



MEDIUM TERM FINANCIAL STRATEGY 2026/27 TO 2029/30

1 PURPOSE OF REPORT

- 1.1 This report submits proposals and recommendations for the Council's budget for 2026/27 and draft budgets in the three years beyond that, collectively forming the Medium Term Financial Strategy (MTFS) (Appendix 1). Cabinet should consider these and make appropriate recommendations to Council at the meeting to be held later this evening.
- 1.2 This report also contains the annual review of the Council Tax Reduction scheme, which affects the Council Tax base, and the Annual Procurement Plan.

2 LINKS TO COUNCIL'S PRIORITIES AND OBJECTIVES

- 2.1 This report is explicitly linked to all Council priorities as it recommends the budget within which the Council operates.

3 RECOMMENDATION

- 3.1 It is proposed that Council **RESOLVES**

Implementation of Council policies and related revenue spending plans

- (1) To approve the Council's Directorate, Service and Policy Line revenue budgets for 2026/27 as shown in table 2.1 of the MTFS.
- (2) To approve table 2.2 of the MTFS and therefore the funding streams that will finance the 2026/27 revenue budgets in table 2.1.
- (3) To note tables 2.3 and 2.4 of the MTFS which provide analysis and explanation of the more significant movements to the 2026/27 budget when compared to the draft 2026/27 budget presented in February 2025.
- (4) To note the forecast balance of the General Reserve as shown in table 6.1 of the MTFS.

- (5) To note the balances on Earmarked Reserves and the planned movements on the reserves as shown in table 6.6 of the MTFS.

Capital spending plans and prudential indicators

- (6) To approve the capital spending plan described in section 8 of the MTFS (tables 8.2 and 8.3) in respect of 2026/27.
- (7) To approve as required by section 3 of the Local Government Act 2003, and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), the following Prudential Indicators as set out in the appropriate sections of the MTFS.

Prudential Indicator - Reference to sections 8, 9 and 10 of the MTFS	
Capital expenditure	Tables 8.2 and 8.3
Capital financing requirement (CFR)	Table 8.4
Authorised limit for external debt	Table 8.5
Operational boundary for external debt	Table 8.6
Ratio of financing costs to new revenue stream	Table 8.7 (a & b)
Ratio of net income from commercial investments to net revenue stream	Table 8.8
Gross external borrowing does not exceed CFR	Section 8 – para 54
Maturity structure of fixed rate borrowing - upper and lower limits	Table 9.4
Upper limits of fixed and variable interest rate exposures	Table 9.5
Maximum period and counterparty limits for specified and non-specified investments	Table 10.2 & 10.3

- (8) To approve the Statement of Minimum Revenue Provision (MRP) for 2026/27, as stated in paragraphs 55 to 60 of section 8 of the MTFS.
- (9) To note that, as stated in paragraph 65 of section 8 of the MTFS, and as required by the Prudential Code, the statement of the Chief Financial (s151) Officer in respect of the affordability, deliverability and appropriateness of risk management arrangements with respect to the Capital Strategy.

- (10) To approve the various policies and strategies supporting the budget framework and contained within the MTFS, being chapters 7 to 11 of the MTFS.

Statutory report of the Chief Financial (s151) Officer

- (11) To note as required by section 25 of the Local Government Act 2003, the report of the Chief Financial (s151) Officer set out in section 12 of the MTFS in respect of robustness of the budget estimates.
- (12) To note as required by section 25 of the Local Government Act 2003, the report of the Chief Financial (s151) Officer set out in section 6 of the accompanying report in respect of the adequacy of proposed financial reserves.

Statutory calculations in respect of the budget requirement and Council Tax as required by the Local Government Finance Act 1992, as amended (“the Act”)

- (13) To note as set out in section 3 of the MTFS that acting under delegated authority and in consultation with the Cabinet Member responsible for Resources, the Chief Financial (s151) Officer has calculated:
- a) A tax base for the Borough of Castle Point of 31,610 being the amount “T” required by section 31B of the Act; and
 - b) A tax base for Canvey Island to which a Town Council precept applies as 12,245.
- (14) To note the following amounts calculated for 2026/27 in accordance with sections 31 to 36 of the Act:

Ref	£	Item
(a)	71,473,453	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish (Town) Councils.
(b)	61,711,144	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	9,762,309	being the amount by which the aggregate at 13(a) above exceeds the aggregate at 13(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.

Ref	£	Item
		(Item “R” in the formula in Section 31B of the act)
(d)	308.84	being the amount at (c) above (item “R”), divided by item “T” (13(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish (Town) precepts).
(e)	317,390	being the aggregate amount of the (Parish (Town) precepts) referred to in Section 34(1) of the Act.
(f)	298.80	being the amount at (d) above less the result given by dividing the amount at (e) above by item “T” (13(a) above), calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

- (15) To approve by way of recorded vote that, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the Council sets the amounts shown in the table below as the amounts of Council Tax for 2026/27 for each part of its area and for each category of dwelling. This information is included within section 13 of the MTFS.

Band	Ratio in 9ths	Canvey Residents Council Tax Including Town Council	Mainland Residents Council Tax Excluding Town Council
A	6	216.48	199.20
B	7	252.56	232.40
C	8	288.64	265.60
D	9	324.72	298.80
E	11	396.88	365.20
F	13	469.04	431.60
G	15	541.20	498.00
H	18	649.44	597.60

- (16) To note that Essex County Council and the PFCC, in respect of both police and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwelling in the Council’s area, as indicated in the table below and included within section 14 of the MTFS:

Precepts and Council Tax Levels	Council Tax at Band D 2025/26 £	Council Tax at Band D 2026/27 £	Change from 2025/26 £	Change from 2025/26 %	Share %
Castle Point Borough Council (proposed)	290.16	298.80	8.64	2.98	12.80
Essex County Council (Including ASC precept)	1,579.59	1,641.96	62.37	3.95	70.34
Essex PFCC - <u>Fire</u> and Rescue Authority	87.57	92.52	4.95	5.65	3.96
Essex PFCC - <u>Policing</u> and Community Safety	260.37	275.31	14.94	5.74	11.79
Total (excluding Canvey Island Town Council)	2,217.69	2,308.59	90.90	4.10	98.89
Canvey Island Town Council	24.75	25.92	1.17	4.73	1.11
Total (including Canvey Island Town Council)	2,242.44	2,334.51	92.07	4.11	100.00

- (17) To note that in accordance with the requirements of section 52ZC of the Act the Council has determined whether its Council Tax increase for 2026/27 is excessive. For 2026/27 the Council Tax increase for the Council would be deemed excessive if it is
- 3%, or more than 3%, than it's Council Tax for the prior year; and
 - More than £5 greater than it's Council Tax for the prior year.

Therefore, at 2.98% the proposed Council Tax increase is not excessive and the duty to make substitute calculations and hold a referendum does not apply (Chapter 4ZA of Part 1 of the Act).

Council Tax Support Scheme

- (18) To approve the Council Tax Support scheme for 2026/27 as set out in Appendix 2.

Annual Procurement Plan

- (19) To note the Annual Procurement Plan as set out in Appendix 3.

4 INTRODUCTION

- 4.1 The MTFFS consolidates the following information in one single document:
- The background to the key policy issues including the assumptions adopted in formulating the financial forecast around government support, price increases and assessment of minimum level of general fund reserves.
 - The Council's financial targets and the medium-term financial forecast.
 - Revenue and capital spending plans.
 - Prudential indicators.
 - The various policies and strategies which support the budget framework including the Capital Strategy.
 - The statutory budget and Council Tax calculations required for 2026/27.
- 4.2 The Council Tax Reduction scheme was introduced in April 2023 and is intended to provide support for "working age" Council Tax payers within the Borough, based on a banded percentage reduction.
- 4.3 The Council is required to review the scheme each year and determine whether it is appropriate to make any changes to the scheme. Depending on the nature any proposed changes, a six week public consultation may be required.
- 4.4 The Annual Procurement Plan, a new addition to this report last year, sets out the expected procurements that will be required in 2026/27.

5 MEDIUM TERM FINANCIAL STRATEGY

- 5.1 The underlying principle of this MTFFS is investment – in the Borough's communities, facilities and services – to create a lasting legacy for the residents of Castle Point. This includes the largest capital programme this Council has ever seen at £47.8m over the next four years. This is a prudent but ambitious budget which is balanced across the whole MTFFS period.
- 5.2 The budget for 2026/27 is in balance after one-off use of the General Reserve for Local Government Reorganisation (LGR), meaning the Council does not need to rely on the use of the General Reserve to meet ongoing spending plans this year.
- 5.3 The draft budgets for 2027/28, 2028/29 and 2029/30 are also balanced based on the current assumptions (and with one-off use of the General Reserve for LGR in 2027/28). As assumptions are refined and updated this position will be kept under review.

- 5.4 The level of the General Reserve planned for the end of the 2026/27 financial year, and for all future years, exceeds the minimum recommended level of £3.1m.
- 5.5 The budget reflects decisions already made and makes provisions for potential decisions to be made by Cabinet and/or Council. This includes savings being implemented which will be monitored and tracked via the Council's transformation board and capital schemes which will be subject to a future business case.
- 5.6 It is proposed that the Council Tax increase is 2.98% for 2026/27. This is the lowest increase for any of the organisations which charge Council Tax in the Borough.
- 5.7 A capital scheme of £2.5m has been created to fund improvements to community infrastructure across the Borough. Detailed plans will come forward to future Cabinet meetings in 2026/27.
- 5.8 The Council has also budgeted £21m to bring forward four sites across the Borough to deliver new housing schemes which will increase the provision of temporary accommodation for people and families in the Borough experiencing homelessness. As schemes are delivered this will provide much needed temporary and interim accommodation, reducing reliance on bed and breakfasts and deliver long term savings. Bringing residents back to their home community is a priority that will help reduce Temporary Accommodation costs to the Council and mean that more residents can live locally close to their schools, their doctors, their work and their friends and family.
- 5.9 There are new capital schemes of £5.3m in dedicated parks, open spaces and public realm, replacing playground equipment most of which has not been updated in the last 10 years with new facilities such as Multi-Use Games Areas. The funding will also ensure that Council owned pathways are repaired or replaced and trees and hedgerows are maintained for public safety. In the Borough's car parks there is funding for resurfacing, lighting replacement, new payment machines and EV charging.
- 5.10 The Council will introduce free parking for 30 minutes in our Oak Road, Rectory Road and Richmond Hall car parks.
- 5.11 An investment of £4.5m is being made in new refuse trucks to ensure a reliable service. The new waste collection vehicle workshop is due to be operational this summer.
- 5.12 The Council will continue to fund ECC street lighting to ensure the street lights can remain on overnight.
- 5.13 The Council is investing in making the Borough cleaner and greener, with £481,000 invested in carbon reduction projects, including moving to vegetable

oil rather than diesel so that as our new refuse trucks are going around the Borough there will be a reduction of up to 93% in carbon emissions.

- 5.14 The Council will continue to distribute Disabled Facilities Grant and provide additional top up when needed, in order to support individuals to live safely, independently and with dignity in their own property.
- 5.15 The Council will bring forward plans for Solby House as a new community asset for Hadleigh to complement the John H Burrows Recreation Ground.
- 5.16 There will be continued investment in the Knightswick Centre to include flooring, lighting and windows in the mall area.
- 5.17 There will also be continued investment in the Paddocks to support and grow its use as an active wellbeing hub and community events venue.
- 5.18 The Council will provide the ongoing monitoring, maintenance and support elements of funding to ensure the full implementation and delivery of the £1m CCTV project, bringing over 50 new CCTV cameras across the Borough.

6 COUNCIL TAX REDUCTION SCHEME

- 6.1 The current scheme was introduced in April 2023, moving to a banded scheme and away from the existing Council Tax Support Scheme which was administratively burdensome for both the Council and residents.
- 6.2 The scheme works based on weekly income thresholds for different categories, applying a discount of between 20% and 70% to Council Tax for those eligible for support.
- 6.3 Changes were made to the scheme for the first time last year, increasing the income bands to reflect increases in National Living Wage. It is proposed that, as was the case in 2024/25, no changes are made to the discount percentages or income bands. In part this proposal is being made in full consciousness of LGR and the likelihood that in future more substantial changes will be required.
- 6.4 Consequently, the only changes to the scheme are changes required by “The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026.”
- 6.5 These changes must be reflected in all Council’s 2026/27 support schemes by a statutory deadline of 11 March 2026. The changes made ensure schemes are updated to reflect changes to the wider benefits system, predominately the uprating of benefits and changes to income disregards.

7 ANNUAL PROCUREMENT PLAN

- 7.1 The Annual Procurement Plan, set out in Appendix 3, is intended to provide Members with an overview of the contracts and areas of work for which a

procurement process will be operated in line with the Council's Contract Procedure Rules during the forthcoming year.

- 7.2 This plan will be submitted to the Essex Procurement Partnership to enable them to ensure they have the appropriate resources in place to support the Council with the delivery of procurements over the value of £50,000. For lower value procurements, the responsible budget holder will run the process with the help and support of the Council's in-house procurement manager.
- 7.3 The plan includes a mix of items for which budget provision is made within the MTFs and projects that are aspirational at this stage and will be subject to a future decision of Cabinet. It is also possible that new requirements may arise as the year progresses and be added to the plan. As such, the Annual Procurement Plan should be seen as indicative of the potential and expected activity and not an exhaustive guaranteed list.

8 OPTIONS

- 8.1 Option 1: Council could decide to not approve the MTFs or Council Tax recommendations. Taking such a decision will result in a new Special Council meeting needing to be convened to consider revised proposals and to ensure the Council sets a budget by the legal deadline.
- 8.2 Option 2: Approve the recommendations as proposed within this report.
- 8.3 Preferred Option: The preferred option is option 2. This is the option to which the recommendations in paragraph 3 and the implications in paragraphs 9-14 relate

9 RISK IMPLICATIONS

- 9.1 The MTFs impacts on every resident in the Borough as it sets the budget from within which services are delivered to residents and how much Council Tax they pay.
- 9.2 There is a risk that assumptions used within the MTFs differ significantly from reality. Section 4 of the MTFs includes an overview of the key assumptions and the sensitivity of those assumptions. During the year, the forecast position will be monitored and reported to Cabinet on a quarterly basis. The Council holds a small budgeted contingency which may be used to offset adverse variances that arise.
- 9.3 At time of writing this report, there are two areas of information outstanding. The first of these is the Final Local Government Finance Settlement for 2026/27. The report uses the draft settlement published in December 2025. Should there be any material differences between draft and final settlement an addendum to this report will be written and published.
- 9.4 The second area relates to business rates. There have been significant changes made by the government to business rates for 2026/27. As the

Council only received the software update required for its Revenues system late on Friday 23 January and is still awaiting the required installation and user notes, the Council was unable to calculate with accuracy the expected business rate income.

