow activity.
- 4.24 Where these shares/investments are redeemed, the receipt is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those receipts on a prudent basis.

Long Term Debtors

- 4.25 Similar to the long-term investments as outlined in paragraph 4.23 above, long term debtors in this context relate to strategic decisions made by the Council in respect of granting financial assistance and support to partner bodies as long term loans, again, using capital resources to originally fund these.
- 4.26 When these loans are repaid to back to Council, the repayment is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those types of receipts.

Asset Management Strategies / Plans

- 4.27 The Council has a number of strategies relating to its assets to ensure that they are still fit for purpose and are as efficient as they can be as a strategic asset base in supporting Service Departments to provide services to the taxpayer. Each of the following strategies has significant influence on the Council's capital programme and assists in shaping its priorities moving forwards.

Asset Management Strategy

- 4.28 Asset Management Strategy seeks to demonstrate that the Council is employing good practice in the management of its assets and is supporting the Council's strategic goals.
- 4.29 The Asset Strategy sets out the Council's key ambitions for the borough, taking into consideration six main themes:
- *Theme 1 - Opportunity Gap* - identifying and addressing the barriers and challenges to eliminate the opportunity gap and release the full potential in the Council's assets. Developing clear pathways to supporting the goals of other corporate plans and strategies;
 - *Theme 2 - Accelerated Growth Sites* - supporting regeneration and growth strategies to accelerate development opportunities. Building strong and lasting relationships with developers;

- *Theme 3 – Communities* - building strong and inclusive communities using asset based community development. Galvanising the strengths that already lie within communities to bring people together;
- *Theme 4 - One Public Estate* - supporting joint working across the public sector organisations to release land and property and boost economic growth, regeneration and integrated public services;
- *Theme 5 - Accommodation & Workstyle* - ensuring that our accommodation supports flexible and agile working. To provide reliable and efficient technology to mobilise employees and enable better and more efficient ways of working;
- *Theme 6 - Energy Management* - minimising our energy consumption and promotion of energy efficient design in new and refurbished buildings. Promotion of renewable energy.

Asset Management / Regeneration & Growth Plan

- 4.30 Following from the context set out in the Asset Management Plan, the Regeneration & Growth Plan outlines and identifies a rolling programme of potentially surplus land and property assets for future year's disposals and/or regeneration.
- 4.31 The Regeneration & Growth Plan supports the Medium Term Financial Strategy and Reserves Strategy respectively by identifying the potential level of one off resources that may be available to support the overall Capital Investment Plan through the maximisation of capital receipts and development opportunities arising from the ongoing review of the Council's assets.

Highway Asset Management Strategy

- 4.32 A high quality highway network asset will contribute to the Council's corporate priorities for growth and prosperity by supporting economic growth through business, commuting and leisure activities.
- 4.33 To achieve this ambition, a whole-life approach to the management of the highway asset has been embraced by building in best-practice methods to deliver the optimum value for money. This output-based approach allows consideration of wider strategic objectives whilst factoring in local priorities. The resulting analysis seeks to ensure that our forward maintenance programme meets the needs of the council and its wider community.
- 4.34 Using this intelligence based approach for the identification and prioritisation of planned maintenance, we will develop long (5+ years), medium (3 year) and short-term (annual) programmes for the asset with prioritisation being transparent and evidence based.

- 4.35 Life cycle plans will consider the condition of the asset and assess its future performance by applying agreed risk and investment policies, which will be used to develop the works programmes and strategies required to achieve our service objectives.
- 4.36 The Council will seek to maintain a record of the entire asset, from creation to disposal, which will encompass the main work activities used in the management of a highway network:
- 1) *Operations and Maintenance*: Activities undertaken to ensure the efficient operation and serviceability of the asset;
 - 2) *Renewal*: Provision for progressive replacement of individual assets that have reached the end of their useful life and which cannot be sustained by routine maintenance alone; and
 - 3) *Development*: Improvement of systems that currently perform below set target service standards or that need upgrading to meet future demand.
- 4.37 From this collated information, appropriate maintenance interventions are derived in accordance with the principles of whole life costs with the aim of maximising our resource to extend the life of the asset.

The Fleet Strategy

- 4.38 The Council currently operates and maintains a fleet of over 440 vehicles, plant and equipment. These assets range from a waste disposal vehicle and a tractor to a simple car.
- 4.39 On average, Council vehicles have a useful life of between four and eight years. The actual useful life depends for example on the type of vehicle, how well the vehicle is maintained, service requirements and cost of financing.
- 4.40 A rolling replacement programme is undertaken in line with the asset's useful life and available resources. Before a vehicle is replaced, consideration is also given to a number of other factors. These include:
- Current and future service delivery needs;
 - Alternative options e.g. does the vehicle have multiple uses or is there another way in which the service can be delivered without the use of the vehicle;
 - Consideration of technological advances including introduction of electric vehicles; and
 - Financing options including lease or buy.
- 4.41 In order to seek approval to undertake vehicle replacement(s) a report is presented to Cabinet periodically, which identifies those vehicles to be replaced as well as highlighting what consideration has been given to the factors above.

Housing Strategy

- 4.42 The Council's Housing Strategy builds on housing and regeneration initiatives that have been delivered across the borough. It also builds on the progress that Barnsley has made over a number of years towards achieving the long-term goal for the borough as 'a successful, uniquely distinctive town that offers prosperity and a high quality of life for all'.
- 4.43 It sets out the Council's ambitions for housing provision, investment and management in the borough over the next 20 years. The Council is prioritising actions with a series of four-year delivery plans, including the issues that are expected to be tackled first and the issues we expect to address over the long term. The plans will also show how we will use our resources and influence partners, particularly the private sector, to achieve our goals.
- 4.44 The housing delivery plan considers five main strategic objectives:
- Support new housing development;
 - Build high quality, desirable and sustainable homes;
 - Make best use of and improve existing housing stock;
 - Develop strong and resilient communities; and
 - Support younger, older and vulnerable people to live independently.

Transport Strategy

- 4.45 The Transport Strategy identifies and prioritises transport interventions associated with sustainable development to meet aspirations as set out in the Council's Local Plan, the Jobs and Business Plan, the Housing Strategy, Economic Strategy and the Energy Strategy.
- 4.46 Many of the local accessibility and highway interventions will be delivered by the Council but it is also necessary to also work with partner organisations at a local, regional and national level to deliver this strategy. These will encompass other local authorities, local community groups, transport operators, health agencies, the South Yorkshire Passenger Transport Executive, Local Enterprise Partnership, Sheffield City Region, Leeds City Region, Highways England, Network Rail and Government Departments.
- 4.47 It is the Council's priority for transport investment to support economic growth and to achieve a safe, sustainable community. The Council will utilise funding from a variety of sources to realise our ambitions that in turn are supported by a robust modelling and evidence base.
- 4.48 The four key transport priorities within the Transport Strategy sets out how the Council will achieve our vision to promote economic growth and improve the quality of life of Barnsley's residents and are shown below:
- Promote Economic Growth and Strategic Connections;
 - Promote Inclusion, Accessibility, and Better Quality of Life;

- Promote High Quality Natural Environment, Local Air Quality and Climate Change; and
- Promote Safety, Security and Health.

Jobs & Business Growth Plan

- 4.49 The Jobs and Business Growth Plan was launched in 2014 and established a framework to deliver a number of key projects that would set Barnsley on the path of reshaping its economy to close the jobs and business gap.
- 4.50 The strategy has five key programme areas (Attracting Inward Investment, Investing in Infrastructure, Improving the Town Centre, Growing Existing Businesses and Higher Value Start-Ups) and originally identified 25 key projects.
- 4.51 The key headlines are shown below:
- **Invest in Infrastructure** - Property Investment Fund (PIF) is a package of support, which is in place to help address market failure and encourage speculative development in key strategic employment sites;
 - **Town Centre** – a clear strategy for the regeneration of the town centre is being implemented and significant progress has been made in the demolition of redundant buildings, the development of a temporary market building and the commencement of the refurbishment of the Metropolitan Centre;
 - **Inward Investment** – an inward investment team has been established to co-ordinate the Barnsley Offer to potential inward investors and indigenous businesses looking to expand. Investment into the borough is increasing and is now at its highest level for eight years;
 - **Grow Existing Businesses** – the award winning Enterprising Barnsley programme of business support has continued to deliver significant private sector job growth and remains a key product in delivering future economic growth in Barnsley; and
 - **Launchpad** – significant progress has been made in delivering a universal business start-up programme, the establishment of the Sheffield City Region Launchpad helps to ensure a unified approach to start-up provision across the region.

Social Value Policy

- 4.52 The Council has recently adopted a Social Value Policy, which sets out how it approaches its actions and ultimately how it makes decisions, in the context of the wider, social benefits within the Borough.
- 4.53 This policy dovetails and aligns to the Council's overall vision of a Better Barnsley whilst also directly contributing towards the achievement of its core priorities. In respect of achieving the overall vision of a "Better Barnsley" from a Social Value perspective, the Council's philosophy is "Social Value – We Can Do Better".

4.54 The Council will achieve this vision through:

- **Supply Chain Management** – utilising local suppliers;
- **Employment and Skills** – encouragement of local employment, use of apprentices;
- **Sustainability** – ensuring the longevity of the economy / jobs market etc. over both the medium and long-term horizons;
- **Economic Regeneration** – aligns and complements with the Jobs & Business Growth Plan in respect of growing and developing the Borough's economy.

Planned Asset Maintenance

General Fund Planned Asset Maintenance

4.55 The planned maintenance programme is based on the principles of good asset management practice supported by an asset management planning system in accordance with both Government and RICS guidelines.

4.56 The Asset's team use a prioritisation methodology as to better utilise their resources through the planned maintenance programme, which is explained below:

1. A comprehensive list of the Authority's priorities is compiled from business unit plans. Due to the scale of the Council's maintenance backlog, this list always exceeds the resources available;
2. A risk management system is used to prioritise the maintenance proposals against the available resources, i.e. worst first. Some items are prioritised by services alone because they are urgent health and safety risks;
3. Assessment of available condition data is undertaken to globally prioritise all identified maintenance needs for the Authority.

4.57 The result of this exercise is that a schedule of maintenance priorities, originating from Service Plans, is produced.

4.58 A full review of cyclical maintenance in Council buildings is carried out annually, to ensure that the Council is meeting statutory and insurance obligations. A key benefit of a comprehensive cyclical maintenance programme is that by maintaining stock effectively, efficiency will be maximised and the life of components, within buildings, will be prolonged.

HRA Planned Asset Maintenance – The Social Housing Property Repairs & Improvement Contract (PRIP)

4.59 The Council is committed to investing in both its housing stock and its communities and considers an efficient and effective service covering housing repairs, maintenance and capital improvements across the Borough is a top priority and one of the keystones of Council policies.

- 4.60 Over the last decade, the Council has had excellent results from its Property Repairs and Improvement Partnership (PRIP) Contract with the appointed contractors.
- 4.61 The Contractor is required to deliver large-scale social housing maintenance and improvement works to the Council's housing stock including:
- Emergency and Out of Hours Repairs;
 - Reactive Day-to-Day Repairs;
 - Gas Repairs and Servicing;
 - Cyclical and Planned Maintenance;
 - Void Properties Maintenance;
 - Major and Minor Adaptations Work; and
 - Whole House / Elemental Capital Improvements.
- 4.62 The HRA revenue budget has a significant element set aside of its total budget for repairs and maintenance to its housing stock which, together with the Barnsley Homes programme, ensures that the housing stock meets the decency standard.
- 4.63 The level of repairs and maintenance is sustained over the 30-year business plan period, which not only safeguards the Council's stock from disrepair but also ultimately provides a valuable income stream to the Council through dwelling rents.

5 CAPITAL FUNDING

How is Capital Expenditure Funded?

- 5.1 The Council's Capital Programme is currently funded from a variety of sources, which are explained in the paragraphs below, together with the process by which these sources are used/prioritised and any wider implications moving forwards.
- 5.2 The Council's overall strategy with regards to capital funding is to bring together the resources that it has it can control i.e. not ring-fenced / time limited, and considers them holistically against the Council's capital priorities. Section 5.38 demonstrates this in greater depth and detail.
- 5.3 Each funding source along with any specific variants are discussed in sections 5.4 to 5.30 below.

Funding Sources

Capital Receipts

- 5.4 The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. There are differing types of receipts that the Authority receives that are treated in different ways – these are explained in the paragraphs below.
- 5.5 *Earmarked Capital Receipts* – such receipts are that, once received, are earmarked for a specific purpose or use. Earmarkings are ordinarily stipulated at the point of approval relating to the disposal of certain assets. For example, the receipts from the disposal of the former secondary school sites are earmarked for writing down the Council debt requirement following the Building Schools for the Future (BSF) programme.
- 5.6 *Dwelling Receipts* – such receipts are those generated from the sale of the Council's dwellings (Council Houses). There are stipulations by Government about the use of these receipts. The gross receipts are split between:
- Contribution to Council's transaction costs (to revenue);
 - Government's share (payable to Government);
 - The Council's general share (retained by the Council – no restrictions to use);
 - Allowable Receipts (retained by the Council – no restrictions to use although an internal adjustment is required between GF and HRA CFR's if the receipt is used on non-housing/economic regeneration schemes). These receipts notionally relate to the debt incurred by the Council in constructing/acquiring the council houses that have been sold;
 - 1-4-1 Receipts (retained by the Council – restrictions to use). The 1-4-1 receipts are restricted to: 1) use on increasing housing stock, 2) use within 3 years of receipt and 3) restricted to fund no more than 30% of the cost of such schemes.

- 5.7 *General Receipts* – such receipts are received with no restrictions on their future use. These ordinarily are receipts received from the adoption of the Asset Disposal Programme (as referred to in the Asset Management Strategy 2017-22). These resources are held corporately, pending the Authority's Reserve Strategy and MTFs, which make them available for consideration against the Council's corporate capital priorities.

Reserves

- 5.8 The Council holds both general fund and HRA reserves on its balance sheet that generally result from previous years' underspends.
- 5.9 Both HRA and General Fund reserves can be applied to either revenue or capital expenditure although HRA reserves must be spent on housing activities in line with ring-fence arrangements stipulated by legislation.
- 5.10 The reserves held ordinarily fall within one of the following three categories:
- Service Earmarkings – these are resources held for specific service delivery reasons that will complete in future years;
 - Minimum Working Balance – as determined by the Section 151 Officer for unforeseen events / contingency from both GF and HRA perspectives; or
 - Corporate Priorities – these are resources held for future identified prioritised schemes / pressures, of which the capital priorities are included.
- 5.11 The respective reserves strategies for GF and HRA follow the same principles, which are outlined below:
- Reserves are only used for one off investments, which tend to be typically capital in nature;
 - Any available resources identified, over and above service specific reserves, are considered holistically against Council/ HRA priorities; and
 - The reserves held are periodically reviewed for adequacy and necessity with any reserves no longer needed, freed up for consideration against the Council's wider priorities.

Revenue Funding (RCCO)

- 5.12 The Council can use revenue resources to fund capital projects on a direct basis and ordinarily, this is done on a specific scheme/project basis. This is usually relatively small scale as a result of austerity measures imposed by the Government on the Council's revenue budget, which has reduced its capacity to fund capital projects.

Capital Grants

- 5.13 A large proportion of the capital funding that the Council receives relates to capital grants, of which there are generally two main types - recurrent and one-off.

- 5.14 *Recurrent Grants* – these external grant allocations are received by the Council annually and relates to major areas of the Council’s capital programme e.g. Highways funding via Sheffield City Region, School Condition & Basic Needs Grant from the Department for Education and Disabled Facilities Grant from the Ministry of Housing, Communities & Local Government.
- 5.15 *One-off Grants* – by definition, these grants are received for one off projects/schemes and are usually subject to a bidding / application process. Certain grant bodies require a ‘match’ funding element, which ultimately means that the Council has to contribute its own resources as a commitment to the scheme. Where the responsible service has specific resources available for the match element, then this can be used. Where it does not, the match element is treated as a call on the Council’s own capital resources and included in the prioritisation process accordingly.
- 5.16 Both types of grants (recurrent / one off) may have conditions and restrictions regarding what it can be used on and the time limit in doing so.
- 5.17 *Grants with Restrictions* – where restrictions are applied to grants, this means that the Council is restricted on what it can spend the grant on. Therefore, the Council aligns these specific grants to the schemes that satisfy the inherent conditions of the grants.
- 5.18 *Grants with No Restrictions* – where the Council receives any grant that is not subject to any conditions or restrictions, these resources are held corporately, pending finalising the Authority’s Reserve Strategy and MTFs, and ultimately made available for consideration against the Council’s corporate capital priorities.
- 5.19 The Council is part of the Sheffield City Region. This is a relatively newly formed public administration that is part of the devolution of power agenda of the Government with powers transferred at a regional level to local government. The Council has received, and continues to receive, a significant amount of grant from Sheffield City Region. Sections 5.32 to 5.37 explain the relationship between the Council and Sheffield City Region in terms of funding opportunities over the medium to long term.

Capital Contributions

- 5.20 The Council receives a significant level of capital contributions that fund elements of the capital programme. An example of this is Section 106 contributions that are received by developers as condition of award of planning permission, usually for spend on the betterment of the immediate area.
- 5.21 In a similar manner to grants, capital contributions can be either recurrent or one-off and can be subject to restrictions and conditions. Typically, most contributions tend to be restricted and one-off in nature, though these characteristics are determined by each individual agreement.
- 5.22 Where contributions are received with conditions, specific schemes are proposed to spend the contribution in line with the restrictions stipulated. In the event of an unrestricted contribution being received, these resources

are held corporately, pending finalising the Authority's Reserve Strategy and MTFs but are invariably made available for consideration against the Council's corporate capital priorities.

Leasing

- 5.23 The leasing route in respect of funding capital expenditure allows those capital costs to be spread over a number of years where it is prudent and affordable to do so. The leasing option is invariably compared with the option to borrow to establish a value for money assessment over the life of a scheme.
- 5.24 Leasing is a series of rental payments in exchange for use of an asset and they tend to be specific to certain elements of the capital programme e.g. buildings, vehicles and equipment.
- 5.25 In accounting terms, there are currently two types of lease, an operating and a finance lease, the treatment of which are very different in the context of capital financing.
- An operating lease is one where the risk and reward remains with the lessor and therefore the asset remains on the lessor's balance sheet, with the annual rentals being expensed through the revenue budget. The Council is party to a number of these arrangements; and
 - A finance lease is one that transfers the risks and rewards to the lessee, and results in the asset being on the lessee's balance sheet via a capital transaction. At the point of inception of the lease, a liability is recognised to finance the asset over the lease term, with the annual rental being split notionally between interest and principal.
- 5.26 The implications on the capital position of the Council of finance leases is that the debt requirement is increased as a result albeit it is a funded credit facility in its own right.
- 5.27 In 2020/21, the accounting requirements for leased assets are changing through a revision to accounting standard IFRS 16. The change means that there will no longer be the distinction of finance and operating leases – all leases will be now effectively finance leases, which means that the Council's debt requirement will increase. Decisions to lease in the future will be considered against this new accounting standard.

Prudential Borrowing

- 5.28 The introduction of the Prudential Code in 2004 allowed the Council to undertake government funded borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities, which ensures that any unsupported borrowing is affordable, prudent and cost effective. This type of borrowing has revenue implications for the Council in the form of financing costs from both an MRP and interest point of view.

- 5.29 Within the current MTFS, there is an annual revenue budgetary provision to support an additional £5M of capital investment funded from borrowing. This roughly equates to a base budget provision of approximately £0.270M for 2020/21.
- 5.30 Any further contemplation of increasing the Council's debt requirement through additional borrowing, over the £5M provided for, is only considered against schemes that have a strong evidence base towards stimulating economic development in the Borough and invariably have accompanying future income streams that will cover the costs of borrowing.

5.31 Indicative Capital Programme Funding for 2019/20 through 2024/25 per Corporate Priority

<u>Corporate Priorities</u>	<u>Corporate Outcomes</u>	Total BMBC Capital Programme £M	Capital Receipts £M	GF Reserves / RCCO £M	HRA Reserves / RCCO £M	Grants & Contributions £M	Borrowing / Leasing £M	Total Funding £M
STRONG & RESILIENT COMMUNITIES	(1) Create More & Better Jobs & Good Business Growth	22.840	0.082	9.434	-	8.451	4.873	22.840
	(2) Increase Skills To Get More People Working	-	-	-	-	-	-	-
	(3) Develop A Vibrant Town Centre	167.936	3.000	17.472	-	3.320	144.144	167.936
	(4) Strengthen Our Visitor Economy	7.638	0.419	0.927	-	2.978	3.314	7.638
	(5) Create More & Better Housing	175.452	3.292	2.242	150.911	19.007	-	175.452
	Sub Total	373.866	6.793	30.075	150.911	33.756	152.331	373.866
PEOPLE ACHIEVING THEIR POTENTIAL	(6) Every Child Attends a Good School	14.953	-	0.743	-	14.210	-	14.953
	(7) Early, Targeted Support For Those That Need It	0.035	-	0.035	-	-	-	0.035
	(8) Children & Adults Are Safe From Harm	2.360	-	2.106	-	0.254	-	2.360
	(9) People Are Healthier, Happier, Independent & Active	3.028	0.041	-	-	2.952	0.035	3.028
	Sub Total	20.376	0.041	2.884	-	17.416	0.035	20.376
THRIVING & VIBRANT ECONOMY	(10) People Volunteering & Contributing Towards Stronger Communities	-	-	-	-	-	-	-
	(11) Protecting The Borough For Future Generations	52.299	4.670	17.546	-	20.303	9.780	52.299
	(12) Customers Can Contact Us Easily & Use More Services Online	0.326	0.076	0.204	-	0.034	0.012	0.326
	Sub Total	52.625	4.746	17.750	-	20.337	9.792	52.625
	Total	446.867	11.580	50.709	150.911	71.509	162.158	446.867

External Funding Opportunities

- 5.32 Central Government are continuing with their plans to promote and support the devolution of power and decision making within the United Kingdom with powers being transferred at a regional level to local government. In the Council's case, this is via the Sheffield City Region.
- 5.33 The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, acres of countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.
- 5.34 It is important that the Council retains a key role in the SCR to ensure that it can feed into and benefit from the SCR especially any funding opportunities. The SCR is the lead organisation for the following key strategic programmes:
- *Growth Plan*: sets out the Sheffield City Region's plans to transform the local economy over the next decade;
 - *LEP Board*: Local Enterprise Partnership (LEP) brings together business leaders and local politicians to make decisions that drive economic growth and create new jobs;
 - *Combined Authority*: The term "Combined Authority" means the bringing together of two statutory bodies - the Integrated Transport Authority (ITA) and an Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.
- 5.35 The Sheffield City Region currently represents perhaps the most significant funding source to the Council in terms of supporting the delivery of its major capital investment plans. With the wide variety, nature and size of the funding streams currently at its disposal as well as in future, it is vital that the Council ensures its priorities are fed into SCR's planning and programme development.
- 5.36 In July 2014, the SCR secured £297M of capital funding from the government's Local Growth Fund to invest over the period 2015/16 to 2020/21 on major transport and infrastructure schemes, developing sustainable transport, investing in skills infrastructure, and supporting business growth and investment. A further £30m was allocated in January 2015 under an extension to the Growth Deal covering the period 2016/17 to 2020/21.
- 5.37 Incidentally, the Council has already benefited by securing funding via SCR for developments at M1 Junctions 36 and 37. A number of bids are also actively being progressed including funding to support the Glassworks Development and Digital Campus.
- 5.38 Within the Council, a refreshed external funding strategy is currently being developed to provide Elected Members, Officers and our Partners with a robust framework that will enable them to identify and optimise available external funding opportunities in a co-ordinated, dynamic and innovative manner. The key aims of the strategy are:

- To provide a strategically “synched” framework for the identification, evaluation, and optimisation of external funding opportunities for the Council and its Partners;
- To facilitate a consistent, standardised and co-ordinated approach to support the pursuit and subsequent management of external funding including the establishment of processes to consider financial, procurement and legal requirements;
- To provide the resources necessary to effectively identify / communicate / signpost and access funding opportunities; these to be made available both across the Council and to its partners;
- To actively support the development of skills and expertise of the Council and its partners in funding optimisation and management; and
- To develop collective awareness of the status / intent of external funding opportunities, bids and awards to prevent duplication of bids and support holistic, intelligent optimisation of funding.

Capital Funding Approach

5.39 The Council will look to actively follow an approach to capital funding as set out below, although the Council may make changes to this approach if it is deemed necessary in order to deliver priority outcomes and/or maximise its resources.

- Time limited funding – funding that must be used within a specified time period will usually be applied first, assuming that there is expenditure that it can be legitimately be applied to. This is subject to any match funding requirements.
- Ring-fenced funding – funding linked to a particular scheme or type of scheme will be allocated in full to the relevant capital projects. One example is Government funding for Disabled Facilities Grants.
- Where the Council has discretion over how the funding can be spent, including non-restricted grants and contributions, affordable prudential borrowing allocations and its internally generated resources (capital receipts, revenue contributions, reserves etc.), these resources are considered holistically and prudently used to deliver the Council's corporate priorities. This is achieved via the process described in paragraphs 3.16 through to 3.31.
- Match funding – where match funding is required from the Council's corporate resources to lever in external funding, the match element will be considered as a capital priority in its own right. This is subject to the same capital prioritisation process as other capital priorities.
- Leasing / Borrowing – Over and above an annual £5M prudent and affordable allocation of borrowing, only prudent and modest proposed schemes that have a robust case for stimulating economic growth in the Borough will be considered. The scrutiny and due diligence on such schemes is subject to robust challenge including reviewing the scheme phasing to actively spread the risk to the Council.
- External Funding – The Council is in the process of adopting a new external funding strategy, which aims to identify and view external opportunities on a holistic basis. This strategy will seek to review all available external funding sources open to the Council and implement the key processes and procedures that need to be adopted when considering / making an application for funding from an external source.

6 TREASURY MANAGEMENT

What is Treasury Management?

6.1 CIPFA defines treasury management as:

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

6.2 The definition above immediately explicitly links this Capital Investment Strategy (“*capital market transactions*”) to the Council’s Treasury Management Strategy (“*Borrowing, investment and cash flows*”). The Capital Investment Strategy and Capital Programme determines the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The Treasury Management Strategy

6.3 The Council’s Treasury Management Strategy, which is prepared in accordance with the requirements of the Local Government Act 2003, that stipulates that local authorities must ‘have regard to’ a number of statutory codes, including the CIPFA Prudential Code & Treasury Management Code, is approved annually by full Council, as part of the budget setting process.

6.4 In broad terms, the TM Strategy sets out the following:

The Treasury Management Policy Statement The Council’s overall policies, practices and objectives in relation to treasury management
The Council’s Capital Expenditure Plans The Council’s indicative capital programme over the next few years
The MRP Policy Statement How residual capital expenditure will be charged to revenue over time
The Council’s Borrowing Strategy How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk
The Annual Investment Strategy How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield
The Council’s Prudential and Treasury Indicators The limits and indicators designed to help monitor and control treasury management risk

The Borrowing Strategy

- 6.5 Within the context of increasing economic uncertainty and interest rate volatility, the proposed strategy is to:
- **Maintain a minimum proportion of fixed-rate borrowing** in order to limit the Council's exposure to interest rate risk (proposed targets in section 3);
 - **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk (proposed limits in Appendix C), and
 - **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

The Annual Investment Strategy

- 6.6 Whilst previous investment strategies have sought to keep the Council's investment balances to a minimum, they will ultimately increase as the Council takes on more fixed-rate borrowing. Within this context the proposed strategy is to:
- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss (proposed limits in section 4);
 - **Maintain a minimum balance of liquid funds** in order to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

The Council's Borrowing Need, The External Debt Position & Associated Debt Limits

The Council's Borrowing Need (The CFR)

- 6.7 The measure that the Council assesses its debt position is the Capital Financing Requirement (CFR), which is essentially a measure of the Council's underlying borrowing need. Included in the Treasury Strategy, Members are asked to approve the CFR projections below, which include both approved and anticipated capital expenditure that are not financed by using available resources i.e. Prudential Borrowing / Leasing:

	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
Borrowing	780.512	856.092	856.352	856.389
Other Long Term Liabilities	237.783	235.562	233.252	230.745
Total	1,018.295	1,091.654	1,089.604	1,087.134

- 6.8 By the end of the 2022/23 financial year, it is estimated that the Council's debt requirement will total £1.087bn.
- 6.9 The capital expenditure decisions that are made in the context of this Capital Investment Strategy inform the estimated CFR position in future years, which are only approved if they meet the prudent and affordable criteria.

External Debt

- 6.10 The table below measures the Council's overall external debt position (including leasing) against its underlying estimated borrowing need or CFR.

	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
Borrowing CFR	780.512	856.092	856.352	856.389
Gross Borrowing	(629.838)	(603.936)	(586.543)	(553.806)
Under-Borrowed Position	150.674	252.156	269.809	302.583
Support from Useable Reserves	(112.987)	(86.098)	(66.553)	(55.579)
External Borrowing Requirement	37.687	166.058	203.256	247.004

- 6.11 The Council will be significantly under-borrowed at the end of the period, should no further borrowing be undertaken. This position is offset partly by the Council's useable reserves, which largely represent the cash set aside for investment in future years. By utilising this cash, the Council has the option to defer long-term borrowing until the related spending commitments occur (**also referred to as internal borrowing**).

Debt Limits

- 6.12 *The Operational Boundary* is the Council's limit beyond which external debt is not normally expected to exceed. This limit is set to match the Capital Financing Requirement as shown above:

Operational Boundary (£M)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt	780.512	856.092	856.352	856.389
Other Long Term Liabilities	237.783	235.562	233.252	230.745
Total	1,018.295	1,091.654	1,089.604	1,087.134

- 6.13 *The Authorised Limit* represents a control on the maximum level of borrowing and provides an absolute limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit (£M)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt	810.512	886.092	886.352	886.389
Other Long Term Liabilities	237.783	235.562	233.252	230.745
Total	1,048.295	1,121.654	1,119.604	1,117.134

Debt Repayment Policy

- 6.14 The method by which the Council's underlying borrowing requirement is reduced over time, is through a number of policies that been adopted by the Council.

Minimum Revenue Provision (MRP)

- 6.15 The Minimum Revenue Provision (MRP) is a charge to the revenue account in relation to (current and residual) General Fund capital expenditure financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) Regulations 2003. The Council is required to determine an amount of MRP, which it considers prudent - this amount reduces the CFR.
- 6.16 The Council has approve the MRP Policy on an ongoing, annual basis which sets out the rationale and approach to the MRP charge, which is submitted as an appendix to the Treasury Management Strategy and considered accordingly.

Earmarked Capital Receipts

- 6.17 In some cases, specific approval was given to use the generated capital receipts from certain asset disposals to write down the debt requirement accordingly. The biggest example of this forms part of the Council's Building Schools for the Future programme where the Council's estate of secondary schools was replaced by brand new facilities, which deemed the old sites surplus.
- 6.18 As these old sites are sold, and the receipts are received by the Council, they are used to write down the underlying debt requirement in accordance with the original Cabinet agreement.

Capital Loans & Investments

- 6.19 Where the Council has made a strategic decision to provide financial assistance to a third party body, or invest in a partner organisation, using capital resources, where the Council receives repayments of those loans or redemptions of those shares/investments, it is the Council's policy to write down the underlying debt requirement accordingly.

Other Long-Term Liabilities

- 6.20 The Council also holds a significant value of other long-term liabilities on its balance sheet, which mainly relate to financing of Private Finance Initiative (PFI) schemes and leasing schemes.
- 6.21 In accounting terms, finance leases and most PFI agreements are accounted for as 'on balance sheet', which means that the Council, though not legally owning the associated assets, recognise them on its balance sheet as they have deemed control – which increases the CFR as they haven't yet been financed fully.
- 6.22 What the accounting rules also requires is that a liability is recognised at the time of control to recognise that these arrangements are effectively funding the capital cost of the asset over the length of the lease / PFI agreement. In effect, the long-term liability is a credit facility in its own right.

7 COMMERCIAL ACTIVITY / INVESTMENTS & RISK APPETITE STATEMENT

What is Commercialism?

- 7.1 Since 2010, Central Government's austerity measures have hit local authorities' financial position particularly hard with a cut in central government funding of around 50% over that period. Whilst difficult decisions have been, and continue to be, made, the reduction in resources has also acted as a driver for creative solutions right across the country.
- 7.2 Councils are identifying and using approaches that are more enterprising in nature in order to balance their budgets. These include actively seeking new and innovative revenue streams.
- 7.3 As a concept for delivering public services, 'commercialisation' is by no means a new idea but how it has been interpreted and adopted has varied widely. In essence, it comes down to income generation or, at least, a return on investment, which is being used to plug the gaps left by the cuts in funding.
- 7.4 In response to this activity, the Government decided to reissue a piece of statutory guidance around investments, that was originally issued as part of the 2003 Local Government Act, in an attempt to try and improve transparency and openness relating to some of the non-traditional local authority investments.
- 7.5 A range of new disclosures and reporting mechanisms were introduced as a result, which included a requirement for local authorities to clarify how "non-core investments" contribute towards their core objectives to deliver services to residents.
- 7.6 Councils will also be required to consider a list of quantitative indicators, which will highlight the total risk exposure from borrowing and commercial investment decisions and aid the decision making process for members. Where a local authority is, or plans to become, dependent on yield bearing investment activity to achieve a balanced revenue budget, disclosures should be made detailing the extent to which funding expenditure to meet the core functions of the local authority is dependent on achieving the expected net yield.

Treasury Management Investments

- 7.7 The investments made in respect of the Treasury Management Strategy relate to ones that assist the Council in managing timing issues concerning general, day-to-day management of its cash and bank balance positions. These investments are not included within the Council's capital programme and therefore do not form part of the capital financing requirement.
- 7.8 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of associated risks. The Authority's investment priorities (in order) are as follows:

- the security of capital;

- the liquidity of investments; and
- optimum yield commensurate with the above.

The Commercial Strategy

- 7.9 Central Government have made a clear statement of intent that Local Authorities should ultimately become self-financing by raising funding local through taxation, fee and charges and other income sources.
- 7.10 To support this, in 2017, the Council adopted its Commercial Strategy. This strategy is more than just about generating income it is about adopting a more business like mind set by developing and embedding commercial expertise and acumen.
- 7.11 There are a number of key elements that the Council need to remain focused upon in order to continue on our journey to becoming more commercially focused. These elements include:
- Consideration of whole life costs of decisions;
 - Improving efficiency by reducing costs and streamlining processes;
 - Benchmarking our costs and performance;
 - Making evidenced based decisions; and
 - Identifying new opportunities.
- 7.12 In order to ensure we will do the above, the Commercial Strategy sets out four key themes:
- Developing a Commercial Culture;
 - Demonstrate Value for Money across all activities;
 - Effective Procurement and Commissioning; and
 - Maximise Income Generation.

Non-Treasury Investments

- 7.13 On the contrary to the treasury management investments, the non-treasury investments are included in the Council's capital programme and are subject to the capital financing regulations as set out in law. If such investments are funded from borrowing, then like any other scheme, they would increase the Council's capital financing requirement and the revenue budget would incur an ongoing obligation for both MRP and the interest charge over the long term.

Accelerating Growth

- 7.14 The Council is committed to playing a pivotal part in the regeneration of the borough. With this in mind, careful consideration is given to regeneration schemes that accelerate growth that generate future income streams. Such schemes will ensure the borough maintains a level of regeneration that means it is not left behind whilst at the same time, producing an economic return on its investment. These schemes may also produce a financial return that can potentially support wider Council priorities.

- 7.15 A rigorous assessment of such schemes will be undertaken to ensure that there is strong evidence of expected future income streams/ economic return and where this is the case, consideration will be given to prudentially borrow for these schemes.
- 7.16 In addition to applying strong due diligence to each individual scheme, such proposals are to be phased over the planning period to allow time to review existing schemes, manage risk and also assess the overall debt position of the Council.

Risk Appetite Statement

- 7.17 This outlines Barnsley Metropolitan Borough Council's risk appetite with regard to its investment and commercial activities.
- 7.18 For the purpose of this statement, we have adopted the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely "the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time."
- 7.19 It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Therefore, risks need to be considered both in terms of threats to the Council as well as positive opportunities. It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation.
- 7.20 The Council's risk appetite statement sets out how it balances risk and return in pursuit of achieving our objectives. It is intended to aid careful decision-making, such that the Council takes well, thought through risks to aid successful delivery of its services and obligations whilst also understanding the adverse aspects of any risks taken and acting appropriately to mitigate them in line with its stated goals. Thereby, the Council's risk judgements are more explicit, transparent and consistent over time.
- 7.21 The risk appetite statement forms a key element of the Council's governance and reporting framework and is set by full Council. In addition, the risk appetite statement is monitored on an ongoing basis by senior management, external risk advisors and the Audit Committee as appropriate.
- 7.22 The following points give an indication of the Council's risk appetite:
- The Council does not invest in any assets / investments purely for commercial return. All investments are made within the context of the Corporate Plan and its corporate priorities to stimulate economic growth in the Borough;
 - The Council does not invest in any assets / investments that are outside of the Borough with all investments contributing towards the Council's corporate priorities and its residents ;

- Certain schemes such as the Property Investment Fund (PIF) are specifically designed to stimulate particular parts of the Borough by assisting external developers;
- Further consideration will be given to schemes to support such developments across the Borough where the risk sits wholly with the developers.

8 SKILLS & KNOWLEDGE

In House Resources

8.1 The successful implementation of the Capital Investment Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects;
- acquiring and selling properties;
- commissioning partners to deliver the capital programme;
- managing properties as a landlord; and
- sourcing suitable opportunities that match the criteria set under the adopted strategy.

Asset Management

8.2 The Council Asset Management team within the Place Directorate is responsible for managing the current operational and non-operational asset portfolio. This team comprises:

- Head of Property;
- Group Leader - Assets
- Building Surveyors, Inspectors and Estate Officers

Economic Regeneration & Housing Growth

8.3 Whilst all services are integral to delivering this Capital Investment Strategy to achieve the Council's overall objectives, two services within the Place Directorate are pivotal to the strategies' delivery.

The Economic Regeneration service is specifically responsible for stimulating economic regeneration and business growth within the Borough and the Housing Growth service is responsible for stimulating growth specifically in the housing sector from both private and social perspectives.

Finance

8.4 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government finance experience between them. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

8.5 The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing CPD programme.

8.6 All of the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required, external professional advice is taken.

Capital Oversight Board

- 8.7 The members of the Capital Oversight Board have a wealth of experience and knowledge across this and other local authorities. There are a number of the Council's senior officers that sit on the Board, including the Executive Director for Place and the S151 Officer. Furthermore, a wide variety of services from across the Council are represented to ensure that all relevant decision shapers are present and are able to contribute.

Externally Available Resources

- 8.8 The Council also makes use of external advice in developing projects or undertaking due diligence. Good examples include the appointment of development management organisations on the town centre redevelopment as well as regularly utilising the Council's asset management partners NPS Barnsley who provide construction procurement, quantity surveying and design services. Other advice is commissioned as and when required.
- 8.9 The Council also uses external treasury management advisors, Link Asset Services, for bespoke advice and guidance.

Members

- 8.10 Members are familiar with the budget process and approve the Treasury Management Strategy and overall Council Budget. Any additional training requirements will be discussed with the Council Governance team.
- 8.11 Internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance.
- 8.12 The Council's Treasury Management Panel (Members and senior officer group) are briefed regularly on treasury activity and are kept abreast of any developments that may affect the risk influencing the Council's portfolio.
- 8.13 The knowledge and skills of officers and members are commensurate with the Council's risk appetite.