- 9.5 Due to this, the MTFs utilises the Government's estimate of business rates for the Council. The Council has loaded the update into the test system which has demonstrated a minimal difference to the Government's figure. As with the settlement, should there be a material difference between calculations when completed in the live system, an addendum will be published.

10 LOCAL GOVERNMENT REORGANISATION IMPLICATIONS

- 10.1 For the majority of budgets and proposals, there is a presumption of business as usual both before and beyond the expected vesting date of 1 April 2028 for new unitary authorities.
- 10.2 With the draft budgets in future years being balanced, this demonstrates ongoing financial sustainability and therefore any new unitary authority is not inheriting large and unsustainable budget gaps.
- 10.3 The Council has made budget provision of £250,000 in 2026/27 and £500,000 in 2027/28 for LGR, whilst the section 151 officer has considered a further amount of £250,000 when determining the recommended minimum level for the General Reserve.
- 10.4 The budget covers the cost of the Council's LGR project manager, and provides some coverage for other additional resources to be brought in, either in partnership with other councils on a shared basis or to work solely on the Council's individual requirements.

11 CRIME AND DISORDER IMPLICATIONS

- 11.1 Within the MTFs, there is increased budget allocated to Community Safety, whilst the Assistant Director, Housing, Health and Partnerships will continue to work with external partners in this area.

12 ENVIRONMENTAL IMPLICATIONS

- 12.1 Within the MTFs, there is budget allocated maintaining and improving the Council's parks and open spaces. Additionally, commencement of the delivery of the Council's Climate Action Plan is budgeted for.

13 FINANCIAL IMPLICATIONS

- 13.1 This is a report written by the Council's section 151 officer and the financial implications are explicit throughout.

- 13.2 The MTFS and the recommendations within this report set out the statutory calculations which must be made in relation to Council Tax setting for 2026/27.

14 LEGAL IMPLICATIONS

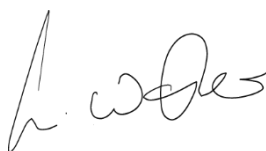
- 14.1 This report is written by the section 151 officer – the officer appointed to have responsibility for the Council’s financial administration. It covers all those matters required by legislation for setting a budget and Council Tax.
- 14.2 It is a legal requirement for the Council to have considered and approved its budget before 11 March each year.
- 14.3 Cabinet’s attention is drawn particularly to sections 3, 6 and 12 of the accompanying report containing statutory reports that the Section 151 officer has a duty to provide in respect of the adequacy of reserves and the robustness of spending plans. The Council must have regard to this advice before making the decisions required by this report.

15 HUMAN RESOURCES IMPLICATIONS

- 15.1 The MTFS includes the budgets required to pay for the Council’s employees, making an allowance for vacancies which may arise during the year.
- 15.2 Once the Council Tax uplift is approved by Council and other preceptors have confirmed their Council Tax rates, the Revenues team will complete the significant task of the annual billing process.

16 EQUALITY AND DIVERSITY IMPLICATIONS

- 16.1 The MTFS includes budgetary provision for projects and schemes that will have positive impacts for all residents, including those with protected characteristics.
- 16.2 As the individual projects and schemes within the MTFS progress, they will need to complete their own equality impact assessments to consider the positive or negative impacts (or confirm no impact) they may have on those with protected characteristics.



Lance Wosko

Assistant Director - Finance & Procurement (section 151 Officer)

Background Papers:

None.

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***Medium Term Financial Strategy
2026/27 to 2029/30***

Report of Lance Wosko

Assistant Director, Finance & Procurement (section 151 officer)



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Please note that in this report many of the tables display rounded figures. The totals in those tables are based on the unrounded figures and therefore it may give the appearance that some totals do not correctly sum the presented figures.

1 Medium Term Financial Strategy

Introduction

- 1 Ongoing delivery and improvement of services is the central focus of the Council's Medium Term Financial Strategy (MTFS). Services have over the last year implemented Service Reviews which at a strategic level considered whether the Council has the right people in the right place doing the right thing, and whether there were opportunities for improving the service and reducing costs. This is particularly important given Local Government Reorganisation (LGR) and the need to ensure that the Council's services are in the best possible shape.
- 2 The MTFS sets out how the Council plans to resource the delivery of its services, considering:
 - The financial settlement for local government that determines the amount of government grant and redistributed funding the Council receives towards its expenditure.
 - Developments in the economy, including key external influences and drivers.
 - Changes in government policy, legislation or regulation.
 - Financial risks which may or may not materialise over the lifetime of the strategy.

Key principles of the MTFS

- 3 The MTFS is informed by detailed service plans containing the revenue and capital cost implications of the Council's services and based on the following key principles:
 - Balanced and affordable budget – spending on services is contained within resources, managed by identifying efficiency savings and redirecting the use of existing resources.
 - Adequate reserves – making sure the Council has enough reserves to meet identified risks, unbudgeted increases in costs and to manage the impact of cyclical spend across the Council's financial forecast. An allowance for unidentified and unknown risks also needs to be made.
 - Council Tax levels – assuming that, unless there are inescapable cost increases above inflation or significant reductions in other funding, Council Tax levels will increase by no more than the maximum permissible without holding a council tax referendum, as set out by the Secretary of State (MHCLG).

Requirements of the MTFS

- 4 The MTFS:
 - Is linked with other key strategies, policies and plans that are in place across the Council.
 - Shows how the Council will be responsive to national economic circumstances, government requirements and initiatives.
 - Shows how the Council may deal with any future variations in funding levels and requirements to improve efficiency, while maintaining a balanced and affordable budget.
 - Recognises the importance of risk assessments and financial contingency planning, understands the sensitivity of the budget and the implications of changes in operational performance and funding levels.
 - Recognises the importance of sound financial management and explains the Council's policies on financial reserves.
 - Identifies the Council's policy options for setting the level of the Council Tax.
 - Develops the best possible estimate of future resources and ensures that financial planning takes account of both the immediate and the medium-term implications of decisions.
 - Carries out consultation with stakeholders to inform Council priorities reflected in spending plans.

- Maintains a charging policy which is consistent, clear and fair to both the direct users of services and Council Tax payers in the Borough.
- Ensures the budget reflects the annual impact of the management of its assets including repairs and renewals and the outcome of property reviews and stock condition surveys.

Actions to support the Strategy

5 The processes that support the MTFs are:

- Detailed four-year forecast – updated on a rolling basis.
- Annual budget process – agreed each year to enable the Council’s budget to be set within the guidelines of the strategy.
- Financial monitoring – budget holders are responsible for monitoring their budgets. Assistant Directors conduct monthly reviews of those budgets identified through risk assessment or where expenditure or income budget variances exceed certain thresholds. Reports focus on large, high risk or volatile budgets, as well as areas identified by the Financial Services team during the monthly review of detailed management reports. Matters of exception are referred to Members within quarterly reports.
- Member oversight – Cabinet Members receive quarterly high-level reports which are presented to formal Cabinet meetings, including explanation of risks and opportunities which may impact on the forecast going forward.
- Evaluation of new proposals – the financial, legal and human resource implications of new proposals and their impact on the financial strategy are considered at the outset and included in relevant Cabinet reports.

Impact of Devolution and Local Government Reorganisation

- 6 On 16 December 2024 the government published the English Devolution White Paper. This is a policy paper which indicated Government’s thoughts on the shift of power away from Whitehall and back to local communities.
- 7 Devolution is expected to see the creation of new Strategic Authorities and, shortly after, Local Government Reorganisation (LGR) will see the existing councils within Essex replaced with a smaller number of unitary councils covering a larger geography and population.
- 8 Essex County Council as the upper tier authority, alongside Southend City Council and Thurrock Borough Council requested to the government to be included within the devolution priority programme. This request was approved and by the end of September 2025 four LGR proposals were submitted to government.
- 9 At present, the government has not announced which of the submissions is the preferred proposal. An announcement is expected mid-March. Until an announcement is made, some planning can be undertaken and actions put in place to assist with the LGR implementation (such as extending this MTFs from three years to four to be consistent with other Essex Councils). It will not be until an announcement is made and detailed implementation commenced that implications for this Council are clear. Knowing that costs will be incurred even though the detail isn’t known, the MTFs allows for £250,000 in 2026/27 and £500,000 in 2027/28, with these one-off exceptional costs to be funded from the Council’s general reserve.
- 10 In all other material respects, the budget assumes the Council continues in its existing guise during the period covered by the MTFs, despite the expectation that from 1 April 2028 new unitary councils will be in place.

2 2026/27 to 2029/30 Revenue Budget

- 1 The General Fund revenue budget has been compiled in detail for the next four years. The Financial Services team met with all budget holders and reviewed their budgets line by line. As part of this work, consideration was given to what the budget currently pays for, whether that is required to the same level going forward and the overarching impact of the output from the service reviews that have been completed. Taking in all of this information allows the budget to be compiled with a suitable degree of confidence.
- 2 The table 2.1 below provides a summary of service spend at Directorate and policy line level before external funding, Council Tax and business rates. The final line of table 2.1 informs line 1 of table 2.2 which shows the expectation on how the budget will be funded as well as any movements in reserves and what the eventual reserve balances are forecast to be.

Table 2.1 General Fund Revenue Budget by Directorate, Service and Policy Line	Note	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s	2029/30 Estimate £000s
Net Service Expenditure					
Commercial & Assets					
Environment		2,234	2,364	2,388	2,533
<i>Operational Services</i>		(533)	(553)	(592)	(607)
<i>Parks & Open Spaces</i>		715	779	787	911
<i>Street Scene</i>		2,053	2,138	2,193	2,228
Estates		107	113	261	307
<i>Estates & Asset Management</i>		789	847	942	985
<i>Knightswick</i>		(683)	(734)	(681)	(678)
Recreation		476	214	299	268
<i>Community Halls</i>		293	100	65	82
<i>Leisure Services</i>		184	114	235	186
Waste & Recycling		1,921	2,178	2,401	2,534
<i>Waste & Recycling</i>		1,921	2,178	2,401	2,534
Central Support Service Recharges		(789)	(847)	(942)	(985)
Commercial & Assets Total		3,949	4,021	4,407	4,657
Corporate & Customer					
Finance & Procurement		4,914	5,181	5,437	5,648
<i>Financial Services</i>		1,361	1,418	1,472	1,518
<i>Revenues & Benefits</i>		3,553	3,763	3,965	4,129
Legal & Democratic Services		2,355	2,432	2,497	2,551
<i>Democratic Services & Governance</i>		1,473	1,519	1,549	1,579
<i>Elections</i>		369	382	399	411
<i>Land Charges</i>		115	120	126	130
<i>Legal Services</i>		399	411	423	432
People & Engagement		1,183	1,185	1,213	1,237
<i>Health & Safety</i>		83	85	87	90
<i>Communications</i>		338	341	343	344

Table 2.1 General Fund Revenue Budget by Directorate, Service and Policy Line	Note	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s	2029/30 Estimate £000s
<i>Human Resources</i>		763	760	783	803
Performance, Policy & Customer		3,045	3,120	3,146	3,212
<i>First Contact</i>		785	790	818	845
<i>IT & Digital Transformation</i>		1,820	1,894	1,875	1,898
<i>Strategy, Policy & Performance</i>		440	436	453	469
Corporate Core		1,697	1,982	1,534	1,564
<i>Corporate Core</i>		1,447	1,482	1,534	1,564
<i>Local Government Reorganisation</i>		250	500	0	0
Central Support Service Recharges		(7,905)	(8,180)	(8,419)	(8,660)
Corporate & Customer Total		5,289	5,720	5,408	5,551
Place & Communities					
Climate & Growth		1,783	1,232	1,242	1,271
<i>Castle Point Plan</i>		516	0	0	0
<i>Economic Development</i>		581	547	557	568
<i>Planning Policy</i>		686	685	686	703
Development Services		798	815	855	889
<i>Development Management</i>		798	815	855	889
Environmental Health & Licensing		939	1,026	1,076	1,124
<i>Environmental Health & Licensing</i>		939	1,026	1,076	1,124
Housing, Health & Partnerships		3,300	3,563	3,523	3,606
<i>Community Safety</i>		239	395	405	414
<i>Housing Services</i>		2,848	2,956	2,904	2,975
<i>Partnerships</i>		214	212	215	217
<i>Public Health</i>		0	0	0	0
Central Support Service Recharges		0	0	0	0
Place & Communities Total		6,821	6,635	6,696	6,890
Total Net Service Expenditure		16,058	16,376	16,511	17,099
Other Operating Expenditure	1	246	244	243	243
Financing & Investment Income & Expenditure	2	18	433	582	908
Net Statutory Adjustments	3	7,323	505	(20)	43
Total to be met from government grants, reserves and Council Tax		23,645	17,559	17,316	18,293
Total excluding Canvey Island Town Council Precept		23,342	17,253	17,004	17,974

Notes:

- 1 Includes a percentage applied to all salaries estimates to take account of vacant periods (vacancy factor), the precept payable to Canvey Island Town Council from additional Council Tax collected from Canvey residents and other miscellaneous items which are not attributed to any specific service.
- 2 Includes interest payable and receivable, and statutory pensions adjustments based on information from the Essex Pension Fund and the pension actuary.
- 3 Various statutory adjustments and reversals, to ensure that the Council Tax requirement amount is not affected by income and expenditure relating to non-current assets, such as depreciation and revaluations, and other items such as the payment of capital receipts to central government. Also includes revenue contributions to fund capital expenditure.