9 REFERENCES

DOCUMENT	
1.1	<u>Budget Papers:</u>
	2020/21 Capital Programme Report – GF
	2020/21 Capital Programme Report – HRA
	Medium Term Financial Strategy (MTFS)
	Reserves Strategy
	Treasury Management Strategy
1.2	<u>Asset Management Strategies:</u>
	Asset Management Strategy
	Highways Asset Management Strategy
	Housing Strategy
	Planned Maintenance
1.3	<u>Other Financial Documents:</u>
	2019/20 Capital Monitoring
	2018/19 Statement of Accounts

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**TREASURY MANAGEMENT STRATEGY AND POLICY STATEMENT
2020/21**

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1 EXECUTIVE SUMMARY

BACKGROUND

1.1 This document has been prepared in accordance with the Local Government Act 2003, which stipulates that local authorities must 'have regard to' the following guidance:

- The **Prudential Code** (CIPFA);
- The **Treasury Management Code** (CIPFA);
- **Statutory Guidance on Minimum Revenue Provision** (MHCLG); and
- **Statutory Guidance on Local Authority Investments** (MHCLG).

1.2 In line with the recommendations of these codes, the Treasury Management Strategy sets out the following each year for approval by Full Council:

The Treasury Management Policy Statement The Council's overall policies, practices and objectives in relation to treasury management
The Council's Capital Expenditure Plans The Council's indicative capital programme over the next few years
The MRP Policy Statement How residual capital expenditure will be charged to revenue over time
The Council's Borrowing Strategy How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk
The Annual Investment Strategy How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield
The Council's Prudential and Treasury Indicators The limits and indicators designed to help monitor and control treasury management risk

OBJECTIVES

1.3 The objectives of the Treasury Management Strategy are to:

- Ensure the Council's capital expenditure plans are prudent, affordable and sustainable over the longer-term;
- Ensure that sufficient cash is available when needed to meet the Council's spending commitments;
- Manage the Council's exposure to interest rate and refinancing risk whilst maximising value for money; and
- Manage the investment of temporary surplus cash in a way that preserves the capital invested.

THE COUNCIL'S BORROWING STRATEGY

1.4 Within the context of increasing economic uncertainty and interest rate volatility, the proposed strategy is to:

- **Maintain a minimum proportion of fixed-rate borrowing** in order to limit the Council's exposure to interest rate risk (proposed targets in section 3);
- **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk (proposed limits in Appendix C), and
- **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

THE ANNUAL INVESTMENT STRATEGY

1.5 Whilst previous investment strategies have sought to keep the Council's investment balances to a minimum, they will ultimately increase as the Council takes on more fixed-rate borrowing. Within this context the proposed strategy is to:

- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss (proposed limits in section 4);
- **Maintain a minimum balance of liquid funds** to ensure that sufficient cash is available when needed, and
- **Within this context, seek to optimise performance** in terms of yield.

2 CAPITAL EXPENDITURE PLANS

- 2.1 The Council's capital expenditure plans are a key driver of its treasury management activities. This section covers a range of prudential indicators designed to assess whether those plans are prudent, affordable and sustainable over the longer term and reflect the framework as set out in CIPFA's Prudential Code. The full suite of indicators can be found in Appendix C.

Estimates of Capital Expenditure

- 2.2 This indicator summarises the capital expenditure plans set out in the Council's Capital Investment Strategy (see Section 2d within this budget pack). These plans are funded from a variety of sources including £162M from borrowing or finance lease (see Appendix C for further details):

Table 1 - Estimates of Capital Expenditure

	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
Indicative Capital Programme	196.235	140.719	38.749	27.475

Estimates of Capital Financing Requirement (CFR)

- 2.3 This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long term liabilities. This includes the £162M identified in paragraph 2.2:

Table 2 - Estimates of Capital Financing Requirement

	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
Borrowing	780.512	856.092	856.352	856.389
Other Long Term Liabilities	237.783	235.562	233.252	230.745
Total	1,018.295	1,091.654	1,089.604	1,087.134

- 2.4 New expenditure aside, the CFR will reduce over time via a statutory annual charge to the revenue account, known as the Minimum Revenue Provision (MRP). The Council's MRP policy is included in Appendix B.

Gross Borrowing and the Capital Financing Requirement

- 2.5 This indicator compares the Council's expected borrowing position to its underlying borrowing need (**referred to as the Borrowing CFR**), to identify the extent to which the Council is under or over-borrowed. This excludes other long term liabilities since each arrangement contains its own borrowing facility; therefore the Council is not required to borrow separately.

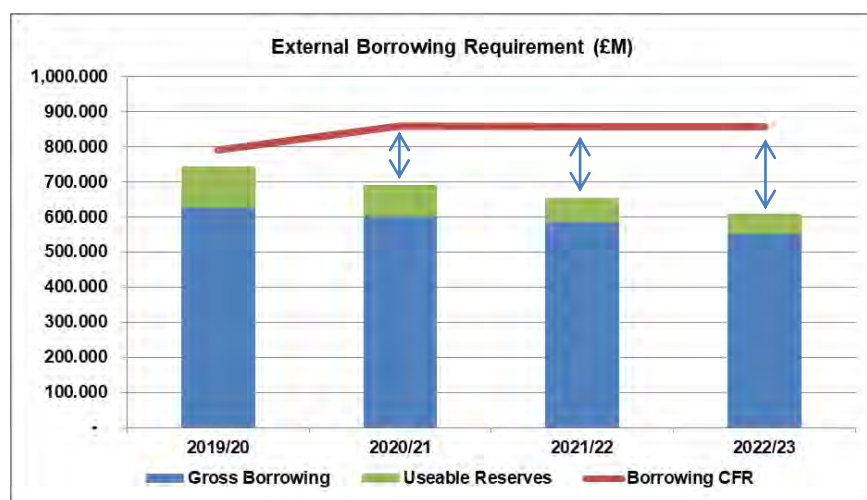
2.6 As outlined below, the Council will be significantly under-borrowed at the end of the period, should no further borrowing be undertaken. This position is offset partly by the Council's useable reserves, which largely represent the cash set aside for investment in future years. By utilising this cash, the Council has the option to defer long term borrowing until the related spending commitments occur (**also referred to as internal borrowing**).

2.7 Whilst this is a cost effective position which can help to reduce investment counterparty risk, it is one that needs to be actively monitored and managed particularly in the current economic climate (see section 3 for further details).

Table 3 - Gross Borrowing and the Capital Financing Requirement

	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
Borrowing CFR	780.512	856.092	856.352	856.389
Gross Borrowing	(629.838)	(603.936)	(586.543)	(553.806)
Under-Borrowed Position	150.674	252.156	269.809	302.583
Support from Useable Reserves	(112.987)	(86.098)	(66.553)	(55.579)
External Borrowing Requirement	37.687	166.058	203.256	247.004

2.8 As illustrated by the chart below, the external borrowing requirement (represented by the blue arrows) is the cumulative amount required over the period:



3 BORROWING STRATEGY

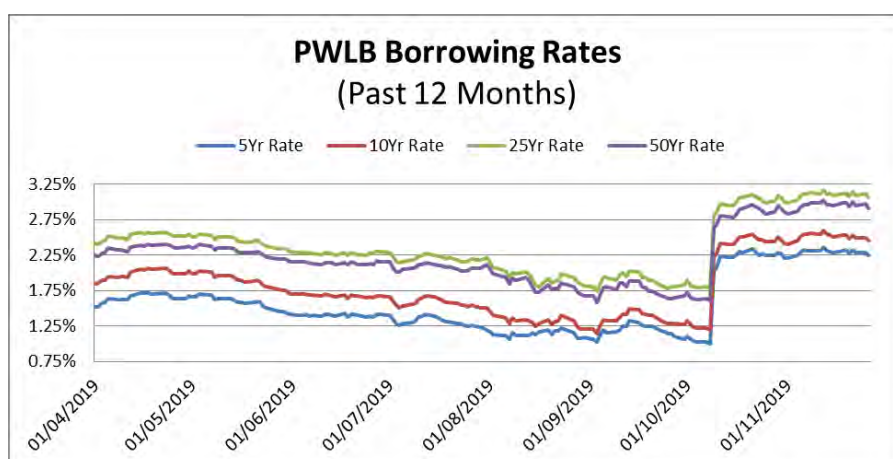
3.1 The Council's general policy objective is to ensure its level of debt is prudent, affordable and sustainable over the longer term (i.e. **keeping financing costs to a minimum** whilst **addressing the key associated risks**):

- Interest Rate Risk
- Refinancing Risk

Interest Rate Risk

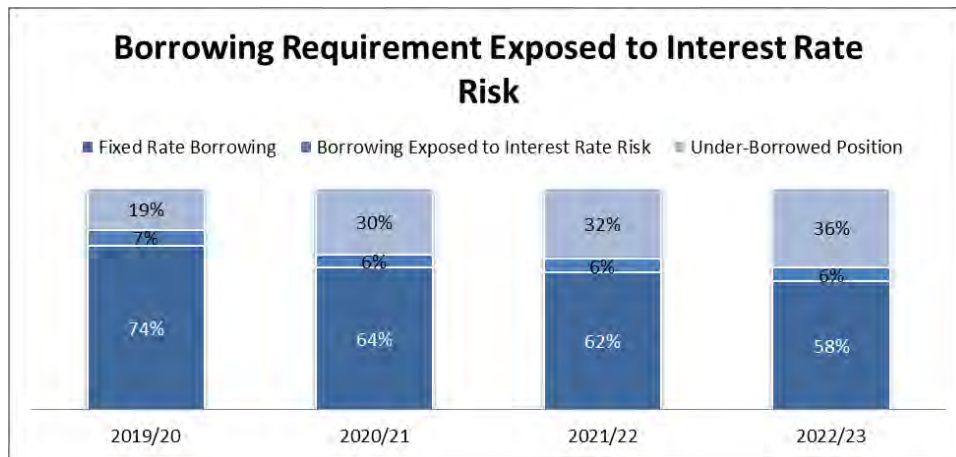
3.2 This is the risk of an adverse movement in interest rates which leads to a rise in borrowing costs or lost opportunity costs. The Council measures this risk against its temporary and variable-rate borrowing and any requirement which has yet to be financed (i.e. its under-borrowed position).

3.3 The past 18 months has been a period of significant economic uncertainty. As a result interest rates have become increasingly volatile. This has been magnified by the Treasury's decision to increase PWLB borrowing rates by 1% from 8th October 2019:



3.4 The latest projections from Link Asset Services (the Council's treasury management advisors) suggest that interest rates will rise gradually over the coming months. As such the Council is putting steps in place to limit the impact of such a rise.

3.5 As shown overleaf, it is anticipated that 26% of the Council's borrowing requirement will be exposed to interest rate risk at the end of 2019/20. Whilst this puts the Council in a much stronger position than two years ago, this could rise to 42% should no further fixed-rate borrowing be undertaken by 2022/23:



3.6 To limit the impact of a future rise in interest rates, the proposed strategy is to maintain a minimum proportion of fixed-rate borrowing of 70%. In order to achieve this target, the Council is likely to require £101M of fixed rate-borrowing over the period, with £50M of this arising next year:

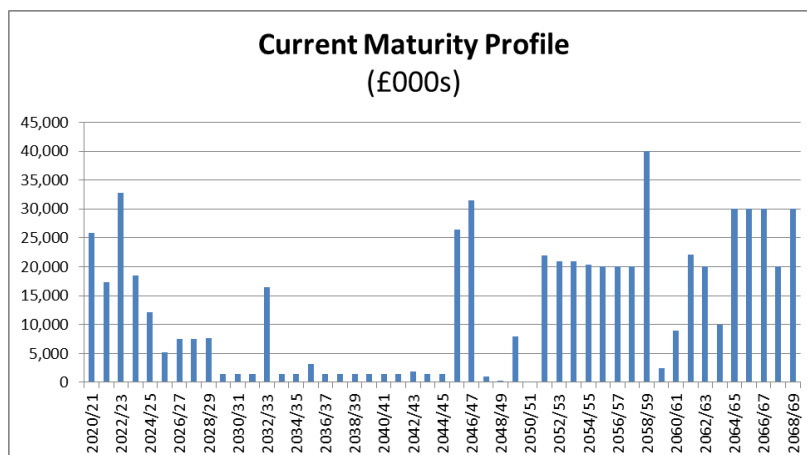
Table 4 - Fixed Rate Borrowing Requirement

	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
Fixed Rate Borrowing	-	50.328	67.902	100.666
Temporary / Variable Rate Borrowing	37.687	115.730	135.354	146.338
Total Requirement (Cumulative)	37.687	166.058	203.256	247.004

Refinancing Risk

3.7 This is risk of refinancing debt on unfavourable terms, due to either a lack of availability of replacement financing or an increase in interest rates. The Council measures this risk against the maturity profile on long and short-term borrowing.

3.8 As shown below the Council has a balanced maturity profile, with a maximum of £140M maturing in any 5 year period. This represents around 18% of the Council's estimated borrowing requirement at the end of 2019/20, which is well within the proposed limits set out in Appendix C:



- 3.9 Included in the chart overleaf are the Council's LOBO loans, which are subject to rate reviews every 6 months. Should the lender choose to increase the rate on these loans, the Council has the option to repay without penalty, however this would mean having to borrow an additional £55M to replace the principal repaid.
- 3.10 Whilst this option is unlikely to be triggered in the near future, this could be addressed through short term loans from other local authorities (along with the temporary / variable-rate borrowing requirement identified in table 3).
- 3.11 Officers will address the Council's fixed rate borrowing requirement through a combination of the following:
- **Deferred loans** - following the recent PWLB rate hike the Council may be able to access cheaper funding from financial institutions (e.g. banks, insurance firms and pension firms), without the additional cost of carry or credit risk. As such this is one of the preferred options for the Council going forward.
 - **Local authority loans** - the Council could borrow from other local authorities for up to 5 years (typically around 1% below long term PWLB rates). This would give the Council certainty over the medium term whilst allowing some flexibility should the expectations for interest rates change significantly.
 - **The Municipal Bonds Agency (MBA)** - the MBA was established in 2014 with the intention of providing an alternative source of funding to the PWLB. The MBA have recently presented a revised structure which officers will assess over the coming months.
 - **Other market loans** - as with deferred loans there may be an opportunity for the Council to borrow from financial institutions at rates below the PWLB. The Council has a range of options from short (e.g. 2 or 3 years) to long term (e.g. 40 years), therefore may be a suitable option for the Council to consider.
 - **PWLB borrowing** - the Council could still borrow from the PWLB however following the recent rate hike this is no longer the cheapest option. As such, the Council will only borrow from the PWLB if the alternative options do not materialise, or there is a sudden change in expectations around interest rates.
- 3.12 Where possible, the recommendation is to borrow in small tranches to spread refinancing risk and to allow officers to invest the cash safely whilst required to meet the Council's spending commitments.

4 ANNUAL INVESTMENT STRATEGY

CONTEXT

4.1 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of risks as outlined later in this section. The Authority's investment priorities (in order) are as follows:

- the **security of capital**;
- the **liquidity of investments**; and
- **optimum yield commensurate with the above**

4.2 The borrowing of monies purely to invest or on-lend and make a return is considered unlawful. As such the Council will not engage in such activity and as per paragraph 2.7 will keep external borrowing beneath the CFR.

STRATEGY

4.3 As outlined in the previous section, the Council is proposing to undertake around £100M of fixed rate borrowing over the next three years, which may result in a temporary increase in cash balances. Within this context, our investment strategy will be:-

- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss;
- **Maintain a minimum balance of liquid funds** to ensure that sufficient cash is available when needed, and
- **Within this context, seek to optimise performance** in terms of yield.

Credit and Counterparty Risk (Security)

4.4 This is the risk of a third party being unable to meet its contractual obligations to the Council, which put simply is the risk of default on any principal or interest payable. This would clearly have a detrimental impact on the Council's resources.

4.5 In order to mitigate this risk, the Council maintains a list of approved counterparties and investment limits based on the creditworthiness service provided by Link Asset Services (further details are available on request). This approach combines the credit ratings assigned by the three main rating agencies (Fitch, Moody's and Standard and Poor's) with a range of market factors to provide a suggested duration for investments, including:

- Credit 'watches' and 'outlooks' from the main rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings, and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

4.6 Members are asked to approve the investment counterparties and limits below:

Institution	Minimum Long Term Rating (Fitch or Equivalent)	Maximum Amount	Maximum Duration
UK Government	AA	Unlimited	5 Years
Barclays Bank PLC (The Council's own bank)	A	£10M	Overnight
Banks	A+	£20M (£20M per group)	1 Year
	A	£10M (£15M per group)	6 Months
	A-	£10M (£15M per group)	100 Days
Building Societies	A	£10M	6 Months
	A-	£5M	100 Days
Local Authorities	AA*	£20M	2 Years
Money Market Funds (CNAV / LVNAV)	AAA	£20M per fund	Overnight

** Not all Local Authorities are separately rated but they are deemed to be in line with the UK Government reflecting the likelihood of intervention in the event of severe financial difficulty.*

4.7 In addition to the use of credit ratings, the Council will be advised of information in movements in CDS and other market data on a weekly basis, which will be used to inform the amount and duration of new investments. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria (e.g. a credit rating below A-), it will be withdrawn from the approved list immediately.

4.8 Members are also asked to approve the investment limits below which include investments with unrated entities and non-treasury investments such as loans to third parties:

	Cash limit
Total long-term investments	£20M
Total investments without credit ratings or rated below [A-] - including loans to small businesses	£30M
Total non-specified investments	£50M
Total investments in foreign countries*	£50M

** Subject to a minimum sovereign rating of AA- (Fitch or equivalent).*

4.9 The process for approving such investments is detailed in Treasury Management Practice Document 5: Organisation, Clarity and segregation of Responsibilities and Dealing Arrangements, which requires prior authorisation from the Head of Financial Services and Deputy S151 Officer.

Price Risk (Security)

- 4.10 This is the risk of a reduction in value of funds invested, due to an adverse change in market conditions. In order to mitigate this risk, the Council will continue to monitor the performance of its LVNAV (Low Volatility Net Asset Value) Money Market Funds very closely in the immediate future.
- 4.11 Linked to this is the recent introduction of IFRS9 - Financial Instruments. This was a new accounting standard for 2018/19 which changed the way that certain investments were categorised and valued. It also required the Council to recognise any potential losses on investment through its General Fund revenue account.
- 4.12 Due to the low-risk strategy that the Council has adopted, the risk of credit loss in relation to its treasury investments is deemed immaterial, however the changes did result in a reduction in fair value of equity investments of £0.3M (which had no impact on the general fund) and a loss allowance of £0.5M in relation to historic third-party loans. Officers will continue to monitor this position on a regular basis and ensure that sufficient consideration is given to credit risk for any new loans agreed going forwards.

Legal and Regulatory Risk (Security)

- 4.13 This is the risk that the Council or an organisation which it is undertaking treasury management activities with, fails to act in accordance with its legal powers or regulatory requirements, causing reputational damage and / or resulting in financial loss.
- 4.14 In order to mitigate this risk, the Council adopts the recommendations of the statutory guidance and receives professional advice from its Treasury Management advisers (Link Asset Services). Officers attend and / or receive regular training updates to keep up with the latest developments and regulatory changes.

Liquidity Risk

- 4.15 This is the risk that cash is not available when needed to meet the Council's spending commitments, causing reputational damage, compromise service objectives and / or leading to additional unbudgeted costs.
- 4.16 In line with the MHCLG investment advice on the liquidity of investments, the Council will aim to keep a proportion of the investment portfolio totally liquid (i.e. use of the Barclays Flexible Interest-Bearing Current Account and Money Market Funds).
- 4.17 In a period of prolonged low interest rates, accepted practice would be to lengthen the investment period to lock in to higher rates. However, the uncertainty and volatility in the financial markets has heightened credit risk. As a consequence the Council will keep the investment maturity relatively short, which is reflected in the maturity periods specified in paragraph 4.6.

Yield

- 4.18 As a result of continuing stress within the market, opportunities for investment are limited and returns are expected to remain subdued. The Council will seek to maximise returns from its investments but this will be secondary to security and liquidity priorities. Investment yields are likely to rise slightly towards the end of 2020/21, in line with the UK base rate (which is expected to reach 1.00%). It is also worth reiterating that much of the Authority's cash has been utilised in lieu of borrowing, so whilst investment yields are low the Authority is saving around 2% on the cost of borrowing.

Diversification

- 4.19 Although the Council currently has a good spread of investment instruments, officers will continue to evaluate alternative investment options that meet the principles of security, liquidity and yield. Consideration will be given to alternative investment instruments and whether they are suitable for the investment portfolio. Proposals for new investment instruments will be taken to the Treasury Management Panel for discussion and advice will be sought from Link prior to making any investment decisions.
- 4.20 In addition to the core investment principles of security, liquidity and yield the Council will also seek to diversify investments to avoid concentration in specific banks, types of instrument, sovereign state etc. Consideration will also be given to the overall concentration of investments within each sector.
- 4.21 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels are set to ensure prudent diversification is achieved and these, together with minimum ratings and cash limits, are shown in the table at paragraph 4.6.

Berneslai Homes

- 4.22 The funds of Berneslai Homes continue to be ring fenced in a segregated Barclays account, with clear separation from Council funds. Officers of the Council are responsible for the management of Berneslai Homes' cash balances and the account is run in accordance with Treasury Management best practice and the effective management of risk.

TREASURY MANAGEMENT POLICY STATEMENT 2020/21**1 Introduction & Background**

- 1.1 The Treasury Management Code of Practice requires local authorities to produce a Treasury Management Policy and Strategy Statement on an annual basis.
- 1.2 The Council adopted the original CIPFA Code of Practice on 13th February 2002, and this resolution is carried through to the revised codes. Therefore, the Treasury Policy Statement for 2020/21 has been prepared in compliance with the latest Code.
- 1.3 Accordingly, the Council will create and maintain the following key documents in accordance with the revised Code of Practice and other relevant guidance:
 - The Treasury Management Policy Statement, outlining the key objectives of its Treasury Management activities;
 - The Treasury Management Strategy Statement including the Annual Investment Strategy setting out the specific expected Treasury Management activities for the forthcoming financial year;
 - Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve its objectives, and prescribing how it will manage and control those activities, and
 - Prudential and Treasury Indicators as prescribed within the Prudential and Treasury Management Codes.
 - The Capital Investment Strategy which sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring.
- 1.4 The Council will receive reports on its Treasury Management activities, including as a minimum, an annual strategy for the forthcoming year, an annual report after year end and interim quarterly reports (rather than the minimum six-monthly report required by the Code).
- 1.5 The Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices and for the execution and administration of Treasury Management decisions to the Section 151 Officer, who will act in accordance with the Council's Policy Statement and the CIPFA Treasury Management Code.
- 1.6 The Council nominates the Treasury Management Panel and the Audit Committee as being responsible for ensuring the effective scrutiny of the Treasury Management Strategy and Policies.
- 1.7 The Treasury Management Panel will meet on a quarterly basis (or as required) to monitor and review the Council's implementation of the Treasury Management Strategy and Policy. The Audit Committee will receive reports through which it will gain assurance regarding the effective implementation of the Strategy and Policy.

2. Policies and Objectives of Treasury Management Activities

2.1 The Council defines its Treasury Management activities as:

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

2.2 Approved activities of the Treasury Management operation cover:

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing cash flow;
- Banking activities;
- Leasing; and
- Managing the risk associated with the Council’s Treasury Management activities.

2.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will include their risk implications for the organisation.

2.4 This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.5 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The Section 151 Officer has delegated powers to select the most appropriate form of capital financing (including leasing arrangements) from the approved sources. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.6 The Council will not borrow more than (or in advance of) its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved Capital Financing Requirement estimates for the prescribed planning period. Moreover future borrowing transactions will be considered carefully before they are undertaken to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance of need will only be undertaken when there is a clear business case for doing so.

- 2.7 The Council's primary objective in relation to investment remains the security of capital. The liquidity of the Council's investments and the yield earned remain important but secondary considerations.
- 2.8 The Annual Investment Strategy details the categories of investment the Council will invest in, maturity periods and criteria for selecting investment counterparties. Any revisions to these criteria will require Council approval.

3. Treasury Management Scheme of Delegation

Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of the annual strategy.

Cabinet

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations, and

Treasury Management Panel / Audit Committee

- Approving the selection of external service providers and agreeing terms of appointment.
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Implementing the treasury management strategy and policies in compliance with member approvals, and
- Recommending the appointment of external service providers.

4. Policies on the use of Derivatives

- 4.1 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of financial derivatives. The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the TMSS. The Council will only use derivatives where they can be clearly demonstrated to reduce the overall level of financial risk
- 4.2 Derivatives may be arranged with any organisation that meets the Council's approved investment criteria.
- 4.3 The Council will only use derivatives after seeking a legal opinion and ensuring that officers have the appropriate training to effectively manage their use.

2020/21 MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Authority is required to make a prudent provision for debt repayment known as the Minimum Revenue Provision (MRP). Guidance on MRP has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under Section 21(1A) of the Local Government Act 2003. The four MRP options available are:

- Option 1: Regulatory Method;
- Option 2: CFR Method;
- Option 3: Asset Life Method, and
- Option 4: Depreciation Method.

NB This does not preclude other prudent methods

MRP in 2020/21: Options 1 and 2 may only be used for General Fund supported expenditure. Methods of making prudent provision for General Fund self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Authority chooses).

The MRP Statement is required to be submitted to the Authority before the start of the financial year for approval. Any revision of which must also be submitted to the Authority for approval. The Authority is recommended to approve the following statement:

- **For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For supported capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For non-supported (prudentially borrowed) capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **Within Option 3, MRP is permitted to be calculated in one of two ways - equal instalments or on an annuity basis. The Authority has chosen to calculate MRP on an annuity basis;**
- **MRP will normally commence in the financial year following the one in which expenditure is incurred. However, MRP Guidance permits local authorities to defer MRP until the financial year following the one in which the asset becomes operational. The Authority has chosen to employ this option for significant qualifying projects.**

MRP in respect of on balance sheet leases will match the annual principal repayment for the associated deferred liability. This approach will produce an MRP charge comparable to that under Option 3 in that it will run over the life of the lease term.

PRUDENTIAL AND TREASURY INDICATORS 2019/20 – 2022/23**Estimates of Capital Expenditure (General Fund and HRA)**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
General Fund	162.747	107.738	10.052	5.000
HRA	33.488	32.981	28.697	22.475
Total	196.235	140.719	38.749	27.475

Estimates of Capital Financing Requirement (General Fund and HRA)

This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long term liabilities (e.g. PFI schemes, finance leases). The Council is asked to approve the CFR projections below:

CFR	2019/20 (£M)	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)
General Fund	746.561	819.920	817.870	815.400
HRA	271.734	271.734	271.734	271.734
Total	1,018.295	1,091.654	1,089.604	1,087.134

The Operational Boundary (Overall)

This is the limit beyond which external debt is not normally expected to exceed, based on the Council's CFR (see above). The Council is asked to approve the limits set out below:

Operational Boundary (£M)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt	780.512	856.092	856.352	856.389
Other Long Term Liabilities	237.783	235.562	233.252	230.745
Total	1,018.295	1,091.654	1,089.604	1,087.134

The Authorised Limit for External Debt (Overall)

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following authorised limit:

Authorised Limit (£M)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt	810.512	886.092	886.352	886.389
Other Long Term Liabilities	237.783	235.562	233.252	230.745
Total	1,048.295	1,121.654	1,119.604	1,117.134

In 2020/21, the accounting requirements are changing in respect of leasing, through a revision to accounting standard IFRS 16. The change means that there will no longer be the distinction of finance and operating leases - all leases will be now effectively finance leases which means that the Council's debt requirement will increase. The impact of this change is not yet known, therefore the Council will need to revise its operational boundary and authorised limit during the year.

Interest Rate Exposure and Maturity Structure of Borrowing (General Fund and HRA)

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the limits set out overleaf:

Overall

Interest Rate Exposures	2019/20	2020/21	2021/22	2022/23
Limit on Variable Rate Borrowing / Unfinanced CFR	30%	30%	30%	30%
Fixed Rate Borrowing Target	70%	70%	70%	70%

General Fund

Loan Maturity Structure (All Years)		
	Lower	Upper
Under 12 months	0%	50%
12 months to 2 years	0%	25%
2 years to 5 years	0%	25%
5 years to 10 years	0%	25%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

Housing Revenue Account

Loan Maturity Structure (All Years)		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	25%
5 years to 10 years	0%	25%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

Maximum Principal Sums Invested for more than 365 Days (General Fund)

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. The Council is asked to approve the treasury indicator and limit: -

(£M)	2019/20	2020/21	2021/22	2022/23
Principal Sums Invested > 365 Days	20.000	20.000	20.000	20.000

Ratio of Financing Costs to Net Revenue Streams (General Fund and HRA)

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Ratio of Financing Costs to Net Revenue Streams (%)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
GF	11.7	13.8	13.1	13.2
HRA	45.4	45.1	44.8	44.6

Gross Debt and the Capital Financing Requirement (Overall)

Gross Debt & CFR (£M)	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
CFR	1,018.295	1,091.654	1,089.604	1,087.134
Outstanding Borrowing	629.838	603.936	586.543	553.806
Other Long-Term Liabilities	208.279	201.164	194.049	186.934
Gross Debt	838.117	805.100	780.592	740.740
Headroom	180.178	286.554	309.012	346.394

RISK SCHEDULE / APPROACH TO RISK MANAGEMENT

The following schedule contains information from the Treasury Management Practice documents and the Council's risk management software, and provides a summary as to how the Council manages the various treasury management risks.

1. Credit and Counterparty Risk

Risk: Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment.

Mitigation: Credit & Counterparty risk is addressed through the use of the Annual Investment Strategy (AIS) as detailed in Section 4. The implications of 'Bail-in' will impact on the ratio of probability of loss. The AIS aims to reduce the impact through diversification whilst acknowledging that the probability of default will potentially increase.

Probability: Medium

Impact: High

2. Liquidity Risk

Risk: Liquidity risk is the risk that cash will not be available when it is needed.

Mitigation: The Council has access to short-term funding through the money markets and borrowing is also readily available from the PWLB. The Council will also aim to keep a proportion of investments totally liquid i.e. with immediate access.

Probability: Low

Impact: Medium

3. Interest Rate Risk

Risk: Interest Rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances.

Mitigation: Both the HRA and particularly the GF debt pools are subject to a degree of interest rate risk. The balancing of risk against cost is a key theme for the TMSS and is addressed in detail throughout.

Probability: Medium

Impact: Very High

4. Exchange Rate Risk

Risk: Exchange rate risk is the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances.

Mitigation: None – the Council undertakes minimal foreign currency transactions, so the risk is negligible.

Probability: Very Low

Impact: Very Low

4. Inflation Risk

Risk: Inflation risk is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Mitigation: None – the Council generally invests over a term 6 months or less therefore inflation risk is low.

Probability: Low

Impact: Low

5. Refinancing Risk

Risk: Refinancing risk is the risk that maturing borrowings cannot be refinanced on terms that reflect the provisions made by the Council.

Mitigation: The GF has a significant amount of temporary borrowing which will need to be refinanced and this is addressed in the borrowing strategy. The PIs place limits on the maturity structure of borrowing to limit the refinancing risk.

Probability: Medium

Impact: High

6. Legal and Regulatory Risk

Risk: Legal and regulatory risk is where the Council fails to act in accordance with its legal powers or regulatory requirements, and suffers losses accordingly.

Mitigation: There are a number of regulatory changes being introduced in 2020/21, however the Council receives professional advice from Treasury Management advisers and officers receive regular training updates.

Probability: Medium

Impact: High

7. Fraud, Error and Corruption Risk / Contingency Management Risk

Risk: Fraud error and corruption and contingency management risk is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings.

Mitigation: Internal Audit consider on an annual basis carrying out a regulatory review of the treasury management function including probity testing. This decision is made on a risk-based strategy and discussed and agreed with management. The recommendations of these reports are actioned in accordance with the agreed timetable.

Probability: Low

Impact: Medium

8. Market Risk

Risk: Market risk is the risk that through adverse market fluctuations in the value of the principal sums the Council invests, its stated investment objectives of security of capital is compromised.

Mitigation: The use of alternative investments vehicles such as property funds may increase the level of market risk. Investment in such instruments will only be undertaken after rigorous assessment and on the advice of Link Asset Services.

Probability: Medium

Impact: Medium

DEFINITION OF TERMS

Treasury Management refers to the management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

CIPFA is the Chartered Institute of Public Finance and Accountancy - the leading accountancy body for the public services providing education and training in accountancy and financial management.

MHCLG is the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) - a ministerial department responsible for UK Government policy on housing and public services.

MRP refers to the Minimum Revenue Provision - a statutory annual charge to the revenue account for the repayment of debt (as measured by the Capital Financing Requirement).

Capital Financing Requirement (CFR) represents the authority's underlying indebtedness for capital purposes, based on historic capital expenditure which hasn't yet been financed (e.g. from grants, capital receipts or revenue contributions).

Debt refers to the sum of borrowing and other long-term liabilities.

Other Long Term Liabilities mean the liabilities outstanding under credit arrangements (e.g. PFI contracts or finance leases).

Internal Borrowing / Under-Borrowed refers to the temporary use of cash resources (e.g. reserves earmarked for future capital expenditure or grants received in advance of expenditure) to avoid borrowing immediately, which seeks to reduce investment counterparty risk and create a short-term budget saving. The Council will replace these cash resources with external borrowing as these spending commitments occur.

Transferred Debt refers to the debt transferred on reorganisation of the former South Yorkshire Country Council.

Specified Investments are short-term investments (i.e. less than 12 months) denominated in pounds sterling with a high credit quality.

Non-Specified Investments refers to any financial investments (excluding loans) that do not meet the criteria to be treated as a specified investment.

Investments in Foreign Countries refer to investments placed with counterparties from countries outside the UK (subject to a minimum sovereign rating of AA-).

BARNSELEY METROPOLITAN BOROUGH COUNCIL

FEEES AND CHARGES 2020/21

1. Purpose of The Report

- 1.1 The purpose of this report is to update the Council's Fees and Charges Policy as well as outline the Council's proposed 2020/21 fees and charges which are an integral part of the 2020/21 Budget Process.

2. Recommendation

2.1 It is recommended that Cabinet:

1. **approve the updated Fees and Charges Policy attached as Appendix 1;**
2. **approve the new and existing fees and charges set out in Appendix 2 for implementation from 1st April 2020 or later in 2020/21 as applicable;**
3. **note that additional reports will be submitted during the course of the year, in the event that any further amendments to fees & charges are required;**
4. **note the objectives and progress of the Council's Commercial Strategy.**

3. Introduction & Background

Work Undertaken on Fees & Charges

- 3.1 The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Council. This position was supported by the recent Corporate Peer Review in February 2019 and will provide the foundations to ensure we are in a position to achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.
- 3.2 The implementation of our current Council structure means that the delivery of our key services are based on a Business Unit model supported by a strong and lean core. The financial outlook underpinning the Council's strategic framework has been developed around a reducing resource envelope and therefore, consideration of setting appropriate fees and charges is an important consideration for Business Units.
- 3.3 All fees and charges for 2020/21 have been proposed in the light of the Council's Fees and Charges Policy, which is included at Appendix 1. This provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved.

- 3.4 It should be noted that there may be further changes to fees and charges to be finalised as part of a wider consideration of Business Unit plans. These will be submitted to Cabinet in due course when all relevant issues have been worked through.

Fees & Charges Policy

- 3.5 A significant element of the Council's activity is underpinned by income generated through a variety of fees and charges made in relation to such activities.

- 3.6 Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service;
- Discouraging abuse of a service;
- Strengthening service and corporate objectives; and
- Promoting and encouraging access to services.

- 3.7 Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Commercial Strategy

- 3.8 The overriding principle is to ensure that the Council's fees and charges are set within a value for money context where financial, performance, access and equality issues are considered fully and appropriately, and decisions are taken in a transparent and balanced way.

- 3.9 To aid delivery of this, the Council has a Commercial Strategy in place that focuses on 4 key themes:-

- Developing a **Commercial Culture**.
- Ensuring that we demonstrate **Value for Money** across all activities.
- Effective **Procurement and Commissioning**.
- Maximising the income generating potential of our **Commercial Activities**.

- 3.10 The Commercial strategy is a key document in adapting the Council to an ever changing market place and sets the framework for helping it to seek out the new opportunities on offer. This will help us achieve our

commercial aspirations but also potentially help deliver much needed additional income. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

3.11 Through consideration and implementation of the Commercial Strategy it is envisaged that the overall principles set out at paragraphs 3.8 - 310 will be achieved.

3.12 With the above in mind, a full review of all existing charges has been undertaken by respective business units. New opportunities have also been considered and reviewed. The outcome of these reviews is presented in sections 4 and 5 below, with full details of all charges at Appendix 2 to this report

4. Existing Fees and Charges

4.1 All business units have undertaken a full review of the current fees and charges under their respective remits. The following changes to existing fees and charges are proposed based on a fundamental value for money review of the existing service provision and current charges being made:

Charge	Basis of changes proposed
Various charges at cultural venues	Increased to fall in line with market rates
Golf Course fees	Increased in line with RPI
Day centre charges (transport / laundry)	Charges removed from 2020/21
Pollution, prevention and control permits	Charges set by government
Library service (fines, photocopying, printing)	Charges removed

4.2 All other charges have also been reviewed and either increased in line with inflation (at 1.7%) or no changes have been made (e.g. where the charges are set by statute).

4.3 It should be noted that the proposed commercial waste charges are excluded from this report due to the commercial sensitivity. These will be submitted as a private item at a later date.

SECTION 2f

4.4 In accordance with the overall review of all fees and charges it is recommended that the schedule of existing fees and charges as set out in Appendix 1 are implemented from the 1st April 2020 or later in 2020/21 as applicable.

5. New Fees and Charges

5.1 In line with the Council's Commercial Strategy, a review of all new opportunities open to the Council for which a charge can be levied in accordance with the Council's Policy has been undertaken.

5.2 This review has identified the following new proposed fees and charges:

Charge	Basis of charges
Court protection fees	Various – introduced in line with Office of Public Guardian recommendation
Licence application checking service	To be determined

5.3 It is recommended that these are implemented from 1st April 2020 as set out in Appendix 2 to this report.

Fees and charges policy

This policy explains how fees and charges are determined and maintained across the council

1.0 Purpose

The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Council. This has provided the foundations to ensure we are in a position to achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.

The current Council structure means that delivery of our key services is based on a Business Unit model supported by a strong and lean core. The financial outlook for the Future Council framework has been developed around a reducing resource envelope. By using its powers to charge for goods and services the Council is able to generate additional income to support investment in services and / or reduce the overall level of expenditure to be met by local tax payers.

Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service
- Discouraging abuse of a service
- Strengthening service and corporate objectives
- Promoting and encouraging access to services

2.0 Scope

The overriding aim of this Fees and Charges Policy is to ensure that the Council makes use of all the powers available to it in order to recover the full cost of providing services to enhance the social and economic wellbeing of the community the Council serves. In using these powers, the Council will wish to take care to ensure that the consequences of charging on individuals, the wider aims of the Council itself and / or organisations do not adversely impact on those who are vulnerable or in difficulties.

Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected in a timely way.