Basis of the MTFS

- 3 The key stages and assumptions in the process of producing the MTFS were:
 - A review of previous draft estimates for 2026/27 and 2027/28 against actual income and expenditure for recent prior years and the latest 2025/26 forecast, to arrive at a new base budget. Budgets for 2027/28 onwards are provisional and will be updated as required during the year.
 - Where applicable, increases for inflation of costs relating to pay, employer's pension fund contributions, contracts, rates, utilities and insurances are adjusted for. Controllable service costs have been carried forward at existing levels except in the case of inescapable increases.
 - Adjustments have been made for changes to spending levels expected or known to occur over the life of the MTFS including the impact of the capital programme on revenue. In compiling the MTFS, account has been taken of the financial implications of wider economic developments, including the impact of interest rate changes, changes in the housing market and the impact on the Council's various fee charging services.
 - Income from fees and charges has been reviewed and recalculated, with the default policy position being full cost recovery should be achieved unless there is reasonable justification to vary from this, for example there are wider benefits of the service being offered and full cost recovery would make the service uncompetitive in the market.
 - Provision has been made for costs or savings expected to arise from known and proposed changes in legislation as well as unavoidable service-related cost increases.
 - For years a review of the funding mechanism for local government has been deferred. However, the government has now implemented the Fair Funding Review 2.0 which has seen a significant change to the component parts of the Local Government Financial Settlement as well as the settlement now being for three years rather than a single year. Between 2025/26 and 2026/27 the (provisional) settlement indicates a favourable movement although at time of writing the Council (like many others) is awaiting a software update to the Revenues system to be able to accurately forecast business rates rather than rely on the government provided estimate.
- 4 The forecast includes the latest information received from the Essex County Council (ECC) Pension Fund in relation to employer's pension contributions. This information has been based on an actuarial valuation carried out on the Pension Fund as at 31 March 2025. These valuations are carried out every three years. This latest valuation is effective for contribution rates from 2026/27 onwards and is based has shown that the fund is currently forecasting a fully funded position.
- 5 The tax base as at December 2025 has been adopted as the basis for calculations relating to 2026/27 and includes adjustments to reflect the localised scheme for support of Council Tax, as

well as the outcomes anticipated to be realised from the ongoing compliance review of discounts and exemptions granted from Council Tax.

- 6 The proposed Council Tax band D value for 2026/27 is **£298.80** (an increase of **2.98%**) and, combined with current spending plans, delivers a balanced budget for the new financial year.
- 7 A Council Tax referendum would be triggered if Council Tax were increased by **3%** or more on a band D property, above the Council's relevant basic amount of Council Tax for 2025/26.

Commentary on the budget

- 8 This is a forecast for the guidance of Cabinet and Council and not a guarantee that the position will be as indicated. The forecast shown at table 2.2 indicates the following:
- The budget for the forthcoming financial year is balanced taking into account known items of expenditure and the use of the general reserve to fund one-off expenditure in relation to LGR. Earmarked reserves are being used for the purpose they have been earmarked for (for example, funding in the Knightswick reserve being used to fund the refurbishment project at the centre) whilst in some cases reserves have been released without detrimental impact to fund new priorities.
 - In what is a rather unusual achievement for any Council, the budgets for all years within the MTFS are also balanced, meaning that based on current assumptions and plans the Council will not have to rely on the unsustainable use of general reserves or deliver additional savings to meet spending plans during these years. Naturally this position may change as future assumptions are either proved or disproved.
 - Within the MTFS, savings have been assumed and delivery of these will be tracked by the Council's Project and Transformation boards.
 - Forecast reserves are projected to be above the minimum level of **£3.1m** recommended by the s151 Officer at the end of 2026/27. Future years will be subject to their own assessment at that time, but do also currently exceed the **£3.1m**.

Robustness of the MTFS

- 9 The underlying spending plans on which the MTFS is based are considered generally robust, subject to any reservations expressed above. The figures presented for 2026/27 represent the funding notified to the Council as part of the three-year settlement and this funding is assumed to continue at the value in the fourth year of the forecast.
- 10 Sensitivity of the most impactful assumptions is outlined in section 4 of this document.

Monitoring of the MTFS

- 11 The MTFS is approved by Cabinet and Council in February as part of this budget and Council Tax setting process. If material changes are necessary during the financial year, the Cabinet will be updated accordingly.
- 12 Financial and operational performance indicators are routinely monitored, and performance reported to Cabinet members and the Leadership Team. Formal reporting of performance against the financial forecast is undertaken monthly by the s151 Officer and reported quarterly to Cabinet.

Movements since the last MTFS

- 13 The movements caused by savings, efficiencies, cost pressures and unavoidable/essential service increases identified during the budget process and since the budget set in February 2025 are summarised in table 2.3, with the more material items or items of interest listed in table 2.4.

Table 2.2 Medium Term Financial Strategy (MTFS)		2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 £000s	Notes
1	Net service expenditure	23,342	17,253	17,004	17,974	This is the total from table 2.1 above
2	Council Tax	(9,445)	(9,800)	(10,321)	(10,869)	
3	Business Rates	(2,589)	(2,649)	(2,702)	(2,702)	
4	Capital grants, other grants and contributions	(3,266)	(3,265)	(3,247)	(3,247)	
5	Net expenditure / (income) before reserves	8,041	1,540	734	1,155	
6	Transfer to / (from) Earmarked Reserves	(7,791)	(1,040)	(734)	(1,155)	The use of earmarked reserves is analysed in table 6.6 of this report
7	Transfer to / (from) General Reserves for LGR	(250)	(500)	0	0	
8	(Surplus) / Deficit on General Fund	0	0	0	0	A balanced budget is achieved in each of the four years
9	General Reserves balance at end of year	(4,567)	(4,067)	(4,067)	(4,067)	
10	Earmarked Reserves balance at end of year	(9,231)	(8,191)	(7,457)	(6,302)	

Table 2.3 - Changes from previously published 2026/27 draft budget					
Increases / (Decreases)	Corporate & Customer £000s	Commercial & Assets £000s	Place & Communities £000's	Other Operating Inc/Exp £000s	Total £000s
Staffing -					
Pay/NI/Pension	458	100	836	(431)	964
Staffing - Other	18	0	1	0	19
Premises - Utilities	0	10	3	0	13
Premises - Other	4	(326)	0	0	(321)
Other Expenditure	356	490	2,085	5,148	8,079
Income	24	(1,693)	(504)	2,401)	228
Insurance	(6)	(24)	(7)	0	(36)
Pension Adjustments	(77)	(63)	(71)	(2,456)	(2,667)
Recharges	717	372	(1,019)	0	70
Subtotal	1,495	(1,133)	(1,324)	4,663	6,349
Earmarked reserves					(6,099)
Overall change from previously published budget					250

Table 2.4 – Significant movements from previously published draft budget	2026/27 £000	2027/28 £000
Favourable Movements		
Extended Producer Responsibility	(848)	(820)
Pensions - Employers contribution	(431)	(441)
Pensions - reserve contribution	(343)	(440)
Government Grants	(300)	(300)
Planned Preventative Maintenance (PPM)	(261)	(200)
Council tax premiums	(127)	(127)
Microsoft licencing costs	(80)	(80)
Council Tax Sharing agreement	(59)	(59)
Split communal and trade waste	(40)	(80)
Grass verge ECC funding	(38)	(38)
Building Control net saving	(15)	(15)
Service reviews (net)	0	(300)
Fleet maintenance costs	0	(60)
	(2,542)	(2,960)
Adverse Movements		
Temporary Accommodation	1,100	1,100
Capital programme revenue implications	256	784
LGR Implementation	250	500
Service reviews (net)	146	0
Protecting the greenbelt	100	100
Tree surveys and actions	88	0
Economic Development	98	69
Pay award at 3.2%	96	197
Hydrotreated Vegetable Oil Fuel	33	65

Table 2.4 – Significant movements from previously published draft budget	2026/27 £000	2027/28 £000
Town Centre Parking - 30 minutes free	69	69
Community Safety	62	64
CCTV - monitoring and management	60	104
Removal of pay point 2 from 26/27	50	50
Canvey Lake	50	50
Above budget 25/26 pay award	48	51
Land Charges - decreased income	45	45
Visitor Economy Action Plan	45	28
External audit fee increases	34	40
Street lighting	33	33
Community grants	30	30
The Paddocks - café/reception works	30	0
Finance System - increased contract cost	28	70
Solby House - Minimum Revenue Provision	15	15
	2,766	3,464
Total	224	504

Budget – Years 2027/28 and beyond

- 14 The MTFS demonstrates that based on current assumptions the budget remains balance in the medium term. The key assumptions and associated risks are presented in Section 4 of this document. Being able to demonstrate a sustainable position over the medium term is particularly important in the context of LGR and being able to demonstrate that any new unitary council will be inheriting a problem.
- 15 The Council has been successful in establishing a range of earmarked reserves to support spending programmes such as asset maintenance, service improvement and carbon reduction. There is ongoing utilisation of these reserves in future years for the purposes these reserves have been created for.
- 16 Reserves may not be used to support day to day operational spend but may be utilised to “unlock” ongoing revenue savings. For example, in order to run a new leisure activity which generates additional income it may be necessary to structurally adapt an existing facility. These initiatives are often referred to as spend to save initiatives and must be supported with a business case which considers the full implications of the initiative, including implementation costs, cashflow implications, impact on the General Fund and ultimately the period of return against the “investment” (e.g. period over which costs are offset by savings).
- 17 Such initiatives include:
- Digitalisation and automation of functions both internal to the organisation and externally facing for the benefit of our customers.
 - Service and organisation restructuring to refocus resources to improve delivery of services.
 - Engagement of specialists and consultants to supplement internal resources and skills and support the implementation of new ways of working.
 - Investing in our assets to serve an alternative purpose, perhaps to generate additional income, reduce costs or improve customer experience.

- 18 As part of the current budget process the Council has identified funds totalling **£704,000** from within existing earmarked reserves which may be utilised to support and enable such initiatives during the course of the forthcoming financial year, in order to support maintaining the balanced budget in 2027/28 and beyond. These are as follows:
- Service Improvement reserve **£476,000**
 - Spend to save **£228,000**

3 Tax base

Tax base calculation

- 1 Under Section 33 of the Local Government Finance Act 1992 and supporting Regulations, the Council must make an annual calculation of its tax base. The tax base is the total number of properties on which Council Tax will be charged, expressed as a band D equivalent, after allowing for discounts, exemptions and losses on collection. The calculation means a band A property is 6/9ths, band D is 9/9ths whilst band H is 18/9ths (i.e. equivalent to two band D properties). The method of calculation is prescribed by law and made under delegated authority by the Assistant Director, Finance & Procurement (s151 officer), in consultation with the Cabinet Member with responsibility for Finance.
- 2 The tax base is used in the budget requirement calculation to produce the standard amount of Council Tax for a band D property as well as by the Government in distributing certain grants and determining the Council's "spending power".
- 3 The calculated tax base for 2026/27, before losses on collection are deducted, is **32,420** band D equivalent properties which is an increase from the prior year tax base of **31,944**. The increase reflects not only the increase in the number of dwellings, but also the decision taken by Council in March 2025 to introduce premiums for empty and second homes with effect from April 2026.
- 4 Having determined the overall tax base, the estimated number of band D properties must be reduced to reflect a collection rate that takes account of losses on collection due to amounts that are uncollectable and void periods in respect of empty properties (this is not the same as the collection rate used as a performance indicator). The tax base collection rate has been reviewed and it is proposed that it should be decreased back to **97.5%** (from **97.85%**) to reflect the latest forecast collection rate in 2025/26.
- 5 The tax base for 2026/27 is therefore **31,610** band D equivalent properties (compared with **31,257** in 2025/26) which is a year-on-year net increase of **352** band D equivalent properties.
- 6 Of the **31,610** band D equivalent properties, **12,245** form the tax base for Canvey Island Town Council, an increase of 210 from last year.

4 Assumptions and Sensitivities

1 The MTFS brings together what is essentially thousands of assumptions. Whilst some of these assumptions have a high degree of certainty because, for example, they might relate to fixed price contractual payments, other assumptions will have a much lower degree of certainty. Additionally, the later you get into the MTFS period, the less certainty there can be about any of the assumptions.

2 This section of the report outlines some of the most impactful assumptions and, where practical to do so, provides a sensitivity analysis to demonstrate the impact of the assumption being too optimistic or pessimistic.

Staffing Related Assumptions

3 Staffing is the single biggest cost to the authority and therefore the assumptions made on staffing can have significant impacts.

4 Each year the majority of the Council's employees receive a pay award which is negotiated at a national level between the Officer's side and the Union's side of the relevant bodies. These are the National Joint Council (NJC) which applies to the majority of staff, the Joint Negotiating Committee for Chief Officers (JNC) which applies to the Council's Directors and the Association of Local Authority Chief Executives which applies only to the Chief Executive.

5 It has been the case for several years that the pay award for each year has not been nationally agreed until quite late into the year itself, but always backdated to 1 April. This creates challenges with budget setting as it means there is uncertainty on what is the Council's largest cost.

6 Assumptions for the various Spinal Column Points (SCPs) have been made, with 2026/27 being 3.2% in line with the 2025/26 pay award, and future years being 3%.

7 If the pay award for 2026/27 was to be 1% higher or lower, the difference in either direction would be **£153,000** in 2026/27, **£155,000** in 2027/28, **£161,000** in 2028/29 and **£166,000** in 2029/30. If the pay award for all years was to be 1% different, this would lead to a total difference of **£312,000** in 2027/28, **£488,000** in 2028/29 and **£675,000** in 2029/30.

8 The Council makes contributions to the pension fund to ensure that current and future liabilities are fully funded. At present, the contribution rate is set to **21.9%** of pensionable pay, falling to **18.8%** for 2026/27, 2027/28 and 2028/29. Ignoring LGR, the fund would have its triennial full valuation as at 31 March 2028 and this will be used to set contribution rates for the three years from 2029/30.

9 A 1% change to the pension contribution rate in 2029/30 will have an impact of **£119,000**.

Inflation

10 A number of inflation rates are assumed within the MTFS. In addition to the overall CPI and RPI inflation indices, some of the constituent parts are used such as the specific water and postage inflation rates. Additionally, data from the Crown Commercial Service (CCS) is used in respect of the Council's electric and gas contracts whilst Bank of England forecasts are utilised for future years.

11 The ONS inflation rates used were as published in October 2025 in respect of September 2025. At this point, CPI was **3.8%** and RPI was **4.6%**. Within these, the rate for water was **26.1%** whilst inflation on postage was **7.5%**. These have been applied for 2026/27.

- 12 For future years, the Bank of England projection for CPI in 2027/28 is **2.5%**, falling to **2.0%** in 2028/29 before increasing slightly to **2.1%** in 2029/30. RPI has been assumed to be **0.8%** higher than CPI, based on the September 2025 delta.
- 13 The Council currently has contracts with the CCS for the supply of its electricity and gas. The CCS has advised that they forecast a reduction in electric costs of **7.9%** for 2026/27 whilst for gas, they forecast a reduction of **16.3%**. For future years, CPI has been assumed..
- 14 Should all of the inflation indices used in 2026/27 move by 1%, this would have an approximate direct impact (either adverse or adverse depending on the direction of the movement) of **£16,000** in 2026/27. This is because whilst a number of contracts would move by the new inflation amount, there would also be changes to fees and charges made by the Council, mitigating some of the impact.
- 15 Additionally, there will be an indirect impact of inflation which arises on individual quotes for works not covered by existing contracts. For example, if a repair is required and costs £100 in 2025/26, a similar repair might cost £105 in 2026/27. Because this is not contractual inflation it is not possible to model the impact, but it is not expected to be material to any one budget line..

Government Funding

- 16 Like all councils, Government funding is relied on to get to a balanced budget position. Funding comes from a variety of different schemes, some of which are ringfenced and to be spent on specific purposes and some of which are general grants with no specific requirements.
- 17 The Provisional Local Government Finance Settlement was issued on 17 December 2025, with the final settlement expected during the first week of February (and after this document has been finalised). Until the final settlement is published, there is a risk that any or all numbers included within the settlement could change although historically any changes have been minor and usually to the benefit of the Council.
- 18 The settlement is now a three-year settlement rather than just one-year as seen in the past. This helps provide certainty and assist with planning within the budget. It does however also mean that funding from the government is relatively static over the period and therefore increases to the Council's Core Spending Power are primarily driven by assumed increases in Council Tax.
- 19 Within the settlement, a number of previous grants have been rolled into the Revenue Support Grant (RSG). The RSG also takes into account the previous s31 grants the Council received in respect of business rate reliefs. The settlement has confirmed the RSG will be **£3.0m** per year.
- 20 In total, the Council's Core Spending Power is forecast to increase from **£14.9m** in 2025/26 to **£15.5m** in 2026/27. Part of this is an assumed amount of income derived from business rates which are the subject of the biggest changes in years. Reliefs are removed, with new 'multipliers' in place depending on size of property and sector the company operates within. Additionally, there is a new ratings list with all properties revalued by the Valuation Office Agency. At time of finalising this document the Council (like many others nationally) is awaiting a software update to its revenues system be able to accurately calculate the expected business rates and therefore the figures used are the Government's estimates.
- 21 A new and additional funding item for 2025/26 was the Extended Producer Responsibility (EPR) grant. EPR has resulted in the Government placing a levy on businesses who produce and use packaging with the aim of ensuring the full net costs of managing packaging waste sit with those creating it.
- 22 Given the uncertainty around this funding being received on an ongoing basis, it was assumed for 2025/26 only. However, the Council now has more clarity from government on this funding and has received provisional notification of **£848,000** for 2026/27, with an assumption made that it will reduce to **£820,000** in 2027/28 and by a further **£20,000** each year thereafter (on the

assumption that businesses paying the levy seek ways to reduce waste and therefore the levy payable).

Council Tax

- 23 The most significant element of funding for the Council comes from Council Tax. Council Tax income in 2026/27 is forecast to be **£9.4m**, including an assumption that Council Tax is increased by **2.98%**. It is also assumed that Council Tax is increased by the maximum permissible percentage in future years without needing a local referendum (i.e. no more than 3%) which also means increases of **2.98%** in 2027/28, 2028/29 and 2029/30. These percentages ensure that band D Council Tax is set at a figure divisible by nine – crucial in calculating the Council Tax for other bands.
- 24 The value of the **2.98%** increase in 2026/27 is **£273k**, with assumed increases in future years being similar values.
- 25 Another assumption linked to Council Tax income is the number of properties that will be paying Council Tax, known as the tax base and expressed as band D equivalents. As covered in Section 3 of this report, the tax base after allowing for the collection rate is **31,610** band D equivalent properties in 2026/27 (compared with **31,257** in 2024/25) which is a year-on-year net increase of **352** band D equivalent properties.
- 26 For future years, the tax base is assumed to grow at **0.75%** before adjustments for discounts, exemptions and collection rate. This is slightly higher than the national average in 2025 of **0.6%** published by MHCLG on 6 November 2025 which itself was lower than the 2024 figure of 0.8%. The growth of **0.75%** equates to **£73k** in 2027/28. A difference of 0.25% in growth would lead to an impact of **£25k**. It is possible that if the Castle Point Plan is approved for adoption during 2026/27 this could give a boost to housebuilding and therefore increase the tax base further, but no assumption has been made in this regard.
- ### **Capital Programme**
- 27 Within the proposed capital programme, there are schemes assumed to take place in future years, as well as schemes expected to happen during 2026/27 but only upon a business case receiving approval. This includes two significant schemes linked to temporary accommodation.
- 28 These schemes total £8.4m in 2026/27 and £12m in 2027/28, with associated assumptions around borrowing costs, Minimum Revenue Provision and revenue savings for temporary accommodation. If one or both of the schemes do not progress, this will lead to revenue pressures in 2028/29 and 2029/30 for which alternative savings will be required to be found.

5 Collection Fund

Collection fund balance

- 1 An estimate must be made of the balance on the Council Tax and Business Rates Collection Funds as at 31 March 2026. This is a statutory calculation that has to be made by 15 January for Council Tax and 31 January for NNDR.

Council tax collection fund

- 2 The surplus or deficit relating to Council Tax is shared between this Council, Essex County Council, Essex PFCC Fire & Rescue Authority and Essex PFCC Policing and Community Safety. These adjustments are subtracted from or added to the amount to be raised from Council Tax for the forthcoming financial year and do not form part of the budget requirement.

Business rates collection fund

- 3 Any surplus or deficit relating to NNDR is shared between this Council, Essex County Council, Essex PFCC Fire & Rescue Authority and Central Government. These adjustments are subtracted from or added to the amount to be raised from Council Tax and do not form part of the budget requirement.
- 4 A surplus or deficit balance on the NNDR Collection Fund may be caused by changes in a number of factors during the course of a financial year including new business premises, the outcome of rating appeals and changes in the total value of discretionary or mandatory reliefs granted compared to original estimates.

6 Reserves & Contingencies

- 1 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to take into account the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 2 Under Section 25 of the Local Government Act 2003, the Council's Chief Financial (s151) Officer is required to report to the Council on the adequacy of the proposed financial reserves and to ensure that there are clear protocols for their establishment and use. The report of the s151 Officer is shown at paragraphs 4 to 25 below and has regard to the Guidance Note on Local Authority Reserves and Balances, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in June 2015. The Council must have regard to this report when making decisions on the Council Tax requirement calculation.
- 3 Reserves can be held for three main purposes:
 - a) General reserves: to meet the potential cost of emergencies or unexpected events, including a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
 - b) A contingency: to meet the costs of events that are possible, but whose occurrence is not certain - this also forms part of general reserves.
 - c) Earmarked reserves: to meet known or predicted risks and liabilities, and potentially extending beyond a single financial year.

Proposed level of the General Reserve

- 4 For 2026/27, General reserves are calculated as follows:

Table 6.1 General Reserves		£000s
Actual balance 1 April 2025		5,172
Forecast net movement during 2025/26		(355)
Forecast balance at 1 April 2026		4,817
Net potential movement planned during 2026/27		(250)
Forecast balance at 31 March 2027		4,567

- 5 The estimated balance on reserves at the end of 2026/27 represents 28% of the Council's net budget before funding and revenue contributions to capital for that year. Without context this level of reserves could appear to be high, however there are a number of risks and unknown factors which could affect the balance in the reserve.
- 6 Use of reserves on an ongoing basis to support day to day expenditure is not good practice and it is the Council's intention to identify savings / cost reductions / additional income to fully close each year's budget gap without relying on the use of reserves. Whilst the future years are currently balanced, it remains a risk that future changes result in the budgets no longer being balanced and savings will need to be identified.

Adequacy of reserves

- 9 There is no universally valid formula for calculating an adequate level of reserves – the relevant factors can only be assessed properly at a local level. The assessment of local factors should take account of the strategic, operational and financial risks facing the Council. This report considers these under the following headings:

- Corporate issues
- Budget assumptions
- Financial standing and management
- Other local factors of significance

Adequacy of reserves – corporate issues

10 The Council maintains a Corporate Risk Register and updates are regularly reported to the Audit and Governance Committee. The process includes the identification and management of strategic and operational risks. Risk management is a key governance process as set out in the Local Code of Corporate Governance.

11 In terms of financial risks, the most significant at the current time are:

1. Non-compliance with health and safety policy and practice which, if it results in serious injury or death, could result in a significant fine.
2. Failure to maintain and manage housing stock, leading to assets falling into disrepair and consequently needing significant investment to get back to a suitable standard.
3. System vulnerabilities and lack of robust cyber incident management processes, meaning if there was to be a cyber-attack the impact could be significant and carry high financial cost.
4. Increase in the number of people presenting as homeless or at risk of homelessness, leading to significantly increased demand for expensive temporary accommodation, exacerbated by decreasing supply in the private rental sector.

Adequacy of reserves – financial standing and management

12 This is considered in the following table:

Table 6.2 Adequacy of reserves - financial standing and management
<p>Overall financial standing</p> <p>The Council has no difficulty in meeting the key indicator of prudence in relation to capital borrowing, with the only General Fund external borrowing being linked to the Knightswick shopping centre and the purchase of the new vehicle workshop (with an expectation for additional new external borrowing in the delivery of the capital programme). Local tax collection rates have been reviewed and are satisfactory.</p> <p>Record of budgeting and financial management</p> <p>In-year monitoring of the financial position demonstrates a forecast overspend in 2025/26, caused predominately by temporary accommodation pressures. An increase in the budget from 2026/27 onwards has been factored into the MTFs whilst two capital schemes in the proposed capital programme seek to deliver longer term partial mitigation.</p> <p>Capacity to manage in-year budget pressures</p> <p>The Council has a good record of maintaining financial and budgetary discipline. A scheme of virement allowing resources to be reallocated within approved parameters helps maintain budgetary control. The Council’s Financial Regulations include flexibility to carry unspent budget into subsequent financial years in order to avoid unnecessary spend at year end.</p> <p>Strength of financial information and reporting arrangements</p> <p>All budget holders have access to a real time financial management system that shows cumulative expenditure (including commitments) and income against profiled budgets. Cabinet is responsible for monitoring the effectiveness of budgetary control and Cabinet Members receive regular reports of forecast variances. These reports provide Members with clear and concise information that has been informed by risk assessment and operational activity.</p>

13 Adequacy of reserves – budget assumptions

These are considered in the following table:

Table 6.3 Adequacy of reserves – budget assumptions

Estimate of the level and timing of capital receipts

Assumptions of new capital receipts are limited to, and based on, the current annual number of Council House sales under Right to Buy provisions.

Sensitivity of budget assumptions

The assumptions on which the financial forecast is based are sensitive to changes in factors outside the Council's influence. During the budget process the sensitivities of these assumptions are considered before determining the budget values to be adopted.

Treatment of demand led pressures

Many of the Council's revenue income streams are sensitive to changes in market conditions and therefore there will always be a risk that budgeted targets are not met. These include fees and charges for planning, building control, land charges and leisure services, recycling revenue streams and car parking income.

Estimates have been based on the latest available predictions with adjustment, where necessary, to take account of known factors that might cause changes in demand. This is a tried and tested approach.

Adequacy of provisions

Provisions for bad and doubtful debts have been calculated in accordance with CIPFA guidelines. This is a tried and tested approach.

The provision for the value of potentially successful rating valuation appeals in relation to business rates is significant. There are numerous variations to methodologies for calculating this provision and the Council has adopted a prudent approach, informed where possible by historic information. Progression of appeals is slow and there is limited information available on which to base estimates of the likely impact of successful appeals, so the Council has adopted methodology provided by MHCLG and has reviewed this with its advisors LG Futures.

Treatment of inflation and interest rates

The detailed budget includes provision for a **3.2%** pay increase for 2026/27 and **3.0%** for subsequent years. A vacancy factor of **1.5%** has also been included in the estimates to reflect the vacancy periods during which salary costs are not incurred. There is a risk that the 2026/27 pay award ultimately agreed with unions is higher than budgeted.

Budget holders have been asked to take account of known or expected increases in the prices of goods and services, including where contracts the Council has include inflationary increases. This is a tried and tested approach.

All the Council's external debt is currently at fixed interest rates which allows for more certainty in interest costs. The estimated level of investment income generated is based upon investments placed with institutions in accordance with the Council's Investment Strategy, as detailed in section 10.

Where cost increases are linked to the RPI or CPI, future year's increases are based on future RPI or CPI predictions provided by the Bank of England.

14 Adequacy of reserves – other local factors of significance

These are considered in the following table:

Table 6.4 Adequacy of reserves – other local factors of significance

Pension Fund revaluation

The Council is obliged by statute to offer its employees membership of the Local Government Pension Scheme (administered by Essex County Council). The scheme changed from a final salary to a career average scheme in 2014/15 and offers members a defined benefit funded by employee and employer contributions. Every three years an actuarial valuation takes place which determines the Council's contributions for current employees and a deficiency payment to make good any estimated shortfalls in the fund's assets measured against its expected liabilities.

The actuary undertook a valuation of the Pension Fund as at 31 March 2025 which indicated a funding level of **110.6%** and allows for a decrease in the employer's contribution rate from **21.9%** to **18.8%** to try and ensure a long term balanced position whilst reducing the financial pressure on the Council. There is also an objective of alignment with other Essex councils due to LGR. The implications included within the Council's MTFs are based on the recommendations of the pension fund which take effect from April 2026.

Potential for withdrawal of external or third-party revenue income

The financial forecast currently assumes the continuation of certain revenue streams from external organisations or third parties. It is possible that one or more of these revenue streams may be lost. Additionally, it is the Council's strategy to increase utilisation of its assets and gain additional income, increasing the likelihood of this risk occurring. **It is therefore recommended that when assessing the minimum level of reserves a sum of £200,000 is included in the calculations (paragraph 15 below).**

Potential for incurrence of legal costs

There is potential for the Council to incur costs in relation to legal challenges including employment tribunals, equal pay claims, planning appeals and uninsured losses. Some budget provision for legal fees associated with protecting the greenbelt has already been made, but may prove to be insufficient. **It is recommended that when assessing the minimum level of reserves a sum of £250,000 is included in the calculations (paragraph 15 below).**

Potential for cost fluctuations in relation to service contracts

A significant element of the Council's annual spend is transacted through contracts with other organisations. Fluctuations in markets (e.g. recycling), changes in legislation (e.g. new living wage) and other external events (e.g. high inflation) can have a direct impact on the delivery costs of these contracts, necessitating an increase in the charge made to the Council. These changes are unpredictable.

The Consumer Prices Index remains higher than the Bank of England target of **2%**. The rate is predicted to fall during the new financial year before gradually reducing towards the **2%** target. The Council applies different inflation rates to different cost categories but there is potential for fluctuating inflation rates to have a more significant impact on contracted costs than has been determined as part of the current budget process.