The Policy applies to all existing fees and charges as well as any new fee or charge which the Council is eligible to levy but excluding:

- Council Tax & NNDR
- Housing rents and service charges
- Fees and charges fixed by statute

Managers must consider the application of this policy when:

- Setting fees and charges (excluding rates); and
- Reviewing fees and charges.

3.0 Legal Position

The majority of the Council's statutory services, Building Control being a key exception, are funded directly from the Council's main sources of revenue, i.e. government grants and local taxation.

Income received by the Council from fees and charges is generated by statutory and discretionary services and advertising and sponsorship opportunities. Where fees and charges apply to statutory services these are often set nationally, for example, some planning and licensing fees.

Discretionary services are those that an authority has the power to provide but is not obliged to do so. They include services provided directly to the public in general such as leisure services as well as charges for the costs incurred by the council (such as legal costs) when entering into planning or highways agreements with specific persons.

Advertising and sponsorship provide an opportunity for organisations to publicise information likely to be of interest to residents through various council communication channels. All advertising and sponsorship must comply with the Council's advertising and sponsorship policy which is located at <https://www.barnsley-services.co.uk/media/2476/advertising-and-sponsorship-policy.pdf>.

The legal powers that the Council has to raise fees and charges are enshrined in specific provisions contained in both the Local Government Act 2003 and the Localism Act 2011.

Under the Localism Act 2011 there is a general power of competence which explicitly gives councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include charging (i.e. to recover the costs of providing a discretionary service which the person has agreed to) or trading (i.e. to generate efficiencies, surpluses and profits) through a special purpose trading company.

These powers are in addition to similar powers set out in the Local Government Act 2003. The 2003 Act empowers councils to charge for any discretionary services on a cost recovery basis. For example, the Council could decide to provide a new discretionary service, that is an addition to or an enhancement of a statutory service, and then charge for it.

Statutory guidance published in 2003 outlines how costs and charges should be established and that guidance remains in force (see: '*General Power for Best Value Authorities to Charge for Discretionary Services*', ODPM, 2003).

The guidance explains that for each discretionary service for which a charge is made, councils need to ensure that, taking one year with another, the income from charges for that service does not exceed the costs of provision. The requirement establishes the idea of balancing the books over a period of

time (not less than 1 year and no more than 3 years). Any over or under recovery that results in a surplus or deficit of income in relation to costs in one period should be addressed when setting charges for future periods so that over time income equates to costs.

The 2003 Act also enables councils to trade in activities related to their functions on a commercial basis with a view to profit through a company.

4.0 Council Policy

The Council's Fees and Charges Policy provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved. This is supported by detailed schedules of fees and charges which are maintained by each service and which must be reviewed on a quarterly basis in line with the Council's quarterly forecasts and annual budget setting. The objective of this process is to provide flexibility to introduce new charges and / or amend existing ones within an agreed governance structure but at various times in the year and not just at budget setting.

To avoid changes impacting on the budget and MTFs, any in-year changes should be reported through to Cabinet separately. Any downward changes in prices/income will require the service to identify mitigations to bridge any income gap resulting from the change.

Clearly future decisions on whether to charge and at what level to charge need to be considered within a framework that is used throughout the Council to achieve clarity and consistency in approach to decision making. All services must therefore comply with this policy.

The key features to consider include:

- Fees and charges will be structured to support the Council's Corporate Plan and encourage public engagement in policy development;
- The income generated from fees and charges will be used to support the work of the Council;
- Fees and charges will normally be calculated on a full cost recovery basis, depending on the state of the market and any other relevant factors. Any fees and charges agreed to generate income greater than full costs should be clearly articulated as part of the decision. For example, at present, we generate a net revenue surplus on cremation charges. A justification for making this surplus may be that:
 - There are significant capital costs which are not included; revenue surpluses are required to contribute to capital costs.
 - We run the crematorium and burial services as a consolidated service. When considered together, a breakeven position is achieved.

- We are setting rates at market rates to generate reserves for the future and/or to support other associated services.
- Where appropriate, review fees and charges every quarter in line with the quarterly forecast and annual budget processes;
- All concessions will be specified;
- Market research, comparative data, management knowledge and any other relevant information will be used where appropriate to ensure that charges do not adversely affect the take up of services;
- Fees and charges will not be used in such a way that would restrict access to information or services;
- The impact on income from fees and charges will be taken into consideration when a decision is taken to change any services provided by the Council;
- The cost of collection will be considered to ensure that fees and charges are economical to collect; and
- The income generated from fees and charges will be monitored on a monthly basis as part of the Council's budget monitoring process.

Through consideration of these factors and assessment of their relative importance for individual services, it is envisaged that the overall principal will be achieved.

5.0 Guidance on setting fees and charges

The overall principle aim of the policy is to ensure that the Council's fees and charges are set within a framework of value for money, whereby financial performance, access and equality are considered fully and appropriately, and decisions taken represent a transparent and balanced approach. To aid delivery of this the Council has in place:

1. A Commercial Strategy
2. Guidance for Managers

The Commercial Strategy focuses on 4 key themes:-

- Developing a commercial culture.
- Ensuring that we demonstrate value for money across all activities.
- Effective procurement and commissioning.
- Maximising the income generating potential of the Council.

The commercial strategy is a key document to support the Council in an ever changing environment and sets out a framework for helping it to seek out the new opportunities on offer. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities and partners where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

The Guidance for Managers sets out information for applying the fees and charges. The aim is to encourage a consistent and cost effective approach to the setting of charges for services provided by:

- a. Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set;
- b. Providing guidance on the factors that need to be taken into consideration when charges are being reviewed;
- c. Requiring more active use of market intelligence when setting charges;
- d. Establishing parameters for calculating different levels of charges;
- e. Recommending the criteria for applying concessions or discounted charges consistently across the council; and,
- f. Ensuring Finance is consulted at an early stage to provide support and ensure compliance with Financial Regulations.

6.0 Payment Methods

The Council provides a range of cost effective 24/7 payment options with a choice of frequencies. Not all payment methods will be available to all customers and there is a requirement for customers to use the most cost efficient and effective payment method for their circumstances. Payment by direct debit is the council's preferred /default payment option.

Payment for services, where possible, will be in advance or at the point of service delivery. In order to manage collection costs a de-minimus level will be set below which a debt will not be raised and payment in advance will be required. These levels are outlined in the Councils debt management process appendices.

More information can be found in the Councils Corporate Debt Policy via the Council's intranet site.

7.0 Equality Impact Assessments

Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act and advance equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not. This is the public sector equality duty.

The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision.

Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision making process using the Council's EA screening template.

8.0 Review of Policy

This Policy is to be reviewed every year to ensure consistency with wider council and departmental objectives and priorities and national policy changes and initiatives. The next review of this policy is scheduled to take place in September 2020.

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FEES & CHARGES PROPOSALS FOR 2020/21

Fee / Charge description		Basis of charge	Proposed charge for 2020/21	Percentage increase in fees
PLACE				
REGENERATION & PROPERTY				
PROPERTY SERVICES				
	Land and Building Rent; Maintenance, Service Charges	Market Value	Various rates	N/A
	Allotment rent - with water	Per allotment	£82.17	0.0%
	Allotment rent - without water	Per allotment	£40.49	0.0%
	Garage rent	per site	£37.00	0.0%
CLIS / Adult Learning				
Acorn Centre Service Charges				
	Office Space	per sq ft	£11.86	0.0%
	Workshops	per sq ft	£8.83	0.0%
Kendray Service Charges				
	Office Space	per sq ft	£11.04	2.5%
	Workshops	per sq ft	£9.72	2.5%
Tuition / course fees				
	With SFA public subsidy		£2.90	0.0%
	Without SFA public subsidy		£5.80	0.0%
	With SFA public subsidy - means tested benefits excluding JSA & ESA (WRAG)		£1.45	0.0%
	Without SFA public subsidy - means tested benefits excluding JSA & ESA (WRAG)		£2.90	0.0%
BUILDING CONTROL				
Building regulation application charges				
New housing				
	1 Dwelling	1 Dwelling	£542.00	0.0%
	2 Dwelling	2 Dwelling	£750.00	0.0%
	3 Dwelling	3 Dwelling	£958.00	0.0%
	4 Dwelling	4 Dwelling	£1,167.00	0.0%
	5 Dwelling	5 Dwelling	£1,375.00	0.0%
	6 or more Dwellings	6 or more Dwellings	Determined individually	
Domestic building works				
	Attached/detached garage or carport, n.e. 36m2	Dometric Building Type	£217.00	0.0%
	Attached/detached garage or carport, 36-100m2	Dometric Building Type	£292.00	0.0%
	Extension 40 - 60m ²	Dometric Building Type	£500.00	0.0%
	Extension 60 - 100m ²	Dometric Building Type	£558.00	0.0%
	Replacement window/s & door/s to one property	Dometric Building Type	£83.00	0.0%
	Replacement window/s & door/s to more than one property	Dometric Building Type	Determined individually	
	Controlled domestic electrical work (not CPS)	Dometric Building Type	£333.00	0.0%
	Renovation of a thermal element (non-structural)	Dometric Building Type	£83.00	0.0%
	Renovation of a thermal element (structural)	Dometric Building Type	£150.00	0.0%
	Rooms in a roofspace including means of access	Dometric Building Type	£417.00	0.0%
	Additional rooms in a roof space excluding means of access	Dometric Building Type	£333.00	0.0%
	Other domestic work - estimated cost < £2,000	Dometric Building Type	£142.00	0.0%
	Other domestic work - estimated cost £25,000 - £50,000	Dometric Building Type	£450.00	0.0%
	Other domestic work - estimated cost > £50,000	Dometric Building Type	Determined individually	

	Non-domestic building works	Dometic Building Type		
	Installation of < 20 windows and doors	Dometic Building Type	£217.00	0.0%
	Installation of 20 - 50 windows and doors	Dometic Building Type	Determined individually	
	Other non-domestic work - estimated cost < £2,000	Dometic Building Type	£200.00	0.0%
	Other non-domestic work - estimated cost £2,000 - £5,000	Dometic Building Type	£225.00	0.0%
	Other non-domestic work - estimated cost £5,000 - £10,000	Dometic Building Type	£300.00	0.0%
	Other non-domestic work - estimated cost £10,000 - £25,000	Dometic Building Type	£420.00	0.0%
	Other non-domestic work - estimated > £50,000	Dometic Building Type	Determined individually	
	Street naming & property numbering charges			
	New property addresses on existing steet			
	1	1 property	£55.00	0.0%
	2 to 5	2 to 5 properties	£90.00	0.0%
	6 to 10	6 to 10 properties	£110.00	0.0%
	11 to 50	11 to 50 properties	£165.00	0.0%
	51+	51+ properties	£220.00	0.0%
	Change to a new development after notification			
	1	1 property	£55.00	0.0%
	2 to 5	2 to 5 properties	£90.00	0.0%
	6 to 10	6 to 10 properties	£110.00	0.0%
	11 to 50	11 to 50 properties	£165.00	0.0%
	51+	51+ properties	£220.00	0.0%
	Re-addressing of properties on existing street	per property	£135.00	0.0%
	New property addresses requiring new street names:			
	1	1 property	£80.00	0.0%
	2 to 5	2 to 5 properties	£110.00	0.0%
	6 to 10	6 to 10 properties	£155.00	0.0%
	11 to 50	11 to 50 properties	£220.00	0.0%
	51+	51+ properties	£300.00	0.0%
	MUSIC SERVICE			
	Instrument Hire (per term)	per term	£15.00	0.0%
	Contin Lessons per term	per term	£35.00	0.0%
	Group Lessons per term	per term	£51.00	0.0%
	20 minute Individual Lessons per term	per term	£102.00	0.0%
	30 minute Individual Lessons per term	per term	£147.00	0.0%
	KS11 projects per year	per year	£1,230.00	0.0%
	KS2 full year projects	per year	£750.00	0.0%
	DEVELOPMENT MANAGEMENT			
	Planning Application Fees	Per application	Various rates	0.0%
	Householder Enquiry Forms	Per enquiry	£60.00	50.0%
	Minor Pre-application Advice	Per enquiry	£60.00	50.0%
	Residential pre-app - 1 to 5 dwellings	Per enquiry	£180.00	350.0%
	Residential pre-app - 6 to 19 dwellings	Per enquiry	£600.00	0 to 1,400%
	Residential pre app - 20 dwellings +	Per enquiry	£1,200.00	25 to 100%
	Non - residential pre-app : Up to 500sqm of additional floorspace	Per enquiry	£240.00	500.0%
	Non - residential pre-app: 500 - 4,999 sqm of additional floorspace	Per enquiry	£600.00	0.0%
	Non - residential pre app: 5,000 sqm + of additional floorspace	Per enquiry	£1,200.00	25.0%
	Other pre-apps not within above categories	Per enquiry	£120 +	N/A
	Listed Building & Conservation Area Advice	Hourly Rate	£100.00	150.0%
	Sec 106 Legal Agreement Enquies	Hourly Rate	£116.00	190.0%
	Planning Policy Evidence Based & Land Allocation Discussions	Hourly Rate	£0.00	N/A

MARKETS				
	Barnsley Open Market - all stalls	Day Rate	£20.00	0.0%
	Barnsley Central Sunday Market - all 8ft stalls	Day Rate	£10.00	0.0%
	Barnsley Glassworks Market - all days:			
	Stall rental	Per annum per Square Foot	£31.00	0.0%
	Café rental	Per annum per Square Foot	£37.20	0.0%
	Market Kitchen Rental	10% or 15% of Turnover dependant on Business type	Commercially sensitive - available on request	
	Basement storage	Per annum per Square Foot	Commercially sensitive - available on request	N/A
	Service Charge	Per annum per Square Foot	Commercially sensitive - available on request	N/A
	Trader car parking - Standard trader bay	Day Rate	£2.50	0.0%
	District Markets			
	Wombell - Stall 10 x 8	Day Rate	£13.50	0.0%
	Hoyland - A 11' stall	Day Rate	£12.00	0.0%
	Goldthorpe - A 9' stall	Day Rate	£9.50	0.0%
	Pensitone - 2 metre stall	Day Rate	£10.00	0.0%
	Penistone - 3 metre stall	Day Rate	£15.00	0.0%
	Penistone - Building Hire	1/2 day rate	£50.00	0.0%
	COMMERCIAL SPACE MANAGEMENT			
	Barnsley 4m x 4m	Day Rate	£100.00	0.0%
	Barnsley 6m x 4m	Day Rate	£130.00	0.0%
	Barnsley 8m x 4m	Day Rate	£150.00	0.0%
	Wombwell	Day Rate	£65.00	0.0%
	Hoyland	Day Rate	£30.00	0.0%
	Goldthorpe	Day Rate	£30.00	0.0%
	Penistone	Day Rate	£30.00	0.0%
	Book to roam (leaflets)	Per distributor	£15.00	0.0%
	MUSEUMS AND HERITAGE CENTRES			
	Cooper Gallery			
	Per Day	Per Day	£220.00	0.0%
	Per hr outside core hrs	Per hr outside core hrs	£50.00	0.0%
	Charities -full day	Charities -full day	£150.00	0.0%
	Per hr outside core hrs	Per hr outside core hrs	£30.00	0.0%
	Gallery Hire (2 hours)	Gallery Hire (2 hours)	£500.00	0.0%
	Sadler for Weddings (depends on length of time)	Depends on length of time	N/A	N/A
	Sadler (1 hour)	Sadler (1 hour)	£100.00	0.0%
	Commission on Artists work sales	Commission on Artists work sales	35% + VAT	0.0%
	Cannon Hall			
	Spencer Wing Conference Hire	Full day	£220.00	0.0%
	Spencer Wing Conference Hire	Per Hour	£75.00	0.0%
	Spencer Wing Conference Hire	Charities full day, £30 per hr outside core hrs	£150.00	0.0%
	Spencer Wing Conference Hire	Charities per hour	£30.00	0.0%
	Victorian Wing	per day	50.00 - 100.00	
	Victorian Wing	per hr weekends	£70.00	0.0%
	Victorian Wing	per day (charities)	30.00 -75.00	
	Victorian Wing	per hr weekends (Charities)	£30.00	0.0%
	Ballroom Hire for ceremony	All prices are Plus VAT	£1,200.00	0.0%
	Deer Shelter for Ceremony	All prices are Plus VAT	£1,500.00	25.0%
	Library Hire for ceremony	All prices are Plus VAT	£1,000.00	0.0%
	Ballroom Hire for private functions	All prices are Plus VAT	£1,200.00	20.0%
	Gallery Hire for functions	For 2 hours	£500.00	0.0%
	Drink Functions (Spencer wing)	Per Hour	£100.00	0.0%
	Car Parking at Cannon Hall	up to 2 hours - cars and minibuses	£1.00	0.0%
		All day - cars and minibuses	£3.00	0.0%
		Coaches	£5.00	0.0%
		Motorcycles	free	N/A
		Season Ticket (includes VAT)	£100.00	0.0%
		Land Hire per day	£1,250.00	0.0%
		per day per pitch (charities)	£50.00	0.0%
		per day per pitch (charities)	£25.00	0.0%

	Elsecar			
	Building 21 - hire per hour weekdays	All prices are Plus VAT	£50.00	0.0%
	Building 21 - hire all day	All prices are Plus VAT	£1,500.00	50.0%
	Hard based space outside	All prices are Plus VAT	£400.00	60.0%
	Stage Hire	Per day	£250.00	-50.0%
	Tiered seating	Per day	£250.00	0.0%
	Trestle tables	Per table	£5.00	0.0%
	Additional chairs(over 50)	Per chair	£2.00	0.0%
	AV equipment	Per day	£250.00	N/A
	Stage lighting	Per day	£50.00	N/A
	Marketing support packages	Per event	From £50	N/A
	Crash barriers	Per barrier per day	£20.00	300.0%
	Visitor Centre Meeting Room			
	Private & Commercial Mon-Fri	Per day	£220.00	0.0%
	Weekends and evenings	Per hour	£50.00	0.0%
	Worsbro Mill			
	Season Ticket (incl VAT)	Includes VAT	£100.00	0.0%
	Car Parking	per hour	£1.00	0.0%
	Car Parking	per day	£3.00	0.0%
	Car Parking	per day coaches	£5.00	0.0%
	Land hire	Per day	£1,000.00	0.0%
	Pitch	Charities	£25.00	0.0%
	Pitch	Non-charities	£50.00	0.0%
	Experience Barnsley			
	Hire of Learning Lab (office hours)	Per day	£220.00	0.0%
	Hire of galleries (evening function)	Dependent on length (from)	£500.00	0.0%
	Archives			
	Various copying, printing charges		0.35 to 20.00	0.0%
	Commercial use of images or documents	Various charges	120.00 - 480.00	0.0%
	Low resolution images for use on the internet	Various charges	6.00 - 240.00	0.0%
	Commercial use of exhibitions	Various charges	60.00 -180.00	0.0%
	Television - first broadcast	Plus VAT	£360.00	0.0%
	Television - for subsequent repeats	Plus VAT	£180.00	0.0%
	SCHOOL VISITS			
	Visits per child (full day) Arts Award	Visits per child (full day) Arts Award	£12.75	0.0%
	Visits per child (full day)	Visits per child (full day)	£8.99	0.0%
	Half day per child	Half day per child	£4.99	0.0%
	Use of Learning Lab per hour	Use of Learning Lab per hour	£25.00	0.0%
	Talks and Tours on Site	Talks and Tours on Site		
	Loan Box Hire 1 week	Loan Box Hire 1 week	£25.00	0.0%
	Loan Box Hire 2 weeks	Loan Box Hire 2 weeks	£50.00	11.1%
	PROFESSIONAL CONSULTANCY	Per day + expenses (from)	Commercially sensitive - available on request	N/A
	HOUSING			
	Landlords Accreditation Scheme			
	Landlords with more than 1 property	Per Landlord	£50.00	0.0%
	GYPSY SITES			
	Pitch rents at Smithies Lane Gypsy & Traveller site (Small improved pitch)	per week per pitch	£79.46	1.7%
	Pitch rents at Smithies Lane Gypsy & Traveller site (Large improved pitch)	per week per pitch	£103.29	1.7%
	Hire of caravans (Ings Road site etc)	per week - 28ft caravan	£64.47	1.7%
	Hire of caravans (Ings Road site etc)	per week - 35ft caravan	£71.39	1.7%
	ENVIRONMENT & TRANSPORT			
	WASTE			
	Commercial waste collection			
	Assisted Collection Registration Fee	per registration	£10.00	0.0%
	Others			2.0%
	Zone B			2.0%
	Zone C			2.0%
	charity a			2.0%
	charity b			2.0%
	charity c			2.0%
	charity d			2.0%
	recycling up to 3 bins			0.0%
	recycling over 3 bins			0.0%
	Duty of Care			0.0%
	Commercial Waste Bin delivery	Per Bin	£25.00	0.0%
	Bin delivery charges	Per Bin	£25.00	0.0%
	Special (bulky) collection	up to 2 items	£20.00	0.0%
	1 to 2 items	each item above 2 (upto 12)	£5.00	0.0%

	Above 12 items	Above 12	Determined individually	N/A
	Premium upgrade	Premium Upgrade	£10.00	0.0%
	Additional premium item	Additional premium item	£5.00	0.0%
FLEET				
	MOT fees - general public	Per Inspection - £5 discount available	£45.00	0.0%
NEIGHBOURHOOD SERVICES				
	Parcels of work	Individually priced	Determined individually	N/A
	Disposal of dead animals following RTA	per Animal	£30.00	0.0%
TRANSPORT				
	Transport (Day Care)	Per Journey	£2.00	0.0%
STORES				
	Tipping	Dependent on materials		
	Weighbridge	Per use (Plus VAT)	£11.67	0.0%
ENGINEERS				
	Street Lighting - external	Individually priced		
	Other (dropped crossings)	Individually priced		
	Other (signs)	Individually priced		
	Other (Engineering Services external works)	Individually priced		
	Mechanical sweeping - external	per hour	£70.17	1.7%
	Cesspit emptying - domestic	per visit	£295.40	1.7%
	Cesspit emptying - industrial	per hour + disposal costs + vat	£104.75	1.7%
	Drain Clearance - 9:00am - 5:00am	per hour + vat	£100.00	0.0%
	Drain Clearance - outside normal hours	per hour + vat	£203.00	0.0%
	Preparation & site induction for mechanical sweeping & cesspit emptying where required	actual costs +10%	actual costs +10%	N/A
	Professional Fee's - Engineering	Per hour	£152.55	1.7%
	Recycling	Per ton per material	Determined individually	N/A
HIGHWAYS LICENCES, PERMITS AND SERVICES				
	Licensing of builders' skips placed on the highway	Licence	£24.00	0.0%
	Licensing of builder's skips placed on the highway - retrospective license	Licence	£82.00	0.0%
	Licence charge for scaffolding and other structures on highways (Fixed)	First week	£192.00	0.0%
		Subsequent weeks	£69.00	0.0%
	Licence charge for scaffolding and other structures on highways (Mobile)	Licence	£56.00	0.0%
	Licensing of builder's materials deposited on the highway	Licence	£12.00	0.0%
	License to dispense with erection of a hoarding	Licence	£83.00	0.0%
	Site inspections to monitor compliance with duties relating to the erection of hoardings	Licence	£53.00	0.0%
	Section 50 license to instal private apparatus in the highway	Licence	£440.00	0.0%
	Retrospective Section 50 Licence	Licence	£520.00	0.0%
	Various licences to make openings in the street or footway for constructing works, cellars or the admission of light into premises	Licence	£195.00	0.0%
	Section 171 licence to carry out highways works	Licence	£202.00	0.0%
	Additional Fee for retrospective issues of section 171 or 184 notice	Licence	£79.00	0.0%
	License to construct a vehicle crossing - use of private contractors	Licence	£201.00	0.0%
	License to construct a vehicle crossing - use of BMBC Engineering Services or private contractors	Licence	£69.00	0.0%
	Clearance of accident debris	Actual costs +10%	Actual costs +10%	N/A
	Road Closure Orders (Planned)	Road Closure Order	£1,013.00	0.0%
	Road Closure Notice (Emergency)	Road Closure Notice	£742.00	0.0%
	Road Closure to the benefit of the highway authority carried out by a third party on a not for profit basis	Road Closure	£206.00	0.0%
	Road Closure Order (Special Events)	Road Closure Order	£1,013.00	0.0%
	Application for a traffic sign to specified land or premises (permanent)	Application	£52.00	0.0%
	Application for a traffic sign to specified land or premises (temporary)	Application	£54.00	0.0%
	Placing of traffic sign for specified land or premises			
	Pavement café licences	licence	£452.00	0.0%

	Consideration of applications for consent for overhead beams, Rails, wires, banners etc above the highway	Application	£100.00	0.0%
	Licence to Oversail the Highway with Tower Cranes etc	Licence	£95.00	0.0%
	Consideration of applications to buildings, structures, balconies etc over the highway	Application	£618.00	0.0%
	Licence to non-Statutory Undertakers to place and maintain apparatus in the Highway (New Roads and Street works Act)	Licence	£452.00	0.0%
	Construction of highways to be adopted (section 38 Highways Act 1980) HIGHWAY DC ONLY	Based on size and scale of project	Variable	N/A
	Charges for Demolition Notices	Demolition Notice	£300.00	0.0%
	Penalty charges to Statutory Undertakers for exceeding permitted licence to occupy the Highway (Section 74 New Roads and Street works Act)	Variable	Variable	N/A
	Bus lane enforcement	Per enfraction	£60.00	0.0%
	Increased Highways Act enforcement	Actual costs to clear the highway	Actual costs	N/A
	Weekly Inspection of scaffolding and hording	Inspection	£69.00	0.0%
	Retrospective Licenses for S184, S50 & Scaffold licenses would incur a charge of £80 additional to the normal license fee.	Licence	£80.00	0.0%
	Road Closure Orders (Planned) PROW Initial fee - dependant on dwelling numbers, sliding scale for more than 1 dwelling	Road closure order	£535.00	0.0%
	Road Closure Orders (Planned) PROW weekly fee	Road closure order	£100.00	0.0%
	Road Closure Orders (Planned) PROW Extension	Road closure order	£268.00	0.0%
	Road Closure Notice (Emergency) PROW	Road closure order	£268.00	0.0%
	Public Path Orders (Diversion Orders)	Dependant on dwelling numbers, sliding scale for more than 1 dwelling	minimum £3,296, maximum £5,665	0.0%
	Pavement café licences (continuation fee)	Licence	£225.00	0.0%
	Water Course Consenting	Per Consent	£50.00	0.0%
	Section 81 Demolition Notices under the Building Act	per demolition notice	£300.00	0.0%
	Status Enquiries	per status enquiry	£61.00	0.0%
	Status Enquiries incl Highways DC	per status enquiry	£88.00	0.0%
RESIDENT PARKING ZONES				
	Residents - First Permit	Residents - First Permit	£25.00	0.0%
	Residents - Second Permit	Residents - Second Permit	£50.00	0.0%
	Business - First Permit	Business - First Permit	£37.50	0.0%
	Business - Second Permit	Business - Second Permit	£75.00	0.0%
CAR PARKING				
	Off Street Parking			
	Market Gate;Pontefract Road	available seperately		0.0%
	Lambra Rd			0.0%
	Burleigh St, Joseph St, Pitt St			0.0%
	St Marys Place; Grahams Orchard			0.0%
	John St; Sackville St			0.0%
	Curchfield; County Way/Court House; Multi Storey; Mark Street			0.0%
	West Road Pogmoor			0.0%
	Wellington House			0.0%
	On Street parking			
	Premium Parking	Per Hour	£1.00	11.1%
	Public Season Tickets	Per week	£22.00	0.0%
		Per month	£82.00	0.0%
		Per quarter	£230.00	0.0%
		Per year	£770.00	0.0%
	Staff Discounted Season Tickets	Staff Season Ticket (per month)	£17.50 to £35.00	0.0%
	Charges for Fixed Penalty Notices	Fixed Penalty Notice and depends on severity of offence	£50.00 or £70.00	0.0%
	Parking place suspension	Estimated loss of parking revenue plus 10% to cover administration	Determined individually	N/A

PEST CONTROL & DRAINAGE				
	Pest Control Fees (Owner occupiers, B Homes, Private contracts)			
	Rats & Mice (3 visits)	Rats & Mice (3 visits)	£109.00	0.0%
	Wasps, Bees, Flies Ants (1 visit)	Wasps, Bees, Flies Ants (1 visit)	£55.00	0.0%
	Fleas (1 visits)	Fleas (1 visits)	£99.50	0.0%
	Moles (3 visits)	Moles (3 visits)	£199.00	0.0%
	Cockroaches (2 visits)	Cockroaches (2 visits)	£199.00	0.0%
	Bed Bugs (2 visits)	Bed Bugs (2 visits)	£199.00	0.0%
	Squirrels (2 visits)	Squirrels (2 visits)	£199.00	0.0%
	Others (per hour)	Others (per hour)	£65.00	0.0%
	Premium Upgrade	Premium Upgrade	£25.00	0.0%
	Call out fee	Call out fee	£30.00	0.0%
SPORTS				
	Passport to Leisure	Per Annum	£5.00	0.0%
	Golf Course - Green Fees	Per Round - weekdays	£17.00	0.0%
	Golf Course - Green Fees	Per Round - weekends	£22.00	0.0%
	Golf Course - Green Fees	Season Ticket (per annum)	£660.00	2.3%
BEREAVEMENT SERVICES				
	Purchase of right of burial in grave(dug for 2 only)	per burial / cremation	£933.00	2.0%
	Prew Purchase of right of burial in grave(dug for 2 only)	per burial / cremation	£1,035.00	2.0%
	Renew EROB for 50 years	per burial / cremation	£204.00	2.0%
	Interment fee	per burial / cremation	£906.00	2.0%
	Additional excavation charge for coffins exceeding 6'6" x 26"	per burial / cremation	£51.00	2.0%
	Additional grave space (for 3)	per burial / cremation	£245.00	2.1%
	Test dig grave	per burial / cremation	£100.00	0.0%
	Purchase of right of burial 4'6" x 2' (Childs grave for 1)	per burial / cremation	£250.00	0.0%
	Interment fee upto 18 yrs	per burial / cremation	£260.00	0.0%
	Cremation of a child upto 18 yrs	per burial / cremation	£250.00	0.0%
	Delivery charge to a cemetery	per burial / cremation	£23.00	0.0%
	Interment fee All caskets or urns containing ashes - 2ft depth in grave	per burial / cremation	£199.00	2.1%
	Interment fee All caskets or urns containing ashes - full depth ingrave	per burial / cremation	£505.00	2.0%
	Interment Fee All caskets or urns containing ashes - cremation plots	per burial / cremation	£199.00	2.1%
	Exhumation fee of cremated remains (from a cemetery)	per burial / cremation	£230.00	0.0%
	purchase of a cremation plot	per burial / cremation	£367.00	1.9%
	Prepurchase of a cremation plot	per burial / cremation	£468.00	1.7%
	Vaulting All graves 9' x 4' - full depth	per burial / cremation	£245.00	0.0%
	Vaulting All graves 9' x 4' - to height of coffin	per burial / cremation	£50.00	0.0%
	Vaulting All graves 4'6" x 2' - full depth	per burial / cremation	£93.00	0.0%
	Vaulting All graves 4'6" x 2' - to height of coffin	per burial / cremation	£35.00	0.0%
	Flagging of graves	per burial / cremation	£110.00	0.0%
	Headstonenc. Inscription, flower holders & photo illustrations	per burial / cremation	£230.00	2.2%
	Each additional inscription plus inspection	per burial / cremation	£61.00	1.7%
	Additional memorial vase	per burial / cremation	£62.00	1.6%
	Kerbstones (where permitted)	per burial / cremation	£184.00	2.2%
	Tablets inc.into kerb sets 18" x 18"	per burial / cremation	£97.00	2.1%
	Childrens headstone	per burial / cremation	£80.00	0.0%
	Childrens Kerbs	per burial / cremation	£80.00	0.0%
	Cremation (strewn)	per burial / cremation	£770.00	2.0%
	Double cremations (for second cremation)	per burial / cremation	£360.00	0.0%
	Medical referee fee	per burial / cremation	£20.00	0.0%
	Environmental levy Mercury abatement	per burial / cremation	£37.00	5.7%
	Direct Cremation	per burial / cremation	£395.00	0.0%
	Foetal Urn	per burial / cremation	£20.00	0.0%
	Card foetal urn	per burial / cremation	£5.00	0.0%
	Child or Baby urns inc. wooden baby urns	per burial / cremation	£20.00	0.0%
	Plastic urns	per burial / cremation	£20.00	0.0%
	Wooden casket	per burial / cremation	£50.00	0.0%
	Adult casrdboard	per burial / cremation	£20.00	0.0%
	Interment of cremated remains	per burial / cremation	£97.00	2.1%
	Postage of ashes	per burial / cremation	£35.00	0.0%
	Disinter cremated remains from the crematorium grounds	per burial / cremation	£120.00	0.0%
	Cancelation fee	per burial / cremation	£26.00	0.0%
	Usage of chapel facilities for additional half hour	per burial / cremation	£83.00	0.0%
	Usage of chapel facilities for additional half hour or part thereof without prior notice	per burial / cremation	£16.00	0.0%

Handling charge for non crematorium supplied Urns	per burial / cremation	£20.00	0.0%
Book of remembrance 2 line entry	per burial / cremation	£82.00	0.0%
Book of Remembrance 5 line entry	per burial / cremation	£145.00	0.0%
Book of remembrance 8 line entry	per burial / cremation	£199.00	0.0%
Any flower - only available with 5 or 8 line	per burial / cremation	£113.00	0.0%
Any other memorial design - entries in book of remembrance	per burial / cremation	£145.00	0.0%
Rose bush & plaque for 5 years (100mm x 55mm)	per burial / cremation	£160.00	0.0%
Rose standard & plaque for 5 years (100mm x 55mm)	per burial / cremation	£185.00	0.0%
Renew rose bush and plaque for 5 years	per burial / cremation	£99.00	0.0%
Renew rose standard and plaque for 5 years	per burial / cremation	£128.00	0.0%
Additional/joint plaque to existing rose (100mm x 55mm)	per burial / cremation	£69.00	0.0%
Bronze plaque for 25 yrs (175mm x 67mm)	per burial / cremation	£296.00	0.0%
Renew bronze plaque for 25 years	per burial / cremation	£170.00	0.0%
Replace bronze plaque with joint within first 10 years of lease period	per burial / cremation	£220.00	0.0%
Bronze joint plaque for 25 yrs (175mm x 67mm)	per burial / cremation	£296.00	0.0%
Marble plaque for 10 yrs (195mm x 147mm)	per burial / cremation	£380.00	0.0%
Replace marble plaque	per burial / cremation	£323.00	0.0%
Extra posy holder for marble plaque	per burial / cremation	£5.00	0.0%
Renew marble with joint within first 5 years	per burial / cremation	£280.00	0.0%
Renew marble	per burial / cremation	£222.00	0.0%
Planter plaque for 10 yrs	per burial / cremation	£360.00	0.0%
Renew Planter plaque with joint within first 5 years	per burial / cremation	£310.00	0.0%
replace planter plaque with joint	per burial / cremation	£360.00	0.0%
Picture or emblem	per burial / cremation	£110.00	0.0%
Memorial tree plaque for 15 yrs (151mm x 100mm)	per burial / cremation	£265.00	0.0%
Additional tree plaque to existing tree	per burial / cremation	£95.00	0.0%
Renew memorial tree and plaque for 15 years	per burial / cremation	£160.00	0.0%
Marble plaque baby memorial (295mm x 105mm)	per burial / cremation	£260.00	0.0%
Penistone & Thurnscoe cemetery plaques (perpetuity 175mm x 67mm)	per burial / cremation	£280.00	0.0%
Donation of railing for Wombwell cemetery	per burial / cremation	£400.00	0.0%
Plaque for Garden seat (at home)	per burial / cremation	£60.00	0.0%
Wombwell railing plaque	per burial / cremation	£60.00	0.0%
baby memorial plaque Thurnscoe & Wombwell	per burial / cremation	£60.00	0.0%
Sanctum 2000 15 years	per burial / cremation	£660.00	1.5%
Renew sanctum 2000 10 years	per burial / cremation	£440.00	2.3%
Hoyland New niche for 25 yrs	per burial / cremation	£137.00	0.0%
Hoyland Re-open niche	per burial / cremation	£105.00	0.0%
Hoyland Memorial plaque for 25 yrs (123mm x 73mm)	per burial / cremation	£141.00	0.0%
Renew Hoyland columbrium niche for 25yrs	per burial / cremation	£90.00	0.0%
Hoyland Renew wall plaque for 25 yrs	per burial / cremation	£90.00	0.0%
Memorial seat plaque for 15 yrs (200mm x 63mm)	per burial / cremation	£265.00	0.0%
Renew memorial seat plaque for 15 yrs	per burial / cremation	£162.00	0.0%
Extra plaque for garden seat	per burial / cremation	£55.00	0.0%
Pet Cremation Fees			
Scatter Tube			
Rabbits & Small Pets		£60.00	0.0%
Small Cat or Dog		£126.00	0.0%
Medium Sized Dog		£174.00	0.0%
Large Dog		£210.00	0.0%
Wooden Box			
Small Cat or Dog		£150.00	0.0%
Medium Sized Dog		£198.00	0.0%
Large Dog		£234.00	0.0%
PARKS SERVICES			
Fairs & Circuses		£205.00	0.0%
Grange Lane		£415.00	0.0%
Playground Inspections - Yearly	Per Inspection	£50.00	0.0%
Playground Inspections - Bi Monthly	Per Inspection	£50.00	0.0%
Football Pitch Adult	Per Season	£407.00	0.0%
Football Pitch Junior	Per Season	£211.00	0.0%
Football Cat A Adult	Per Season	£572.00	0.0%
Football Cat A Junior	Per Season	£294.00	0.0%
Football Cat B Adult	Per Season	£520.00	0.0%
Football Cat B Junior	Per Season	£273.00	0.0%
Football Cat C Adult	Per Season	£469.00	0.0%
Football Cat C Junior	Per Season	£242.00	0.0%
Mini Soccer	Per Season	£140.00	0.0%
Cricket Pitch Rent Income	Per Season	£0.00	0.0%

ADULTS & COMMUNITIES				
Adult & Wellbeing				
ADULT ASSESSMENT AND CARE MANAGEMENT				
	Client Care Contributions - covers charges made by service users eligible for social care support towards their assessed care costs (residential, nursing and community based care e.g. homecare).	Fees based on ability to pay	Determined individually	N/A
	Community based support: Shared Lives	Board Payment per week	£50.00	0.0%
		HB claim payment per week	£51.50	0.0%
Provider Services				
Day Services				
	Transport (Day Care)		£0.00	-100.0%
	Laundry/Bathing (At Day Centre)	Per visit	£0.00	-100.0%
	Lunch (At Day Centre)	Per meal	£3.00	0.0%
Assisted Living Technology				
	Assisted Living Careline - Base Price		Various Charges	0.0%
	Peripheral Equipment		Various Charges	0.0%
SAFER, STRONGER & HEALTHIER COMMUNITIES				
Library Services				
	Fines, Photocopying, Printing		£0.00	N/A
	Book Sale, CD/DVD Hire		Various Charges	0.0%
	Berneslai Homes	Based on number of transactions over the various locality settings and specific costs for out of hours support and Contact Centre	Determined individually	0.0%
Others				
	General Search	General Search	£18.00	0.0%
	Certificates	Per certificate	£11.00	0.0%
	Marriages (Register Office)	Marriages (Register Office)	£46.00	0.0%
	Marriages / Ceremonies (Ceremony Suite):			
	- Monday - Thursday	Per Ceremony	£118.00	2.6%
	- Friday	Per Ceremony	£140.00	1.4%
	- Saturday	Per Ceremony	£170.00	2.4%
	Marriages (Approved Premises)			
	- Monday - Thursday		£320.00	1.6%
	- Friday	Per Ceremony	£362.00	2.0%
	- Saturday	Per Ceremony	£462.00	2.0%
	- Sunday	Per Ceremony	£470.00	2.0%
	- Bank Holiday	Per Ceremony	£470.00	2.0%
	Non Stat Ceremony (Naming/Renewal of vows)	Per Ceremony	£170.00	0.0%
Safer Communities				
	Abandoned vehicle		£200.00	0.0%
	Depositing litter		£100.00	0.0%
	Graffiti		£100.00	0.0%
	Flyposting		£100.00	0.0%
	Parking Fixed Penalty Notices		£50.00	0.0%
	Works in Default	Charged @ Cost	Determined individually	N/A
PEOPLE DIRECTORATE				
EDUCATION & EARLY START PREVENTION				
Education Welfare				
	EWO Buy Back for maintained schools / academies	Per Hour (Plus VAT where applicable)	£31.00	3.3%
School Workforce Modernisation				
	Tuition Fees - Governor Development (with buy back)	Per Governor	£65.00	0.0%
	Tuition Fees - Governor Development (outside buy back)	Per Governor	£50.00	0.0%
School Organisation & Governance				
	Governor Clerking for schools - full service	Per annum	£1,435.00	0.0%
	Governor Clerking for schools - additional committee service	Per annum	£1,031.00	0.0%
	Governor Clerking for schools - full secondary service	Per annum	£1,747.00	0.0%
	Admission services (Academy)	Charge per pupil	£0.46	0.0%
	Appeals - panel member cost	Per appeal	£50.00	0.0%
	Appeal hearing	Per 1/2 day	£357.00	0.0%

	Outdoor Education			
	Educational Visits & Journeys (Academies, VA and Trust Schools)	Per Acad/VA/trust school: Negotiated fee starting from	£299.00	0.0%
		Variable fee - pp on roll	£1.00	0.0%
	Education Psychology			
	Schools: Additional provision	Minimum per day (under contract)	£510.00	0.0%
		Maximum per day (under contract)	£550.00	0.0%
		Maximum per day on adhoc basis	£650.00	0.0%
CHILDREN ASSESSMENT AND CARE MANAGEMENT				
	Safeguarding			
	Multi-agency child protection and safeguarding training - academies	Per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy	£75.00	0.0%
	Newsome Avenue Respite Care			
	Daycare - Overnight stays for Children with Disabilities from other Authorities	Respite care per night	£460.00	2.2%
PUBLIC HEALTH				
ENVIRONMENTAL AND TRADING STANDARDS				
	Pollution Control			
	Environmental Searches	Per search	Variable	TBD
	Misc Fees & Charges	Various	Variable	TBD
	PPC Permits	Based on annual risk assessment		3.0%
	Part 1 permit	Low risk Medium risk High risk	£81.50 £163.00 £244.50	3.0%
	PVR Stage 2	Low risk Medium risk High risk	£116.50 £233.00 £351.50	3.0%
	Part 2 Permit	Low risk Medium risk High risk	£235.00 £376.00 £564.50	3.0%
	Part B Permit	Low risk Medium risk High risk	£795.50 £1196.00 £1799.50	3.0%
	A2 Permit	Low risk Medium risk High risk	£1489.50 £1659.50 £2297.00	3.0%
	Local Site Operator Contracts	Tendered contract	Determined individually	TBD
	Trading Standards			
	Stamping Fees	Various	Variable	TBD
	Second Hand Dealer Registration	Per registration	£17.50	2.9%
	Food Hygiene			
	Reinspection Charge	Cost recovery - Per insepction	£185.00	1.6%
	Issuing of Export Certificate (no visit required)	Cost recovery - per certificate	£127.70	N/A
	Issuing of Export Certificate (visit required)	Cost recovery - hourly rate	Variable	TBD
	Health and Safety			
	Skin Piercing Registrations (eg Tattooing, Acupuncture, Ear Piercing etc)	Per registration	£108.00	1.9%
ANIMAL WELFARE				
	Dog Warden Fees			
	Dog Release Fee	Per dog (amount on right plus VAT)	£50.00	0.0%
	Dog Surrender Fee	Per dog (amount on right plus VAT)	£100.00	0.0%
	Animal Health - Licence Fees			
	Home Dog Boarders	Per licence	£109.00	1.9%
	Performing Animals	Per licence	£109.00	1.9%
	Dangerous Wild Animals (+ vets fees)	Per licence (plus rechargeable vets fees)	£109.00	1.9%
	Dog Day Care (Low Volume)	Per licence	£109.00	1.9%
	Dog Day Care (High Volume)	Per licence	£141.50	1.8%
	Dog Breeders	Per licence	£141.50	1.8%
	Pet Shops	Per licence	£132.50	1.9%
	Boarding Kennels (Dogs / Cats)	Per licence	£162.00	1.9%
	Greyhound Racing Track	Per licence	£141.50	1.8%
	Hiring out of Horses (+ vets fees)	Per licence (plus rechargeable vets fees)	£141.50	1.8%
	Zoo (+ vets fees)	Per licence (plus rechargeable vets fees)	£206.50	1.7%

CORE SERVICES				
FINANCE				
	School Meals	Individual SLA for each school based on requirements	Determined individually	
	Summons	Per Order	£28.00	0.0%
	Benefits/Taxation - Liability Order	Per Summons	£52.00	0.0%
	Benefits/Taxation - Late Payment of Commercial Debts (Interest) Act 1998		Ceased charging	N/A
	Prompt Payment Discount Scheme	Individual agreements with companies	Determined individually	N/A
	Court of Protection Fees	Application	£745.00	N/A
	Court of Protection Fees	Year 1 Management Fee	£775.00	N/A
	Court of Protection Fees	Year 2 management Fee	£650.00	N/A
	Court of Protection Fees	Management fee (assets <£16k)	3.5% of asset value	N/A
	Court of Protection Fees	Annual property management fee	£300.00	N/A
	Court of Protection Fees	Prep of OPG reports	£216.00	N/A
	Payroll for schools - maintained schools	Per payslip	Commercially sensitive - available on request	2.2%
	Payroll for schools - academies	Per payslip	Commercially sensitive - available on request	2.0%
	DPA Associated Administration Costs	Per DPA	£561.00	2.0%
	Property Valuation	Per DPA	£408.00	2.0%
	Redemption Fee	Per DPA	£102.00	2.0%
	Unregistered Property	Per DPA (Case dependent)	£255.00	2.0%
	Annual Finance Admin Cost	Per DPA	£51.00	2.0%
	BACS service for Rotherham	Per BACS File	Commercially sensitive - available on request	0.0%
	BACS service for Sheffield	Per BACS File	Commercially sensitive - available on request	0.0%
	BACS service for South Derbyshire	Per BACS File	Commercially sensitive - available on request	0.0%
	Free school meals eligibility checking (Academy)		Commercially sensitive - available on request	0.0%
	Procurement support to External Bodies (Category Manager)	Per hour	Commercially sensitive - available on request	0.0%
		Per day	Commercially sensitive - available on request	0.0%
	Procurement support to External Bodies (Procurement Officer)	Per hour	Commercially sensitive - available on request	0.0%
		Per day	Commercially sensitive - available on request	0.0%
	Internal Audit - Support to External Bodies	Per day - minimum	Commercially sensitive - available on request	0.0%
		Per day - maximum	Commercially sensitive - available on request	0.0%

DBS CHECKS / HUMAN RESOURCES / PERFORMANCE SERVICES				
	Recruitment - DBS checks for Schools	Per check	Commercially sensitive - available on request	0.0%
	Recruitment - DBS checks Taxi Drivers	Per check	Commercially sensitive - available on request	0.0%
	Recruitment - DBS checks for BMBC Internal (cost centre)	Per check	Commercially sensitive - available on request	0.0%
	Recruitment - DBS checks for External Customers (Umbrellas)	Per Check	Commercially sensitive - available on request	0.0%
	Recruitment - DBS checks for civil enforcement	Per check	Commercially sensitive - available on request	0.0%
	Business Advisory - Pre-Employment Checks: Engage	Per check	Commercially sensitive - available on request	0.0%
	Business Advisory - Pre-Employment Checks: Nurse follow-up		Commercially sensitive - available on request	0.0%
	Recruitment - online advertising Internal	Per Advert	Commercially sensitive - available on request	0.0%
	Recruitment - online advertising External		Commercially sensitive - available on request	N/A
	Recruitment - NS1 Form check	Per Check	Commercially sensitive - available on request	0.0%
	Recruitment - VC01 Form check	Per Check	Commercially sensitive - available on request	0.0%
	Recruitment - Barred List / Dfe check	Per Check	Commercially sensitive - available on request	-25.0%
	Barnsley HR Services - Provision of HR Services	Per employee - fixed fee arrangement	Commercially sensitive - available on request	0.0%
		Per hour - consultancy arrangement	Commercially sensitive - available on request	13.6%
	Health and Safety - Provision of health and safety services	Per hour. Fixed fee terms available.	Commercially sensitive - available on request	0.0%
	Health and Safety - Training Courses	Per delegate	Commercially sensitive - available on request	0.0%
	Research and Business Intelligence	Per SLA	Determined individually	N/A
	OWI - Assessment Centre Qualification Fees	Per qualification: based on total cost of qualification	Determined individually	N/A
	OWI - Workforce Development - Training Fees	Per qualification: based on total cost of qualification	Determined individually	N/a
LEGAL, ELECTIONS & GOVERNANCE				
	Land Charge Searches - Various Types	Dependant on type of Search	Determined individually	0.0%

ENTERTAINMENT LICENCES				
	Licence Fees - Premises, Alcohol & Gambling	Per establishment	Dependent on rateable value of premises	N/A
	Licence Fees - Premises, sex establishments			
	New application	Per establishment	£234.00	0.0%
	Renewal	Per establishment	£112.00	0.0%
	Variation	Per establishment	£234.00	0.0%
	Transfer	Per establishment	£34.00	0.0%
	Pre-application checking service	Per licence application	tbc	tbc
HACKNEY CARRIAGE LICENCES				
	Private hire vehicle	Per licence application	£164.00	
	A Hackney Carriage vehicle	Per licence application	£164.00	
	A 12 month driver licence	Per licence application	£137.00	
	A 3 year driver licence	Per licence application	£221.00	
	An Operator licence (1 year)	Per licence application	£63.00	
	An Operator licence (1 year)	Per licence application	£127.00	

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BARNSELEY METROPOLITAN BOROUGH COUNCIL**REPORT ON CIPFA'S FINANCIAL MANAGEMENT CODE****1. PURPOSE**

- 1.1 To bring to the attention of Members, CIPFA's Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management that local authorities are statutorily required to comply with from 1st April 2021.
- 1.2 The S151 Officer will undertake an assessment against the Code during 2020/21 in preparation for full adoption from 1st April 2021.

2. INTRODUCTION

- 2.1 Good financial management is an essential element of good governance and longer-term service planning, which are critical in ensuring that local service provision is sustainable.
- 2.2 In February 2019, the LGA Corporate Peer Review highlighted that the Council benefits from "sound financial management" and that there is "a willingness to take reasonable risks to bring about change". The review specifically highlighted that Barnsley was found to be a high performing Council and has a strong financial grip on both its expenditure and performance against its planned savings programme.
- 2.3 CIPFA have also introduced the Financial Resilience Index. The index is designed to identify those councils displaying consistent and comparable features that highlight good practice, but crucially, also highlight areas that are associated with potential financial failure.
- 2.4 Members will recall that as part of the 2019/20 budget setting process the S151 Officer undertook an assessment of the Council's financial health in line with CIPFA's financial resilience indices. An updated assessment has also been undertaken throughout the financial year and reported via the quarterly financial performance report. CIPFA have recently updated their financial resilience analysis to incorporate information from 2018/19 and based on this and other wider control measures already in place across the organisation, the S151 Officer opinion is that the Council is on a sound financial footing.
- 2.5 The FM Code has been introduced as a result of the exceptional financial circumstances faced by local authorities, which have revealed concerns about fundamental weaknesses in financial management, particularly in relation to

organisations that may be unable to maintain services in the future. The financial failure of just one local authority is one too many because it brings with it a risk to the services on which local people rely.

- 2.6 The primary purpose of the FM Code is to establish how the Chief Finance Officer (CFO / S151 Officer) should demonstrate that they are meeting their statutory responsibility for sound financial administration.
- 2.7 The FM Code establishes the principles in a format that matches the financial management cycle and supports good governance in local authorities. A series of 17 financial management standards set out the minimum requirements a local authority is expected to adhere to meet fiduciary duties to taxpayers, customers and lenders. Since these are the minimum standards, CIPFA's judgement is that compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration.
- 2.8 Local authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. This should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the code.
- 2.9 The first full year of compliance with the Code will therefore be 2021/2022, though early adoption is encouraged.

3 THE STRUCTURE OF CIPFA'S FINANCIAL MANAGEMENT CODE

- 3.1 The CIPFA Financial Management Code is presented in 7 sections (which is then broken down into 17 standards) as shown below:

Section 1 – The responsibilities of the Chief Finance Officer and the Leadership Team.

The statutory role of the Chief Finance Officer (CFO) is a distinctive feature of local government in the UK. This role cannot be performed in isolation and requires the support of the other members of the leadership team.

The leadership team must recognise that while statutory responsibility for the financial management of the authority rests with the CFO, the CFO is also reliant on the actions of the leadership team, both collectively and individually. A situation in which the CFO is forced to act in isolation is characteristic of authorities in which financial management has failed and financial sustainability is threatened.

The delivery of value for money will ultimately be dependent on decisions made by elected members. It is for the leadership team to ensure that the authority's governance arrangements and style of financial management promote financial

sustainability. Good financial management is the responsibility of the whole leadership team including the relevant elected members.

Section 2 – Governance and financial management style.

Responsibility for good governance also rests with the leadership team. The team must ensure that there are proper arrangements in place for governance and financial management, including a proper scheme of delegation that ensures that frontline responsibility for internal and financial control starts with those who have management roles.

Good governance is evidenced by actions and behaviours as well as formal documentation and processes. The tone and action at the top are critical in this respect, and rest with the leadership team, senior officers and elected members, as well as the CFO. A successful leadership team has a culture of constructive challenge that excludes an optimism bias in favour of a realism bias and is built on a rigorous examination of goals, underlying assumptions and implementation plans. The leadership team have to demonstrate in its actions and behaviours responsibility for governance and internal control. The financial management style of the authority must demonstrate that it supports financial sustainability

These sections address important contextual factors which need to be addressed in the first instance if sound financial management is to be possible. From a professional perspective, these factors are the most challenging to codify as they largely concern 'soft skills' and behaviours. Nonetheless, it will be seen that even for these factors, there are recognised standards of best practice that authorities must adopt if their organisational culture is to be favourable for sound financial management. A 'tick box' compliance with these standards alone, however, will not be sufficient if they do not promote the behaviours necessary for good financial management

Section 3 – Medium to long-term financial management.

While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability. Short-termism runs counter to both sound financial management and sound governance.

The greater the uncertainty about future Central Government policy then the greater the need to demonstrate the long-term financial resilience of the authority given the risks attached to its core funding.

An authority must ensure that while the formal publication of the medium-term financial strategy (MTFS) may only reflect Government settlements, it is the responsibility of the leadership of the organisation, including elected members,

senior management and the S151 Officer, to have a long-term financial view acknowledging financial pressures.

Section 4 – The annual budget

One of the objectives is to end the practice by which the annual budget process has often become the focal point, if not the limit, of local authority financial planning.

Local authorities need to ensure that they are familiar with the legislative requirements of the budget setting process. In times of routine business compliance this is relatively straightforward, but in times of financial stress there may be pressures to delay the budget setting process.

The annual report setting out the proposed budget for the coming year is a key document for the authority.

A well-managed authority, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. Compliance with the FM Code will give important reassurance that the authority's financial management processes and procedures are able to manage those risks.

Section 5 – Stakeholder engagement and business cases.

Financial sustainability requires people to understand that resources are not limitless and that decisions have to be made about both the relative priority of different services and the balance between service provision and taxation levels. The leadership team collectively has an important role in reviewing priorities to enable resources to be redirected from areas of lesser priority; it is not possible to rely principally on pro rata cuts to generate the savings necessary for financial sustainability in an era of austerity. The leadership team needs to challenge not only how services are delivered but also what is delivered. These decisions must be made with a clear understanding of the statutory requirements of an Authority and the wider legal implications.

Stakeholder consultation can help to set priorities and reduce the possibility of legal or political challenge late in the change process. Stakeholder consultation helps to encourage community involvement, not just in the design of services, but in their ongoing delivery.

Financial sustainability will be dependent upon difficult and often complex decisions being made. The authority's decisions must be informed by clear business cases based on the application of appropriate option appraisal techniques.

Section 6 – Performance monitoring

To remain financially sustainable, an authority must have timely information on its financial and operational performance so that policy objectives are delivered within budget. Early information about emerging risks to its financial sustainability will allow it to make a carefully considered and effective response.

It is a requirement of the Code that authorities should more closely monitor the material elements of their balance sheet that may give indications of a departure from financial plans. This is especially important for local authorities with significant commercial asset portfolios. Legislation requires local authorities to maintain adequate accounting records of their assets and liabilities. Regulations also require that the appropriate (Chief Finance Officer) certifies or confirms that the statements of accounts provide a true and fair view of the financial position of the authority at 31 March in the year of account.

Section 7 – External financial performance

Taxpayers and the general public have a legitimate stake in understanding how public money has been used in providing the functions and services of the authority. The audited statements of account, which present the authority's financial position and financial performance, play an integral part in demonstrating this to them. The statutory accounts also provide a secure base for financial management.

It is key for an authority and its leadership to ensure that it understands how effectively its resources have been utilised during the year, including a process which explains how material variances from initial and revised budgets to the outturn reported in the financial statements have arisen and been managed. The success of these arrangements will be demonstrated by the ability of the leadership team to make decisions from them. In some circumstances this will lead to a reappraisal of the achievability of the long-term financial strategy and the financial resilience of the authority.

4 CONCLUSION

- 4.1 CIPFA's FM Code has been introduced to ensure Councils' meet their statutory responsibility for sound financial administration.
- 4.2 Members should note that a full assessment of the standards will be carried out during 2020/21. This assessment will include an initial assessment against the FM Code and identify the areas of compliance and good practice already in place. It will also identify areas for improvement, aligned to the peer review undertaken in February 2019, and work on implementation and suggested improvements.
- 4.3 Full adoption of the Code will commence from April 2021.

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

2020/21 BUDGET RECOMMENDATIONS

1. 2020/21 Revenue Budget, Capital Programme and Council Tax

1.1 Further to previous reports submitted by the Executive Director of Core Services and Service Director Finance (S151 Officer).

RECOMMENDED:-

- i) that Cabinet are recommended:-
- a) that the report of the Service Director Finance (S151 Officer), under **section 25 of the Local Government Act 2003** at **Section 1** be noted, that the 2020/21 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, submit, for early consideration, detailed plans that ensure the Council's ongoing financial sustainability for 2021/22 and beyond;
 - b) that the revised Medium Term Financial Strategy (MTFS) and Forecast for 2020/21 to 2022/23 contained at **Section 2a** (supported by the suite of background papers in **Sections 2b – 2g**) be noted and monitored as part of the arrangements for the delivery of the MTFS;
 - c) that the proposed efficiency savings in 2020/21 at **Section 4a** be approved for implementation and that the 2021/22 efficiency savings proposals at **Section 4b** be noted subject to further consideration in future budget processes taking account of any further Equality Impact Assessments;
 - d) to submit to Council for approval the cash limited budgets for each service with overall net expenditure for 2020/21 of £172.577M;
 - e) that total additional one-off investments (capital and revenue) of £19.4M, including 2019/20 investments, as outlined at **Section 5** be approved subject to further detailed reports on the proposals for its use;
 - f) That provision is made to reflect a market supplement in the Council's care contracts to help address the pay and condition issues in the local care market.
 - g) to consider the budgets for all services and approve, for submission into Council, the 2020/21 – 2022/23 budget proposals presented at **Sections 6a – 6c** subject to Cabinet receiving detailed implementation reports where appropriate;
 - h) to consider and approve the changes to the schools funding formula including the transfer of funding from the schools block to the high needs block and approve the proposed 2020/21 schools block budget as set out at **Section 6d**;
 - i) that the new General Fund capital investment of £10.4M (**Section 7 Appendix a**) and £13.5M (**Section 7 Table 7**) of specifically funded schemes be included within the capital programme and released subject to further detailed reports on the proposals for their use;

- j) that the Aggregated Equality Impact Assessment (**Section 9**) of the proposals be noted and the proposed mitigation actions in the report be approved;
- k) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 2020/21 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above;
- l) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of savings proposals;
- m) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget/ savings monitoring including any action required;
- n) that Cabinet and the Section 151 Officer be authorised to make any necessary technical adjustments to form the 2020/21 budget;
- o) that appropriate consultation on the budget proposals takes place with the Trade Unions and representatives of Non Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council;
- p) that the budget papers be submitted for the consideration of the full Council.

2. Council Tax 2020/21

RECOMMENDED:-

- 2.1 that Cabinet note the contents of **Section 2b** (2020/21 Council Tax options) and that:-
- a) the Council Tax Collection Fund net surplus as at 31 March 2020 relating to BMBC of £3.200M be used to reduce the 2020/21 Council Tax requirement, in line with statute;
 - b) the 2020/21 Band D Council Tax increase for Barnsley MBC's services be set at 3.90% (1.90% for Barnsley MBC services and an additional 2.0% for the Chancellor's Adult Social Care levy);
 - c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and Crime Commissioner and South Yorkshire Fire Authority precepts for 2020/21;
 - d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 2020/21.

3. Treasury Management Strategy & Policy Statement 2020/21

RECOMMENDED:-

- 3.1 that Cabinet consider the 2020/21 Treasury Management Strategy and Policy Statement (included in the main papers at **Section 2e**) and:-
- i) note the 2020/21 Treasury Management Policy Statement (**Section 2e Appendix A**);
 - ii) approve the 2020/21 Minimum Revenue Provision (MRP) Statement (**Section 2e Appendix B**);
 - iii) approve the 2020/21 Borrowing Strategy at **Section 2e** including the full suite of Prudential and Treasury Indicators (**Section 2e Appendix C**);and
 - iv) approve the 2020/21 Annual Investment Strategy at **Section 2e**.

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BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
<u>Adult Assessment and Care Management</u>				
BU2 E1/20-21	Remodelling day opportunities for people with learning disabilities	The reduced usage of Day Services due to service user choice and the success of the independent travel training service provides an opportunity to address the unused capacity within the service alongside savings achieved on transport costs. The Council currently operates day services from 4 buildings located across Barnsley at a total cost of £2.1m. In response to the recent co-production exercise, an implementation group involving service users, families/carers, staff and stakeholders, will consider ambitions for a more personalised service for all users, as well as improving the service for people requiring high levels of support.	250,000	-
BU2 E2/20-21	Closure of Keresforth Day centre	Represents the balance of resources / base budget available after the re-provision for existing clients following the closure of the Keresforth day unit (outcome of the Day Opportunities review).	120,000	-
BU2 E3/20-21	Maximise the use of Better Care Fund and other resources to fund the adult social care demographic growth	Maximise the use of Better Care Fund resources (including future years uplift) and recurrent savings from bringing the mental health provision back in house (SWYPFT contract savings) to mitigate demographic growth pressures in adult social care (by releasing the associated base budget).	670,000	-
BU2 E4/20-21	Provision of the night service within the Council's Reablement Service	The Council currently funds the provision of an external night service contract (provides support to eligible clients at night to prevent admission to residential care). Few clients currently access this service, resulting in a lot of downtime. It is proposed to give consideration to subsuming this provision within the Reablement Service and use the downtime capacity within the service to meet the needs of the reducing number of clients accessing the Night Service. A review of the Reablement service is also being undertaken, which will take into consideration the Night Service requirements.	80,000	-

2020/21 Efficiency Proposals COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
BU2 E5/20-21	Review of commissioned contracts with voluntary / independent sector organisations	Identify the scope for savings by reviewing and decommissioning some contracts managed by the Adult Commissioning team including (1) MENCAP employment service - the Council is currently investing in improving access to employment for adults with learning disabilities within the Place Directorate. It is envisaged that LD clients would continue to access employment support through provision within Place by delivering it in a different way, resulting in potential savings within People; (2) HIV support the contract has already been de-commissioned due to low demand as a result of the improved medical technology in this area resulting in fewer people needing support under this contract.	99,470	-
BU2 E6/20-21	Deletion of post within Specialist Assessment North Team	It is proposed to delete a post attached to the Specialist North Team (currently vacant), historically seconded to Learning Disabilities support within SWYPFT that is no longer required.	23,080	-
Total Adult Assessment and Care Management Home Services			1,242,550	-
TOTAL COMMUNITIES EFFICIENCIES			1,242,550	-

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

PEOPLE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
<u>PEOPLE</u>				
<u>Education, Early Start & Prevention</u>				
BU1 E2/20-21	Increased income from schools for Outdoor Education	Proposal to increase the income target / budget for the Outdoor Education Service to reflect the level of actual income earned for health & safety advice / guidance provided to schools.	10,000	-
BU1 E3/20-21	Review of early intervention / preventative contracts and funding	Examine further the scope for cost savings or efficiencies across the range of Children Services commissioned contracts, such as (1) cease funding contribution to SWYPFT for LD nurses / occupational therapists - explore replacement funding through the CCG as it is a statutory health provision; (2) reduce the contract value for the support element to siblings of young carers - although not a statutory provision, support would continue to be provided to young carers through the contract; (3) reduce the Council's contribution to Healthwatch - to match the contributions from partners and DoH grant funding.	162,000	-
Sub Total Education, Early Start & Prevention			172,000	0.00

2020/21 Efficiency Proposals

PEOPLE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
Children's Social Care & Safeguarding				
BU3 E4/20-21	Children social care & safeguarding management structure review	It has been agreed not to proceed with the original proposal, which was to review and de-layer the management structure. The alternative proposal put forward is to release resources through a service re-alignment i.e. deleting the team manager and support worker posts within the Intensive Adolescent Support Team (IAST) and transferring the balance of resources (staffing / other budgets) into the Fostering team. The service realignment is the outcome of a review of the IAST and the need to address increasing pressures within the fostering team due to the significant rise in the number of in-house foster carers. The work provided by the IAST team will continue to be supported via other intervention routes and practitioners working across Children's Social Services and Early Help Services.	76,000	1.50
Sub - Total Children's Social Care & Safeguarding			76,000	1.50
TOTAL PEOPLE EFFICIENCIES			248,000	1.50

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
<u>PLACE</u>				
<u>Regeneration & Assets</u>				
BU4 E1/20-21	Planning Fee Income	To increase the fee income target by £50k. This is to reflect the anticipated increase in planning applications arising from the adoption of the Local Plan and the subsequent completion of the master planning of the large, strategic sites. (By 2020/21, it is also expected that the Government will have increased planning fees to account for inflation.) It is considered that there will be capacity within the service to deal with the increased workload arising from the additional or larger, more complex planning applications given a reduction in resources needed for plan-making. Accordingly, should the fee income target not be achievable, there would be scope to consolidate the number of planning officers by one post.	50,000	-
BU4 I1/20-21	Investment in Property function	In order to drive forward a number of property related programmes including the accommodation rationalisation programme and the accelerating growth programme, investment is required within the property division. 7 new positions will be created offset by the deletion of 2 posts, This investment will however be offset by savings targets totalling £910,000 included within the cross cutting efficiency savings total (See cross cutting savings below*) to be delivered over 20/21 - 21/22.	-100,000	(5.00)

2020/21 Efficiency Proposals PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
Accelerating Growth	Commercial investment to stimulate Growth	A number of potential commercial opportunities have presented themselves where the Council could act as investor to stimulate economic growth, giving a rate of return in terms of rental income, potentially additional business rates and generate employment. This particular income relates to the investment in DMC2. Purchase of the CORE building was completed in March 2019. Evaluation of tenders for the refurbishment will be completed by the end of June 2019. Contracts awarded will stipulate completion of works by end of February 2020 to align with SCR grant funding conditions. There is a good level of early interest for space in DMC2 (some from tenants who are outgrowing their space in DMC1) and the Inward Investment team are reasonably confident about filling the 20 or so units to be created in DMC2 (and backfilling space in DMC1 where necessary) from April 2020 and achieving the £160k income.	160,000	-
Town Centre Economic Review	Review of town centre accommodation	Review of the Council's property/accommodation needs within the town centre. The review will consider specifically the future use, demands and requirements of town centre properties and services occupying them. This proposal is to be delivered over a 2 year period 2020-2022 (total over period £600K)	358,000	-
BU4 E2/20-21	Capitalisation of salaries currently funded from revenue.	Capitalisation of project management fees against the Strategic Housing Growth programme. The amount represents time that will be committed by a number of different individuals, which is considered to be recurrent in nature.	30,000	-
Sub - Total Regeneration & Assets			498,000	-

2020/21 Efficiency Proposals PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
<u>Environment & Transport</u>				
BU4 E3/20-21	External Contributions	Review and re-negotiate contributions made to Barnsley Premier Leisure. This saving gives total efficiencies delivered against the BPL contract to £420,000 since 2017/18. The remaining subsidy after this proposal will be £124k	120,000	-
BU6 E4/20-21	LED Street Lighting Replacement Programme	The scope of the project is to enable a replacement programme of Group A (primary roads) and the remaining Group B (secondary roads) street lighting lanterns, from energy inefficient lanterns to energy efficient LED units. To enable resilience of the stock requiring a lantern change-over, structural examination of the columns will be undertaken at the same time as the lantern replacement. The new lanterns will be future proof to accept suitable technological improvements going forward. Capital resources have been set aside as part of the 2019/20 budget setting process to fund the procurement and installation.	200,000	-
BU6 E5/20-21	Commercial Services back office review	As part of the transformational review of Environment and Transport a number of services have already been reviewed with significant efficiencies being delivered. One area yet to be reviewed is the back office support within commercial services. With automation and business process re-engineering it is believed that this support can be reduced.	50,000	2.00
BU6 E6/20-21	PTE levy reduction	For planning purposes a 2% reduction in the levy payment is considered prudent, and in line with the SYPTE Medium Term Financial Plan.	200,000	-
BU6 E7/20-21	Cross Directorate collective increase in fees and charges	General increase in fees and charges in line with inflation across the Directorate (excludes fees and charges set statutorily e.g. planning fees). Includes commercial waste, pest control, highways fees, licences and bereavement fees.	100,000	-
<u>- Total Environment & Transport</u>			670,000	2.00

2020/21 Efficiency Proposals PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
TOTAL PLACE EFFICIENCIES			1,168,000	2

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals PUBLIC HEALTH DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
Public Health				
PH E1/20-21	Contract efficiencies - Plus Me	The aim of the Plus Me service was to identify new cases of HIV in Barnsley and prevent late diagnosis which leads to ongoing transmission and poorer health outcomes for the patient. A review of the service was carried out by Adult Joint Commissioning and Public Health (including a consultation with service users) which determined that the Plus Me HIV testing activity and equality profile for 2017 suggested that the service was not reaching the right people, that is, high risk individuals which was evidenced by the 0% positivity rate. As a result of this a decision was made to cease the Plus Me service from July 2018 and redirect the activity to the Integrated Sexual Health service and Primary Care	14,000	-
PH E2/20-21	Health Checks	Public Health commission health checks for Barnsley adults between the age of 40 and 74, who haven't already been diagnosed with cardiovascular disease (CVD) or have certain risk factors such as high blood pressure. The contract price has been renegotiated, with no effect on service provision, resulting in a saving of £289k delivered as part of the 2017/18 efficiencies and a further £46k to contribute to the 2020/21 efficiency targets.	46,000	-
PH E4/20-21	Holistic review of Public Health funded spend - phase 1	A detailed review of the configuration and commissioned contracts across the Public Health service has been carried out to ensure the ongoing sustainability of the service, successful delivery of public health outcomes and contribution to the Council's efficiency agenda. It is proposed to implement the efficiencies over two phases in 2020/21 and 2021/22.	200,000	-
Sub - Total Public Health			260,000	-
TOTAL PUBLIC HEALTH EFFICIENCIES			260,000	-

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals CORE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
<u>Finance</u>				
BU13-E1/20-21	Finance BU minor restructure	Minor restructure to reflect reduced workloads as a result of the transfer of the HB function to DWP, and the loss of traded activity within Internal Audit (approx. 4 FTE's).	165,000	4.00
BU13 E2/20-21	Westgate Refinancing	Westgate acquisition - balance of saving on rental costs after accounting for debt financing costs	100,000	-
Sub - Total Finance			265,000	4.00
<u>IT</u>				
1 E1/20-21	IT / Digital First Transformation Programme	A total of 12 themes have been identified to pursue:- Digital First Efficiencies (including Paperless Office, Software Licence rationalisation and Service reconfiguration) Digital First Investment (including: Data Management and SAP Modernisation)	1,229,602	3.50
			-741,602	
Sub - Total IT			488,000	3.50
<u>Business Improvement, Human Resources & Communications</u>				
BU14-1/20-21	HR Senior Staff Restructure	Restructure of senior level staffing within the Core Directorate and transfer of the Business Support function to Council Governance resulting in the reduction of 6 FTE's.	296,300	6.00
Sub - Total Business Improvement, Human Resources & Communications			296,300	6.00

2020/21 Efficiency Proposals CORE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
Legal Services				
BU17-E1/20-21	Restructure of Licensing and Litigation Team	Deletion of posts as a result of the implementation of more efficient ways of working through increased automation and streamlined processes. This includes ceasing routine inspections and a move to demand / risk based inspections. The proposal also considers the cessation of internal hearings by elected Members in relation to the refusal of taxi driver licenses and delegating authority to the SD Legal Services.	84,850	3.00
Sub - Total Legal Services			84,850	3.00
Elections & Land Charges				
BU18-E1/20-21	Automation of electoral process	Further automation to increase online voting, resulting in reduced printing and postage, it is anticipated that savings of 15% of current budget spend can be achieved.	15,000	-
BU18-E2/20-21	Reduction in canvases	To increase the use of technology in line with Digital First Strategy, resulting in a reduced number of election canvases.	5,000	-
Sub - Total Elections & Land Charges			20,000	-
Council Governance				
BU19-E1/20-21	Senior Staffing Restructure	Restructure of senior level staffing within Core Directorate and transfer of Governance functions to Joint Authorities Service Director.	96,600	1.00
Sub - Total Council Governance			96,600	1.00
Joint Authorities				
JA-E1/20-21	Deletion of Posts	2 Grade 10 Posts to be deleted and merged to form a new Principal Policy & Communications Officer post (Grade 12)	50,000	1.00
Sub - Total Joint Authorities			50,000	1.00

2020/21 Efficiency Proposals CORE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
Cross Directorate				
Core-11/20-21	Investment	Investment in staffing structure across the Directorate to ensure the structure remains fit for purpose to adequately support service delivery namely within Communications and Marketing (1x Grade 9 and 1 x Career Grade 5-7) Council Governance (1 x Career Grade 5-7) and a Commercial Lawyer (1 x Grade 10).	-159,250	4.00
Sub - Cross Directorate			-159,250	-4.00
TOTAL CORE EFFICIENCIES			1,141,500	14.50

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals CROSS CUTTING/CORPORATE

Ref	Proposal Theme	Brief Description of Proposal	2020/21 Saving £	FTE's AFFECTED
Cross Cutting				
HRA Review	Review of cost sharing arrangements with HRA	Appropriate sharing of costs with the Council's Landlord Function e.g. homelessness, RTB etc.	788,000	-
Pensions	Pension deficit payments	Anticipated reduction in the Council's pension deficit payments	2,200,000	-
Cross Cutting	HRA capital receipts / reduced GF debt costs	Following a technical review, it is proposed to use HRA capital receipts (previously assumed to write down debt) to avoid future planned borrowing costs in the General Fund.	200,000	
Cross Cutting	Transferred Services Debt	Transferred Services debt in relation to SYPTE to be repaid in full	200,000	-
Sub - Cross Cutting			3,388,000	-
TOTAL CROSS CUTTING EFFICIENCIES			3,388,000	-

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**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
COMMUNITIES DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
Adult Assessment and Care Management				
BU2 E1/21-22	Increase in health funding / contributions for jointly funded care packages	The Business Unit continues to see a sustainable increase in the level of contributions from health (Barnsley CCG) for jointly funded care packages, which has resulted in a reduction in care provision costs funded by the Council. The increase in health funding / contributions is the outcome of the following: a review of the s117 policy / procedures and implementation of a s117 panel; review of internal recharging processes; investment in dedicated business capacity to ensure monitoring, invoicing and full recovery of funded nursing care and CHC costs incurred by the Council on behalf of the CCG.	500,000	-
BU2 E2/21-22	Increase in client contributions (non-residential care provision)	The proposal represents an increase in financial contributions from services users towards the cost of non-residential care support (e.g. homecare) mainly as a result of the following (1) increase in contributions over and above the amount previously estimated following the removal of the £150 weekly cap; and (2) increase in income following changes to the financial assessment of service users that are in receipt of a disability or work related benefit. Revised processes are in place to ensure that changes introduced by the Government to benefit / welfare payments are reflected in the financial assessment of service users.	500,000	-
Sub - Total Adult Assessment and Care Management			1,000,000	-

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
COMMUNITIES DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
<u>Customer Services</u>				
BU7 E1/21-22	Remodelling day opportunities for people with learning disabilities - Phase 2	This is an extension of the savings proposal BU2 E1/20-21 - we can expect that the usage of the existing Day Services will continue to drop as a result of service user choice and the increase in employment opportunities and independent travel, whilst we also improve the service for people with higher support needs and their families/carers. This will be shaped by the co-production approach to involve service users, families/carers, staff and stakeholders.	75,000	-
BU7 E2/21-22	Assisted Living Technology Income	Assisted Living Technology provide alarm units for which a maintenance charge or fee is made to service users. A review of the fees / charges took place in 2018/19, which resulted in an increase the charge by £1 per unit. This generated a recurrent surplus income of approx. £150,000 per annum. It is proposed to realign the funding of the ALT service by maximising the use of fees / charges in lieu of base budget funding.	150,000	-
BU7 E3/21-22	Disabled Facilities Grant	The Disabled Facilities Grant currently funds structural adaptations to the property of individuals eligible for adult social care - aimed at promoting independence and to avoid residential care support. It is funded by the Ministry of Housing, Communities & Local Government who provide grant to Local Authorities. However, minor adaptations and provision of equipment is currently funded by adult social care via a commissioned contract with SWYPFT (£0.5m). It is proposed to review the terms / conditions of the DFG funding and determine whether there is scope / flexibility to fund the cost of providing equipment and minor adaptations from DFG instead of base budget funding. It should be noted that the cost of the DFG team responsible for assessing eligibility and managing the capital works is capitalised and funded through the DFG. The grant has increased year on year by around 8% since 2017/18 which equates to over £200k per annum. It is proposed to use the increase in the DFG funding in future years to fund provision of equipment / minor adaptations currently funded through the SWYPFT contract.	200,000	-
Sub - Total Customer Services			425,000	-