As the Council tenders contracts during the year, it is possible that pricing will exceed existing budget provision. Whilst budgets have been inflated where contracts set out an inflationary element, many contracts cover a multi-year period at a fixed price. Where possible, estimates have been made of any additional cost on retender but there is a risk that prices received are significantly higher than expected. **It is recommended that when assessing the minimum level of reserves a sum of £250,000 is included in the calculations (paragraph 15 below).**

Table 6.4 Adequacy of reserves – other local factors of significance (continued)

Potential for District / Borough Councils to “step into” the void left by other public organisations

The combined pressure of reductions in funding and the increasing financial impact of welfare services and reforms on public organisations are significant. These organisations are striving to reduce their costs which may result in the discontinuation or reduction in some services to the public, an example being ECC's decision to cease funding the Highways Rangers.

Consequently, there may be political pressure or public expectation that the District/Borough Councils will take on these discontinued functions.

Often, the organisation is much larger than the District / Borough Council and has undertaken its own review of functions and services, resulting in the displacement of those which it has determined to be lower priority.

The Council must continue to be mindful of its own financial position. Assuming delivery of additional and unfunded functions, particularly where the District / Borough Councils have no legal responsibility for delivery, will worsen the Council's own financial position and be difficult to relinquish later.

VAT – Partial Exemption

The Council currently takes full advantage of the VAT concession in respect of recovering input tax relating to VAT exempt activities, available to local authorities under the VAT Act 1994. The concession is only available provided this input tax remains below **5%** of VAT on all expenditure.

Increased investment in the Council's assets, such as refurbishment of facilities, may result in the VAT partial exemption limit being exceeded. If this is the case, under normal circumstances, it is estimated that additional VAT would become payable to HM Revenue and Customs. A review of the Council's VAT position is undertaken annually. **It is recommended that when assessing the minimum level of reserves a sum of £500,000 is included in the calculations (paragraph 15 below).**

Impact of Welfare Reforms & Universal Credit on demand for Council Services

A number of reforms (such as the introduction of Dependant Child Limitation rules, the Housing Benefit Cap, and the Spare Room Subsidy Limitations) have been introduced in recent years and continue to impact households across the borough. However, the removal of the two child benefit cap from April 2026 is expected to provide a boost to the financial position of larger families who rely on benefits.

The transfer of elements of legacy Housing Benefit Claims to Universal Credit continues with migration underway. The Council continues to work closely with Third Sector partners to mitigate the impacts of this transition.

Nationally, proposed changes in legislation impacting the private rented sector has seen a number of landlords sell properties, causing increases in the number of people who are experiencing homelessness. With 100% occupation of its own available housing stock, ongoing changes in the private rented sector, and the continuing low rate Housing Benefit Cap, the Council continues to experience difficulty in finding suitable family sized temporary/permanent accommodation. The impact in recent years of the wider economic context brings further service demands with the cumulation and management of rent arrears and debt management provision. It is not therefore possible to predict the full direct or indirect impact of these and other welfare changes on demand for Council Services, particularly Housing and Benefit advice longer term. **It is recommended that when assessing the minimum level of reserves a sum of £250,000 is included in the calculations (paragraph 15 below).**

Table 6.4 Adequacy of reserves – other local factors of significance (continued)**Economic volatility**

With the cost of living crisis, the wars in Ukraine and the Middle East, changes in Government and its fiscal policies amongst other factors, there has been and continues to be a degree of economic and geopolitical volatility. The Council has experienced significant impacts, most notably inflation on pay and contracts. Indications are, however, things are stabilising and we've seen some costs come down.

In recent years, the Council has been able to benefit as interest receivable, driven by increases in the Bank of England base rate, has significantly increased and assisted with reducing the budget gap. However, the expectation is for the rate to drop and there is a risk it will reduce quicker than economists currently project.

It is recommended that when assessing the minimum level of reserves a sum of £100,000 is included in the calculations (paragraph 15 below).

Devolution and Local Government Reorganisation

Whilst allowance has been made within the MTFS of **£250,000** in 2026/27 and **£500,000** in 2027/28 for LGR, significant uncertainty remains regarding the actual costs likely to be incurred.

An additional risk is that LGR drives changes in requirements when contracting with third parties. As details and timelines become known and confirmed, the Council may find itself in the position of agreeing shorter term contracts or contract extensions so as to not enter into long term arrangements that will outlive the Council by too many years. These shorter term arrangements may come at a higher annual cost than longer term contracts.

It is recommended that when assessing the minimum level of reserves a sum of £250,000 is included in the calculations (paragraph 15 below).

General contingency

The Council holds only a limited budgeted contingency so it is sensible to include a further allowance in the minimum level of reserves calculation. This does mean that the likelihood of the general reserve being used during the year is increased and will be done so in accordance with the Council's Financial Regulations. This differs from the 5% allowance referred to in paragraph 19 which provides allowance for exceptional and significant events rather than providing allowing for activities undertaken in the normal course of business.

It is recommended that when assessing the minimum level of reserves a sum of £100,000 is included in the calculations (paragraph 15 below).

Adequacy of reserves – conclusions

15 Having evaluated all the above factors, including the sensitivity of key budget assumptions, the s151 Officer considers that the following are significant factors that should be taken into account when assessing the minimum level of general reserves:

- a) Potential for withdrawal of external or third party revenue income (**£200,000**)
- b) Potential for incurrence of legal costs (**£250,000**)
- c) Potential for cost fluctuations in major contracts (**£250,000**)
- d) VAT – Partial Exemption (**£500,000**)
- e) Impact of Welfare Reforms on demand for Council Services (**£250,000**)
- f) Impact of economic volatility (**£100,000**)
- g) Devolution and LGR (**£250,000**)
- h) General Contingency (**£100,000**)

- 16 These factors would not be reflected in any formula approach such as the benchmark reported at point 19 below. It is the s151 Officer’s view that, taking into account the combined value of the items identified above, plus an additional **5%** of operating expenditure (see below), an appropriate minimum level of reserves is approximately **£3.1m**.
- 17 Although this report on adequacy of reserves is specific to 2026/27, the Council should bear in mind that adequacy should also be judged against longer-term plans.
- 18 Whilst it would not be sustainable or feasible for the Council to rely on the use of the general reserve on an ongoing basis to balance its budget, it may apply reserves as part of a short-term strategy to manage, for example, one-off costs or a period of transition during which efficiency savings are identified to provide a longer-term solution. The Council’s working policy is to earmark funds to manage specific risks once the likelihood of that those risks materialising increases to a tangible level.

Comparison with external benchmarks

- 19 The only previously known external benchmark for adequacy of reserves was the standard that used to be included in the criteria for auditor scored judgements on Financial Standing, this formed part of the Comprehensive Performance Assessment made by the Audit Commission. This was stated as **5%** of net operating expenditure, weighted by reference to government limits for meeting emergency expenditure. For Castle Point, this calculates at **£1.167m** for 2026/27.
- 20 A comparison of the above benchmark with the s151 Officer’s assessment and the Council’s target is therefore:

Table 6.5 Adequacy of reserves		£000s
Castle Point (Target)		3,067
Audit Commission (Benchmark)		1,167

- 21 The s151 Officer considers that due to the local factors described in table 6.4 are resolved it is prudent for the Council to maintain a level of reserves in excess of the minimum recommended level.

Exclusions

- 22 This opinion does not allow for the impact arising from unknown future changes in Government policy or the introduction of new legislation.

If, however, the circumstances surrounding any of the issues identified above change significantly, a report setting out the financial implications to the Council will be made at the next available opportunity.

Earmarked Reserves

- 23 Some reserves have been earmarked for known or predicted liabilities. Individual earmarked reserves of a significant value are supported by detailed spending forecasts and may span several financial years. The following provides a short commentary on the key reserves held by the Council.

- **Spend to Save Initiatives**

A reserve of **£100,000** intended to enable the Council to establish a scheme of self-insurance was established during the 2013/14 financial year. The scope was extended as part of the 2016/17 budget process to provide a fund for “pump-priming” initiatives which would deliver an ongoing reduction in costs and / or increased revenue to the Council. Each initiative will be supported by a specific business case. As savings from initiatives are generated, the reserve is replenished up to the value of the original investment ensuring that funds are continuously recycled for new initiatives. The balance on this reserve at the start of the 2026/27 financial year is forecast to be **£228,000**.

- **Planning - Local Development Scheme & Local Plan**

The delivery of the programme set out in the Council's Local Development Scheme has considerable staffing and financial resource implications. Full Council approved the creation of the Castle Point Plan in November 2022 and this reserve is anticipated to be utilised to meet the costs of this.

- **Planning – Joint Strategic Plan**

A reserve created during the 2019/20 budget setting process for costs in relation to development of a Joint Strategic Plan with Brentwood, Rochford, Southend, Thurrock, Basildon and Essex County Council. This reserve is no longer deemed to be necessary and therefore the balance of **£110,000** will be released.

- **Local Council Tax Support**

A reserve established at the end of 2013/14 from underspends on the Castle Point element of the local scheme grant, intended to fund future scheme variances and / or hardship cases over and above existing revenue budget provision. A review of utilisation in recent years and planned utilisation in future years has determined that this reserve is likely higher than required. Consequently **£200,000** will be released.

- **Non Domestic Rates Equalisation**

A reserve intended to safeguard the Council from fluctuations in business rates income and the impact of potential levy payments and successful business rate appeals.

This reserve was originally established from s31 grants awarded to the Council to offset the financial impact of policy changes introduced by central government which resulted in discounts in business rates to eligible businesses. Ordinarily these grants may have been applied directly into the General Fund, but many councils chose to set them aside given the continuous uncertainty of business rates.

Whilst there are significant changes commencing 1 April 2026, a review of utilisation in recent years and planned utilisation in future years has determined that this reserve is likely higher than required. Consequently **£200,000** will be released.

- **Future Asset Maintenance**

The Council commissions stock condition surveys on a five year cycle for all buildings in order to identify future works, and inform financial and resource plans across the lifetime of the financial forecast. All works are subject to competitive tender in line with the Council's procurement rules.

The purpose of this earmarked reserve is to fund and manage year on year variances in the cost of works to premises operated by the Council. The Council maintains two separate primary divisions of this reserve, one for Planned and Preventive Maintenance (PPM) for general properties and one specifically for the two leisure centres. The second division also allows for non-building costs such as periodic replacement of fitness suite equipment.

There are also two much smaller separate elements of this reserve for car parks and playgrounds, to be applied towards future works as required.

These reserves are used for planned works intended to maintain the structure and usability of the Council's assets and are not for reactive works which are budgeted for directly within service budgets.

A review of utilisation in recent years and planned utilisation in future years of the main general properties maintenance reserve has determined that this reserve is likely higher than required. Consequently **£250,000** will be released.

- **Pension Deficit Payment**

To enable the Council to take advantage of significant financial incentives offered by the Essex Pension Fund, payment of three years' deficit contributions is made in one lump sum in advance, rather than paying amounts monthly or annually. This reserve was partly applied in 2020/21 for the scheduled advance payment in that year. Funds were accumulated in advance of the anticipated payment in 2023/24 but the valuation demonstrated a funding level of **106.3%** meaning no deficit payment is required. Following the most recent valuation, the funding level has increased to **110.6%**. Therefore, it remains the case that no deficit payment is required nor will be in the remaining life of the Council.

In light of this, it has been determined that this reserve is likely higher than required. Consequently **£1.5m** will be released.

- **Service Improvement Reserve**

A reserve established from accumulated unspent revenue budget and savings generated through service reviews and initiatives and small value miscellaneous government grants.

This fund may be used to deliver improvements to services and / or "unlock" ongoing revenue savings. Costs which could be funded through this reserve include costs of engaging consultants to support initiatives, staff settlement and redundancy costs arising through reorganisation and other one-off costs necessary to deliver improvements to service delivery.

- **Revenue Grants Unspent / New Burdens Funding**

The Council receives grants from central government and other organisations, for specific purposes. Where this grant funding is not spent during the course of the year that it is received in, and in order to preserve it for future use, it is held in an earmarked reserve.

- **IT Reserve**

Funding set aside annually for investment in ICT related projects and infrastructure across Council services – to facilitate new ways of working, improved customer experience and keep up to date with new technology.

The reserve includes ongoing expected commitments for the lifetime of the financial forecast as part of various planned ICT replacement and enhancement programmes and is supported by a detailed financial plan up to and including the financial year 2031/32.

A review of utilisation in recent years and planned utilisation in future years has determined that this reserve is likely higher than required. Consequently **£250,000** will be released.

- **Waste Reserve**

Formally the co-mingled waste contract reserve and held to cover risks on what was a volatile contract, it's scope was expanded to cover wider reforms of the waste and recycling service. The **£802,000** Extended Producer Responsibility grant received in 2025/26 was held in this reserve pending finalisation of reforms. This grant funding will be utilised in 2026/27 to part fund the vehicle replacement capital scheme.

- **Carbon Reduction**

A new reserve created in 2023/24, its purpose is to fund projects which aim to reduce the Council's carbon footprint which may therefore reduce energy usage and subsequently costs. It may also be utilised to fund the gap between traditional and green options, for example covering the additional cost of purchasing electric vehicles compared to the cost of internal combustion engine vehicles.

A Climate Action Plan was agreed by Cabinet during 2025/26 which identified projects which will be delivered, funded by this reserve, in 2026/27 and 2027/28.

- **Knightswick Shopping Centre**

A reserve introduced during the budget setting process for 2020/21 to hold accumulated annual surpluses, after settlement of debt management and operational expenditure in relation to the Knightswick Centre. From 2025/26 onwards, it was agreed that contributions will no longer be made to this reserve. The reserve will be used to fund capital improvements at the centre during 2026/27.

- **Interest Smoothing Reserve**

A new reserve established at the end of 2023/24, funded by interest received that was in excess of the budgeted interest. The purpose of the reserve is to smooth the impact of reducing interest rates in the MTFS period.

24 Table 6.6 on the following page provides the detail of forecast movements on General Fund earmarked reserves.

25 In addition to General Fund reserves, the Council holds reserves in respect of the Housing Revenue Account (HRA), including the following earmarked reserve:

- **Housing Revenue Account (HRA) Loan Repayments**

Funds set aside from the HRA for the repayment of debt taken out by the Council as part of the refinancing of the HRA.

- **Housing Revenue Account (HRA) Major Repairs Reserve**

Funds set aside from the HRA for the financing of the HRA capital programme.