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
COMMUNITIES DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
<u>Safer, Stronger & Healthier Communities</u>				
BU8 E1/21-22	Budget reduction to operating cost of service areas.	The three Heads of Service of Safer, Stronger and Healthier to review their non-staffing budgets to achieve £20,000 efficiency savings in each Service through reduced spending, economies of scale and securing general savings through purchasing in a more efficient and effective way.	60,000	-
Sub - Total Safer, Stronger & Healthier			60,000	-
TOTAL COMMUNITIES EFFICIENCIES			1,485,000	-

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
PLACE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
<u>PLACE</u>				
<u>Regeneration & Assets</u>				
BU4 E2/21-22	Planning fee income	Increase in fees generated from pre-application planning advice (approx. £15K) as well as fees associated with S278 and S38 agreements (approx. £35k).	50,000	-
BU4 E3/21-22	Restructuring	Employment & Skills - A minor restructure is planned in this area to mitigate existing pressures and release additional savings through the realignment of the delivery of services.	50,000	0.00
BU4 E4/21-22	Restructuring	Property - Phase 2 restructure. Minor restructure following the completion of reviews of town centre and district properties in 2020/21 - ref to Investment in 20/21 BU4 I1/20-21.	50,000	1.00
BU4 E5/21-22	Property investments	Upgrade of heating and air conditioning in Westgate, Gateway Plaza, other key buildings will lead to savings on utility bills of around 10-15% for Westgate, Gateway and DMC.	50,000	-
BU4 E6/21-22	Property investments	Wellington House - to explore options for the early termination of the lease.	-	-
Community Buildings Review	Review of properties within districts	Similar to the Town centre buildings review, a review of the assets the Council owns within a number of districts across the borough. This review will focus on a potential disinvestment of buildings working collaboratively with other public sector partners in line with the "One Public Estate" strategy. The areas under consideration include Penistone, Cudworth, Wombwell and Goldthorpe.	150,000	-
Town Centre Buildings Review	Review of town centre accommodation	Review of the Council's property/accommodation needs within the town centre. The review will consider specifically the future use, demands and requirements of town centre properties and services occupying them - to be delivered over a 2 year period 2020 to 2022 (total over period £600K)	242,000	-
<u>Sub - Total Regeneration & Assets</u>			592,000	1.00

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
PLACE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
Environment & Transport				
BU6 E3/20-21	Service Improvement / Efficiency review	A fundamental review / service re-deign across Environment and Transport	1,050,000	-
BU6 E1/21-22	Increase in fees and charges	General increase in fees and charges in line with RPI across the service (excludes fees and charges set statutorily)	100,000	-
BU6 E2/21-22	Bereavement Services	Increase in bereavement volumes and potentially fees and charges in line with RPI.	60,000	-
BU6 E4/21-22	Construction Services	Based on the existing schedule for 2019/20, inflationary increase in Schedules of Rates in line with RPI.	75,000	-
Sub - Total Environment & Transport			1,285,000	-
TOTAL PLACE EFFICIENCIES			1,877,000	1.00

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
PUBLIC HEALTH DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
Public Health				
PH E1/21-22	Holistic review of Public Health funded spend - phase 2	A detailed review of the configuration and commissioned contracts across the Public Health service has been carried out to ensure the ongoing sustainability of the service, successful delivery of public health outcomes and contribution to the Council's efficiency agenda. It is proposed to implement the efficiencies over two phases in 2020/21 and 2021/22.	150,000	-
Sub - Total Public Health			150,000	-
TOTAL PUBLIC HEALTH EFFICIENCIES			150,000	-

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
CORE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
<u>Finance</u>				
BU13 E1/21-22	Finance BU minor restructure	Transferring vacant posts where there are no capacity issues and aligning to other teams, combined with streamlining of processes, has resulted in further efficiencies across the Business Unit.	100,000	3.00
Sub - Total Finance			100,000	3.00
<u>IT</u>				
	Digital First	Theme 12 - Workforce Mobilisation There is also an overarching theme following delivery of the above which will reconfigure the IT service based on a hybrid cloud operating model	1,000,000	29.00
Sub - Total IT			1,000,000	29.00
<u>Business Improvement, Human Resources & Communications</u>				
BU14/15 E1/21-22	Business Improvement, HR & Communication Minor Restructure	Restructure concerning the merging of BU14 HR & BU15 Business Intelligence, Performance & Communications functions to Business Improvement, HR & Communications Service Director.	48,000	1.00
Sub - Total Business Improvement, Human Resources & Communications			48,000	1.00
<u>Legal Services</u>				
BU17 I1/21-22	New posts	Reinvestment in Legal Services (Head of Service Position Grade 15 and 1 Enforcement Lawyer Grade 10) to support the increasing demand across the service.	-140,000	-2.00
Sub - Total Legal Services			-140,000	-2.00

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
CORE DIRECTORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
<u>Joint Authorities</u>				
BU19 E1/21-22	Business Support Phase 2 Restructure	Further review of Business Support including incremental downsizing via restructures. Lower graded posts to be reduced subject to IT delivering on planned improvements.	60,000	2.00
Sub - Total Joint Authorities			60,000	2.00
TOTAL CORE EFFICIENCIES			1,068,000	33

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
CROSS CUTTING/CORPORATE**

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
Cross Cutting	Debt Costs - Glassworks	The approved funding model assumes a 3.7% interest rate per annum annuity. Arrangements have been made to secure that funding at nearer to 2.7%.	700,000	-
Cross Cutting	HRA capital receipts / reduced GF debt costs	Following a technical review, it is proposed to use HRA capital receipts (previously assumed to write down debt) to avoid future planned borrowing costs in the General Fund (FYE £0.500M).	300,000	-
Cross Cutting	Pension Deficit	The existing 2020/21 KLOE already assumes a £2.2M saving but there is the potential for a further saving if the current 'solvent' fund position is maintained.	1,300,000	-
Cross Cutting	Transferred Services Debt	Transferred Services debt from the old Sth Yorkshire Authority will be repaid in full in 2020/21	1,802,000	-
Sub - Total Cross Cutting			4,102,000	-
TOTAL CROSS CUTTING/CORPORATE SERVICES DIRECTORATE EFFICIENCIES			4,102,000	-

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EMERGING INVESTMENT PRIORITIES

REVENUE PROPOSALS

Ref	Proposal Name	Directorate	Description	2019/20 £	2020/21 £	Other Years £	Total Investment £
Supporting Wellbeing and Managing Demand for Statutory Services							
R1	SEND Investment	People	Temporary capacity to address back log of annual reviews (approx. 1,800). Capacity would include Senior EHC Co-ordinators (x2), Plan Writers (x2) and Project Manager who will also project manage the SEND Hub implementation.	135,000	432,000	310,000	877,000
		People	Temporary business support capacity to input case files to new system (3 FTE indicative Grade 3). 6 months duration.	-	35,000	-	35,000
		People	Enhance current approach of seconding Barnsley SENCOs to the SEND service to support and challenge schools to improve SEND practice. Increase capacity by 5 SENCOs for 38 weeks.	-	50,000	-	50,000
		People	Commission bespoke programme of nationally accredited training with partner Local Authorities for EHC Co-ordinators and Senior Co-ordinators. The training is focused on quality case management, Code of Practice compliance and improving the quality of EHCPs.	-	18,000	-	18,000
		People	Identify students with SEND and attendance that is below national average. The EWO (Grade 7) would have specific expertise and will establish effective partnerships with schools, SENCO, parents and children delivering Early Help and interventions to remove barriers to attendance and empower schools to continue to support attendance on a sustainable basis. The officer will also challenge and support schools in relation to their exclusion rates of young people with SEND.	-	45,000	-	45,000
		Core	A dedicated Business Improvement and Intelligence team to support SEND data management, analysis and to support the service in interpreting SEND data into intelligence and forecasting. The team develop tools as well providing workforce development to help deliver the actions of SEND. To be involved directly with the service providing regular face-to-face analysis and interpretation of scorecards, Power BI reports and SEND Vulnerability Matrix in regular challenge sessions.	-	166,000	-	166,000
Sub Total SEND				135,000	746,000	310,000	1,191,000
R2	Early Help	People	Develop an online parent education offer.	-	14,000	-	14,000
		People	Schools Early Help Development Officer Grade 8 (link to CAMHS/Youth Justice)	-	41,000	-	41,000
		People	Parent Aspiration - establishing a network of parent champions across the borough designed to help 'hard to reach' parents who miss out on vital information about how to access local family services and support in the raising and achievement of aspirations for parents / grand mentors with care leavers	-	166,000	-	166,000
Sub Total Early Help				-	221,000	0	221,000
R3	Placement Sufficiency and Quality (Looked After Children)	People	Increase capacity to improve the commissioning, contract reviewing and costs of children's external care placements.	-	30,000	-	30,000
		People	Improve practice and embed contextual safeguarding across Children's Services; promote interventions that work with adolescents and manage risk, reducing older children from coming into care with high associated costs and poorer outcomes.	-	38,000	-	38,000
		People	Mockingbird Project - Funding for 2 Children's Social Workers for CIC; reduce Social Work caseloads to provide intensive support to older CIC with complex needs to support improved placement stability in internal foster care provision.	-	75,000	-	75,000
Sub Total Placement Sufficiency and Quality (Looked After Children)				-	143,000	-	143,000
R7a	Excellence in Care	Communities	Excellence in Care Tackling Pay and Conditions across homecare & residential care; Improving the quality of residential care; Commissioning sustainable & effective homecare; Valuing Care through campaigns / awards; Development of career pathways (recruit / retain / grow staff); Development of Community of Practice; Greater use of technology in care; Living a good life - connecting care to our communities; Market shaping – defining what we need, why and when.	-	800,000	-	800,000
				-	800,000	-	800,000

EMERGING INVESTMENT PRIORITIES

Ref	Proposal Name	Directorate	Description	2019/20 £	2020/21 £	Other Years £	Total Investment £
R4	Population Level Mental Health	Public Health	Feasibility study / Citizens Jury into the development of a Barnsley 'concordat for action' to drive mental health and wellbeing based on Thrive West Midlands.	-	50,000	-	50,000
		Public Health	Self-harm awareness raising and training for students and staff delivered to all year 7 students across the borough.	-	40,000	-	40,000
		Public Health	Mental Health First Aid (MHFA) – roll out of bespoke training across Barnsley Council to include 'train the trainer' element. Every member of staff to receive training relevant to their work area. Workplace HWB programmes following Health Needs Assessment of staff wellbeing.	-	70,000	-	70,000
		Public Health	Suicide prevention community grant (existing community grant scheme already established and funded by NHSE transformation fund). This investment would support the existing scheme.	-	45,000	-	45,000
		Public Health	Bereavement Support for Children and Families: There is a huge gap in bereavement services for children and families; This could be from children who have died or perhaps parents who have died leaving behind children. The CCG have recognised this is a gap however as bereavement isn't a "mental health" problem it may be unlikely they would fund such a service.	-	40,000	-	40,000
		Public Health	Mental Health and Physical Activity to include: development of a mental health guide for sports and physical activity; mental health and listening training to frontline services and clubs; and creation of a mental health friendly accreditation.	-	45,000	-	45,000
Sub Total Population Level Mental Health				-	290,000	0	290,000
R5	Children and Young People's Health	Public Health	Child accident prevention project: Work in partnership with Child Accident Prevention Trust to improve capacity and collaboration with a focus on reducing home accidents in under 5s. Including purchase of resources to distribute to all families on discharge from hospital as part of a community education campaign. Home safety starter kits for low income families (bath mats with heat indicators, cupboard locks, drawer catches, corner covers, etc) given out at 9-12 month assessment. Delivery of staff training for BMBC housing to undertake child safety checks for new accommodation for families with under 5s and provision of larger child safety equipment on a case by case basis (e.g., baby gates, fireguards). Delivery of wider staff training across BMBC and partner agency workforce who are going into homes so they have the skills to complete a home safety assessment and provide resources and recommendations to improve child safety.	-	50,000	-	50,000
		Public Health	Schools PSHE Lead: Includes appointment of a Grade 8 Public Health Practitioner to provide dedicated support for all schools in preparation for statutory Relationships and Sex Education and Health Education (September 2020) and support with wider PSHE thereafter. Leading the already established PSHE Network, developing a resource library for schools and development of an online hub to ensure schools have access to the latest evidence-based resources. This will form part of the wider Healthy Schools Programme.	-	50,000	-	50,000
		Public Health	Speakeasy training: Delivery of 2-day "Speakeasy" training to encourage parents and carers to provide positive sex and relationships education in the home and take on the role of 'sex and relationships educator' in their communities. Delivery of 3-day "Speakeasy" train-the-trainer training for BMBC staff (Family Centre staff, pastoral school staff, community group leaders e.g. Brownie and Scout leaders) to ensure the above programme is sustainable.	-	40,000	-	40,000
		Public Health	Adverse Childhood Experience (ACE) awareness lead: Grade 9 post funded for 1 year to develop and deliver an ACE awareness strategy across BMBC and wider partners.	-	50,000	-	50,000
		Public Health	Emotional Health and Wellbeing (EHWB) transformation programme: 2 year funding for a children and young people's Emotional Health and Wellbeing Transformation Lead (Grade 13) and Project Support Officer (Grade 5). Part funded by Barnsley CCG to have oversight of the mental health landscape and begin the shift towards the joint commissioning of EHWB services across the borough.	-	50,000	50000	100,000
		Public Health	Community parenting programme: Commission a 2 year community parenting programme, which develops a peer support network across Barnsley, to work with pregnant women and parents until 3 months postnatally who require additional support. This is an asset based programme that works with the strengths and capabilities of individual parents, volunteers and the other agencies in a community to improve outcomes for that community. A key feature is focused home visits whereby Community Parent volunteers enable parents to explore, reflect on and achieve self-selected goals. This will complement current services for families and will be developed in collaboration with wider partners e.g., early years services & Barnsley CCG.	-	205,000	205000	410,000
		People	Rose Voucher Scheme - Continue the scheme to provide eligible children with vouchers to spend on fresh fruit and veg at market stalls/independent traders.	-	56,000	-	56,000
Sub Total Children and Young People's Health				-	501,000	255,000	756,000
R6	Cardio Vascular Disease prevention	Public Health	A number of initiatives and campaigns to prevent cardio vascular disease.	-	120,000	-	120,000
Sub Total Cardio Vascular Disease prevention				-	120,000	0	120,000
R7	Healthy Environment	Public Health	Anti-idling campaign and signage around schools and other sensitive areas.	-	25,000	-	25,000
		Public Health	Allergens training for food businesses, to enable compliance with legal requirements and reduce the likelihood of an incident taking place. Project on bonfires, to advise on air quality issues and correct waste disposal methods. Hire of a tobacco dog and test purchaser, to enable us to identify and seize illicit goods and take further enforcement action as necessary.	-	25,000	-	25,000
		Public Health	Delivery of Active Travel initiatives including Beat the Street and the walking revolution.	-	158,000	17,000	175,000
		Public Health	Installation of water fountains in all public realm to reduce sugar consumption and plastic.	-	30,000	-	30,000
		Public Health	Smokefree Hoyland - permanent design solutions for smoke free Hoyland working in partnership with Arcadis and Principal Towns.	-	35,000	-	35,000
		Public Health	Upscaling town centre smokefree zones – mass programme.	-	20,000	-	20,000
		Public Health	Drink coach which supports alcohol plan and seeks getting more people into treatment. Provision of online support (inc. app and skype consultation where high risk).	-	25,000	-	25,000
Sub Total Healthy Environment				-	318,000	17,000	335,000
Sub- Total Supporting Wellbeing and Managing Demand for Statutory Services				135,000	3,139,000	582,000	3,856,000

EMERGING INVESTMENT PRIORITIES

Ref	Proposal Name	Directorate	Description	2019/20 £	2020/21 £	Other Years £	Total Investment £
Improve the efficiency of the Council / Invest to Save							
R8	Chatbots	Communities	Acquire and implement chatbots to deal with simple customer enquires.	-	150,000	-	150,000
R9	Pro-active tree team	Place	Undertake more pro-active work within the tree team to prevent/reduce reactive maintenance.	-	70,000	-	70,000
R10	Training budget (Environment & Transport)	Place	Further investment in the skills of staff from front-line to management to deliver continuous improvement.	-	100,000	-	100,000
R11	Procurement of fleet management system	Place	Procurement of new system that is fit for purpose to help manage the demands on the Council's fleet of vehicles.	-	200,000	-	200,000
R12	Project Support	Place	Additional project officer to support Highway and Transportation initiatives.	-	40,000	-	40,000
		Place	Continuation of funding for 12mths + additional resource (2 project officers) until Mar 21 plus 1 FTE permanent Project officer. Additional work required to deliver identified benefits.	-	130,000	-	130,000
R13	Traffic Regulation Officer post	Place	Additional resource to enforce Traffic Regulation Orders.	30,000	60,000	-	90,000
R14	Bid Writing	Place	Capacity to maximise external funding opportunities in Economic Regeneration .	-	75,000	-	75,000
R15	Wellbeing and Training Co-ordinator	Core	Employment of a Wellbeing and Training co-ordinator to work with the Council's own workforce.	-	50,000	-	50,000
Sub- Total Improve the efficiency of the Council / Invest to Save				30,000	875,000	0	905,000
Positive environmental impact / Zero Carbon objectives							
R16	Increasing recycling levels	Place	Increasing the range of materials that can be recycled (e.g. yoghurt pots etc.).	-	100,000	-	100,000
R17	TREE 2020	Place	The Council's Tree Planting Programme.	40,000	345,000	-	385,000
R18	Cycling Infrastructure	Place	Provision of signage/cycle lanes to address safety issues.	-	100,000	-	100,000
R19	Hydrogen Scheme	Place	Project to promote the use of hydrogen as a means of decarbonising transport, heating and industrial processes across the Borough.	-	45,000	-	45,000
R51	Barnsley 2045 Partnership working	Place	Engaging with College / Youth Council on Barnsley 2045 to identify and drive forward related projects.	-	150,000	-	150,000
Sub- Total Positive environmental impact / Zero Carbon objectives				40,000	740,000	0	780,000
Support the growth of the Digital sector in Barnsley							
R31	IOT Tribe Round 3	Place	Resources to fund a third round of the programme (Upto 10 businesses with potential for some of those to re-locate to Barnsley).	-	200,000	-	200,000
R32	Promotion of Full Fibre/5G	Place	Resource to improve demand stimulation for South Yorkshire Superfast Broadband/ promote the use of 5G.	-	100,000	-	100,000
R33	Digital Business Advisors	Place	Work with SMEs to promote digital connectivity/digital platforms.	-	50,000	-	50,000
R34	Digital Skills	Place	Resources to develop a digital skills road map within the digital campus.	-	50,000	-	50,000
Sub- Total Support the growth of the Digital sector in Barnsley				0	400,000	0	400,000
Support the renaissance of the Town Centre and Principal Towns							
R20	Night Time Economy - Support to vulnerable people	Communities	Continue with street pastor initiative in the Town Centre providing support to individuals vulnerable through drugs, alcohol and begging.	-	105,000	-	105,000
R21	Town Centre Wardens	Communities	Increase the number of town centre wardens currently being recruited from 4 to 8 (4 funded permanently plus additional 4 temporary for 3 years).	33,350	133,250	133,250	299,850
R22	Town Centre Radio System	Communities	New radio system to improve communications between traders, publicans and operational professionals.	-	22,000	-	22,000
R23	Town Centre ASB Hotspots	Communities	Targeting town centre ASB and criminality hot spots through physical interventions (e.g fencing).	-	200,000	-	200,000
Sub Total COMMUNITIES Led				33,350	460,250	133,250	626,850

EMERGING INVESTMENT PRIORITIES

Ref	Proposal Name	Directorate	Description	2019/20 £	2020/21 £	Other Years £	Total Investment £
R24	Place Based Marketing	Place	Development and introduction of a marketing plan to promote the Borough as a place to live, work and visit (Independent Barnsley).	-	165,000	-	165,000
R25	Digital Marketing	Place	Commission external support for 12 months to pilot the external delivery of a comms/marketing strategy for the Market and wider town centre	-	50,000	-	50,000
			There is a need to increase our communication focus to support the authority in respect of the SY Municipal Waste Strategy. Investments in in-cab technology will help to pin point service improvement areas.	-	80,000	-	80,000
Sub Total Digital Marketing					130,000	0	130,000
R26	Markets Incubation Space	Place	Initially used to accommodate the Amazon Clicks pilot but ultimately to create a flexible space on 1st floor.	-	100,000	-	100,000
R27	Markets Food Hall	Place	Redefine Food Hall units to look at a flexible letting space for start ups and opportunity to promote a foodie market.	-	100,000	-	100,000
R28	Town Centre Events	Place	Additional funding to enhance the Town Centre Events programme in 2020/21.	-	150,000	-	150,000
R29	Town Centre Cleaning	Place	Additional support to increase town centre cleanliness.	-	50,000	-	50,000
R30	Dearne Valley Master planning	Place	Match funding to complete a masterplan for the Dearne Valley.	-	100,000	-	100,000
Sub Total PLACE Led					795,000		795,000
Sub- Total Support the renaissance of the Town Centre and Principal Towns				33,350	1,255,250	133,250	1,421,850
Making a visible difference in communities							
R35	Ward Alliances	Communities	Increase the current ward alliance budget by £10k per ward in 2019/20 and 2020/21.	210,000	210,000	-	420,000
R36	Mobility Bikes	Communities	Purchase of electric mobility bikes to support disabled people to take part in bike rides.	-	50,000	-	50,000
R37	Mobile sensory equipment	Communities	Purchase of mobile sensory equipment to stimulate interactivity/creativity for people with dementia and LD.	-	40,000	-	40,000
R38	Alexa units for reablement clients	Communities	Alexa units to reablement clients so that they can better connect with family, friends and operational professionals.	-	21,000	-	21,000
R39	Environmental Task Force	Communities	Environmental works in default on public, private and un-adopted land across the borough (linked to HMO strategy) Work will specifically target proactive graffiti clearance, fly tipping, contaminated bin rubbish removal, street cleansing as well engagement and support to residents.	25,000	100,000	75,000	200,000
R40	Additional PCSO's	Communities	Potential investment in additional PCSO's		150,000		150,000
Sub Total COMMUNITIES Led				235,000	571,000	75,000	881,000
R42	A 'blitz' on weeds, graffiti and cleanliness across the borough	Place	A general blitz across the borough on weed and graffiti removal across the borough together with a general focus on cleanliness.	245,000	-	-	245,000
R43	Seasonal Neighbourhoods support	Place	Additional seasonal support roles for grass cutting and planting.	-	80,000	-	80,000
R44	Additional covert cameras	Place	Further investment in covert cameras to capture fly tipping activity.	-	15,000	-	15,000
R45	Parks playground safety surfacing	Place	Renew surfacing in children's play areas.	-	20,000	-	20,000
		Place	Working in partnerships with Yorkshire Wildlife trust, path works and interpretation.	-	50,000	-	50,000
		Place	Create safe parking area for wood view park.	-	35,000	-	35,000
		Place	Current unsafe location for skate park. Move to another location to create additional parking and facilitate ph 2 developments for athletics stadium.	-	100,000	-	100,000
Sub Total Parks playground safety and resurfacing					205,000	0	205,000
R47	Cleansing of drainage/kerb and gullies	Place	Cleansing of combined drainage and kerb blocks to prevent flooding issues.	-	90,000	-	90,000
R48	Barnsley Museums Learning Programme	Place	Targeted learning activity supporting Troubled Families.	-	50,000	-	50,000
R49	Barnsley Cultural Education Partnership	Place	Continuation of the recent pilot to train teachers to deliver art awards, qualifications and provision of high quality cultural education programmes within schools.	-	25,000	-	25,000
R50	Discover Dearne legacy	Place	Delivery of formal legacy programme for the Dearne Valley Landscape Partnership.	-	50,000	-	50,000
Sub Total PLACE Led				245,000	515,000		760,000
Sub- Total Making a visible difference in communities				480,000	1,086,000	75,000	1,641,000
TOTAL REVENUE INVESTMENTS				718,350	7,495,250	790,250	9,003,850

EMERGING INVESTMENT PRIORITIES

Ref	Proposal Name	Directorate	Description	2019/20 £	2020/21 £	Other Years £	Total Investment £
CAPITAL PROPOSALS							
Supporting Wellbeing and Managing Demand for Statutory Services							
C1	Vulnerable Childrens / Adults Hub	Place	This proposal to invest to create a bespoke childrens hub, utilised by the YOT team.		2,000,000		2,000,000
C4	Improve Disabled Facilities in Lifelong Learning centres	Place	Royston & Roundhouse Lifelong Learning - Improvement of facilities inc. stairlift and kitchen refurbishments.		106,000		106,000
SUBTOTAL Supporting Wellbeing and Managing Demand for Statutory Services					2,106,000	0	2,106,000
Improve the efficiency of the Council / Invest to Save							
C3	WorkSmart Space Optimisation - Pilot	Place	This proposal is a pilot to transform the Council's workspaces to ensure that they are fit for agile and smarter working.		250,000		250,000
Sub- Total Improve the efficiency of the Council / Invest to Save					250,000	0	250,000
Support the renaissance of the Town Centre and Principal Towns							
C5	Match Funding Historic High Streets Heritage Action Zone (HHS HAZ) Bid	Place	Match funding towards a grant bid for the Historic High Streets Fund, focusing on the regeneration of the Civic facing on to Eldon Street.		2,000,000		2,000,000
C6	Principal Towns	Place	Further investment in the Principal Towns Programme.		1,500,000		1,500,000
C7	Town Centre Parking Strategy - Phase 1	Place	Implementation of Phase 1 of the Town Centre Car Parking Strategy to include digital displays; pay on exit capability; contactless payment, electric charging points; safer car parks inc. CCTV.		1,200,000		1,200,000
SUBTOTAL Support the renaissance of the Town Centre and Principal Towns					4,700,000	0	4,700,000
Making a visible difference in communities							
C8	Highway Improvement - Dearne Town link-road	Place	Resources required to mitigate the expected funding gap for the Dearne Town SCR scheme (3 roundabouts and an access road in the Dearne to unlock employment sites).		870,000		870,000
C9	Penny Pie Park Bridge	Place	Funding to deliver enhanced greenspaces, including a new footbridge over the railway that links Pogmoor recreation ground to Penny Pie park.		1,000,000		1,000,000
C10	Enhanced Highway Maintenance Programme / Gully Works	Place	This proposal is to provide investment in local highway maintenance (Member priorities) and acceleration of the gully maintenance programme.		1,500,000		1,500,000
SUBTOTAL Making a visible difference in communities					3,370,000	0	3,370,000
TOTAL CAPITAL					10,426,000	0	10,426,000
TOTAL ALL INVESTMENTS				718,350	17,921,250	790,250	19,429,850

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DIRECTORATE SUMMARY SPENDING PLANS
2020 - 2021

DIRECTORATE	OPENING 2020/21 RESOURCE ENVELOPE	ADD			SUB -TOTAL PRE EFFICIENCIES	LESS	REVISED 2020/21 RESOURCE ENVELOPE
		Fixed and Ongoing	Demography	Investments ongoing		Efficiencies	
	£M	£M	£M	£M		£M	
<u>COMMUNITIES DIRECTORATE</u>							
Adults Assessment and Care Management	45.252	0.457	4.375		50.084	-1.243	48.841
Safer, Stronger & Healthier Communities	6.663	0.303		0.100	7.066		7.066
TOTAL COMMUNITIES	51.915	0.760	4.375	0.100	57.150	-1.243	55.907
<u>PEOPLE DIRECTORATE</u>							
Education and Early Start Prevention	8.116	0.483			8.599	-0.172	8.427
Children Assessment and Care Management	25.068	0.449	0.195		25.712	-0.076	25.636
TOTAL PEOPLE	33.184	0.932	0.195	0.000	34.311	-0.248	34.063
<u>PLACE DIRECTORATE</u>							
Regeneration and Culture	11.709	0.550		0.270	12.529	-0.618	11.911
Environment and Transport	27.188	0.742	0.745	0.110	28.785	-0.550	28.235
TOTAL PLACE	38.897	1.292	0.745	0.380	41.314	-1.168	40.146
<u>PUBLIC HEALTH DIRECTORATE</u>							
Public Health	2.767	0.300			3.067	-0.260	2.807
TOTAL PUBLIC HEALTH	2.767	0.300	0.000	0.000	3.067	-0.260	2.807
<u>CORE DIRECTORATE</u>							
Finance	1.924	0.629			2.553	-0.165	2.388
IT	5.966	0.266			6.232	-0.488	5.744
HR, Performance & Communications	4.828	0.355			5.183	-0.296	4.887
Legal	1.017	0.063			1.080	0.074	1.154
Governance & Elections	4.224	0.053			4.277	-0.166	4.111
TOTAL CORE	17.959	1.366	0.000	0.000	19.325	-1.041	18.284
<u>CORPORATE BUDGETS</u>							
Levies	0.946				0.946		0.946
Corporate & Democratic Core	0.766	0.024			0.790		0.790
Capital Financing	15.164	0.570			15.734	-0.500	15.234
Corporate Budgets & Provisions	7.466	0.190	-0.268		7.388	-2.988	4.400
TOTAL CORPORATE	24.342	0.784	-0.268	0.000	24.858	-3.488	21.370
TOTAL NET BUDGET	169.064	5.434	5.047	0.480	180.025	-7.448	172.577

DIRECTORATE SUMMARY SPENDING PLANS
2021 - 2022

DIRECTORATE	OPENING 2021/22 RESOURCE ENVELOPE	ADD			SUB -TOTAL PRE EFFICIENCIES	LESS	REVISED 2021/22 RESOURCE ENVELOPE
		Fixed and Ongoing	Demography	Investments ongoing		Efficiencies	
	£M	£M	£M	£M		£M	
<u>COMMUNITIES DIRECTORATE</u>							
Adults Assessment and Care Management	48.841	0.310	2.437		51.588	-1.000	50.588
Safer, Stronger & Healthier Communities	7.066	0.207			7.273	-0.485	6.788
TOTAL COMMUNITIES	55.907	0.517	2.437	0.000	58.861	-1.485	57.376
<u>PEOPLE DIRECTORATE</u>							
Education and Early Start Prevention	8.427	0.321		0.300	9.048		9.048
Children Assessment and Care Management	25.636	0.297	0.195		26.128		26.128
TOTAL PEOPLE	34.063	0.618	0.195	0.300	35.176	0.000	35.176
<u>PLACE DIRECTORATE</u>							
Regeneration and Culture	11.911	0.365		1.500	13.776	-0.592	13.184
Environment and Transport	28.235	0.370	0.400		29.005	-1.285	27.720
TOTAL PLACE	40.146	0.735	0.400	1.500	42.781	-1.877	40.904
<u>PUBLIC HEALTH DIRECTORATE</u>							
Public Health	2.807	0.196			3.003	-0.150	2.853
TOTAL PUBLIC HEALTH	2.807	0.196	0.000	0.000	3.003	-0.150	2.853
<u>CORE DIRECTORATE</u>							
Finance	2.388	0.249			2.637	-0.100	2.537
IT	5.744	0.177			5.921	-1.000	4.921
HR, Performance & Communications	4.887	0.231			5.118	-0.048	5.070
Legal	1.154	0.041			1.195	0.140	1.335
Governance & Elections	4.111	0.042			4.153	-0.060	4.093
TOTAL CORE	18.284	0.740	0.000	0.000	19.024	-1.068	17.956
<u>CORPORATE BUDGETS</u>							
Levies	0.946				0.946		0.946
Corporate & Democratic Core	0.790	0.015			0.805		0.805
Capital Financing	15.234	1.070		2.300	18.604	-2.802	15.802
Corporate Budgets & Provisions	4.400	2.093	-1.000		5.493	-1.300	4.193
TOTAL CORPORATE	21.370	3.178	-1.000	2.300	25.848	-4.102	21.746
TOTAL NET BUDGET	172.577	5.984	2.032	4.100	184.693	-8.682	176.011

DIRECTORATE SUMMARY SPENDING PLANS
2022 - 2023

DIRECTORATE	OPENING 2022/23 RESOURCE ENVELOPE	ADD			SUB -TOTAL PRE EFFICIENCIES	LESS	REVISED 2022/23 RESOURCE ENVELOPE
		Fixed and Ongoing	Demography	Investments		Efficiencies	
	£M	£M	£M	£M		£M	
<u>COMMUNITIES DIRECTORATE</u>							
Adults Assessment and Care Management	50.588	0.273	2.437		53.298		53.298
Safer, Stronger & Healthier Communities	6.788	0.205			6.993		6.993
TOTAL COMMUNITIES	57.376	0.478	2.437	0.000	60.291	0.000	60.291
<u>PEOPLE DIRECTORATE</u>							
Education and Early Start Prevention	9.048	0.316			9.364		9.364
Children Assessment and Care Management	26.128	0.259	0.195		26.582		26.582
TOTAL PEOPLE	35.176	0.575	0.195	0.000	35.946	0.000	35.946
<u>PLACE DIRECTORATE</u>							
Regeneration and Culture	13.184	0.334		1.500	15.018		15.018
Environment and Transport	27.720	0.359	0.400		28.479		28.479
TOTAL PLACE	40.904	0.693	0.400	1.500	43.497	0.000	43.497
<u>PUBLIC HEALTH DIRECTORATE</u>							
Public Health	2.853	0.170			3.023		3.023
TOTAL PUBLIC HEALTH	2.853	0.170	0.000	0.000	3.023	0.000	3.023
<u>CORE DIRECTORATE</u>							
Finance	2.537	0.241			2.778		2.778
IT	4.921	0.172			5.093		5.093
HR, Performance & Communications	5.070	0.218			5.288		5.288
Legal	1.335	0.038			1.373		1.373
Governance & Elections	4.093	0.043			4.136		4.136
TOTAL CORE	17.956	0.712	0.000	0.000	18.668	0.000	18.668
<u>CORPORATE BUDGETS</u>							
Levies	0.946				0.946		0.946
Corporate & Democratic Core	0.805	0.013			0.818		0.818
Capital Financing	15.802	0.570			16.372		16.372
Corporate Budgets & Provisions	4.193	1.735	-0.500		5.428		5.428
TOTAL CORPORATE	21.746	2.318	-0.500	0.000	23.564	0.000	23.564
TOTAL NET BUDGET	176.011	4.946	2.532	1.500	184.989	0.000	184.989

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BARNSELY METROPOLITAN BOROUGH COUNCIL
2020/21 SCHOOLS DELEGATED BUDGETS

1. Purpose of the Report

- 1.1 To seek approval for the proposed 2020/21 schools budget and for the transfer of schools' funding to the high needs budget, following consultation with schools and consideration by the Barnsley's Schools Forum.

2. Recommendations

- 2.1 That Cabinet approves the changes to the local schools funding formula and the proposed schools budget as outlined in this report - subject to any subsequent changes following DfE decision on the 2% funding transfer application (see 2.2 below).
- 2.2 That Cabinet approves the transfer (2%) of funding from the schools block (£3.2M) to the high needs block to address cost pressures in the high needs budget (subject to DfE's approval).

3. Schools Funding Settlement 2020/21

- 3.1 Details of the Dedicated Schools Grant (DSG) were announced on 19 December 2019. The total DSG allocation for Barnsley for 2020/21 is **£204.4M**. This equates to a **£15.5M** increase in DSG funding compared to 2019/20. The table below compares Barnsley's DSG allocation for 2020/21 to the current year on an equivalent basis.

	2019-20 £M	2020-21 £M	Change £M
Schools Block	148.797	160.070	11.273
High Needs Block	23.182	27.303	4.120
Early Years Block	15.065	15.340	0.275
Central Schools Services	1.876	1.733	-0.143
	188.921	204.446	15.526

- 3.2 The main changes in funding in 2020/21 can be explained by the following:

- Schools Block – the increase of £11.2M is as a result of the additional schools funding settlement announced by the Government (and distributed through the national funding formula) and the impact of growth in pupil numbers and other formula data changes.
- High Needs Block – the £4.1M increase reflects the additional SEND funding announced by the Government (£2.8M) as well as the impact of the high needs national funding formula (£1.3M).
- Early Years Block – the funding increase is due to changes in participation numbers as well as an increase in funding (£0.08 per hour) as recently announced

by the Government. The funding rate per hour for Barnsley has increased from £3.40 to £3.48.

4. Funding formula changes for 2020/21

4.1 In light of the additional schools funding, a consultation exercise was undertaken in November 2019, which sought views on further changes to Barnsley's local formula to ensure a fair distribution of funding. The outcome of the consultation was reported to the Schools Forum on 12 December 2019.

4.2 Given the increased funding settlement by the Government, it is proposed to implement a local formula that allocates funding to schools as intended under the National Funding Formula (NFF). The following summarises the key proposed changes to the schools funding formula for 2020/21 based on the outcome of the consultation and the expressed views of the Schools Forum:

- In addition to the existing funding factors in use, it is proposed to include the mobility factor in Barnsley's local funding formula and for the value to be aligned to that used in the National Funding Formula (NFF).
- The Age Weighted Pupil Unit (AWPU) for primary and secondary schools in Barnsley would be increased by 5% with the resultant rates for 2020/21 now higher than the NFF AWPU rates.
- To ensure that underfunded schools continue to be funded at an appropriate level the 'minimum per pupil' funding factor will be retained in the local schools formula. It is proposed to increase the 2020/21 minimum per pupil funding rate in line with the Government's recommended increase and to set the funding rates as follows: £3,750 for primary and £5,000 for secondary.
- It is proposed to uplift the funding rates (to NFF level) for the following funding factors in the local schools formula: Deprivation; Low Prior Attainment; and English is an Additional Language (EAL). In addition, where necessary the proportion of funding allocated through these factors will be aligned to the NFF.
- Whilst there was overwhelming support to increase the Lump Sum amount allocated to all schools through the local formula, it is proposed to maintain the amount at the current level of £0.1m per school. It would be difficult to implement an increase in the lump sum at the same time as implementing a proposed funding transfer of 2% from schools to high needs.
- The above formula changes would result in a primary / secondary funding ratio closer to 1:1.34, which is consistent with that of the NFF. This would mean that schools in Barnsley that have been historically underfunded (particularly secondary schools) would see the funding gains as expected under the NFF.
- The minimum funding guarantee (MFG) for 2020/21 has been set at **+1.84%**, which is the maximum allowed under current regulations. This would ensure that all schools will have a minimum funding increase of 1.84% on a per pupil basis.

- Funding (£0.6m) for pupil growth will be top-sliced from the schools block allocation and distributed to schools in line with the pupil growth policy / criteria.

5. Funding transfer to the high needs budget 2020/21

- 5.1 Barnsley continues to face increased cost pressures in the high needs block, with a deficit forecast in 2019/20 and projected for 2020/21. The Government has allowed local flexibility for the transfer of funding from the schools to high needs block in 2020/21 – subject to Schools Forum and DfE approval (for transfers above 0.5%).
- 5.2 It is the intention of the Council to exercise this flexibility for 2020/21 and has consulted with schools and the Schools Forum on the proposal to transfer 2% of the schools block funding to the high needs block. The transferred funding (£3.2m) will be used to mitigate the recurrent / ongoing cost pressures within the high needs block in 2020/21.
- 5.3 The 2% funding transfer proposal was approved by the Schools Forum on 12 December 2019. DfE decision on the funding transfer application submitted by the Council will not be confirmed till mid-January 2020. However, the attached school budget proposal put forward for 2020/21 takes account of the 2% transfer and is therefore subject to the decision of the DfE.