The HRA budget is detailed within a separate report to Cabinet in February 2026.

Earmarked Reserves	Opening £000s	2026/27 £000s	Movements			Closing £000s
			2027/28 £000s	2028/29 £000s	2029/30 £000s	
NNDR Equalisation	1,400	(200)	-	-	-	1,200
LCTS & Council Tax	1,168	(200)	-	-	-	968
MMI insurance liability	348	-	-	-	-	348
Spend to Save Initiatives	228	(97)	95	-	-	225
Service Improvement	476	-	-	-	-	476
Partnerships and LSP	6	(6)	-	-	-	-
Community Safety	8	(8)	-	-	-	-
Public Health	36	-	-	-	-	36
New Burdens, etc (General)	85	-	-	-	-	85
New Burdens, etc (Housing)	262	-	-	-	-	262
Elections	55	50	50	(150)	50	55
Elections - succession training	2	-	-	-	-	2
Benefits	373	(50)	(50)	(50)	(50)	173
Homelessness repossession fund	0	-	-	-	-	0
Pension Provisions	2,038	(1,500)	-	-	-	538
Car parks	181	(181)	-	-	-	-
Playgrounds & Skate Park	117	-	-	-	-	117
Main PPM Reserve	1,582	27	(258)	(262)	(556)	532
Leisure Centres PPM	853	(42)	(182)	(142)	(92)	394
Foreshore	9	-	-	-	-	9
Halls	28	-	-	-	-	28
Vehicle replacements	313	(313)	-	-	-	-
Interest Smoothing	695	(290)	(226)	-	(180)	-
Hadleigh "Island site" Regeneration	58	-	-	-	-	58
Knightswick	2,267	(1,977)	(45)	-	-	245
Castle Point Plan	668	(600)	-	-	-	68
Planning Performance Agreements	63	-	-	-	-	63
Community Infrastructure Levy (CIL)	229	(200)	-	-	-	29
Joint Strategic Plan	110	(110)	-	-	-	-
ICT	1,788	(984)	(253)	(130)	(327)	94
Refuse & Recycling	1,012	(800)	-	-	-	212
Env Initiatives & Highways Improvement	20	-	-	-	-	20
Carbon Reduction	545	(311)	(170)	-	-	64
Total Earmarked Reserves	17,022	(7,791)	(1,040)	(734)	(1,155)	6,302

This table reconciles to rows 6 and 9 of the MTFs (table 2.2)

7 Fees and Charges Policy

Introduction

- 1 There are clear links between the Council's policy on charging and commercialism. For Castle Point, commercialism includes not only maintaining a focus on raising and maintaining additional revenue but establishing greater financial awareness in terms of our costs, how those costs interact with and affect the associated income generated, and smarter ways of working in order to reduce those costs.
- 2 The Council's charging policy sets out the key principles and processes it intends to follow when setting fees and charges for services and applies to all fees and charges except for:
 - Services which have charges set by statutory legislation.
 - Services which are prohibited by statutory legislation from raising any charges.
 - General rental income and lease / licence income.
 - Income from housing rents.
- 3 The Council's Constitution provides the majority of services with the authority to set their own fees and charges in accordance with existing policy.
- 4 Section 93 of the Local Government Act 2003 provides local authorities with the power to charge for discretionary services, provided they are not covered or prohibited by other statutory legislation and provided the services in question do not make a profit from charging.
- 5 The Council published an updated commercialism strategy during 2025/26 and this may be found on the Council's website (<https://www.castlepoint.gov.uk/council-strategies-and-policies>).

Income generation principles

- 6 Charges should be set at a level to maximise income generation. Departments should aim to set charges so that at the expected level of usage, the income generated from a service recovers the full cost of providing the service. However, charges should not be set at a prohibitively high level that would adversely affect usage, e.g. by making the Council uncompetitive.
- 7 Full cost consists of:
 - The direct cost of running the service, i.e. staffing, property and vehicle costs, equipment, etc.
 - The indirect cost of running the service i.e. recharged costs from central and other support departments and capital charges, such as depreciation.
- 8 Charges set below full cost recovery levels should be fully justifiable in terms of meeting Council priorities or subject to confirmation by the s151 Officer, as they result in the net cost of that particular service being subsidised by the Council as a whole.

Annual process

- 9 As part of the annual budget setting process, budget holders are required to confirm, as a minimum, the following information:
 - The rate by which charges will be inflated for the forthcoming financial year. The s151 officer has determined that the default rate will be the rate of September CPI as used elsewhere within the budget.
 - Any changes in activity and / or usage and the expected impact on the income budget.
 - Any other changes which could have an impact on the income budget.
 - Proposals for any services which are currently provided free of charge for which a charge could be raised.

- 10 Using this information, and by analysis of income received during the previous financial year and to date in the current financial year, Financial Services will calculate a draft forecast budgets for the coming three years.

Publication and communication

- 11 Each directorate is responsible for the establishment of a schedule of charges for the chargeable services within their jurisdiction, as well as communication of charges direct to users as appropriate. A single schedule of all charges is published on the Council's website.

Variations in standard fees

- 12 Budget holders may decide that on occasion there is enough rationale for providing variations on standard charges to individuals or classes of users, for example discounts on bulk bookings and off-peak discounts.

- 13 Variations should only be considered provided they are also consistent with Council priorities and service aims, for example, making concessions available to other local organisations who contribute to meeting Council objectives or improving utilisation of assets which would otherwise be sat unused for the desired hire period. Additionally, they should be backed by an operating procedure which sets out how this policy will be implemented fairly and consistently.

Periodic full review of charges

- 14 As well as the annual processes described above, a more in-depth review of fees and charges is undertaken at least once every three years.

- 15 This review aims to ensure charges are consistent with Council priorities and service aims, market and customer intelligence, and to justify any subsidy made by the Council as a whole to that service. The outcome of, and any changes arising from, the three-yearly formal reviews are to be approved by the s151 Officer. A review took place during 2024/25 with the outcomes incorporated into the MTFS for 2025/26 onwards. The next review is due to take place during 2027/28 (subject to any LGR implications).

The case for financial self-sufficiency

- 16 Traditionally local government has been dependent on two main sources of funding in order to deliver services: Council Tax and central government funding. Restrictions on the ability to raise local taxation, and a reluctance to charge full cost for discretionary services, has historically led to dependence on central government funding. Now that government funding has diminished, greater emphasis is placed on locally raised revenue streams such as service specific fees and charges and charges for discretionary functions.

- 17 Such is the importance of income from fees and charges, it is important that they are kept under review and are revised in the event of significant or expected changes in the cost base. Where it is identified that any fee or charge is not at the appropriate level, plans will be put in place to amend as required.

8 Capital Strategy

- 1 The Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made and considers risk, reward and impact on the achievement of priority outcomes. The strategy is fully integrated with revenue planning and budgeting.
- 2 The strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services and shows how associated risk, including future financial sustainability, is managed.
- 3 Decisions around capital expenditure, investments, and borrowing align with the processes for the setting and revising of the budget for the Council, hence the Capital Strategy forms part of the overall MTFS. Subsequent sections in relation to Treasury Management and Investment are closely linked to the Capital Strategy and cover in detail the Council's approach to borrowing and investing.
- 4 In line with best practice guidance from CIPFA around the development of a whole organisation approach to the production of a capital strategy. The Leadership team are responsible for the identification of desired capital schemes within their respective areas for consideration within the context of the overall capital programme.

Asset management planning, maintenance and strategic use of the Council's asset base

- 5 As at 31 March 2025 the Council held assets valued at circa **£228m**, including:
 - Council Houses and garages: **£150m**
 - Land and buildings: **£67.4m**. Major assets include the Council offices, Waterside Farm and Runnymede Leisure Centres and the Knightswick Centre.
 - Assets let to other organisations and individuals (Investment Properties): **£1.2m**. These include the golf course on Canvey Island.

The above amounts represent the values used for capital accounting purposes, such as annual depreciation charges.

- 6 The Council regularly commissions condition surveys on all its building assets to inform work programmes, financial planning and corporate decision making. All works are provided for within the medium-term financial forecast.
- 7 Whilst assets are managed by relevant service areas, programmed works are overseen by a central Estates team who administer inspections, surveys, and commission planned works in line with procurement rules and procedures.
- 8 An Asset Review Board, comprised of Members and representation from relevant service areas, consider matters such as planned or potential asset disposals and when appropriate refer matters to Cabinet.
- 9 The Council's Asset Management Plan is updated every two years (updated version to be presented to March 2026 Cabinet) and provides an overarching framework for the management of the Council's corporate land and building assets. It is supported by a Commercial Strategy, which references maximising the return on the Council's building assets. Ensuring that assets are utilised to their full potential is a key principle of the Commercial Strategy.

Capital expenditure and the Council's approach to capital investment

- 10 Capital expenditure is expenditure that results in the provision or enhancement of assets such as land, buildings, plant and vehicles. This is subject to a de minimis limit whereby the Council will generally treat expenditure that is below **£10,000** as revenue expenditure.

- 11 The Council must comply with the provisions of part 1 of the Local Government Act 2003 relating to capital expenditure and borrowing controls. These require local authorities to determine and keep under review the amount of their affordable borrowing. Authorities must also have regard to the Prudential Code for Capital Finance in Local Authorities issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which became effective from 1 April 2004 and was most recently updated in 2021 as were the associated guidance notes also published by CIPFA.
- 12 The main issues affecting capital investment decisions are:
- The Council's capacity to borrow.
 - The availability of other capital resources, such as capital receipts and grants.
 - The management of debt, cash flows and investments.
- 13 The Council's strategy is to ensure that decisions on resource allocation are based on the corporate objectives and priorities, as detailed in the Council's Corporate Plan (available on the Council's website: <https://www.castlepoint.gov.uk/council-strategies-and-policies>) and reflect the views of residents and stakeholders.
- 14 New proposals will be evaluated in accordance with the requirements of the Prudential Code and with regard to the following criteria:
- Service objectives, e.g. strategic planning for the Council.
 - Stewardship of assets, e.g. asset management planning.
 - Value for money, e.g. option appraisal.
 - Prudence and sustainability, e.g. risks, whole life costing and implications for external debt.
 - Affordability, e.g. implications for long-term resources and ultimately the Council Tax (and Housing rents for the Housing Revenue Account).
 - Practicality, e.g. achievability of the forward plan.
 - Revenue cost and income impacts.
- This assessment is equally applicable to proposals which are self-financed or externally funded.
- 15 Different evaluation methods will be relevant for different proposals and will be undertaken as part of a comprehensive business case. These might include:
- Options appraisal, e.g. rebuild, improve or replace an existing asset.
 - Whole life costing, e.g. longer-term revenue impact.
 - Sensitivity analysis, e.g. impact of cost fluctuations on an overall project.
 - Effect of different borrowing options, e.g. duration and rate of interest.
 - Payback calculations, e.g. how long it takes to recoup the cost incurred.
 - Savings, e.g. scope to generate future savings or income.
- 16 Contingency allowances for unexpected costs or overruns that might occur will be assessed and included as appropriate, particularly for high value projects.
- 17 All capital expenditure will comply with the Council's procurement rules and thresholds.

Financing of capital expenditure

- 18 Each item included in the capital programme is assessed to determine how it is to be financed. The term "financing" refers to the resources that are applied to ensure that the full cost is dealt with absolutely, whether short or longer term. There are a number of ways in which capital expenditure can be funded, primarily as follows:
- External grant funding received from central government or other organisations.
 - Use of capital receipts from the sale of Council owned assets. These include receipts from Council Houses sold through the Right-to-Buy (RTB) process. Certain restrictions apply on the usage of RTB receipts – see later in this section.
 - Revenue contributions to capital expenditure – direct charges to revenue, in the General Fund and / or Housing Revenue Account, in the year that the capital expenditure takes place.

- Minimum Revenue Provision (MRP) - charges to revenue in subsequent years over the useful life of the asset. This is the outcome if none of the other above options apply - see later in this section for further information on MRP.
- Amortisation of Intangible Assets – charges to the in subsequent years over the useful life of the asset.

Capital programme monitoring

- 19 Budget monitoring of the Council’s capital programme is undertaken in the same manner during the year as that of the revenue budget, i.e. by officers from Financial Services in conjunction with the relevant budget holders for each item on the programme.
- 20 Variance reporting is made on a monthly basis to the Council’s Leadership Team and quarterly to Cabinet.
- 21 The Council’s Financial Regulations detail the procedures and authorisations required for dealing with capital programme cost variances, as well as the creation of new schemes.

Prudential Code for Capital Finance in Local Authorities

- 22 The Prudential Code includes statutory requirements for the manner in which capital spending plans are considered and approved, as well as requiring the Council to set and monitor a series of Prudential Indicators. These Prudential Indicators are set out over the following paragraphs.
- 23 The Council has a duty under Section 3 of the Local Government Act 2003 and supporting Regulations to determine and keep under review how much it can afford to borrow. The amount so determined is called the Affordable Borrowing Limit and the Council must have regard to the Prudential Code when setting this limit. This requirement is to ensure that total capital investment remains within sustainable limits and that the impact on future Council Tax and rent levels is acceptable.
- 24 The following paragraphs explain the Prudential Indicators that the Council should have regard to before agreeing capital spending plans for 2026/27. The Council must approve Prudential Indicators for the next three years – 2026/27 to 2028/29. These indicators are, however, calculated over years beyond those three to ensure that the capital strategy is sustainable over the longer term, and to align with the timeframes used for the MTFS and capital budgets.
- 25 The requirement of the CIPFA Code of Practice to bring leases currently classified as operating leases onto the Council’s Balance Sheet was brought in in 2024/25. This requirement does not change the costs to the Council of these lease arrangements, and have been factored into prudential indicators where relevant.
- 26 The Prudential Indicators are classified into two main groupings – indicators for “Affordability” and indicators for “Prudence”.
- Indicators for “Affordability” – The fundamental objective in the consideration of affordability of the Council’s capital programme is to ensure that the proposed level of investment in capital assets results in the total capital investment of the Council remaining within sustainable limits. In considering the affordability of the capital programme, the Council is required to consider all resources currently available to it as well as those estimated for the future, together with the total of its capital programme and income and expenditure forecasts.
 - Indicators for “Prudence” – The Council should ensure that all capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it should consider arrangements for the repayment of debt and consideration of risk and the impact on the Council’s overall fiscal sustainability.
- 27 Where applicable the Prudential Indicators are required to be calculated separately for the General Fund and Housing Revenue Account. Where relevant these indicators are calculated in line with assumptions in the HRA business plan which will be revisited periodically.