6. Proposed 2020/21 Schools Delegated Budget

- 6.1 Submission of schools funding formulae and confirmation of political ratification of the schools' budget (by Councils) is required by DfE. The table overleaf outlines the proposed schools budget for 2020/21 and reflect the changes to the formula as detailed in paragraph 4.2 and the 2% funding transfer as outlined in paragraph 5.3.

	2019/20 Budget	2020/21 Budget	Variance
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
School block funding settlement (see Table 3.1)	148,797	160,070	11,273
<u>Less: Funding Top-slice:</u>			
Pupil Growth fund	-650	-650	0
Funding transfer to high needs block (see para 5.2)	-1,488	-3,201	-1,713
Funding available for distribution	146,659	156,219	9,560

1) Age Weighted Pupil Unit (AWPU)	103,660	110,222	6,562
2) Deprivation	12,522	14,875	2,353
3) English as an Additional Language	579	567	-12
4) Mobility	0	83	83
4) Prior Attainment	9,803	11,341	1,538
5) Lump sum	8,700	8,700	0
6) Minimum pupil funding	1,104	616	-488
7) Funding Floor	292	233	-59
7) Rates	2,393	1,854	-539
8) PFI funding	7,606	7,728	122
Total Allocated funding to schools	146,659	156,219	9,560

BARNSELY METROPOLITAN BOROUGH COUNCIL

CAPITAL PROGRAMME & USE OF RESERVES

1. Purpose of Report

- 1.1 To identify the Council's capital investment needs and resource availability through to 2022/23.

2. Recommendation

- 2.1 It is recommended that:

- 1 **Members note the overall available resources position for consideration as outlined in Section 4 of this report;**
- 2 **Members approve in principle the current list of priority schemes identified at appendices A and B;**
- 3 **Members approve the decision to defer the use of remaining general reserves, totalling £1.4M, to be held for any unforeseen circumstances, as outlined in paragraph 5.7;**
- 4 **Members note the remaining housing related monies of £1.2M, identified in Paragraph 5.8, which will be considered against future emerging priorities during 2020/21;**
- 5 **Members note the indicative external resource allocations, as outlined at Table 7 of this report, and specifically approve the 2020/21 resources of £13.5M to be included in the Council's capital programme - subject to final confirmation.**

3. Introduction

- 3.1 The 2020 Capital Programme has been set within the context of the Council's 2020 Reserves Strategy included at **Section 2c** within the budget pack.

4. Overall Resource Position

- 4.1 The updated Reserves Strategy outlines the level of resources potentially available for both general fund and housing priority investment respectively. This is summarised in the table below:-

Table 1: Total Available Resources for Consideration

	TOTAL £M
General Fund Resources	20.8
Housing Resources	13.1
Total	33.9

5. 2020 Schemes for Consideration

- 5.1 The Capital Investment Strategy (**Section 2d**) sets out the principles and processes with regards to both the governance and prioritisation arrangements in the setting of the capital programme and it is in this context that the proposed new schemes have been considered.

- 5.2 Services have submitted outline investment proposals for both revenue and capital schemes, for consideration against the total resources available. All proposals have been assessed into these two main categories to assist the prioritisation process based on the restricted nature of an element of the available funding and the S151 Officer's advice in respect of prudence.

General Fund Capital Investments (Appendix A)

- 5.3 A number of general fund schemes have been considered against the criteria in the Capital Investment Strategy, which ultimately contributes towards the Council's wider corporate objectives. In respect of funding such schemes, it is proposed to utilise the Council's own general fund reserves as and when these become available. Priority schemes to the value of **£10.4M** are summarised in table 2 below and set out in detail at Appendix A. These capital investments are in addition to the proposed revenue investments totalling £9.0M, as described in the relevant sections within this budget pack.

Table 2: General Fund Capital Investment

	Total Available Resources £M
Supporting Wellbeing and Managing Demand	2.106
Improving the Efficiency of the of the Council / Invest to Save	0.250
Support the Renaissance of the Town Centre and Principal Towns	4.700
Making a Visible Difference in Communities	3.370
Total Resources Available	10.426

Housing Growth Capital Investments (Appendix B)

- 5.4 These schemes specifically relating to housing investments aim to both increase the Council's housing stock and stimulate the private housing market. The proposed funding of such schemes is to use the Council's Housing Revenue Account (HRA) reserves, S106 Contributions relating to housing and Berneslai Homes company surpluses. As mentioned throughout this report, the HRA Reserves element of the funding is restricted purely to Council Housing proposals and therefore will be solely used on these schemes.
- 5.5 The capital programme for the HRA including both the Barnsley Homes Standard and wider housing investment proposals has been approved in a separate report (Cab.11.12.2019/6 refers). The indicative 5 year HRA programme is shown in table 3 below which includes priority housing schemes totalling **£11.9M**, details of which can be found at Appendix B.

Table 3: HRA Capital Programme

		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
		£M	£M	£M	£M	£M	£M	£M
Current Approved Programme		33.485	6.873	3.531	-	-	-	43.889
Sub Total – Current Approved Programme		33.485	6.873	3.531	-	-	-	43.889
Future Programme – For Approval	Core Investment Programme	-	19.912	-	-	-	-	19.912
	Housing Growth Investment	-	5.195	4.365	1.645	0.645	-	11.850
	Housing Growth Investment – Other Funding *	-	1.001	0.583	0.146	0.146	0.146	2.022
Sub Total – Future Programme for Approval		-	26.108	4.948	1.791	0.791	0.146	33.784
Future Indicative Investment Core Programme **		-	-	20.218	20.684	21.134	21.618	83.654
Sub Total – Future Indicative Core Programme		-	-	20.218	20.684	21.134	21.618	83.654
TOTAL HRA CAPITAL PROGRAMME		33.485	32.981	28.697	22.475	21.925	21.764	161.327

* Ringfenced funding that contributes to the cost of the new capital investments e.g. 1-4-1 receipts, RCCO

** This budget is the expected future Core Investment Programme that is formally approved annually and drawn down into the capital programme.

Remaining Resources

5.6 Table 4 illustrates the remaining resources available, assuming that both the capital priority schemes highlighted at Appendix A and B, and the revenue investments outlined in this budget pack, are approved.

Table 4: General Fund Resources Remaining

	Total Available Resources	Committed Schemes / Contingency		Total Available Resources Remaining
		Revenue	Capital	
	£M	£M	£M	£M
General Fund	20.850	(9.004)	(10.426)	1.420
Housing Revenue Account	13.100	-	(11.850)	1.250
Total Resources Available	33.950	(9.004)	(22.276)	2.670

5.7 An overall balance of resources totalling £2.6M has been identified at this time. It is proposed that £1.4M of General Fund resources be held as a contingency, for any unforeseen circumstances - **Recommendation 3**.

5.8 The remaining £1.2M relates to unallocated HRA reserves, S106 contributions relating to housing and BH surpluses and it is proposed that this will be considered against future housing priorities in 2020/21 - **Recommendation 4**.

Updated Capital Programme (General Fund)

5.9 Subject to the approval of the priority capital schemes highlighted at Appendix A, the revised capital programme for the General Fund programme is summarised in Table 5.

Table 5: Updated Capital Programme (General Fund)

	Existing Programme	New Approvals	Total Capital Programme
	£M	£M	£M
General Fund	255.624	10.426	266.050
Specific Resources yet to be Allocated to Schemes *	5.981	-	5.981
Total Resources Available	261.605	10.426	272.031

* Includes £2.2M of S106 Contributions received by the Council that have yet to be aligned to specific schemes, £1.0M of SEND Capital Fund monies, £1.0M of schools' Devolved Formula Capital and £0.9M of reserves relating to the Principal Towns scheme that has not yet been aligned to specific schemes. Both the Principal Towns and S106 monies have established governance arrangements in place for the approval of specific schemes.

6. Other Resources

- 6.1 The Council also receives annual allocations in respect of capital funding which is ring-fenced as to what they can be spent on. The quarterly capital programme monitoring updates will report on these allocations as and when they are received, with indicative sums offered below.

School Maintenance Programme

- 6.2 Anticipated resources in 2020/21 totalling £0.9M relate to investment and maintenance in the schools' stock, early years settings and children's centres (maintenance allowance).
- 6.3 These amounts are provided indicatively at this stage and are subject to change depending on the rate of academy conversion of the Authority's maintained schools. The final capital programme plans will be capped in line with the confirmed amounts which will be received in due course.

Disabled Facilities Programme

- 6.4 The Council has received an indicative grant allocation totalling £3.0M for 2020/21 relating to the DFG element of the Better Care Fund. This amount is not yet confirmed and is therefore subject to change. The final capital programme plans will be capped in line with the confirmed amounts which will be received in due course.

Local Transport Programme (LTP)

- 6.5 The indicative resources for 2020/21 total £4.7M relating to specific grants in respect of the LTP. This is made up of an LTP Maintenance Block allocation of £3.1M, LTP Maintenance Block Incentive Funding of £0.3M, Pothole Action Fund of £0.2M and the Integrated Transport Pot £1.1M which are available to invest in the borough's road maintenance needs.
- 6.6 The Council is also awaiting indication from Government of the level of funding due in respect of the additional pot hole funding for councils, as announced in the Conservative's election manifesto. Upon confirmation of the amount due, the Council will assess the level of pot hole works across the Borough, in conjunction with both the Pothole Action Fund (as per paragraph 6.5), and the Council's own available resources.

School Admission / Basic Need Programme

- 6.7 Basic Need resources already announced for 2020/21 total £8.6M which supports the requirement to provide new pupil places by expanding existing schools within the Borough.
- 6.8 Future funding allocations in respect of new School Pupil Places are agreed / allocated on a three year rolling basis as informed by pupil projections figures provided by local authorities via the school capacity (SCAP) survey. The Department for Education has approved the revision made to Barnsley's 2017 SCAP return (increasing the planning areas for secondary schools from one to four) which now clearly shows the need for new school places in the town centre / Penistone areas of the Borough. This is reflected in the increased funding for 2020/21.
- 6.9 The Council has already committed an element of this funding to specific pressures, which is detailed Table 6.

Table 6: Reconciliation of 2020/21 Basic Need Allocation

Approved Commitments	£M	£M
Basic Needs Funding		8.570
Feasibility Study Costs	(0.029)	
Penistone – Phase 2	(3.227)	
Darton Academy	(0.299)	
		(3.555)
Balance of Funding		5.015

- 6.10 It must be noted that the Council, via Trinity MAT, submitted an application for a few school, which was approved by DfE in June 2019. The MAT is expected to finalise plans, develop policies and undertake a statutory consultation in the coming months. A provisional opening date will need to be confirmed by DfE once a site has been identified and an assessment undertaken of timescales to obtain planning permission, procuring a contractor and complete the necessary building works. via a Multi Academy Trust, has had approval is in the process of applying for a free school in the town centre.
- 6.11 It is expected that there will be no cost implications in respect of this free school on the Council and therefore on the balance of funding of Basic Need Grant as outlined above.

7. Overall Use of Specific Funding

- 7.1 The ring-fenced funding to be considered as part of this report has yet to be assigned to specific schemes. The inclusion for approval is for Members to note the anticipated receipt of the allocations in 2020 onwards but to specifically note the indicative 2020/21 allocation of **£13.5M** for inclusion in the Council's capital programme. This funding amount will be subject to final confirmation. **Recommendation 5.**
- 7.2 Subsequent Cabinet reports will be presented, aligning the confirmed allocation to individual schemes, in due course. The indicative allocations for 2020/21 are shown in Table 7.

Table 7: Specific Funding Indicative Allocations

	2020/21 £M
<u>Specific Funding to be Approved</u>	
School Maintenance Programme (indicative) *	0.865
Disabled Facilities Programme (indicative) **	2.976
Local Transport Programme (indicative) **	4.653
School Admissions Programme (indicative)	5.015
Total	13.509

* Figures based on 2019/20 allocation as no indicative figures released by Central Government at the time of writing this report.

** Indicative allocation for 2020/21, actual allocation not yet confirmed by Central Government.

8. Total Capital Programme

8.1 The indicative 2020 capital programme totals £446.9M as detailed in Table 8.

Table 8: Indicative 2020 Capital Programme

	Total Capital Programme	Of Which New Approvals
	£M	£M
General Fund	272.031	10.426
Housing Revenue Account	161.327	33.784
Specific Funding	13.509*	13.509*
Total	446.867	57.719

See Table 2 / Appendix A

See Table 3 / Appendix B

See Table 7

* Subject to final confirmation from the funding bodies concerned.

GF CAPITAL PROPOSALS

EMERGING INVESTMENT PRIORITIES

Ref	Proposal Name	Directorate	Description	2019/20 £	2020/21 £	Other Years £	Total Investment £
Supporting Wellbeing and Managing Demand for Statutory Services							
C1	Vulnerable Childrens / Adults Hub	Place	This proposal to invest to create a bespoke childrens hub, utilised by the YOT team.		2,000,000		2,000,000
C4	Improve Disabled Facilities in Lifelong Learning centres	Place	Royston & Roundhouse Lifelong Learning - Improvement of facilities inc. stairlift and kitchen refurbishments.		106,000		106,000
SUBTOTAL Supporting Wellbeing and Managing Demand for Statutory Services					2,106,000	0	2,106,000
Improve the efficiency of the Council / Invest to Save							
C3	WorkSmart Space Optimisation - Pilot	Place	This proposal is a pilot to transform the Council's workspaces to ensure that they are fit for agile and smarter working.		250,000		250,000
Sub- Total Improve the efficiency of the Council / Invest to Save					250,000	0	250,000
Support the renaissance of the Town Centre and Principal Towns							
C5	Match Funding Historic High Streets Heritage Action Zone (HHS HAZ) Bid	Place	Match funding towards a grant bid for the Historic High Streets Fund, focusing on the regeneration of the Civic facing on to Eldon Street.		2,000,000		2,000,000
C6	Principal Towns	Place	Further investment in the Principal Towns Programme.		1,500,000		1,500,000
C7	Town Centre Parking Strategy - Phase 1	Place	Implementation of Phase 1 of the Town Centre Car Parking Strategy to include digital displays; pay on exit capability; contactless payment, electric charging points; safer car parks inc. CCTV.		1,200,000		1,200,000
SUBTOTAL Support the renaissance of the Town Centre and Principal Towns					4,700,000	0	4,700,000
Making a visible difference in communities							
C8	Highway Improvement - Dearne Town link-road	Place	Resources required to mitigate the expected funding gap for the Dearne Town SCR scheme (3 roundabouts and an access road in the Dearne to unlock employment sites).		870,000		870,000
C9	Penny Pie Park Bridge	Place	Funding to deliver enhanced greenspaces, including a new footbridge over the railway that links Pogmoor recreation ground to Penny Pie park.		1,000,000		1,000,000
C10	Enhanced Highway Maintenance Programme / Gully Works	Place	This proposal is to provide investment in local highway maintenance (Member priorities) and acceleration of the gully maintenance programme.		1,500,000		1,500,000
SUBTOTAL Making a visible difference in communities					3,370,000	0	3,370,000
TOTAL GF CAPITAL					10,426,000	0	10,426,000

HRA CAPITAL PROPOSALS

EMERGING INVESTMENT PRIORITIES

Ref	Investment Theme	Directorate	Description	2020/21 £	2021/22 £	2022/23 £	Other Years £	Total Investment £
HRA 1	Independent Living	HRA	Disabled Adaptations - Enable people to live independently in their own homes	400,000	200,000	200,000	200,000	1,000,000
HRA 3	Service Transformation	HRA	Customer Services IT Investment – Transformation of Customer Services	1,000,000	1,000,000	-	-	2,000,000
HRA 4	Inclusive Growth	HRA	Environmental Improvements - Apprenticeship scheme to help people into work	50,000	195,000	195,000	195,000	635,000
HRA 9	Zero 2045	HRA	Installation of Solar PV – Reduce Carbon Emissions and reduce Tenant Fuel Poverty – 50 properties p.a.	250,000	250,000	250,000	250,000	1,000,000
HRA 10	Housing Growth / Zero 2045	HRA	Billingley View – Low Carbon New Build Social Housing – 16 Units	1,400,000	460,000	-	-	1,860,000
HRA 2	Housing Growth	HRA	Additional Housing Acquisitions – Replenish RTB stock	1,000,000	1,000,000	1,000,000	-	3,000,000
HRA 12	Housing Growth	HRA	Sunnybank/Overdale Adapted Bungalows – Meets Demand for New Build Adapted Social Housing – 4 Units	315,000	280,000	-	-	595,000
HRA 13	Housing Growth	HRA	Athersley South, Adapted Bungalow Scheme – 8 Units	500,000	700,000	-	-	1,200,000
HRA 14	Housing Growth	HRA	Dearne acquisition, demolition and re-development – 4 – 6 Units	280,000	280,000	-	-	560,000
TOTAL HRA CAPITAL INVESTMENTS				5,195,000	4,365,000	1,645,000	645,000	11,850,000

BARNESLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan.

Report of the Executive Director – Core Services

**2020/21 SERVICE AND FINANCIAL PLANNING
REDUNDANCY COMPENSATION AND PROCEDURES**

1. Purpose of Report

- 1.1 To consider the maximum amount of compensation to be paid under the Discretionary Compensation Regulations 2006.
- 1.2 To consider the period of notice to be afforded to employees declared compulsory redundant.

2. Recommendations

- 2.1 **That for the purpose of the 2020/2021 budgetary procedures, payments in accordance with the Discretionary Compensation Regulations 2006 be up to a maximum of 30 weeks actual pay based on the Statutory Redundancy Scheme.**
- 2.2 **That any employee (excluding Teachers) declared redundant be afforded the maximum of 12 weeks' notice of termination of employment.**

3. Introduction/Background

- 3.1 The above regulations provide Local Authorities with the power to make discretionary one-off lump sum payments (enhanced redundancy payments) to employees who are made redundant.
- 3.2 With effect from 1 April 2007, the Council introduced a revised scheme of compensation using the Statutory Redundancy Scheme but based on actual pay.

4. Current Position

- 4.1 Employees are entitled by their contract of employment to receive a period of notice if their employment is to be terminated by reason of redundancy.
- 4.2 This period of notice is the greater of either that specified within their contract of employment or that specified by statute.
- 4.3 In previous years, the Council has agreed the maximum of 12 weeks notice, irrespective of an employee's length of service, would be served on any employee declared compulsory redundant. In addition to this, redeployment opportunities will be sought for affected employees during the statutory consultation period.
- 4.4 The advantage of affording 12 weeks notice to all employees are:-
- (i) The maximum time will be available to pursue and achieve redeployment opportunities.
 - (ii) Successful redeployment will negate the need to make a redundancy payment (maximum up to 30 weeks actual pay).
- 4.5 The disadvantage is if no redeployment opportunities exist, then there is a cost over and above what the contractual/statutory notice entitlement would have provided.

5. Options

- 5.1 To accept the report recommending payment up to a maximum of 30 weeks actual pay to all employees who are redundant and any employee declared compulsory redundant to be offered the maximum of 12 weeks notice of termination.
- 5.2 Not accept the report.

6. Local Area Implications

- 6.1 There are no direct Local Area implications.

7. Compatibility with European Convention on Human Rights

- 7.1 There are no implications.

8. Ensuring Social Inclusion

- 8.1 There are no implications.

9. Reduction of Crime and Disorder

- 9.1 There are no implications.

10. Risk Assessment

10.1 There are no implications.

11. Consultations

11.1 Service Director (Finance) and the Trade Unions have been consulted.

12. Proposal

12.1 It is recommended that Cabinet approve the recommendations of this report.

13. Glossary

13.1 None

14. List of Appendices

14.1 None

15. Background Papers

15.1 Discretionary Compensation Regulations 2006 – available for inspection from Human Resources.

Officer Contact: Michael Potter, Service Director Business Improvement, HR and Communications

Telephone No: 774594 Date: December 2019

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BARNSELY METROPOLITAN BOROUGH COUNCIL

Report of the Executive Director – Core Services

Aggregated equality implications of budget efficiency proposals 2020/21 including the impact of Brexit on equality considerations.

1. Purpose of Report

- To provide an overview of the equality impact assessment process for the budget efficiency proposals.
- To summarise the aggregated impact of the proposals.
- To report the cumulative impact of welfare reform and spending decisions across the groups protected under the Equality Act 2010 over recent years.
- To provide a precis of whether Brexit will affect UK equality and human rights law and whether that could impact the Council's ways of working in the coming year.

2. Background

A. Purpose of Equality Impact Assessment (EIA) Process

2.1 The budget efficiency process is an area where the Public Sector Equality Duty requires the Council to demonstrate 'due regard' to the three aims of the duty. That is, to avoid adverse outcomes for protected groups; and to advance equality of opportunity and foster good relations for people from protected groups where possible. An EIA has been embedded into the process of identifying, evaluating and implementing budget saving proposals.

2.2 This enables the Council to:

- have a written record of equality considerations;
- ensure that decisions include a consideration of the actions that would help to avoid or mitigate any unfair impact on diverse groups;
- make decisions based on evidence;
- make the decision-making process more transparent;
- comply with the law, and therefore reduce financial and/or reputational risk.

B. Stage One – Pre-screening Equality Impact Assessment

2.3 In times of spending cuts '*Public bodies must ensure they adopt a proportionate approach to compliance.*'¹ The EIA predicts the likely impact the proposal will have on each protected group, however if the proposal is highly unlikely to have an

¹ Gov.Uk. 2013. Review of the public sector equality duty. [ONLINE] Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/237194/Review_of_the_Public_Sector_Equality_Duty_by_the_Independent_Steering_Group.pdf.

adverse outcome on a particular group, there is no requirement to spend time gathering evidence to prove this.²

The first stage of the EIA process is to differentiate those proposals where there could potentially be a significant equality impact from those where there will be no or negligible impact.

- 2.4 The pre-screening process is a series of questions that determines which of the budget efficiency proposals need to undertake a full equality impact assessment.

C. Stage Two – Full Equality Impact Assessment

- 2.5 The Full EIA requires services to:

- gather and assess evidence about the potential impact in terms of service take-up, service quality and customer access, local and national data;
- consider how they will seek the views of the local community, and in particular, those groups most affected by the proposal (if applicable);
- identify potential mitigating actions where possible negative impact has been found.

- 2.6 Individual decisions should also consider the wider context of work across public bodies, so that groups are not unduly affected by a cumulative effect of decisions.

- 2.7 An EIA is an ongoing process and predictions may change overtime as efficiency proposals are refined, feedback from consultation is considered or mitigating actions identified that may reduce any negative impacts.

- 2.8 All reports outlining a budget efficiency proposal should include an outline of the key EIA findings. This should as a minimum describe:

- the main negative impacts anticipated;
- how this has been assessed and the evidence used;
- what options for mitigation should be considered; and
- how the actual impact will be reviewed after implementation.

3. Aggregated Equality Impact Assessment 2020/21

- 3.1 The Aggregated EIA is an assessment of the cumulative impact of all the budget efficiency proposals on the groups protected under the Equality Act 2010. This should be viewed in conjunction with the holistic impacts faced by protected groups (at point 4) when deciding whether and how to implement the proposals.

² *Margaret Bailey and others v Brent Council* 2011[ONLINE] Available at: <https://www.equallyours.org.uk/wp-content/uploads/2015/06/DueRegardJune2015.pdf>

3.2 Work contained within the Future Council 2020/21 efficiency savings not included in the aggregated assessment:

- Work that has already been delivered, and therefore equality considerations have already been made.
- Proposals that solely relate to the increase in an income generation target that is currently over performing, as this does not require equalities consideration.
- Expenditure work, although subject to equality considerations, is not included as the aggregated EIA is a high level equalities overview of the spending cuts.
- Place - Review of town centre accommodation. This work is being delivered over 2 years and is in very early stages. A report is currently being drafted relating to high level options. Once this has been considered the EIA will be started.
- Core - COM1 E1/20-21 contains 12 themes related to Digital First efficiencies. An EIA has been undertaken for 'paperless office' and is included within the aggregated EIA. However, EIA's will be completed for other workstreams when they start and are therefore not included.
- People - BU1 E3/20-21 - Review of early intervention / preventative contracts and funding. The EIA is due to be started Quarter 4 2019/20.

3.3 Much of the savings relate to restructure of teams. This work is also subject to legal obligations under the Public Sector Equality Duty. However, this process has different considerations from the generic EIA process and is therefore not included in the aggregated assessment. Efficiency proposals relating to internal restructures will be expected to consider new restructure guidance which is due to be completed and published in quarter four 2019/20.

3.4 Ten budget efficiency proposals completed a pre-screening which deemed that the work had very little or no direct relevance to equality. Therefore completion of a full assessment was not required. The types of work that do not require a full EIA are generally those with little or no direct relevance to people, for example the increased fee income from higher planning fees.

3.5 Six full EIA's were completed with results shown in Table 1. It is possible that a piece of work can predict both negative and positive outcomes across the different protected groups and across different elements of the work:

- There are two proposals that have identified a negative impact, both on the protected characteristic of disability. **However, both proposals have identified steps which will be taken to mitigate against the potential adverse outcomes.**
- There are four proposals that have predicted positive outcomes for one or more protected groups.

- Two efficiency proposals have identified that although the work relates to people from certain protected groups; there will be no impact on these people as a consequence of the work.

Note: the EIA is a live document. Therefore predictions may alter after the first iteration is developed.

Table 1 – Summary of potential impact across efficiency proposals

Protected characteristic	Negative ‘-’	Positive ‘+’	No impact	Details
Sex		2		<p><u>Place- Commercial investment to stimulate growth DMC2 refurbishment – Inclusive & accessible design</u></p> <p><u>Public Health PH E2/20/21 – Health checks CVD Men – Wider availability of checks outside usual healthcare settings.</u></p>
Age		2		<p><u>Place- Commercial investment to stimulate growth DMC2 refurbishment – Inclusive & accessible design.</u></p> <p><u>Public Health PH E2/20/21 – Health checks CVD Older people – targeted encouragement to attend checks, also benefitting from dementia advice.</u></p>
			1	<p><u>Communities BU2 E4/20-21 Provision of night service</u> Supporting people in their own home to be delivered in-house. Same service delivered by different staff.</p>
Disabled	2			<p><u>Communities BU2 E5/20-21 – Review of commissioned contracts- Mencap.</u> Learning disability - Although service users will be affected, each will have an individual exit plan and will be able to transfer to the BMBC service, therefore negative outcomes mitigated.</p> <p><u>Core COM1 E1/20-21 - Digital first – Paperless office</u> Mobility impaired staff - Increased distance to printer. Visually impaired - Potential need for additional support for printing of large format/colour documents. Reasonable adjustments and additional support should mitigate possible negative outcomes.</p>
		4		<p><u>Communities BU2 E5/20-21 – Review of commissioned contracts- Mencap.</u> Service provided by BMBC will be more inclusive and ensure the right support, thus advance opportunities.</p> <p><u>Core COM1 E1/20-21 - Digital first – Paperless office</u> Visual impairments - Use of digital services should have a positive effect allowing the use of accessibility software and allow individual software settings such</p>

				<p>as large print, different font colours.</p> <p><u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design</p> <p><u>Public Health PH E2/20/21 – Health checks CVD</u> More targeted approach for those identified as having serious mental health or learning disability.</p>
			2	<p><u>Core BU17-E1/20-21 - Restructure of Licensing Team</u> including digitisation of licensing processes. Any disability preventing a person from completing an on line process would almost certainly exclude them from eligibility for engagement in the taxi trade. A paper alternative would be made available in exceptional circumstances.</p> <p><u>Communities BU2 E4/20-21 Provision of night service</u> Supporting people in their own home to be delivered in-house. Same service delivered by different staff.</p>
Race		3		<p><u>Core COM1 E1/20-21 - Digital first – Paperless office</u> Non-English speaking - Use of electronic mail should have a positive effect allowing the use software such as Google Translate to support interpretation.</p> <p><u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design</p> <p><u>Public Health PH E2/20/21 – Health checks</u> Monitor attendance by BME communities and address underrepresentation if applicable.</p>
			1	<p><u>Core BU17-E1/20-21 - Restructure of Licensing Team</u> including digitisation of licensing processes. Basic English comprehension is a necessity in the taxi trade. On-line processes should be no more difficult than paper documents for those whose first language is not English.</p>

Religion & Belief		1		<u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design
Sexual Orientation				No predicted impact
Gender Reassignment		1		<u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design
Marriage / Civil partnership		N/A		No predicted impact
Pregnancy / Maternity		1		<u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design
Other: Socio-economic groups		1		<u>Public Health PH E2/20/21 – Health checks</u> Specific targeting by postcode for people living in deprived locality.

3.6 The summary at Table 1 shows that the efficiency proposals should not have an adverse impact on protected groups. Due the remodelling of services it actually shows potential to ‘advance equality of opportunity’ for some protected groups; therefore evidencing compliance with strand two of the Equality Duty.

4. Cumulative Impact of previous spending cuts and welfare reform

4.1 The Equality and Human Rights Commission (EHRC) report³ a regressive negative impact since 2010, with the largest impact being felt by those on the lowest incomes. The report suggested the poorest tenth of households will on average lose about 10% of their income by 2022. The changes have had a disproportionately negative impact on several protected groups, including disabled people, certain ethnic groups, and women.

Disabled people

4.2 In 2016 the percentage of people reporting having a disability in Yorkshire and Humber was 20%⁴. This was slightly below the national average which was 21%.

4.3 The framework of service available to support disabled people to live their lives in an equitable and inclusive way has changed dramatically in recent years. Directly provided services have been replaced by services which seek to support a disabled person to undertake activities for themselves, and take control of their own care budget. Developments are increasingly building in disability access to higher standards than ever before.

³ EHRC The cumulative impact of tax reforms 2018[ONLINE] Available at:

<https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

⁴ Gov.UK. Family Resources Survey 2015/16 2016 [ONLINE] Available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/600465/family-resources-survey-2015-16.pdf

- 4.4 However, and importantly, many disabled people are living on less money and are more likely to be out of work. Negative impacts have been particularly large for households with more disabled members, for households with at least one disabled adult and a disabled child EHRC report average annual losses just over 13% of average net income. Disabled lone parents with at least one disabled child fare even worse.
- 4.5 There is also evidence to show that consideration given to disabled people by public authorities has been watered down since the introduction of the generic Equality Act 2010⁵.

Sex – Females

- 4.6 The EHRC reported that lone parents in the bottom quintile of the household income distribution have lost around 25% of their net income. The 2011 census reported that 88% of lone parents in Barnsley were female, equating to 6,950 people.

At an individual level, females have lost considerably more than males in the last decade. The reason females are most affected is that they are most often the main recipients of benefits and tax credits, which have seen reductions. Barnsley has a higher percentage of females than males, 50.7% and 49.3% respectively, at Chart 1.

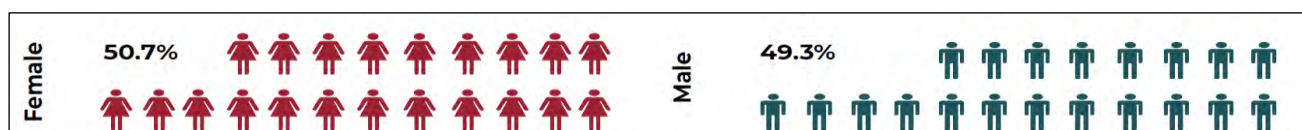


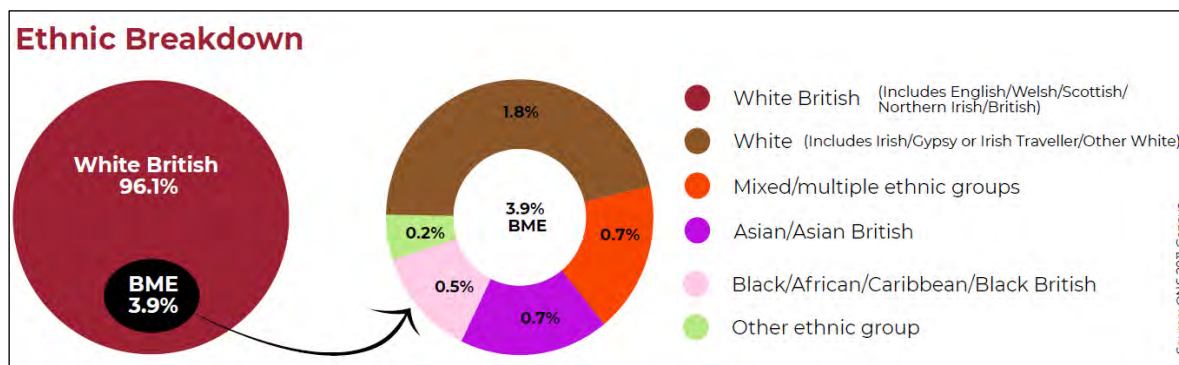
Chart 1 female population from Barnsley Borough Profile⁶

Race – Ethnicity - Black and ethnic minority people (BME)

- 4.7 Across the country the highest negative impact from tax cuts and welfare reform on ethnic minority groups has been experienced by Bangladeshi households, and particularly Bangladeshi women. Looking at spending on public services (rather than tax and welfare), black and Asian households lose out more than other groups, largely because they are disproportionately likely to participate in further and higher education, and (for black households) social housing. Chart 2 shows that the non-white British population in Barnsley is considerably lower than the national figure from the 2011 census which was 13%. Meaning less impact than for many local authorities under the characteristic of Race, due to a lower percentage of people from minority backgrounds.

⁵Parliament.UK. The Equality Act 2010: the impact on disabled people. [ONLINE] Available at: <https://publications.parliament.uk/pa/ld201516/ldselect/ldseqact/117/117.pdf>

⁶Barnsley Metropolitan Borough Council 2019. Barnsley Borough Profile [ONLINE] Available at: <https://www.barnsley.gov.uk/media/11759/our-borough-profile-20190724.pdf>

Chart 2 Ethnic breakdown of Barnlsey⁶

Intersectional analysis

- 4.8 Intersectional analysis involves examining more than one characteristic at the same time. These ‘two-way’ analyses are crucial for examining multiple disadvantages due to the combination of two or more protected characteristics.

The 2019 'Left Behind' report⁷ explored the interaction between deprivation and community need. The demographics of areas that were ranked in the bottom ten percent in both the Community Needs Index and Index of Multiple Deprivation were analysed. Typically the areas had a more youthful population (Age-young people) and were White British (Race-ethnicity) residents. They were also characterised as having higher levels of single-parent families (Sex-female). The report named four wards in Barnsley as being among the most 'left behind' (in terms of deprivation and community need) in the country; these were Dearne North, Dearne South, Monk Bretton and St.Helens.

5 Brexit implications

Who will be affected?

- 5.1 Most third sector organisations, including Race on the Agenda and the Joseph Rowntree Foundation, claim that Brexit will be most damaging for BME communities, women, child poverty and those on low income.

Consequences for equality legislation

- 5.2 Leaving the European Union (EU) does not affect rights under the European Convention on Human Rights, as this comes from the Council of Europe, not the EU. The impact of Brexit on equality will depend on the laws that are passed to deal with leaving the EU. The White Paper⁸ published by the Government in 2017 provided some clarity about how equality and human rights concerns will be addressed after leaving the EU. This included retaining the protections under the

⁷ Local Trust .Org.UK. 2019 Left behind details *Understanding communities on the edge [ONLINE]* Available at https://localtrust.org.uk/wp-content/uploads/2019/08/local_trust_oci_left_behind_research_august_2019.pdf

⁸ Gov.Uk 2017 The Repeal Bill: White paper[ONLINE] Available at <https://www.gov.uk/government/publications/the-repeal-bill-white-paper>

Equality Act 2010. In addition, many protections in EU law, especially equality rights, have already been written into UK law by legislation, which will stay the same unless withdrawn by Parliament. However, the White Paper alluded to the possibility that a new government could seek to pass laws which repeal or weaken our current rights below the standard of EU law rights.

- 5.3 The Public Sector Equality Duty, at s.149 Equality Act 2010 has frequently been criticised by Conservative Governments for being over bureaucratic, which resulted in a review of Duty in 2013⁹. The 2019 Conservative manifesto¹⁰ stated they would set up a ‘Constitution, Democracy and Rights Commission’ in their first year. The Commission will seek to ‘restore trust in our institutions and democracy’. This will include updating the Human Rights Act (HRA) to ensure there is a ‘proper balance between the rights of individuals, our vital national security and effective government’. The HRA currently includes almost all the provisions in the ECHR, allowing judges to apply them in the courts of United Kingdom.

5. **Summary**

- 5.1 The 2020/21 efficiency proposals are not predicted to have an adverse impact on protected groups. In fact there is potential to ‘advance equality of opportunity’ for some protected groups.

However, cuts over the past decade have clearly impacted certain groups protected by law: disabled people, women and certain BME groups. Although not covered by equality legislation households on lower incomes have also faced greater impacts. It is important that serious consideration is given to any future work that predicts a negative impact either in terms of the protected groups, people on lower incomes, and people living in the four wards highlighted in the intersectional analysis.

In terms of Brexit, the current Council processes of considering equality should continue, with a watching brief on changes to equality legislation that may materialise in the coming years.

⁹ Gov.UK. 2013. Review of the public sector equality duty. [ONLINE] Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/237194/Review_of_the_Public_Sector_Equality_Duty_by_the_Independent_Steering_Group.pdf.

¹⁰ Conservatives 2019 Our Plan: Conservative manifesto 2019 [ONLINE] Available at <https://vote.conservatives.com/our-plan>

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Communications

INVESTMENTS AND ACTIVITY

Shout about good news - showcasing what's happening across Barnsley



Supporting people to help themselves and their communities #TownSpirit

Being clear about what services we provide. how they support people and how people can access them

TELLING PEOPLE ABOUT OUR BUDGET PLANS

- Council tax information
- Reductions vs strong position in time difficult times
- Innovation in services
- This is what it means for you...
- Encouraging people to #Ownit - Town Spirit behaviour change

USING RESIDENT FEEDBACK

We'll use the insight we gather from the Barnsley 2030 engagement activity to look at priorities for our residents. We'll work with services to make sure any consultation exercises related to the budget are planned and targeted to key stakeholders

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Item 4

BARNSELEY METROPOLITAN BOROUGH COUNCIL

**Report of the Executive
Director of Core Services /
Service Director Finance (S151
Officer)**

Proposed options to replace the existing Council Tax Support Scheme for working age claimants

1. Purpose of report

- 1.1 The report outlines the rationale and approach to implementing a new Local Council Tax Support Scheme (LCTS) from 2020/21.

2. Recommendation

- 2.1 **Cabinet recommends to Full Council the option to approve the proposed new Local Council Tax Support Scheme attached at Appendix 1.**

3. Background

- 3.1 Legislation requires the Council to decide each year whether to keep, revise or replace the existing LCTS scheme. When making this decision the Council must adhere to the following rules:
- Consult any 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; and
 - Agree the final scheme by 11 March 2020.
- 3.2 Under the Council Tax Support provisions, the scheme for pensioners is determined by Central Government and is not at the discretion of the Council to change whereas the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.
- 3.3 Funding for the previous Council Tax Benefit scheme was provided by Central Government. However, since the change to Local Council Tax Support there have been significant year on year reductions in Government funding available to pay for the scheme which is now entirely funded from the Council's core resources via a reduction to the tax base.
- 3.4 The table below sets out the number of residents currently receiving support under the existing Council Tax Support scheme:

	Council Tax Support 2019/20
Pension Age	8,784
Working Age	12,283
Total Council Tax Support Claimants	21,067

3.5 The costs of the scheme for 2019/20 are estimated as follows:

	Council Tax Support 2019/20
Pension Age	£6.7m
Working Age	£6.9m
Cost of scheme to the Council*	£13.6m

*The above cost excludes the cost of the LCTS to the major preceptors

4. The Current Scheme

4.1 The current scheme (2019/20) for working age applicants is based on:

- A maximum level of support for working age applicants of 70% with all 'pass ported' benefit recipients (Employment Support Allowance, Income Based Job Seekers Allowance and Income Support) receiving the maximum amount;
- Local Council Tax Support entitlement for all other working age claimants is determined by a complicated means test based on the previous Council Tax Benefit System (updated each year for general changes to applicable amounts mainly relating to disability premiums) which is extremely sensitive to small changes in income; and
- A discretionary scheme introduced for those applicants experiencing exceptional financial hardship.