28 Prudential Indicators applicable to treasury management are shown in Section 9 of this report.

Prudential indicator (for prudence) – capital expenditure

29 Table 8.2 below shows the proposed capital programme totals. The detail of the HRA capital programme is found within the HRA report elsewhere on the February 2026 Cabinet meeting agenda.

Table 8.2 Capital expenditure	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 £000s
General Fund (GF)	2,873	23,538	17,234	2,614	369
Housing Revenue Account (HRA)	5,353	15,839	8,874	5,876	4,845
Total	8,226	39,377	26,108	8,490	5,214

30 The amounts shown for 2026/27 represent firm proposals for approval. Amounts shown for later years are indicative guidelines for financial planning and are subject to confirmation in each respective year’s budget process. The General Fund schemes are listed in the following table:

Table 8.3 Proposed GF Capital Programme	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 £000s		REVENUE £000s	GRANTS £000s	UNFUNDED £000s
Seafront Regeneration	219	-	-	-	-		-	219	-
Customer Relationship Management System	55	183	-	-	-		238	-	-
IT Rolling Programme	-	589	285	265	315		1,454	-	-
Disabled Facilities Grant	901	901	901	901	901		-	4,503	-
Runnymede Replacement Gym Equipment	50	-	-	50	-		100	-	-
WF Replacement Gym Equipment	-	-	190	-	-		190	-	-
Vehicle replacement programme	25	3,535	834	125	35		1,115	-	3,439
Roscommon Way New Workshop	1,692	771	-	-	-		-	-	2,463
Abbeyfield	150	829	-	-	-		-	218	761
Knightswick	-	1,977	45	-	-		2,022	-	-
Parks and Play Spaces Improvements	-	200	200	200	200		200	-	600
Paddocks - Stage and lighting	-	95	-	-	-		-	-	95
Paddocks - Climate Action - Windows	-	80	-	-	-		80	-	-
Paddocks - Fire Exit invest to save	-	-	100	-	-		-	-	100
Paddocks - New Kitchen/remodelling	-	-	50	-	-		-	-	50
Paddocks - Changing Places	-	-	60	-	-		-	-	60
Capitalised Planned Maintenance	-	458	1,799	473	34		-	-	2,765
Car park improvements	-	500	500	500	-		181	-	1,319
Paths	-	200	100	100	100		-	-	500
CCTV	-	1,032	-	-	-		-	1,032	-
Farmhouse Depot Remodelling	-	459	-	-	-		-	-	459
Climate Action - HVO infrastructure	-	161	-	-	-		-	161	-
Climate Action - Runnymede PVs	-	70	-	-	-		-	70	-
Climate Action - Waterside PVs	-	-	170	-	-		-	170	-
Solby House remodelling	-	200	-	-	-		-	-	200
Temporary Accommodation Scheme 1	-	4,300	12,000	-	-		-	-	16,300
Temporary Accommodation Scheme 2	-	4,100	-	-	-		-	-	4,100
Community Investment Fund	-	2,500	-	-	-		2,500	-	-
Temporary Accommodation Scheme 3	-	200	-	-	-		-	-	200
Temporary Accommodation Scheme 4	-	200	-	-	-		-	-	200
Total	2,873	23,538	17,234	2,614	1,585		8,079	6,154	33,611

31 These capital proposals constitute a capital plan that can be financed from revenue and capital resources and are therefore considered affordable. The position of Housing Revenue Account proposals is set out in a separate report to Cabinet.

Recurring and significant capital schemes

32 The capital programme has several items which recur in most years. These include:

- Disabled Facility Grant adaptations paid for by central government grant funding.
- The vehicle replacement programme. This primarily consists of refuse and recycling freighters, but also includes a number of smaller vehicles. Most vehicles are replaced every 7 or 8 years on a rolling basis although there has been a delay in replacing refuse freighters whilst changes to collection methods are considered. This has been reflected in the plan.
- The Housing Revenue Account programme for annual improvements to Council-owned properties, covering works such as central heating, double glazing, new kitchens and bathrooms, etc.

33 In addition one-off items may also be included in the capital programme from time to time as projects come forward or opportunities present themselves. Additions to the capital programme will be made in line with the Council's Financial Regulation and due consideration to capital finance costs will always be given.

34 A detailed breakdown of the HRA capital programme can be found in the Housing Revenue Account (HRA) – Rent Levels, Revenue Budget and Capital Plan report, approved by Cabinet each February.

Prudential Indicator (for prudence) – Capital Financing Requirement (CFR)

35 The Capital Financing Requirement is a measure of capital expenditure incurred historically by the Council that has yet to be financed by capital receipts, capital grants or contributions from revenue, and represents the Council's underlying need to borrow for a capital purpose. In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. At any point in time, the Council has a number of cash flows both positive and negative and manages its treasury position, in terms of borrowings and investments, in accordance with its approved treasury management strategy and practices.

36 The CFR will increase whenever the Council incurs capital expenditure that is not funded in the same year by grants, capital receipts or direct revenue contributions. The CFR will reduce when Minimum Revenue Provision (MRP) charges to revenue are applied in subsequent years.

37 If the Council takes out additional borrowing to pay for capital expenditure this also causes the CFR to increase. This is because borrowing does not finance capital expenditure. Instead it merely provides the cash to enable the expenditure to take place and, since the borrowing is required to be repaid at a later date, does not provide the resource.

38 There is no statutory limit on the amount of borrowing, however, the Council is required to demonstrate affordability of new capital proposals. This should include the annual principal and interest payments and ongoing revenue impact arising from new borrowing.

39 Within day-to-day cash management, no distinction can be made between revenue cash and capital cash. External borrowing can arise as a consequence of all the financial transactions of the Council and not simply those arising from capital spending.

40 Estimates of the end of year capital financing requirement for the Council for the current and future years are:

Table 8.4 Capital Financing Requirement (CFR)	2025/26 £000's	2026/17 £000's	2027/28 £000's	2028/29 £000's	2029/30 £000's
GF	18,368	31,087	44,607	43,502	41,281
HRA	26,866	40,366	47,266	50,366	52,366

- 41 The HRA requirement is based on an assumption that all external borrowing will be refinanced in the short term.
- 42 The Council's CFR, for both the General Fund and HRA, is mapped out beyond the timescale reported in the above table and currently extends to 31 March 2033.

Prudential Indicator (for prudence) – authorised limit for external debt

- 43 It is recommended that the Council approves the following authorised limits for total external debt gross of investments. They are based on the current actual position adjusted by changes to the Capital Financing Requirement, potential increases in additional borrowing, plus a **5%** allowance for risks, contingencies and cash flow.

Table 8.5 Authorised limit for external debt	2025/26 £000's	2026/27 £000's	2027/278 £000's	2028/29 £000's	2029/30 £000's
Borrowing	38,429	59,393	80,583	83,435	83,924
Other long-term Liabilities (finance leases)	0	5,000	5,000	5,000	5,000
Total limit	38,429	64,393	85,583	88,435	88,924

- 44 The authorised limit shown for 2026/27 will be the statutory limit determined under Section 3(1) of the Local Government Act 2003.
- 45 These limits separately identify borrowing from other long-term liabilities, such as finance leases. It is recommended in the accompanying report to approve the overall limit. Any breach of, or required increase in, the overall limit must be immediately reported to Council.
- 46 These authorised limits are consistent with the Council's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, as well as with its approved Treasury Management Policy Statement and practices. They are based on the estimate of most-likely prudent, but not worst-case scenario, with sufficient headroom to allow for operational management, for example unusual cash movements.

Prudential Indicator (for prudence) – operational boundary for external debt

- 47 Approval is also recommended for the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit, and reflects the estimated most-likely prudent, but not worst-case scenario.

Table 8.6 Operational boundary for external debt	2025/256 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029/30 £000's
Borrowing	37,609	57,986	78,648	81,432	81,909
Other long-term Liabilities (finance leases)	0	5,000	5,000	5,000	5,000
Total boundary	37,609	62,986	83,648	86,432	86,909

48 The operational boundary is a key management tool for in-year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. It is recommended in the accompanying report to approve the overall limit. Any breach of, or required increase in, the overall limit must be immediately reported to Council.

49 The Council’s actual external debt at 31 March 2026, excluding (when applicable) any Finance Lease liabilities, is forecast at **£3.6m** for the General Fund and **£25.5m** for the Housing Revenue Account (principal amounts only).

Prudential Indicator (for affordability) – ratio of financing costs to net revenue stream

50 Estimates of the ratio of financing costs to the net revenue stream for the current and future years are:

Table 8.7(a) Ratio of financing costs to net revenue stream	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %
GF	6	10	16	19	18
HRA	-2	33	35	31	34

51 Contributions from the General Fund and Housing Revenue Account revenue budgets to fund capital schemes are included within the estimates in some years. These contributions are not required to be included as part of the statutory calculation but if they were included, the ratios of financing costs to net revenue stream would become:

Table 8.7(b) Ratio of financing costs to net revenue stream (local variant)	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %
GF	26	52	20	21	20
HRA	-2	33	35	31	34

Note: The estimate of financing costs includes current commitments and the proposals in this budget report.

Prudential Indicator (for affordability) – ratio of net income from commercial investments to net revenue stream

52 Estimates of the ratio of net income from commercial investments to net revenue stream for the current and future years are:

Table 8.8 Ratio of net income from commercial investments to net revenue stream	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %
GF	1	1	1	1	1
HRA	0	0	0	0	0

This indicator shows the impact on the authority of the income generated from its investment properties.

Prudential Indicator (for prudence) - Gross Debt and the Capital Financing Requirement

53 The Prudential Code includes the following as a key indicator of prudence:

“In order to ensure that over the medium term, debt (i.e. gross external borrowing) will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in

estimating the cumulative increase in the capital financing requirement which is used for the comparison with gross external debt.”

This calculation takes into account current commitments and the proposals in this budget report, and the requirement is met for the current and forthcoming two financial years.

- 54 The Council will continue to monitor this requirement and will take appropriate remedial action if any difficulties were to arise. Where the gross debt is greater than the capital financing requirement the reasons for this should be clearly stated.

Statement of Minimum Revenue Provision (MRP)

- 55 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008, with subsequent revisions at later dates. The Regulations require the Council to approve an Annual Statement of Minimum Revenue Provision (MRP) which is the amount set aside from revenue to repay debt principal relating to the General Fund.
- 56 The regulations place a duty on local authorities to make an amount of MRP which it considers to be “prudent” each year. The regulation itself does not define “prudent provision”, however, the MRP guidance makes recommendations to authorities on the interpretation of that term.
- 57 In accordance with the regulations, it is proposed to adopt the following MRP policy for the financial year 2026/27 (which remains the same as 2025/26):
- For capital expenditure incurred before 1 April 2008, or which in the future will be supported capital expenditure, it is proposed that the MRP policy will be in line with the former Regulatory Method, subject to any additional voluntary provision as appropriate. The Regulatory Method covers debt supported by the Government through the Revenue Support Grant (RSG) system, and authorities may continue to use the formulae in the old regulation 28 as if it had not been revoked by the 2008 Regulations. The MRP element of RSG is calculated on this basis.
 - For capital expenditure incurred after 1 April 2008, for unsupported borrowing, it is proposed that the MRP policy will be the Asset Life Method with MRP being provided for on an equal annual instalment basis over the estimated life of the relevant assets. On occasion, the Council may take a more prudent approach of applying MRP charges over a shorter term than the estimated life of the associated asset. In very exceptional circumstances the Council may elect not to apply any MRP charges on a specific asset, for example, if an asset was purchased but only expected to be held for a short time and then sold, and that sale was expected to fully recover the original purchase costs incurred.
 - The Council may, as an alternative to the Asset Life Method with equal annual instalments basis, use the Asset Life Method with MRP being provided under the Annuity Method. This method can be used where it is required that the total of principal and interest each year is broadly a consistent amount. The value of MRP increases year on year as the amount of interest on debt decreases year on year. It is considered a prudent basis for assets that produce a steady flow of benefits over their useful life.
 - For capital expenditure incurred in relation to leases classified as finance leases, the MRP method will be the annuity method, whereby provision is applied over the primary term of the lease of the relevant asset. The MRP provision for each financial year will be equivalent to the reduction in outstanding liability held on the Balance Sheet for the corresponding lease in that year.
 - The Council may also make additional Voluntary Revenue Provisions (VRP) above those calculated using the above methods. For example, if there were years where income receipts were higher than those budgeted for, then extra VRP could be applied which would reduce the amount of MRP required to be charged in later years.

- All MRP charges commence in the financial year following the year in which the associated capital expenditure occurs.

- 58 MRP is calculated in line with current statutory guidance.
- 59 Forecast MRP charges based on estimated capital expenditure up to 2032/33 are mapped out beyond the timescales reported within the Capital Strategy, and currently extend up to 2044/45.
- 60 The table below shows the MRP charges to General Fund and, separately, the MRP charge in respect of the Knightswick Centre which is funded by rental income from the Centre. Finance lease MRP is show separately below as this is shown as service expenditure in year as part of the relevant contract cost; and adjusted for at year end:

Table 8.9 MRP charges	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029/30 000's
GF	186	240	754	1,137	1,227
Knightswick	478	478	478	478	478
Total MRP charges in budget line	664	718	1,232	1,615	1,705
GF Finance Lease	800	800	800	800	800
Total MRP Charges	1,464	1,518	2,032	2,415	2,505

Capital receipts

- 61 Capital receipts from the sale of Council houses under Right-to-Buy (RTB) provisions and surplus assets will continue to be an important capital resource for the Council. The Government has set a de-minimis level for capital receipts, and receipts of **£10k** or less are classified as revenue resources and are therefore accounted for within the revenue accounts. Receipts over **£10k** cannot be used for revenue purposes except for under the 'flexible use of capital receipts' scheme set by Government which allows local authorities to use eligible capital receipts to fund the revenue costs of projects that deliver ongoing savings or improved efficiency.
- 62 Table 8.10 shows the allocation of Non-RTB related receipts used to fund new affordable housing. Subject to agreement by the Secretary of State, specified RTB sales may also be excluded from pooling, where monies are for use in the provision of new affordable housing, regeneration or repayment of debt.