5. Issues with the current scheme

5.1 There are a number of issues with the current scheme that need addressing if the system is to provide effective targeted support to those most in need across the borough. The main issues are as follows:

- Support not targeted to those most in need

The available discount in the Council's current scheme is low in comparison to most schemes operated nationally and in comparison to our near neighbours. This has coincided with the introduction of full Universal Credit (UC) rollout and recent increases in Council Tax that have been necessary to fund statutory social care services. As a consequence there has been a marked adverse impact on some LCTS claimants' ability to pay their council tax bills as evidenced through reduced collection rates, higher levels of arrears for UC claimants and the increased use of enforcement action.

- The adverse impact of enforcement action on those with no reasonable prospect of paying

Taking enforcement action in these circumstances (summonses, bailiffs etc.) has become counter intuitive as the end result is to add additional debt or financial strain on those residents who are least able to pay.

An additional by product is that this has led to an increasingly inefficient deployment of debt recovery resources that could be better targeted elsewhere.

- Difficult customer journey and complex administration

As already mentioned the council tax benefit based means test is extremely complex and difficult to understand from a customer's perspective; particularly in terms of understanding how the entitlement to LCTS discount is calculated and the sheer volume of requests to provide supporting information to corroborate the claim.

This complexity also makes the scheme difficult to administer for the Council with significant investment in training and support required before staff become proficient in processing claims. This is a particular problem when dealing with staff turnover which is a contributory factor in the often lengthy processing times.

In addition, the Council receives huge numbers of changes to circumstances from the DWP in relation to Universal Credit cases. As the existing means tested scheme is sensitive to almost any change in circumstances this could potentially result in a UC claimant receiving a different council tax bill every month. This is obviously confusing for the customer in terms of clarity over liability and putting suitable payment arrangements in place within that context.

In such circumstances there are clearly significantly increased administration and related overhead [postage] costs that bring no added value whatsoever.

- 5.2 In summary, the existing LCTS scheme is incompatible with UC and there is a pressing need for a simplified approach which makes better sense to the customer and to the efficient running of the Council.

6. The proposed approach for the 2020/21 Local Council Tax Support Scheme

- 6.1 The proposed scheme has 3 main objectives:

- Better targeted support to those who need it the most whilst simultaneously ensuring that the vast majority of claimants are better off than under the current scheme and that no existing claimant is worse off;
- Significantly reducing the likelihood of futile enforcement action; helping to minimise the debt burden on the lowest income households whilst simultaneously increasing the efficiency of the Council's recovery actions; and
- A simplified scheme that is easier to understand for the customer and easier to administer for the Council by introducing a scheme that is less sensitive to minor changes in income and thus avoiding fluctuating bills and payment plans.

6.2 It is proposed that the current means tested scheme is replaced with a simple 'income grid' model as shown below. In essence entitlement will be calculated based on the circumstances relevant to an individual household with relevant income bandings applied as set out below:

Group	Band 1	Band 2	Band 3	Band 4
Single	0.00 – 73.99	74.00 – 110.99	111.00 – 147.99	148.00 – 184.99
Couple	0.00 – 115.99	116.00 – 152.99	153.00 – 189.99	190.00 – 226.99
1 Child	0.00 – 182.99	183.00 – 219.99	220.00 – 256.99	257.00 – 293.99
2+ Children	0.00 – 248.99	249.00 – 285.99	286.00 – 322.99	323.00 – 359.99

6.3 The proposed scheme has the following features:

- The highest level of discount will be set at a maximum level of 82.5% of the total liability, followed by 72.5%, 50% and 25% respectively;
- All current claimants in receipt of a relevant 'pass ported' benefit will automatically receive the maximum discount;
- All other discount levels are based on the applicant's (and their partner's where appropriate) household circumstances and net income;
- The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependant;
- A standard £25 per week disregard will be provided against all earnings for all applicant types. This will take the place of the current standard disregards and additional earnings disregards;
- Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded and, in addition, the support component of Employment and Support Allowance, the Limited Capability for Work Related Activity component of Universal Credit, and Carer's Allowance will also be fully disregarded. The disregard of Carer's Allowance is a significant change in that currently this income is taken into account within the existing scheme;
- Child benefit and Child Maintenance will continue to be disregarded;
- Childcare costs will continue to be disregarded, however the maximum disregard will be capped in line with the amount awarded in the Child Care Element of Universal Credit;
- Where a person currently receives a disability premium, enhanced disability premium, disabled child premium or severe disability premium a disregard equal to the premium will be deducted from that person's income;
- The total disregard on war pensions and war disablement pensions will continue;
- There will be no time limit to backdating an individual application with each case being considered on its own merits;
- The capital limit under the new scheme will reduce to £10,000 but there will be no calculation of tariff or 'assumed' income from any capital held;

- Extended payments will be removed; and
- A minimum income floor for self-employed applicants and directors will be introduced.

7. **Benefits of the new scheme**

7.1 A combination of additional Council funding into the scheme combined with the simplified income grid approach will allow support to be better targeted at lower income households whilst also enabling more households to benefit from higher levels of discount than under the current scheme. As a result, the revised scheme is less likely to add to the debt burden of low income households than the current scheme.

7.2 The scheme will involve a much simpler claiming process with Council Tax Support being awarded automatically (without the need to provide supporting evidence) wherever possible. Any Universal Credit data received from the DWP will be treated as a claim for Council Tax Support and processed automatically. The customer journey will be significantly improved as follows:

- **Processing times will be reduced** – all claims will be calculated promptly and largely automatically without the need to request further information thus avoiding inevitably delays;
- **Maximising the support available to all those eligible** – as there be will no requirement for Universal Credit claimants to apply. The simplified claiming process for all other applicants will help to maximise the support available, reduce the risk of loss of discount together with the opportunity for backdating claims in any given financial year;
- **Maintenance of collection rates** – the increased number of households receiving a higher level of discount will assist low income households in managing their council tax bills thus increasing collection rates. In addition, because the proposed new scheme has sufficiently wide income bands constant changes to customer bills, discount entitlement and payment plans will be avoided and therefore support people to manage their accounts more effectively.

8. **Transition to the new scheme and the proposed exceptional hardship policy**

8.1 In transitioning to a new scheme the Council needs to be aware that this will result in a change in entitlement for a significant number of applicants. Based on the modelling work undertaken to date it is envisaged that the vast majority of claimants will be better off than under the current scheme with a small number of households (less than 300) with certain characteristics initially (before hardship relief) being worse off.

8.2 As a consequence the small number of claimants who could be potentially worse off under the proposed scheme will be contacted directly and an automatic award of discretionary relief made to ensure that the claimant is no worse off than under the current scheme.

8.3 Those groups that were expected to be most impacted were consulted during the consultation phase via the relevant equality group / forum [in addition to the wider consultation] with a full equality impact assessment undertaken. The full EIA is attached at Appendix 2.

9. Financial Implications

9.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

9.2 As outlined in paragraph 3.5 above, the cost of the current LCTS scheme totals £13.6M. If the new scheme is approved it is estimated that the total cost of the scheme will rise to £15.1M, an increase of £1.5M.

9.2 In addition, the cost to the Council of providing discretionary relief to those LCTS claimants who will be worse off under the new schemes is estimated to be £0.114M.

9.3 The S151 Officer proposes that these additional costs be funded from improved collection rates (as highlighted earlier in the report), lower administration costs and the use of accumulated collection fund reserves should they be required.

9.4 The introduction of the new scheme will also result in a change to the council tax base. The council tax base for 2020/21 was approved by Cabinet in January 2020 and reflects the changes associated with new LCTS scheme.

9.5 Full financial implications are detailed in Appendix A and Appendix 3 accordingly.

10. Consideration of alternative approaches

10.1 As outlined above, SMT are asked to consider two options namely:

- **Option 1** - to retain the current Council Tax Support Scheme for 2020/21 on the same basis as 2019/20; or
- **Option 2** - to approve the proposed new 'income grid' Local Council Tax Support scheme for implementation in 2020/21.

11. Justification

11.1 Option 2 will mean that over 12,000 working age households on low incomes will receive more in Local Council Tax Support thus reducing the financial burden to these people. The scheme is less complex and therefore easier to understand and administer meaning that people will receive their council tax bills quicker whilst also reducing administration costs for the Council.

12. Implications for local people / service users

12.1 It is expected that more than 12,000 working age claimants will be on average better off by £125 to £241 per year. The proposals will have a significant positive impact on working age local people and service users. Predominately these are single people and couples with no children who have been most

impacted by changes in welfare reform (single room rent for under 35 year olds, bedroom tax, freeze on welfare benefits) and increasing council tax bills.

Single parents and couples with children will still see a greater reduction in their council tax bills under the new scheme than the current scheme.

The scheme has been designed on an income grid basis which is less complex to administer and less reactive to small changes. As a result there are a small number of customers who will be initially worse off (less than 300 households). These customers will be contacted directly and automatically awarded discretionary relief support so that they receive the same support as in 2019/20.

There will be no effect on pension age claimants as their Council Tax Support scheme is prescribed by Central Government.

12.2 For working age Council Tax Support applicants the implications will be as follows:

- A higher level of discount for applicants on low income;
- Continued protection for vulnerable groups and increased protection for carers;
- Easier claiming process with less information required, reduced volume of questions/contact and reduced level of evidence being requested;
- Faster claim processing with reduced waiting times;
- Reduced changes to entitlement giving greater certainty to charge payers as to the amounts owed in council tax; and
- An easier to understand scheme.

12.3 Those customers who will initially receive less (before the automatic award of discretionary relief) under the proposed scheme generally fall into the following categories

- Those with capital over £10,000- there are 26 cases where this applies;
- Those who have been self-employed for more than a year and are earning less than the living wage (with exceptions for lone parents with children under 5) - there are 42 cases where this applies; and
- Those with 3 or more children which account for further 182 cases.

(The current scheme is complex and a household may qualify for less under the proposed scheme for more than one of the above reasons).

12.4 A breakdown of how customers have been impacted is shown in the table below. Please note this is as at position 12 November 2019 and this will change on a daily basis.

Group	Increase in CTS		Reduction in CTS		
	No. of Affected Cases	Average Yearly Gain £	No. of Affected Cases	Average Yearly Reduction £	Demographics of cases impacted by reduction in CTS
Pass ported no children	4303	130.39	0	0.00	N/A
Single no children	2670	165.57	45	543.89	18 Disabled Claimant/Partner
Single 1 child	1573	156.00	8	457.02	1 Disabled Claimant/Partner 2 Disabled Dependents
Single 2 children	1111	162.08	0	0.00	
Single 3 or more children	699	125.87	61	270.69	1 Disabled Claimant/Partner 3 Disabled Dependents
Couple no children	553	241.83	20	543.26	16 Disabled Claimant/Partner
Couple 1 child	512	191.73	7	297.88	2 Disabled Claimant/Partner
Couple 2 children	477	202.80	6	231.56	2 Disabled Claimant/Partner
Couple 3 or more	385	159.05	121	444.25	7 Disabled Claimant/Partner 15 Disabled Dependents 7 Disabled Claimant/Partner & Dependent
Totals	12,283		268		

13. Employee implications

13.1 The simplification introduced by the proposed new scheme will have the following implications for employees:

- Less resource intensive and shorter training requirements;
- More flexibility and agility to deploy resources, with more staff being able to undertake Council Tax Support work across the service;
- Improved customer service; and
- Improved recovery processes with resources better targeted at those with the ability to pay.

14. Communications implications

14.1 A consultation took place from 9 September 2019 to 27 October 2019. The full communications plan is attached at Appendix 4. Predominantly campaigns were ran via social media with links to an on line survey. We also held engagement events at a mixture of libraries and family centres. These events were advertised on social media and also within each building.

14.2 The result of the social media campaign showed that we reached 47,189 people and 2,139 engaged with the social media campaign by either commenting on, sharing or viewing the images.

14.3 The EIA identified the following protected groups; age (children) sex (female) and the disabled who could be potentially adversely affected by the new scheme.

14.4 The equality forums were directly contacted and officer led events were held to explain the proposed changes and provide support in completing the survey. Literature was made available in 'easy read' and an event held at the CAB for the Deaf community with a British Sign Language interpreter available specifically to deal with questions around the proposed changes. Advice was sought from the Head of Communications and the Equality and Diversity Manager.

15. Consultations

15.1 The result of the consultation is briefly outlined below:

- The Council received 376 responses to the survey; of these 199 were only partially completed.
- 49% agreed the scheme should be changed, 19% didn't know and 32% said the scheme should not be changed.
- 71% of respondents were not currently claiming LCTS and 29% were currently claiming LCTS.
- 68% of respondents agreed that we should limit the number of children included in the calculation to 2 children, 19% believed that we should include all children and 13% didn't know. Concerns around this have been addressed as part of the EIA as this could affect the protected groups age (children) and sex

(female). In the first year there will be an automatic award of discretionary relief so no household will be worse off. Additional support and advice will be given to these families to sign post them to partner agencies where debt may be reduced or income increased. This proposal is to bring the LCTS scheme into line with other welfare benefits such as Universal Credit and Housing Benefit.

- A positive reaction was received from the proposal to not include income received from Carer's Allowance in the total income received figure. 73% agreed with this, 15% did not agree and 12% didn't know.
- A less positive response was the proposal to not include a deduction for other adults living in the property known as a non-dependant deduction. 54% agreed that the Council should do this, 32% thought we should make a deduction and 14% said they didn't know. However, to reverse this proposal would mainly affect those in Band 1 and this would detract from one of the major objectives of the scheme to help those on the lowest income. Additionally, there is an assumption that the non-dependant will make the contribution towards the council tax bill which in the event of non-payment would mean that the claimant/chargepayer would be pursued for the debt.
- A further area of concern was the proposal to restrict the capital limit to £6,000, 56% agreed, 33% disagreed and 11% didn't know. Comments in respect of this were mainly around penalising those who had worked hard and saved for unexpected expenditure. As a result of the consultation it is proposed that we increase the capital limit to £10,000 which will increase the cost of the scheme by £26,000.
- The consultation also asked if the council should introduce a minimum income floor for the self-employed after 1 year of trading. 69% agreed with this and 14% did not agree with a further 17% who didn't know. There will be protected groups that are affected by this change age (children) and sex (female). This again has been addressed within the EIA by not applying the minimum income floor where the claimant is a lone parent and they have child/children under 5.

16. Tackling health inequalities

16.1 Council Tax Support and other welfare changes could potentially widen health inequality. However, the proposed changes to the scheme are thought to have a broadly positive effect.

17. Risk Management Issues

17.1 There are a number of potential risks in making these changes and these risks have been assessed, and mitigating actions have been considered as follows:

Risk	Current Assessment	Mitigations	Target Assessment
For those small number of applicants detrimentally affected there could be impacts on their individual financial circumstances.	Green	Exceptional hardship funds will be automatically awarded so no claimant will be worse off than they were in 2019/20.	Green
Potential increase in costs	Green	Useful monitoring and	Green

Risk	Current Assessment	Mitigations	Target Assessment
to the tax base.		modelling will be undertaken throughout 2019 and into 2020 to ensure that the impacts are fully understood and reported.	

17.2 These risks are captured in the Business Unit's operational risk register and will be routinely managed as part of standard risk management procedures.

18. Promoting equality and diversity and social inclusion

18.1 A full equality impact assessment (EIA) has been prepared to support the move to the new scheme and as part of the consultation we have contacted the relevant Equality Forums. A full EIA is provided in support of the final Cabinet report to members. Any issues identified have been addressed within the EIA.

18.2 An initial assessment of the proposed scheme has indicated that the groups adversely affected are age (children), sex (female) and the disabled. We have ensured that these forums formed part of the consultation.

18.3 The Council will continue to support potentially vulnerable claimants by maintaining the current income disregards plus giving additional disregards for those with disabilities and carers. Claimants experiencing extreme hardship will continue to be supported, wherever possible by the Council through the Council Tax Exceptional Hardship Scheme.

19. List of appendices

Appendix 1 – Local Council Tax Support Scheme 2020/21

Appendix 2 – Equality Impact Assessment.

Appendix 3 – Financial Implications.

Appendix 4 – Communications Plan.

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BARNSELY
Metropolitan Borough Council

Barnsley Metropolitan Borough Council
Council Tax Support Scheme for Working Age Applicants
S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Support Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Support scheme for the period from 1st April 2020.
- 1.2 This document details how the scheme will operate for **working age applicants** and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2020 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 (Amendment) (England) Regulations 2017;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2018;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2020: and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

The scheme for pension age applicants is defined by Central Government's scheme as defined under the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 as amended.

- 1.4 There are three main classes under the prescribed pension 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 Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - d. a guaranteed income payment;
 - e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - f. a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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

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

- 1.6 The adopted scheme for working age applicants is an income banded / grid scheme means test, which compares income against a range of discounts available. Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;
- a. has not attained the qualifying age for state pension credit; or
 - b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based Jobseeker's Allowance, on an income-related Employment and Support allowance or on Universal Credit.
- 1.7 The Council has resolved that there will be **one** class of persons who will receive a reduction in line with adopted scheme. The scheme has qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;

- f. be somebody in respect of whom a maximum Council Tax Support amount can be calculated;
- g. not have capital savings above £10,000;
- h. not have income above the levels specified within the scheme;
- i. be a person in respect of whom a day in which s/he is liable to pay council tax in respect of which the person's *income* is within a range of incomes specified within Schedule 1; and
- j. has made a valid application for reduction.

Council Tax Support Scheme

This scheme relates to the financial year beginning with 1 April 2020 and should be cited as Barnsley Metropolitan Borough Council – Council Tax Support Scheme.

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

‘applicant’ means a person who the authority designates as able to claim Council Tax Support – 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 Support;

‘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 (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;

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

‘council tax reduction scheme’ has the same meaning as **‘Council Tax Support or reduction’**

‘Council Tax Support’ means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);

‘couple’ means;

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

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

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

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

‘designated office’ means the office designated by the authority for the receipt of claims for Council Tax Support;

- (a) by notice upon or with a form approved by it for the purpose of claiming Council Tax Support; 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 22 or, as the case may be, 24;

‘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’**;

‘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 Support payable pursuant to section 59;

‘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;

‘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 23;

‘net profit’ means such profit as is calculated in accordance with section 25;

‘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;

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

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

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

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

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

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

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

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

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

(bb) homeless or otherwise living an unsettled way of life; and ‘local authority’

means a local authority in England within the meaning of the Local Government Act 1972;

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

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

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

'partner' in relation to a person, means

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

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

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

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

'payment' includes part of a payment;

'pensionable age' has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

'pension fund holder' means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

'pensioner' a person who has attained the age at which pension credit can be claimed;

'person affected' shall be construed as a person to whom the authority decides is affected by any decision made by the council;

"person from abroad" means, subject to the following provisions of this regulation, a person who is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland

'person on income support' means a person in receipt of income support;

'personal independence payment' has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

'person treated as not being in Great Britain' has the meaning given by section 7;

'personal pension scheme' means—

- (a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- (b) an annuity contractor trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 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 Support;
- '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."
- 'service user group'** means a group of individuals that is consulted by or on behalf of;
 - (a) a Health Board, Special Health Board or the Agency in consequence of a function under section 2B of the National Health Service (Scotland) Act 1978,

- (b) a landlord authority in consequence of a function under section 105 of the Housing Act 1985,
- (c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995,
- (d) a public authority in consequence of a function relating to disability under section 149 of the Equality Act 2010;
- (e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999,
- (f) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001,
- (g) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006,
- (h) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006,
- (i) the Care Quality Commission in consequence of a function under section 4 or 5 of the Health and Social Care Act 2008,
- (j) the regulator or a private registered provider of social housing in consequence of a function under section 98, 193 or 196 of the Housing and Regeneration Act 2008, or
- (k) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

for the purposes of monitoring and advising on a policy of that body or authority which affects or may affect persons in the group, or of monitoring or advising on services provided by that body or authority which are used (or may potentially be used) by those persons;

'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 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;

'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 amended¹; 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

¹ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- the purposes of section 20A of that Act;
- (d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.5 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.
- 2.6 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.
- 2.7 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 Support scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;

- (c) a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the support scheme.

4.0 Requirement to provide a National Insurance Number²

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

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

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

4.3 Paragraph 4.2 shall not apply–

- (a) in the case of a child or young person in respect of whom Council Tax Support is claimed;
- (b) to a person who;
- i. is a person in respect of whom a claim for Council Tax Support is made;
 - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act; and
 - iii. has not previously been allocated a national insurance number.

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

5.1 This scheme applies to a person if:

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

6.0 Remunerative work

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

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

- (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- (b) in any other case, the period of 5 weeks immediately prior to that date of claim, or such

² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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 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) article 3 (grant of leave to EEA and Swiss nationals) of the Immigration (European Economic Area Nationals) (EU Exit) Order 2019 made under section 3A of that Act;
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (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.
- 7.5 A person falls within this paragraph if the person is—
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations⁽⁵⁾ as a worker or a self-employed person;
 - (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971³ where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
 - (f) a person who has humanitarian protection granted under those rules;
 - (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom; or
 - (h) in receipt of income support or on an income-related employment and support allowance.
- 7.6 A person falls within this paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.
- 7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
- 7.8 In this regulation—
"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
"Crown servant" means a person holding an office or employment under the Crown;
"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006;

³ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014; and “Her Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

- 7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority’s scheme.
- 7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9
- 7.11 “Person subject to immigration control” has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

- 7A.1 The above does not apply to a person who, on 31st March 2015
- (a) is liable to pay council tax at a reduced rate by virtue of a Council Tax Support under an authority’s scheme established under section 13A (2) of the Act; and
 - (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.
- 7A.2 The events are—
- (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A (2) of the Act; or
 - (b) the person ceases to be entitled to an income-based jobseeker’s allowance.
- 7A.3 In this section “the Act” means the Local Government Finance Act 1992.

8.0 Temporary Absence (period of absence)

- 8.1 Where a person is absent from the dwelling throughout any day then no support shall be payable
- 8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.
- 8.3 In paragraph 8.2, a ‘period of temporary absence’ means—
- (a) a period of absence 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 This paragraph applies to a person who is;

- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or the Mental Health (Scotland) Act 2015; 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 Support purposes

9.0 Membership of a family

- 9.1 Within the support scheme adopted by the Council 'family' means;
- (a) a married or unmarried couple;
 - (b) married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - (c) two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
 - (e) and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
 - (f) except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person'
A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- (a) on income support;
 - (b) an income-based Jobseeker's Allowance or an income-related Employment and Support allowance; or has an award of Universal Credit; or
 - (c) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) 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 and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

10.4 In accordance with Schedule 1 of this scheme, the number of dependants determined to be within the household shall be limited to two.

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 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 – 30 & Schedules 2 & 3
Definition and the treatment of income for Council Tax Support purposes

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

- 12.1 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.

- 12.2 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.

- 12.3 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.

13.0 Calculation of income and capital: persons who have an award of universal credit

- 13.1 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.
- 13.2 The authority may 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) and a sum determined as an amount for housing costs;
(b) any sum to be disregarded under paragraphs of Schedule 2 to this scheme (sums to be disregarded in the calculation of earnings);
(c) any sum to be disregarded under Schedule 3 to this scheme (sums to be disregarded in the calculation of income other than earnings);
(d) 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)
- 13.3 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.
- 13.4 Sections 14 (income and capital of non-dependant to be treated as applicant's) 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)
- 13.5 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

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

14.1 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 Support 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.

14.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 14.1 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.

15.0 Calculation of income on a weekly basis

15.1 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 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 and then 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.

15.2 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 childcare 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.

15.3 The maximum deduction to which paragraph 15.1 above refers shall be the maximum disregard capped in line with the amount awarded in the Child Care Element of Universal Credit

16.0 Average weekly earnings of employed earners

16.1 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 16.1a 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.

16.2 Where the applicant has been in his employment for less than the period specified in paragraph 16.1 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.

16.3 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.

16.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 22 and 23

17.0 Average weekly earnings of self-employed earners

17.1 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.

17.2 An applicant's income which does not consist of earnings shall be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

18.0 Treatment of childcare 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 childcare charges are those charges for care to which paragraphs 18.6 and 18.7 apply

and shall be calculated on a weekly basis in accordance with paragraph 18.10.

- 18.6 The charges are paid by the applicant for care, which is provided
- (a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - (b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—
- (a) in respect of the child's compulsory education;
 - (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
 - (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.
- 18.8 The care to which paragraph 18.7 refers may be provided;
- (a) out of school hours, by a school on school premises or by a local authority;
 - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - (b) by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
 - (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
 - (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
 - (e) by;
 - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
 - ii. local authorities registered under section 83(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
 - (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
 - (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
 - (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
 - (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
 - (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
 - (k) by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or

- (l) by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- (m) by a person who is not a relative of the child wholly or mainly in the child's home.

18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

18.10 Relevant childcare 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) **but for the application of this scheme**, 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) **but for the application of this scheme**, 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) **but for the application of this scheme**, 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 2008 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 childcare 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 childcare 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 childcare 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) 'childcare 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 Calculation of average weekly income from tax credits

19.1 This section applies where an applicant receives a tax credit.

19.2 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 19.3

19.3 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.

19.4 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

20.0 Calculation of weekly income

20.1 For the purposes of the average weekly earnings of employed earners and average weekly income other than earnings and 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.

20.2 For the purpose of the average weekly earnings of self-employed earners and 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.

21.0 Disregard of changes in tax, contributions etc.

21.1 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;

in the maximum rate of child tax credit or working tax credit,

22.0 Earnings of employed earners

22.1 Subject to paragraph 22.2, '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 amended⁴.

22.2 Earnings shall not include—

- (a) subject to paragraph 22.3, any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the

⁴ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

- performance of the duties of employment;
- (c) any occupational pension
- (d) any payment in respect of expenses arising out of the applicant's participation in a service user group or an applicant participating as a service user

22.3 Paragraph 22.2 (a) shall not apply in respect of any non-cash voucher referred to in paragraph 22.1 (l)

23.0 Calculation of net earnings of employed earners

23.1 For the purposes of section 16 (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 23.2, be his net earnings.

23.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in Schedule 2.

23.3 For the purposes of paragraph 23.1 net earnings shall, except where paragraph 23.6 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 23.5 in respect of any qualifying contribution payable by the applicant; and
- (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

23.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.

23.5 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.

23.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 16 (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.

24.0 Earnings of self-employed earners

24.1 Subject to paragraph 24.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

24.2 'Earnings' shall not include any payment to which Schedule 3 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.

24.3 This paragraph applies to—

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trademark; or
- (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book of work concerned.

24.4 Where the applicant's earnings consist of any items to which paragraph 24.3 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 2 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

25.0 Calculation of net profit of self-employed earners

25.1 For the purposes of section 17 (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 26 (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.

25.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified

in Schedule 2.

- 25.3 For the purposes of paragraph 25.1 a) the net profit of the employment must, except where paragraph 25.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less
- (a) subject to paragraphs 25.5 to 25.7, 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 26 (deduction of tax and contributions for self-employed earners); and
 - (c) one-half of the amount calculated in accordance with paragraph (25.11) in respect of any qualifying premium.
- 25.4 For the purposes of paragraph 25.1b) 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 25.5 to 25.8, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 25.5 Subject to paragraph 25.6 no deduction shall be made under paragraph 25.3 a) or 25.4, 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.
- 25.6 A deduction shall be made under paragraph 25.3 a) or 25.4 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.
- 25.7 The authority shall refuse to make deductions in respect of any expenses under paragraph 25.3 a. or 25.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 25.8 For the avoidance of doubt—
- (a) deductions shall not be made under paragraph 25.4 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
- 25.9 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 26 (deduction of tax and contributions for self-employed earners); and

- (c) one-half of the amount calculated in accordance with paragraph 25.1 in respect of any qualifying contribution.

25.10 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.

25.11 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.

25.12 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.

26.0 Deduction of tax and contributions of self-employed earners

26.1 The amount to be deducted in respect of income tax under section 25.1b) i), 25.3 b) i) or 25.9 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.

26.2 The amount to be deducted in respect of national insurance contributions 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.

26.3 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 25.3(a) or, as the case may be, 25.4 of section 25;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

27.0 Minimum Income Floor

27.1 (a) Where no start-up period (as defined within 27.2) applies to the applicant and the income from self-employment of the applicant or partner as calculated by reference to parts of this scheme is less than 35 hours multiplied by the appropriate National Living / Minimum Wage, the income used by the Council in the calculation of their award shall be increased to that amount. The National Living / Minimum Wage applied shall be that which applies to the relevant assessment period less an estimate for tax, national insurance and half a pension contribution (where a pension contribution is being made), as if estimating the income of an ordinary employed worker. Where the applicant is a lone parent with a dependant (s) under 5 years, this section shall not apply.

(b) Where the applicant is a lone parent with a dependant (s) 5 years or more, the amount calculated shall be 16 hours multiplied by the appropriate National Living / Minimum Wage.

27.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the claimant or partner. This will normally be one year from the date of claim, or one year from the date of commencement of the employment activity, whichever is sooner. During this period no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.

27.3 Where a claimant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the Minimum Income Floor where appropriate.

27.4 Ordinarily, no start-up period may be applied in relation to a claimant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Support or where one would have been applied, if not for the operation of Council Tax Benefit. The Council may allow a subsequent employment to qualify for a startup period based on the previous history of the claimant and an assessment of such evidence that would support a decision to allow for a subsequent start up period.

27.5 In order to establish whether to award a start-up period, or at its discretion a subsequent start-up period, the claimant must satisfy the Council that the employment is:

- Genuine and effective. The council must be satisfied that the employment activity is being conducted
- Taking up the stated number of working hours
- Being conducted with the intention of increasing the income to the level that would be conducive with that form of employment.

27.6 For the purposes of determining whether a claimant is in gainful self-employment or meets the conditions for a startup-period, the Council will require the claimant to provide such evidence or information that it reasonably requires to make that decision.

28.0 Calculation of income other than earnings

28.1 For the purposes of calculating the average weekly income other than earnings, the income of an applicant which does not consist of earnings to be taken into account shall be his gross income and any capital treated as income.

28.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 28.1, any sum, where applicable, specified in Schedule 3.

28.3 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 28.1 shall be the gross

amount payable.

28.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008 or 2013 as appropriate, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

28.5 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 19.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

28.6 In paragraph 28.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

28.7 Paragraph 28.8 and 28.9 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.

28.8 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 28.1 in respect of a person to whom paragraph 28.7 applies, shall be calculated by applying the formula—

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

D

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course.

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to Council Tax Support 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.

28.9 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 28.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 28.8 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.

28.10 In this section— 'academic year' and 'student loan' shall have the same meanings as for the purposes of sections 41 to 43, 'assessment period' means—

(a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

(b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—

i. the day immediately before the day on which the next instalment of the relevant

- payment would have been due had the payments continued; or
- ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of these dates is earlier

'quarter' in relation to an assessment period means a period in that year beginning on;

- (a) 1st January and ending on 31st March;
- (b) 1st April and ending on 30th June;
- (c) 1st July and ending on 31st August; or
- (d) 1st September and ending on 31st December;

'relevant payment' means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 44.7 or both.

28.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 28.1

- a. any payment to which 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.

29.0 Capital treated as income

29.1 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 31 to 40 of this scheme exceeds £10,000, be treated as income.

29.2 Any payment received under an annuity shall be treated as income.

29.3 Any earnings to the extent that they are not a payment of income shall be treated as income.

29.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income

29.5 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.

30.0 Notional income

30.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.

30.2 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 4 (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 4 refers;
- (f) rehabilitation allowance made under section 2 of the 1973 Act;

- (g) child tax credit; or
- (h) working tax credit,
- (i) 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.

30.3 Any payment of income, made—

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

30.4 Paragraph 30.3 shall not apply in respect of a payment of income made—

- (a) under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- (b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- (c) pursuant to section 2 of the 1973 Act in respect of a person's participation—
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A (7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme
- (e) in respect of a previous participation in the Mandatory Work Activity Scheme;
- (f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

30.5 Where an applicant is in receipt of any benefit (other than Council Tax Support) 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.

- 30.6 Subject to paragraph 30.7, 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.
- 30.7 Paragraph 30.6 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.
- 30.8 In paragraph 30.7 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.
- 30.9 Where an applicant is treated as possessing any income, 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.
- 30.10 Where an applicant is treated as possessing any earnings, 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 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.
- 30.11 the foregoing paragraphs 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 in a service user group or an applicant participating as a service user

Sections 31 – 40 & Schedule 4
Definition and the treatment of capital for Council Tax Support purposes

31.0 Capital limit

31.1 For the purposes of this scheme, the prescribed amount is £10,000 and no reduction shall be granted when the applicant has an amount greater than this level.

32.0 Calculation of capital

32.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (32.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 34 (income treated as capital).

32.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (32.1), any capital, where applicable, specified in Schedule 4.

33.0 Disregard of capital of child and young person

33.1 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.

34.0 Income treated as capital

34.1 Any bounty derived from employment and paid at intervals of at least one year shall be treated as capital.

34.2 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.

34.3 Any holiday pay which is not earnings shall be treated as capital.

34.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 4, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

34.5 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.

34.6 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.

34.7 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.

34.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

34.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

35.0 Calculation of capital in the United Kingdom

35.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—

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

36.0 Calculation of capital outside the United Kingdom

36.1 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.

37.0 Notional capital

37.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to Council Tax Support or increasing the amount of that support except to the extent that that capital is reduced in accordance with section 38 (diminishing notional capital rule).

37.2 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 4; 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 4 (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 4 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.

37.3 Any payment of capital, other than a payment of capital specified in paragraph (37.4), 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.

37.4 Paragraph 37.3 shall not apply in respect of a payment of capital made

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation

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

37.5 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 32 (calculation of capital) be disregarded; and
- (b) he shall, subject to paragraph 37.6, 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.

37.6 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 37.5 shall be disregarded.

37.7 Where an applicant is treated as possessing capital under any of paragraphs 37.1 to 37.2 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.

38.0 Diminishing notional capital rule

38.1 Where an applicant is treated as possessing capital under section 37.1 (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 38.2 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 38.3;
- (b) in the case of a week in respect of which paragraph 38.1(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 38.4 is satisfied, shall be reduced by the amount determined under paragraph 38.4.

38.2 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 Support; and
- (b) but for paragraph 37.1, he would have received an additional amount of Council Tax Support in that week.

38.3 In a case to which paragraph 38.2 applies, the amount of the reduction for the purposes of paragraph 38.1(a) shall be equal to the aggregate of

- (a) the additional amount to which sub-paragraph 38.2 (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 38.2 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 38.2 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 38.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

38.4 Subject to paragraph 38.5, for the purposes of paragraph 38.1(b) the condition is that the applicant would have been entitled to Council Tax Support in the relevant week but for paragraph 37.1, and in such a case the amount of the reduction shall be equal to the aggregate of

- (a) the amount of Council Tax Support to which the applicant would have been entitled in the relevant week but for paragraph 37.1; 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 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;
- (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.

38.5 The amount determined under paragraph 38.4 shall be re-determined under that paragraph if the applicant makes a further claim for Council Tax Support and the conditions in paragraph 38.6 are satisfied, and in such a case—

- a. sub-paragraphs (a) to (d) of paragraph 38.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- b. subject to paragraph 38.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

38.6 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 Support 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 38.5, the date on which he last made a claim for Council Tax Support which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to Council Tax Support, whichever last occurred; and
- (b) the applicant would have been entitled to Council Tax Support but for paragraph 37.1.

38.7 The amount as re-determined pursuant to paragraph 38.5 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.

38.8 For the purposes of this section

- (a) 'part-week'
 - (i) in paragraph 38.4(a) means a period of less than a week for which Council Tax Support is allowed;
 - (ii) in paragraph 38.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 38.4 (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 37.1
 - (i) was first taken into account for the purpose of determining his entitlement to Council Tax Support; or
 - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to Council Tax Support on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, Council Tax Support;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.

39.0 Capital jointly held

- 39.1 Except where an applicant possesses capital which is disregarded under paragraph 37(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.

40.0 Treatment of Jointly held Capital

- 40.1 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.

Sections 41 - 56
Definition and the treatment of students for Council Tax Support purposes⁵

⁵ Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)

41.0 Student related definitions

41.1 In this scheme the following definitions apply;

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

'access funds' means;

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

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

'contribution' means;

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

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

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

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

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

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;;

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

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

‘grant’ (except in the definition of ‘access funds’) means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which Schedule 3 or Schedule 4 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

- 41.2 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.
- 41.3 For the purposes of sub-paragraph (a) of paragraph 41.2, 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.

42.0 Treatment of students

42.1 The following sections relate to students who claim Council Tax Support

43.0 Students who are excluded from entitlement to Council Tax Support

43.1 Students (except those specified in paragraph 43.3) are not able to claim Council Tax Support under Classes D of the Council's reduction scheme.

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

- 43.3 Paragraph 43.2 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) **but for the implementation of this scheme**, whose applicable amount would, but for this section, include the disability premium or severe disability premium;
 - (d) **but for the implementation of this scheme**, whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
 - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
 - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
 - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
 - (i) who is;
 - i) aged under 21 and whose course of study is not a course of higher education
 - ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding
 - iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person)
 - (j) in respect of whom
 - i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
 - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

Paragraph 43.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

43.4 For the purposes of paragraph 43.3, once paragraph 43.3(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.

43.5 In paragraph 43.3(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.

43.6 A full-time student to whom sub-paragraph (i) of paragraph 43.3 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.

43.7 Paragraph 43.2 shall not apply to a full-time student for the period specified in paragraph 43.8 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 43.8.

43.8 The period specified for the purposes of paragraph 43.7 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.

44.0 Calculation of grant income

44.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 44.2 and 44.3, be the whole of his grant income.

44.2 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 , **but for the implementation of this scheme**, there is no applicable amount in respect of him;

- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of his attendance on the course;
- (h) intended for the childcare costs of a child dependant.
- (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

44.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

44.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.

44.5 Subject to paragraphs 44.6 and 44.7, a student's grant income shall be apportioned;

- (a) subject to paragraph 44.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

44.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

44.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 44.6 nor section 48 (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.

44.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

45.0 Calculation of covenant income where a contribution is assessed

45.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 45.3, the amount of the contribution.

45.2 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 45.1 by 52 or 53, whichever is reasonable in the circumstances; and
(b) by disregarding from the resulting amount, £5.

45.3 For the purposes of paragraph 45.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 44.2(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).

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

46.1 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 44.2 (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 44.2(f) and 44.3 (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.

46.2 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 46.1, 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 44.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 46.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 44.2(f) and (g) and 44.3.

47.0 Student Covenant Income and Grant income – non disregard

47.1 No part of a student's covenant income or grant income shall be disregarded Schedule 3 to this scheme

48.0 Other amounts to be disregarded

48.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 49, any amounts intended for any expenditure specified in paragraph 44.2 (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 44.2 or 44.3, 45.3, 46.1(a) or (c) or calculation of grant income, covenant income and treatment of student loans on like expenditure.

49.0 Treatment of student loans

49.1 A student loan shall be treated as income.

50.0 Calculating loan Income weekly

50.1 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.

50.2 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.

50.3 Where a student is treated as possessing a student loan, the amount of the student loan to be taken into account as income shall be, subject to paragraph 50.4

- (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.

50.4 There shall be deducted from the amount of income taken into account

- (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).

51.0 Treatment of fee loans

51.1 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 – 59
The calculation and amount of Council Tax Support

57.0 Maximum Council Tax Support

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum Council Tax Support in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A divided by B where;

- (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
- (b) B is the number of days in that financial year,

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

57.2 In calculating a person's maximum Council Tax Support 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 43.2 (students who are excluded from entitlement to Council Tax Support) applies, in determining the maximum Council Tax Support 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

58.1 There shall be no non dependant deductions.

59.0 Extended reductions: movers into the authority's area

59.1 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 Support scheme by the amount of that extended reduction.

Sections 60 – 61
Dates on which entitlement and changes of circumstances are to take effect

60.0 Date on which entitlement is to begin

60.1 Subject to paragraph 60.2, any person to whom or in respect of whom a claim for Council Tax Support is made and who is otherwise entitled to that support shall be so entitled from the day the application is made or deemed to have been made.

60.2 Where a person is otherwise entitled to Council Tax Support 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 day.

61.0 Date on which change of circumstances is to take effect

61.1 A change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the day 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.

61.2 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.

61.3 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.

61.4 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.

61.5 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.

61.6 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.

61.7 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.

61.8 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 62– 70
Claiming and the treatment of claims for Council Tax Support purposes

62.0 Making an application⁶

- 62.1 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.
- 62.2 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.
- 62.3 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.
- 62.4 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).
- 62.5 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).
- 62.6 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.
- 62.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

63.0 Procedure by which a person may apply for a reduction under the authority's scheme⁷

63.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

63.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 88 -96 of this scheme, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

63.3 (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.

63.4 (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.

63.5. (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.

63.6. 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.

63.7 (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.

63.8 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.

64.0 Backdating

64.1 Where an applicant requests a reduction for a period prior to the effective date of claim, the authority may, at its discretion, consider the claim to be made from an earlier date

⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

65.0 Date on which an application is made

- 65.1 Subject to sub-paragraph (7), the date on which an application is made is;
- (a) 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 calendar 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;
 - (b) 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 calendar month of the date of the change,the date on which the change takes place;
 - (c) 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 calendar month of the date of the death or the separation,the date of the death or separation;
 - (d) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one calendar 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;
 - (e) in any other case, the date on which an application is received at the designated office.
- 65.2 For the purposes only of sub-paragraph (1)(a) 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.
- 65.3 Where there is a defect in an application by telephone;
- (a) is corrected within one calendar 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 calendar 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.
- 65.4 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.

65.5 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 calendar 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 calendar 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 calendar 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 calendar month of the request or within such longer period as the authority considers reasonable.

65.6 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.

65.7 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.

66.0 Submission of evidence electronically

66.1 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

67.0 Use of telephone provided evidence

67.1 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

68.0 Information and evidence⁸

68.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an

⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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.

- 68.2 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.
- 68.3 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.
- 68.4 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 calendar month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
- 68.5 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.
- 68.6 Where the authority makes a request under sub-paragraph (4), it must;
- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
 - (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.
- 68.7 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, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under Schedule 4, other than a payment under the Independent Living Fund (2006).
- 68.8 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.

69.0 Amendment and withdrawal of application⁹

- 69.1 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.
- 69.2 Where the application was made by telephone the amendment may also be made by telephone.
- 69.3 Any application amended is to be treated as if it had been amended in the first instance.
- 69.4 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.
- 69.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 69.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 69.7 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.

70.0 Duty to notify changes of circumstances¹⁰

- 70.1 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.
- 70.2 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.
- 70.3 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;

⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(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.

70.4 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.

70.5 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.

Sections 71- 78
Decisions, decision notices and awards of Council Tax Support

71.0 Decisions by the authority¹¹

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

72.0 Notification of decision¹²

72.1 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.

72.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;
(a) informing the person affected of the duty imposed by paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances;
(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

72.3 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.

72.4 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.

72.5 A person affected to whom the authority sends or delivers a notification of decision may, within one calendar 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.

72.6 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.

72.7 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).

72.8 This sub-paragraph applies to—
(a) the applicant;
(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;
(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or

¹¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

73.0 Time and manner of granting Council Tax Support¹³

73.1 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.

73.2 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).

73.3 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.

73.4 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).

74.0 Persons to whom reduction is to be paid¹⁴

74.1 Subject to payment on death and paragraph (2), any payment of the amount of a reduction must be made to that person.

¹³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

74.2 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.

75.0 Shortfall in reduction¹⁵

75.1 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.

76.0 Payment on the death of the person entitled¹⁶

76.1 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.

77.0 Offsetting

77.1 Where a person has been allowed or paid a sum of Council Tax Support 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.

78.0 Payment where there is joint and several liability¹⁷

78.1 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.

78.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

78.3 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

¹⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁷ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

Sections 79 – 82
Collection, holding and forwarding of information for Council Tax Support purposes

79.0 Use of information from and to the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC)

79.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Support, 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

79.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Support with the DWP or HMRC as appropriate and in accordance with Data Protections requirements¹⁸.

80.0 Collection of information

80.1 The authority may receive and obtain information and evidence relating to claims for Council Tax Support, the council may receive or obtain the information or evidence from—

- (a) persons making claims for Council Tax Support;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

80.2 The authority may verify relevant information supplied to, or obtained.

81.0 Recording and holding information

81.1 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 Support.

82.0 Forwarding of information

82.1 The authority may forward it to the person or authority for the time being administering claims to or awards of Council Tax Support 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 Support.

¹⁸ Data Retention and Investigatory Powers Act 2014, Data Retention Regulations 2014 and The Regulation of Investigatory Powers (Acquisition and Disclosure of Communications Data: Code of Practice) Order 2015

Sections 83 – 85
Revisions, Written Statements, Termination of Council Tax Support

83.0 Persons affected by Decisions

83.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;

- (a) an applicant;
- (b) in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
- (c) a person appointed by the authority under this scheme;

84.0 Revisions of Decisions

84.1 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 calendar month of the date of notification of the original decision; or
- (ii) such extended time as the authority may allow.

84.2 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 calendar month of the date of notification of the additional information; or
- (ii) such extended time as the authority may allow

85.0 Terminations

85.1 The authority may terminate support in whole or in part the Council Tax Support where it appears to the authority that an issue arises whether;

- (a) the conditions for entitlement to Council Tax Support are or were fulfilled; or
- (b) a decision as to an award of such a support should be revised or superseded.

85.2 The authority may terminate, in whole or in part the Council Tax Support where it appears to the authority that an issue arises whether;

- (a) the conditions for entitlement to Council Tax Support are or were fulfilled; or
- (b) a decision as to an award of such a support should be revised or superseded.

Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 86
Appeals against the authority's decisions

86.0 Procedure by which a person may make an appeal against certain decisions of the authority¹⁹

- 86.1 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.
- 86.2 The authority must
- (a) consider the matter to which the notice relates;
 - (b) notify the aggrieved person in writing;
 - (i) that the grievance 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.
- 86.3 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 Act²⁰.

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

²⁰ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014, The First-tier Tribunal and Upper Tribunal (Chambers) (Amendment) Order 2015 and The Tribunal Procedure (Amendment) Rules 2015

Section 87
Procedure for applying for a discretionary reduction

87.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act²¹ and Discretionary Relief Scheme.

- 87.1 Where an application to the authority is made under the Discretionary Relief Scheme, it shall be determined in accordance with the policy of the authority for that year and 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.
- 87.2 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).
- 87.3 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.
- 87.4 Where the authority has determined any additional entitlement under the Discretionary Relief Scheme it shall be treated as an amount under section 13A(1)(a) of the 1992 Act.

²¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 88 – 96²²
Electronic Communication

²² Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

88.0 Interpretation

88.1 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.

89.0 Conditions for the use of electronic communication

89.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme including any or all information received via DWP or HMRC.

89.2 A person other than the authority may use an electronic communication in connection with the matters referred to in paragraph (1) if the conditions specified in paragraphs (3) to (6) are satisfied.

89.3 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.

89.4 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.

89.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

89.6 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.

89.7 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.

90.0 Approval

90.1 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.

91.0 Use of intermediaries

91.1 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.

92.0 Effect of delivering information by means of electronic communication

92.1 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.

92.2 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).

92.3 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.

93.0 Proof of identity of sender or recipient of information

93.1 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.

94.0 Proof of delivery of information

94.1 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.

94.2 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.

94.3 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.

95.0 Proof of content of information

95.1 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.

96.0 Data Protection and consent

96.1 Any application for reduction and associated evidence shall be subject to existing Data Protection rules and requirements.

Section 97
Counter Fraud and Compliance

97.0 Counter Fraud and compliance

- 97.1 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 Support;
 - (b) Carry out investigations fairly, professionally and in accordance with the law; and
 - (c) Ensure that sanctions are applied in appropriate cases
- 97.2 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 Support;
 - (b) will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
 - (c) will actively tackle fraud where it occurs in accordance with this scheme;
 - (d) will co-operate with the Department for Work and Pensions (DWP), Her Majesty's Revenues and Customs and take part in joint working including prosecutions; and
 - (e) will in all cases seek to recover all outstanding council tax.
- 97.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 97.1 and 97.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Calculation of the amount of Council Tax Support in accordance with the Discount Scheme

- 1 The authority's Council Tax Support scheme from 2020/21 shall be calculated on the basis of the following Banded Discount Scheme:

Discount Band	Level of Discount Awarded	Relevant Benefit	Single	Couple	Family with one child	Family with two or more children
1	82.5%	All Cases	£0.00 - £73.99	£0.00 - £115.99	£0.00 - £182.99	£0.00 - £248.99
2	72.5%	N/A	£74.00 - £110.99	£116.00 - £152.99	£183.00 - £219.99	£249.00 - £285.99
3	50%	N/A	£111.00 - £147.99	£153.00 - £189.99	£220.00 - £256.99	£286.00 - £322.99
4	25%	N/A	£148.00 - £184.99	£190.00 - £226.99	£257.00 - £293.99	£323.00 - £359.99

- 2 The amount of discount to be granted is to be based on the following factors:
- The maximum Council Tax Support as defined within this scheme;
 - The Council Tax family as defined within this scheme
 - The income of the applicant as defined within this scheme;
 - The capital of the applicant as defined within this scheme.
- 3 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.
- 4 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, it should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.
- 5 Any applicant who capital is greater than £10,000 shall not be entitled to any Council Tax Supports whatsoever.
- 6 The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation measured by the Consumer Price Index (CPI) at 1st October preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for Housing Benefit for the relevant financial year, **whichever is the lowest**.
- 7 Where an applicant or partner is in receipt of a 'relevant benefit' namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at Band 1 level.

Schedule 2
Sums to be disregarded in the calculation of earnings

1. There shall be disregarded from an applicant's net earnings, £25 per week (the standard earnings disregard). This shall apply irrespective of the applicant's household and only one disregard shall be applied per claim.

Schedule 3
Sums to be disregarded in the calculation of income other than earnings²³

²³ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

1. Any amount paid by way of tax on income, which is to be taken into account under section 28 (calculation of income other than earnings).
2. Any payment made to the applicant and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
4. 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 30.0 (notional income).
5. Any payment in respect of expenses arising out of the applicant's participation in a service user group or where the applicant is participating as a service user.
6. 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.
7. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
8. 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.
9. 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.
10. Any disability living allowance, personal independence payment or AFIP.
11. Carers Allowance or any Universal Credit Carers Element
12. Any Windrush compensation payment
13. 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.
14. 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.
15. Any attendance allowance.

16. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
17. (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).
18. 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.
- 19 (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.
- 20 (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.
- 21.** 100% of any of the following, namely
- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow’s pension or war widower’s pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 22.** 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.
- 23.** (1) Any income derived from capital to which the applicant is or is treated under section 39 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under Schedule 4.
- (2) Income derived from capital disregarded under Schedule 4 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’.
- 24.** 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.

- 25.** (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, 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.
- 26.** Any payment made to the applicant by a child or young person or a non- dependant.
- 27.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family—
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 28.** (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.
- 29.** (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.

- 30.** 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.
- 31.** (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) 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);
 - (b) 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);
 - (c) 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.
- 32.** 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).
- 33.** 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
- 34.** 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).
- 35.** (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.

- 36.** (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).
- 37.** Any payment of income which, by virtue of section 34 (income treated as capital) is to be treated as capital.
- 38.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare fund provision
- 39.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 40.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 45.2(b) and paragraph 46.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 49(2) (treatment of student loans), paragraph 49(3) (treatment of payments from access funds) and paragraphs 17 shall in no case exceed £20 per week.
- 41.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his 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.

- 42.** Any housing benefit or council tax benefit.
- 43.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 44.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

45. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
46. (1) Any payment or repayment made–
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
47. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
48. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
49. (1) Where, **but for the implementation of this scheme**, 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).
50. (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.
 (2) In paragraph (1)
 'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;
 (a) the Child Support Act 1991;
 (b) the Child Support (Northern Ireland) Order 1991;
 (c) a court order;
 (d) a consent order;
 (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;
 'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.
51. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
52. Any guardian's allowance.

- 53.** (1) If the applicant is in receipt of any benefit under 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.
- 54.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 55.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 56** (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
 - (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).
- 57.** Any Council Tax Support or council tax benefit to which the applicant is entitled.
- 58.** 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).
- 59.** (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
- 60.** (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.

61. 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.
62. 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.
63. 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.
64. (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.
65. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017
66. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
67. Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017
68. Any payment of child benefit.
69. Any payments disregarded for Housing Benefits under the Social Security (*Emergency Funds* Amendment) *Regulations 2017*
70. The support component of Employment and Support Allowance.
71. The Limited Capability for Work Related Activity Element of Universal Credit.
72. Additional element for a disabled child or young person within Universal Credit.
73. Childcare Costs Element within Universal Credit
74. Where the applicant would have been entitled to any disability premium, enhanced disability premium, disabled child premium or severe disability premium under any previous scheme, the amount equivalent to the value of the premium (as determined under the Housing Benefit Regulations 2006) shall be disregarded from the applicant's total income.

Schedule 4
Capital to be disregarded²⁴

²⁴ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
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 Support is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.
 - (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.
 - (4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in 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 Support, 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 Support' 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 Support 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 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 34 or 49 (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. Any Windrush Compensation Payment

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.** 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.
- 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 Schedule 3 (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 subparagraph (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.
- 42.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 43.** 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.

- 44.** 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.
- 45.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
- 46.** (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum Council Tax Support), the whole of his capital.
 (2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum Council Tax Support), sub-paragraph (1) shall not have effect.
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and
 (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) or by the Court of Protection;
 (b) which can only be disposed of by order or direction of any such court; or
 (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
 (2) This sub-paragraph applies to a sum of capital which is derived from;
 (a) an award of damages for a personal injury to that person; or
 (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 48.** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
 (a) award of damages for a personal injury to that person; or
 (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 49.** Any payment to the applicant as holder of the Victoria Cross or George Cross.
- 50.** 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.
- 51.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
- 52.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
 (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
 (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to–
 - (i) regulations made under section 518 of the Education Act 1996;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of–
- (a) the applicant;
 - (b) the applicant’s partner;
 - (c) the applicant’s deceased spouse or deceased civil partner; or
 - (d) the applicant’s partner’s deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.
- 57.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant’s family who is
- (a) a diagnosed person;
 - (b) the diagnosed person’s partner or the person who was the diagnosed person’s partner at the date of the diagnosed person’s death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person’s parents or a person who was so acting at the date of the diagnosed person’s death; or
 - (d) a member of the diagnosed person’s family (other than his partner) or a person who was a member of the diagnosed person’s family (other than his partner) at the date of the diagnosed person’s death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and

- ending two years after that date;
- (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
- (i) two years after that date; or
- (ii) on the day before the day on which that person—
- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,
- whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
- (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
- (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
- (i) two years after that date; or
- (ii) on the day before the day on which that person
- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,
- whichever is the latest.
- (5) In this paragraph, a reference to a person—
- (a) being the diagnosed person's partner;
- (b) being a member of a diagnosed person's family;
- (c) acting in place of the diagnosed person's parents,
- at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
- (6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;
- 'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
- 'trust payment' means a payment under a relevant trust.

- 58.** The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner

- (a) was a slave labourer or a forced labourer;
 - (b) had suffered property loss or had suffered personal injury; or
 - (c) was a parent of a child who had died,
- during the Second World War.

58 (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.

59. 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).

60. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

61. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

62. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

63. Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017

64. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017

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Equality Impact Assessment

Local Council Tax Support Scheme from 2020/21

Stage 1 Details of the proposal

Name of service	Benefits and Taxation
Directorate	Finance
Name of officer responsible for EIA	Lisa Smith
Name of senior sponsor	Neil Copley
Description / purpose of proposal	To simplify the current Local Council Tax Support (LCTS) scheme and make it more generous to those on the lowest incomes. This applies to working age only claimants.
Date EIA started	August 2019
Review date	July 2020

Stage 2 - About the proposal

What is being proposed?	<p>We are proposing to simplify the current LCTS scheme and make it more generous for the majority of people.</p> <p>The current Local Council Tax Support scheme was introduced in 2013 after the Government abolished the Council Tax Benefit scheme.</p> <p>Councils had to design their own schemes for working age claimants.</p> <p>Pension age claimants are not affected by the scheme which remains to be determined by Central Government.</p>
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<p>Why is the proposal required?</p>	<p>The scheme requires those on the lowest income (Income Support, ESA, Income Based Job Seekers Allowance) to pay at least 30% of their Council Tax. Evidence suggests that those on the lowest incomes are finding it harder to meet this demand and as a consequence are falling behind with their payment of Council Tax. The scheme is complex to understand for the claimant and difficult to administer.</p> <p>The introduction of Universal Credit, which is designed to mirror the working world, has seen changes in entitlement to UC on a monthly basis. A corresponding amendment to LCTS entitlement is a consequence of this. We are finding that some claimants are receiving up to 8 council tax bills per year making this harder for people to manage their council tax bills due to fluctuating demands.</p>
<p>What will this proposal mean for claimants?</p>	<p>The proposed scheme will be more generous for more people. However, an analysis of the data has shown that some protected groups will be adversely affected and as part of the consultation we will ensure that we target the groups listed below.</p> <p>The changes that may disproportionately affect the protected groups are:</p> <ol style="list-style-type: none"> 1) Limiting the make-up of the household to 2 children in the calculation of entitlement to LCTS. Age (children) and Sex (female) in the case of single parents. 2) Introduction of the MIF for the self-employed again potentially affecting age (children) and (sex) females. 295 claimants are affected by the MIF of which 80 are lone parents and 73 are women. 3) The scheme has been changed to replace a very complex scheme by a simple income grid scheme which has meant that some claimants will qualify for less than they did before. There are fewer than 300 households that will be negatively impacted by the proposed scheme. As well as those highlighted in the above points there are 74 households with disabled children and or adults. <p>The scheme will benefit over 12,000 working age people meaning that they will have less council tax to pay.</p>

The survey will be issued as a general survey to both CTS and non CTS recipients to ensure we get a balanced view of the proposed scheme.

Stage 3 - Preliminary screening process

Use the questions in the Guidance (**Preliminary screening process**) to decide whether a full EIA is required

- Yes - EIA required (go to next section)
 No – EIA not required (provide rationale below)

Stage 4 - Scoping exercise - What do we already know?

Data: Generic demographics

What generic data do you know about the people who will be affected by the proposal?

This could be internal data held such as ward profiles, JSNA results, if the proposal is inward facing look at the current workforce data,

Are there any external data publications relevant to the proposal? For example from the Office of National statistics, Census data, Public Health England, Charity publications

Borough profile at 2019.

<https://www.barnsley.gov.uk/media/11759/our-borough-profile-20190724.pdf>

Barnsley's population has been growing constantly since 2001 and is currently 243,341.

Age profile-

0-18 year olds= 52,858. Barnsley population at 21.7% which is lower than England at 22.5%.

19-64 year olds=143,951. Barnsley population at 59.2%, England similar at 59.5%

65+ years=46,532. Barnsley population at 19.1%, which is higher than England at 18%.

Ethnicity

White British= 96.1%

BME=3.9%

Nationality

British= 93.9%

Non-British= 5.7%

Learning related data

Indices of Multiple Deprivation= 39th most deprived authority out of 326 in England.

Out of seven domains of deprivation, lowest (worst) score was 10th in Education, skills & training.

Learning outcomes for pupils achieving a good level of development have risen steadily in last five years.

Percentage of pupils (secondary & primary) eligible for free school meals several % above national average.

School attendance rates are below the national (secondary & primary) average.

Percentage of pupils with SEND (secondary & primary) is slightly above the national average.

Employment & Benefit Claimants

Main out of work benefits: Barnsley has a higher proportion of the population claiming out of work benefits compared to England and the regional rates. However, the numbers are declining locally and nationally. These figures do not include those claiming Universal Credit.

Universal credit: Figures show that Barnsley has a significantly higher proportion of claimants than there are regionally and nationally.

Percentage of children living in workless household = 15.1%, higher than the national average (10.7%)

The scheme has been designed to follow the direction of the general welfare reforms. The assessment includes families of up to 2 children. There are no additional allowances for 3 or more children.

We therefore know that women (sex) will be affected and children (age).

We have also introduced a minimum income floor (MIF) for the self-employed. If after the first year of trading their income is less than 35 hours at the national living wage the higher amount will be used. This will be 16 hours for lone parents. Again, for lone parents, this will affect women (sex) and children (age) and for families this will affect children (age)

We know that 80 claims are lone parents whose self-employed earnings are less than the MIF of these 73 are women.

An analysis of the data shows that some disabled people are adversely affected as an indirect consequence of the changes.

Data: Service data / feedback

What do you already know about the equality impact of the service/location/policy/contract? This could be from complaints / compliments, stakeholder feedback, staff anecdotal evidence etc.

There are currently around 12,000 working age claimants qualifying for help under the current LCTS scheme. The proposed scheme will benefit the majority of these people as the scheme is more generous. Through the use of a modelling tool we have found that less than 300 claimants and their families (if applicable) will be worse off.

We already know that of the people affected the proposed changes to the scheme will affect the following protected groups:

Age (children),
Sex (women);

And disabled.

This is because we intend to make the following changes:

- 1) To limit the number of children in the calculation of entitlement to 2 children.
- 2) To introduce a minimum income floor for the self-employed after the first year of trading. If the claimant is a single parent this will be 16 hours at the national living wage.
- 3) The modelling tool has identified as an indirect consequence of the above changes and the other changes to the scheme some disabled people will be adversely affected.
- 4) People with more than £10,000 capital have also been adversely affected and fall in to one or more of the above groups.

See below under consultation as to how we engaged with these groups and the results of that engagement.

Data: Previous / similar EIA's

Has there already been an EIA on all or part of this before, or something related? If so, what were the main issues and actions it identified?

No there are no EIA's within BMBC.

However information from Buckley & Ors, R V Sheffield City Council (2013) has been utilised as relates to similar matters. Namely changes to the Council Tax Reduction Scheme.

Buckley

<https://www.bailii.org/ew/cases/EWHC/Admin/2013/512.html>

In the Buckley case the impact level in relation to 'Age' was 'high' and the impact for those with a 'disability' was 'medium'. 'Financial inclusion, poverty, social justice, cohesion or carers' the impact level was assessed as "High". After the initial evidence trawl, BMBC predict the three protected characteristic groups who will be adversely affected will match those from the Buckley case, namely Age, Disability and Sex (female). The financial magnitude can be calculated but the potential impact will be ascertained during consultation.

Sheffield Council acknowledged some households would find a cut in support harder to manage than others. Therefore the Council considered additional support, in the form of hardship support for affected households.

They also reviewed the Council Tax Recovery policy and procedures to try where possible to minimise any increase in indebtedness.

'40. vi) ... the impact on children themselves cannot be divorced from the position of households in which they live. There is no separate impact in relation to children that councils should have considered separately.' With regards to this, we have given no extra consideration to children outside the family unit.

Data: Formal consultation

Has there been a formal consultation process? External engagement with equality forums? If so, what were the main issues and actions it identified?

A consultation took place from 9th September 2019 to 27th October 2019. The full communications plan is below. Predominantly campaigns were ran via social media with links to an on line survey. We also held engagement events throughout the Borough in a mixture of libraries and family centres.

The result of the social media campaign showed that we reached 47,189 people and 2,139 engaged with the social media campaign by either commenting on, sharing or viewing the images.

The EIA has identified the following protected groups; age (children) sex (female) and the disabled who could be potentially adversely affected by the new scheme.

The equality forums were directly contacted and officer led events were held to explain the proposed changes and provide support in completing the survey. Literature was available in easy read. An event was held at the CAB for the Deaf community with a BSL interpreter available specifically to deal with questions around the proposed changes. We also held some of the consultation events at family centres in an attempt to engage with the protected groups.

Advice was sought from the Head of Communication and Equality and Diversity Manager as to the best methods of engaging with the community for both the protected groups and the wider population.



CTS comms plan
final.docx

Actions/Issues Identified:

We received 376 responses to the survey of which 199 were partially completed.

49% agreed the scheme should be changed 19 % didn't know and 32% said we should stay with the current scheme.

71% of the respondents were not currently claiming LCTS and 29% were currently claiming LCTS.

68% agreed that we should limit the calculation of entitlement to 2 children in line with Universal Credit. 19% disagreed and 13% didn't know. Some of the comments were around the fact that these families had already suffered because of other welfare reforms and that this would force more families into poverty. Other comments agreed with the proposal.

We know that 182 families will be affected by the 2 child rule. Of these 61 are single parents. We will contact these claimants and automatically award them additional monies for the first year of the scheme. This is part of the Council's Discretionary Relief scheme. As the scheme looks at the income and expenditure within each application, we can also identify and signpost the claimant on to other agencies where there may be an entitlement to more income or to reduce debt and expenditure.

A further change to the scheme is the minimum income floor for self-employed earners. After the first year of trading if the self-employed earnings are less than the national living wage we will use a notional income of 35 hours x the national living wage for couples and 16 hours for single parents. 69% of respondents agreed 14% didn't and 17% didn't know.

This will affect age (children) and sex (female). To mitigate this effect we are proposing to not apply this rule where the claimant is a single parent and has children under 5 years of age.

From the demographics data we know that Barnsley is 39th (2015 IMD) on the deprivation indices and that higher than average children live in out of work households. The number of families adversely affected is small which will enable us to work directly with the families. We also know that Barnsley has a higher than average number of pupils in primary and secondary education with a SEND. We have looked at the households that will be adversely affected by the changes and have identified that there are 21 children (18 households) that will be negatively affected. We will work closely with these claimants initially to automatically award the discretionary relief fund and then to look at where these families may be helped within the council and with partner organisations.

As a result of the consultation we amended some parts of the scheme to directly benefit the families that would have been initially worse off. These are:

- Increase the capital limit from £6,000 to £10,000 meaning that families will not be automatically excluded from an award until their capital (savings, assets, shares, etc.) reach the £10,000 cut off point.
- We will not use the minimum income floor for self-employed people where the family make up is a lone parent and there are children under 5 living in that household.

Stage 5 - Potential impact on different groups

Considering the evidence above, state the likely impact the proposal will have on people with different protected characteristics

(state if disproportionately high negative impact and highlight with red text)

Positive and negative impacts identified will need to form part of your action plan.

Protected characteristic	Negative '-'	Positive '+'	No impact	Don't know	Details
Sex (females)	x	x			<p>The scheme design is that an allowance is made for up to 2 children. Therefore families of more than 3 children will be adversely affected. Lone parents, who are more likely to be women, will be adversely affected.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children. Again this has been mitigated in part by the amendment to the minimum income floor change to the policy. This will not apply where the family is a lone parent and the child/children are under 5.</p>

Age (children) Children in families with 3 or more children. High impact.	x	x			<p>Because of the above children in these families may be affected by a reduction in their parents/guardians income.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children.</p> <p>Claimants who are adversely affected by the 2 child rule will be supported to claim additional money up to the previous level of entitlement through the discretionary relief scheme.</p> <p>People of pension age are not affected by the new scheme as the current pension age scheme is set by central government. Similarly disabled people of pension age are also not affected for the same reason.</p>
Disabled <i>Learning disability, Physical disability, Sensory Impairment, Deaf People, invisible illness, Mental Health etc.</i>	x	x			<p>An analysis of the data has shown that some families with a disability related income will be affected indirectly as a consequence of the 2 children restriction.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children.</p>
Race			x		
Religion & Belief			x		
Sexual orientation			x		
Gender Reassignment			x		
Marriage / civil partnership			x		
Pregnancy / maternity	x	x			<p>For above reasons. People on maternity related income could have more than 2 children and above 2 child rule will still apply in the assessment of the local council tax support entitlement.</p> <p>Positive – However, if these families are in receipt of a passported benefit they will automatically receive the maximum award of 82.5% which has increased from 70%. We know that the majority of</p>

					people currently in receipt of LCTS are in Band 1 and will therefore have less Council Tax to pay. The automatic entitlement is not restricted by the number of children.
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Other groups you may want to consider					
	Negative	Positive	No impact	Don't know	Details
Ex services	x				Ex-services again may be inadvertently affected because of the 2 child restriction.
Lower socio-economic		x			The design of the new scheme is to be more generous to those on the lowest income.
Other ...					

Stage 6 - BMBC Minimum access standards

If the proposal relates to the delivery of a new service, please refer to the Claimant minimum access standards self-assessment

If not, move to Stage 7.

Please use the action plan at Stage 7 to document steps that need to be taken to ensure the new service complies with the Equality Act duty to provide reasonable adjustments for disabled people.

The proposal will meet the minimum access standards.

Access to claiming LCTS will not change as a result of the scheme. We have on line forms and support for people with access needs should they request additional help. The forms are available in different languages. For the Deaf community we have on line videos which give information about how you can get extra help/advice and information. We have a video relay service for simple enquiries and can arrange for a BSL interpreter for complex cases. Some information has been made available in easy read and we can provide letters in large print for claimants with sight impairments. If the new scheme is approved we will also redesign the form to make it much simpler for everyone. The new scheme has been designed to remove some of the complexities around the current scheme and a new on line form will reflect this.

Stage 7 - Next Steps

To improve your knowledge about the equality impact . . .

Actions could include: community engagement with affected groups, analysis of performance data, service equality monitoring, stakeholder focus group etc.

Action we will take:	Lead Officer	Completion date
Engagement with the equality forums for disabled people, Deaf community, BME, gender equality. Drop in sessions at family centres.	Lisa Smith	27 th October 2019
Analysis of feedback from above groups to feed into final cabinet report and community engagement plan.	Lisa Smith	12 th November 2020

To improve or mitigate the equality impact . . .

Actions could include: altering the policy to protect affected group, limiting scope of proposed change, reviewing actual impact in future, phasing-in changes over period of time, monitor service provider performance indicators, etc.

Action we will take:	Lead Officer	Completion date
Discretionary Relief Scheme – available to the 300 claimants who will be adversely affected.	Lisa Smith	To start in Feb 2020.
To increase the capital limit from £6,000 to £10,000.	Lisa Smith	Start of scheme April 2020.
To not apply the MIF for self-employed earners where they are single parents and have children under 5.	Lisa Smith	Start of scheme April 2020.

To meet the minimum access standards . . . (if relevant)

Actions could include: running focus group with disability forum, amend tender specification, amend business plan to request extra 'accessibility' funding, produce separate MAS action plan, etc.

Action we will take:	Lead Officer	Completion date

Stage 8 – Summarised findings

Please summarise the main findings and next steps identified in this EIA.

The outcomes of this EIA must be documented in cabinet report/business case. You could also include the EIA as an appendix to the report or reference it as a background paper.

Summary of equality impact	<p>The EIA has identified that there will be an adverse impact on (age) children, (sex) females and some disabled households.</p> <p>As a result of the consultation we have made some adjustments to the scheme one of which will directly mitigate some of the adverse impacts on lone parents. This is to not apply the minimum income floor in self-employed cases where a lone parent has a child under 5.</p> <p>We are also proposing to increase the capital limit from £6,000 to £10,000.</p> <p>Additionally all families that receive less LCTS under the new scheme will be directly contacted and automatically awarded additional funds via the exceptional hardship fund. We can also signpost these households where they may be further benefits available to them and also where we think partner organisations may be able to help them to reduce debts and expenditure.</p>
Summary of next steps	<p>The proposed new scheme will go to SMT/Cabinet and full council. This EIA will be an appendix to the report.</p> <p>If approved we will monitor the feedback from individuals as they are awarded discretionary relief.</p> <p>In addition, we will also continue to monitor the makeup of the households negatively affected by changes to the scheme.</p>
How stakeholders will be informed	<p>Feedback to the consultation will be published on line advertised via social media.</p> <p>If the proposed scheme is approved there will be further publicity around the launch of the scheme.</p>
Signature (officer responsible for EIA) Date	<p>Lisa Smith 12 November 2019.</p>

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Prepared on Behalf of the Service Director - Finance

FINANCIAL IMPLICATIONS**Local Council Tax Support Scheme**

i) <u>Capital Expenditure</u>	<u>2020/21</u> £	<u>2021/22</u> £	<u>2022/23</u> £	<u>Total</u> £
Capital Works				0
	0	0	0	0

To be financed from:


ii) <u>Revenue Expenditure</u>	<u>2020/21</u> £'000	<u>2021/22</u> £'000	<u>2022/23</u> £'000	<u>2023/24</u> £'000
Additional cost of Local Council Tax Support Scheme	1,560,000	1,560,000	1,560,000	1,560,000
	1,560,000	1,560,000	1,560,000	1,560,000

To be Financed from:

Improved collection rates
 Reduced administration costs
 Call on Collection Fund Surplus (should this be required)

iii) **Impact on Medium Term Financial Strategy**

There is no impact on the Council's medium term financial plan.

 Agreed by:On behalf of the Finance Service Director
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Background

In April 2013 Council Tax Benefit was replaced by Council Tax Support. Council Tax Benefit was funded by the Department for Work and Pensions and supported people on low incomes by reducing the amount of Council Tax they have to pay. Council Tax Support schemes are now funded by Councils.

A separate Central Government scheme is retained for people of pension age and Councils are only able to vary their schemes for people of working age.

In Barnsley over 21,000 people currently receive Council Tax Support. The gross cost of the scheme is currently £16.1m.

People can claim Council Tax Support if they are on certain benefits. The current scheme requires all working age applicants to pay a minimum of 30% of their Council Tax (a maximum level of support of 70%). Applicants in receipt of Income Based Jobseekers Allowance, Income Support and Income Related Employment and Support Allowance receive the maximum level of support. Others receive a level of Council Tax Support based on their income and other factors.

Each Council is required to review their schemes each year and decide if they want to make any changes. Before any changes can be implemented, they must carry out public consultation.

The Council is consulting on whether we should change the Council Tax Support scheme from 1 April 2020 and in line with legislation, we have a duty to consult and provide the opportunity for comments to be made on our proposals.

We are proposing to change the current Council Tax Support scheme to better target support to those most in need.

In order for the consultation to be meaningful and for residents to take part in the consultation, it's important that the consultation is promoted through a variety of channels so that it is readily accessible and to make sure that residents are given a fair opportunity to have their say and an impact on the decision made.

Aim and objectives

Our overall aim is to inform residents and supporting agencies about the proposed changes to Council Tax Support, how they can influence this by contributing towards a consultation and how they can access it.

Communications activity will:

1. Inform residents what the proposed changes are
2. Inform residents why these proposals are being made
3. Inform residents how the changes could impact them – now or in the future
4. Inform residents how to access and complete the consultation

5. Inform residents who may be eligible to support but not already doing so, how to access help

Key messages

- We're considering making changes to our current Council Tax Support scheme. It's proposed that these changes will come into effect 1 April 2020
- We want to know what you think of these proposed changes, so we're carrying out a consultation
- The consultation will provide you with the chance to shape the future of Council Tax Support in Barnsley
- You can access the consultation here Barnsley.gov.uk/council-tax-support-survey or obtain a paper copy by calling 01226 787376
- The consultation will only take around ten minutes to complete
- The consultation is open to anyone that would like to have their say
- The consultation will be open from 09/09/19 and close on 27/10/19
- We'll share the outcome on barnsley.gov.uk/consultation
- For more information about the consultation, visit: barnsley.gov.uk/council-tax-support-survey
- If you currently don't receive support but think you might be eligible, visit: barnsley.gov.uk/cts

Key audiences and stakeholders

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The consultation will be accessible for anyone to complete. It will be important to make sure that the consultation is accessible to everyone by promoting it and making it accessible via a variety of channels. The key audiences identified include:

1. Residents/public
 - Any resident in the Barnsley charging area
 - Receiving Council Tax Support
 - May potentially require CTS in future
 - Indirect impact e.g. relatives
 - BMBC Service areas working with families e.g. children's services, 0-19 service, BC helps
2. Staff – as resident or in work capacity
3. Local Partner organisations e.g. NHS, Barnsley CCG, Berneslai Homes
4. The voluntary and community sector including Barnsley CVS (previously VAB) and Action for children.
5. Advice organisations e.g. CAB, DIAL
6. Equality forums.

Channels

Channels to promote the consultation:

External

1. Social media campaign with link directly to the consultation/website page/details of drop in sessions
2. For partners and services to share on their accounts – 0-19, breast feeding team, area teams, early help, clinics, Barnsley Council Helps
3. Strong website presence including:
 - Banner
 - CTS page set up to with link to consultation and relevant info e.g. FAQs
 - FAQs
 - Town Spirit Change It page
 - Consultations page
4. Media release
5. Face to face – libraries/family centres, at family events, Jobcentres, community groups, etc.
 - Use of business cards at events
 - Screens in libraries to promote drop in sessions
6. Flyers to be included in some Council Tax and Council Tax Support letters.

Internal

1. Staff news
2. Straight Talk articles
3. Intranet banner and direct link
4. Inform relevant services via email

Methods of completing/accessing the consultation:

- Via survey portal on line (via channels above)

- Digital copies made available in libraries
- Paper copy of survey will be made available on request.

Activity and implementation

Activity	Date	Channel	Progress	Responsibilities
Prepare consultation questions	August		Completed	KD/LD
Prepare background info and FAQs	August		Completed	KD/LD
Communications entering consultation questions in Smart Survey and obtain web link	Early September		Complete	CS
Plan website page layout and links etc. for when live	Early September		Completed	KD/LD
Draft media release	Early September		Completed	CS
Prepare social media Canvas, posts and schedule	Early September		Completed	CS
Prepare staff news article Prepare updated versions	Early September		Completed	CS
Email library staff re. survey and access at libraries	Early September		Completed	KD/LD
Arrange drop in sessions with libraries/family centres	Early September		Completed	KD/LD
Consultation goes live – early September				
Upload FAQs and supporting info to website		Website	Completed	CS/Digital team

Survey link and banner on website		Website	Completed	CS
Launch on social media - begin social media schedule. Prompt shares and retweets		Facebook Twitter	Completed	CS
Release media release 1		All media	Completed	CS
Launch via Staff news		Intranet	Completed	CS
Commence regular straight talk articles/reminders		Straight Talk	Completed	CS
Media release 2 – final reminder			Completed	CS
Library screen			Completed	CS
Consultation closes				
Consultation results	Early November		Completed	CS/KD

Evaluation

Link aims and objectives - evaluate measures

Participation

Social media analytics

Returns – portal/post