Table 8.10 Allowable use of capital receipts (Non-Right-to-Buy)		
Type of asset	% that may be applied to new capital expenditure	% that must be paid over to the Government
Other Housing land	100	0
General Fund land & property	100	0

- 63 The proceeds from sales where Housing tenants have exercised the right to purchase their dwellings under the RTB scheme, the following deductions are made:
- 1) An amount based on a Central Government calculation which is intended to compensate the Council for debt which may be still outstanding against the sold property, as determined by the original self-financing of the HRA. This amount is available to use for future HRA capital expenditure or HRA debt repayment.
 - 2) Administration allowance at **£1,300** per property sold, treated as HRA revenue income.
- 64 The remaining balance was previously split between the Local Authority and Government, but Government announced in July 2025 that existing flexibilities for Local Government to retain 100% of the receipt were being extended indefinitely.

Chief Financial Officer's conclusion on the Capital Strategy

65 The Chief Financial (s151) Officer) considers the Capital Strategy and associated Capital programme of expenditure, as detailed within this section of the MTFS, to be:

- Affordable within the context of the Council's Medium-Term Financial Forecast and Housing Revenue Account Business Plan, and
- Deliverable within the resources available to the Council, and
- That the strategy is supported by adequate processes and procedures to ensure that risks are appropriately identified and addressed, with any residual risk (financial or other) being considered as acceptable.

9 Treasury Management Strategy

1 Treasury Management Policy Statement

This organisation defines its treasury management activities in line with the CIPFA definition; as the management of the local authority's borrowing, investments and cash flows, including 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.

The Council's primary policy objective of treasury management is to avoid exposing public funds to inappropriate and unquantified risk.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. In doing so the priorities are ensuring security and liquidity of funds, and when it is ensured that these priorities are met, yield is then considered.

2 The Council includes the following Treasury Management clauses within its Constitution in section 7.3.2, as recommended by the Code of Practice:

- *The Council complies with the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes, and has approved:

 - *A Treasury Management Policy Strategy, which sets out the policies and objectives of its treasury management activities.*
 - *A series of Treasury Management Practices (TMP's) which set out the manner in which the Council will seek to achieve its policies and objectives for treasury management.**
- *The Section 151 Officer is responsible for maintaining the Treasury Management Policy Statement and TMP's, and for recommending any changes to Council for approval following scrutiny by the Audit and Governance Committee.*
- *The Section 151 Officer will propose an annual Treasury Management Strategy to the Council in advance of the start of the relevant financial year. This Strategy will comply with CIPFA's Code of Practice on Treasury Management, relevant regulations and statutory guidance, and with the Council's own Treasury Management Policy Statement and TMP's; it will set the parameters within which investment and borrowing activity will be managed during the forthcoming financial year*
- *The Section 151 Officer is responsible for ensuring that all borrowing and investment activity is undertaken in compliance with the approved Treasury Management Strategy.*
- *The Section 151 Officer will report to the Cabinet at regular intervals in each financial year, on treasury management activities undertaken within delegated powers.*

Treasury Management Strategy for 2026/27

3 The Strategy has been formulated after considering the advice of the Council's consultants, Mitsubishi UFJ Financial Group Corporate Markets (MUFG) formerly Link Treasury Services. All activity will be in accordance with the Treasury Management Policy Statement. The strategy is developed in accordance with requirements of the CIPFA Code of Practice for Treasury Management and Prudential Code.

Balanced budget requirement

4 It is a statutory obligation under the Local Government Finance Act 1992, for the Council to set a balanced budget. This means that the Council must ensure that both existing commitments and new proposals covering revenue and capital expenditure are affordable within the resources available over the medium term. The approach safeguards financial sustainability and compliance with legal requirements.

Economic uncertainty, and interest rates

- 5 Economic uncertainty currently exists caused by a number of factors, including prospects for growth and maintaining inflation. This will impact on interest rates decision by the Bank of England. All of these have the potential to have a material impact on the long term financial position of the Council.
- 6 The Council’s treasury management advisers MUFG forecast that the base rate will remain at 3.75% until March 2026 and reduce to a low of 3.25% by end of December 26. This is shown in the first row of the table below:

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

- 7 The Council adheres to strict investment criteria. As it remains difficult to predict longer-term rates accurately, the interest rates used to forecast investment income for the Council’s budget process remain prudent. The Council may also be restricted in where it can invest funds. Officers will continue to seek the best return possible whilst always complying with the Council’s policies and procedures and without compromising security and liquidity.

Current debt position and requirements for 2026/27

- 8 A summary of external debt that is expected to be outstanding as at 31 March 2026 is as follows:

Source	Total at 31/03/26 £000's
Public Works Loan Board – General Fund	3,600
Local Authority - General Fund	1,000
Public Works Loan Board – Housing Revenue Account	25,500
Total	30,100

- 9 As at 2026/27, the General Fund borrowing consist of fixed rate loans at interest rates ranging between **1.08%** and **4.10%** per annum. The HRA borrowing portfolio consists of fixed-rate loans with interest rates ranging between **3.05%** and **4.42%** per annum.

10 The Medium-Term Financial Strategy Report will provide confirmation of the prudential position for future years, based on current estimates. Internal borrowing is the use of the Council’s own available cash balances for capital expenditure and is when the Capital Financing Requirement (CFR) exceeds the level of external borrowing. This position is known as “under-borrowed”. At the end of 2025/26, for the General Fund this is expected to be **£13.768m**. As cash balances are relatively high and interest earned on investments is lower than the rate at which the Council can take out loans, borrowing internally is an efficient use of resources that also lowers the overall cost of funding for the projects, but the position must be monitored to ensure that balances are not overcommitted. By the end of 2026/27 the HRA position is anticipated to be under-borrowed by approximately **£1.366m**. The position fluctuates from year to year depending on various factors such as the level of capital expenditure, and a prudential indicator in the Capital Strategy (“Gross Debt and the Capital Financing Requirement”) monitors and reports on this position.

11 **CAPITAL PRUDENTIAL INDICATOR - Capital Expenditure**

The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members’ overview and confirm capital expenditure plans.

Table 9.2 Capital expenditure	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029/30 £000's
General Fund (GF)	2,873	23,538	17,234	2,614	2,614
Housing Revenue Account (HRA)	5,353	15,839	8,874	5,876	4,845
Total	8,226	39,377	26,108	8,490	7,459

12 **AFFORDABILITY PRUDENTIAL INDICATORS**

The previous paragraphs cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council’s overall finances.

13 **Ratio of Financing Costs to Net Revenue Stream**

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

Table 9.3 Ratio of financing costs to net revenue stream	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %
GF	6	10	16	19	18
HRA	-2	33	35	31	34

Borrowing Strategy

- 14 The uncertainty over future interest rates increases the risk associated with treasury activity. As a result, the Council will take a fairly cautious approach to its Treasury Management Strategy.
- 15 If a need to borrow should arise, The Section 151 Officer, under delegated powers, will take the most appropriate form of borrowing depending on identified risks and the prevailing interest rates at the time. It is likely that shorter-term fixed rates may provide lower cost opportunities in the short to medium term.
- 16 Borrowing can only be undertaken for the purposes of capital expenditure, and not for day-to-day revenue expenditure. Any new borrowing would result in additional annual interest charges to either the General Fund or Housing Revenue Account, as well as the need to set aside sums from revenue for future repayment of the principal amount borrowed. In effect, borrowing does not finance capital expenditure, instead it provides the cash to enable the expenditure to take place. Therefore, the financial impact on the longer-term budget positions for both the General Fund on the Medium-Term Financial Strategy (MTFS) and the Housing Revenue Account on the HRA Business Plan, must be taken into careful consideration in all borrowing decisions.
- 17 The PWLB allows local authorities to register for a preferential “certainty rate” for borrowing, which is currently **0.20%** below the standard rate or **0.80%** above gilt rates. The lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (Standard rate minus 60bps). Registering for this preferential rate does not commit an authority to undertake any borrowing, it simply allows it to access the preferential rate should the need arise.
- 18 The weighted average maturity of the Council’s General Fund **£3.6m** debt is at four years. This has changed significantly due to the early repayments of three loans totalling **£5.25m** in September 2022 leaving one loan with principal repayments each year for the next four years, currently with no requirement to refinance.
- 19 The Housing Revenue Account (HRA) debt of **£36.5m**, taken out in March 2012 as part of the HRA self-financing changes, is scheduled to mature at various points between 2025/26 and 2035/36.

There are no enforced caps on borrowing, as these have been lifted by Government, however, any new borrowing would have to be affordable within the 30-year HRA Business Plan and be subject to a full assessment of the financial viability of any scheme.

Borrowing in advance of need

- 20 The Council has some flexibility to borrow funds in advance for use in future years. The Section 151 Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints and where there is a clear business case for doing so. Furthermore, councils must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. They must also consider carefully whether they can demonstrate value for money in borrowing in advance of need and can ensure the security of such funds.

- 21 MHCLG guidance has determined that the setting of constraints for any borrowing in advance of need is considered good practice. The Section 151 Officer does not currently anticipate any need to borrow in advance of need, but if circumstances change then borrowing in advance will be made within the constraints that:
- It will be limited to no more than £3m of the expected increase in borrowing need (CFR) over the three-year planning period; and
 - The Council would not look to borrow more than 18 months in advance of need.
- 22 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism. Any surplus funds arising from borrowing in advance of need will be invested in accordance with the Council's Investment Strategy.

Treasury management indicators

- 23 The Council is required to calculate several Treasury Management Indicators as part of the Treasury Management Code of Practice. The indicators are reported in the following paragraphs.

Borrowing maturity structure

- 24 The Prudential Code for Capital Finance in Local Authorities requires the Council to set upper and lower limits for the maturity structure of fixed rate borrowing. These limits are designed to help the Council minimise its exposure to large, fixed rate sums falling due for refinancing. The proposed limits, expressed as percentages of total projected fixed rate borrowing, are as follows:

Table 9.4 Maturity structure of fixed rate borrowing

Maturity	General Fund		Housing Revenue Account	
	Upper limit	Lower limit	Upper limit	Lower limit
	%	%	%	%
Within 1 year	50	0	50	0
Within 2 years	50	0	50	0
Within 5 years	60	0	60	0
Within 10 years	80	0	80	0
After 10 years	100	0	100	0

Borrowing – limits of fixed and variable rate exposure

- 25 The Prudential Code also requires the Council to set upper limits for fixed and variable interest rate exposure. These indicators identify the maximum limits for both fixed and variable interest rates based upon the Council's debt position net of investments. The proposed limits are as follows:

Table 9.5 Upper limits of Fixed and Variable exposures

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£m	£m	£m	£m	£m	£m	£m
Upper Limit - Fixed Rates	38	37	62	83	85	86	86
Upper Limit - Variable Rates	(14)	(15)	(8)	(5)	(3)	(2)	(1)

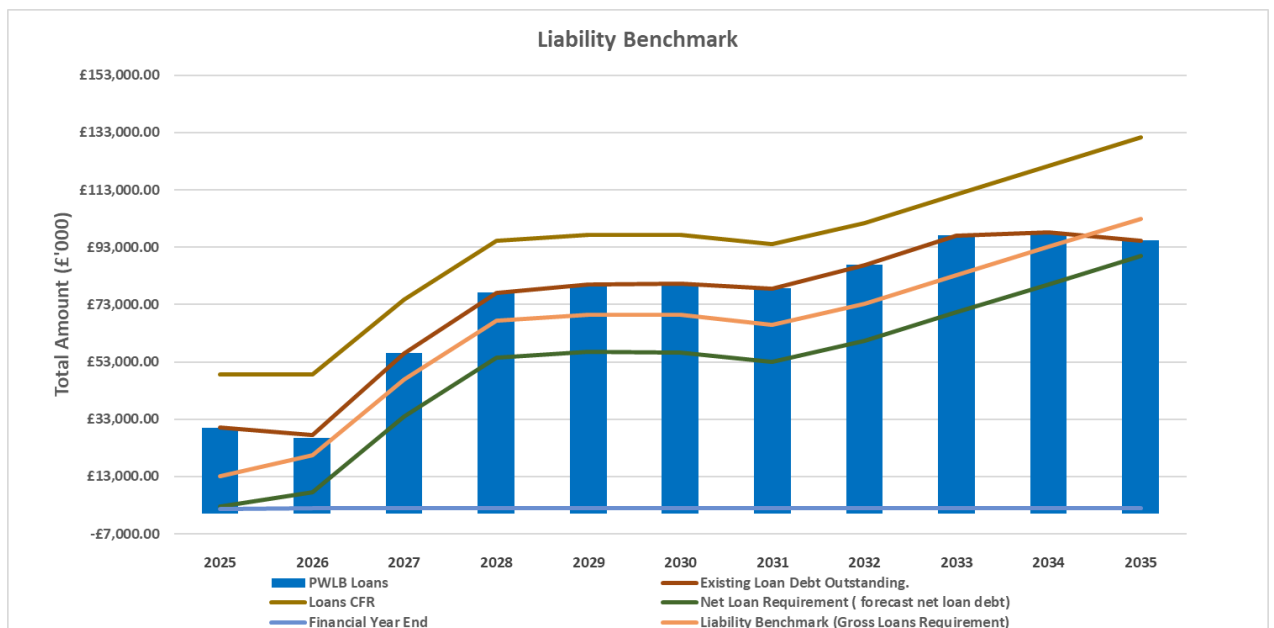
Borrowing - interest rate sensitivity

- 26 Any borrowing decisions will need to take account of any changes in interest rates. There are two possible scenarios:
- a) a sharp rise in rates – if this is considered possible, any fixed interest borrowing will be taken while interest rates are relatively low.
 - b) a sharp fall in rates – if this is expected, any borrowing will be postponed (waiting for borrowings to become cheaper) and rescheduling from fixed to variable rate funding will be considered.

Liability Benchmark

27 The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow. The format presented is as prescribed within the code of practice.

28 The Liability Benchmark establishes whether the Council is likely to be a long-term borrower or long-term investor in the future, to help shape its strategic focus and decision making. The benchmark is shown in the chart below which also shows that the Council does not need to externally borrow in the near future. The benchmark will be updated quarterly taking into account the actual in the year to date and the forecast for the remainder of the financial year as well as any updates made to future years.



Debt management objectives

- 29 A summary of the Council's debt management objectives for 2026/27 is therefore as follows:
- a) to borrow, if necessary, in order to finance cash flows arising from capital expenditure in accordance with the Prudential Code;
 - b) to reduce, if possible, the amount of long-term borrowing without incurring net losses for early redemption.
 - c) to manage the debt maturity profile in order to avoid a high level of repayments in any one year.
 - d) to borrow at the best interest rates achievable in relation to estimated future rates.
 - e) to monitor and review the level of any variable interest rate loans, in order to take advantage of interest rate movements;
 - f) if possible, to reschedule debt in order to take advantage of potential savings as interest rates change;
 - g) to avoid as far as possible, excessive overdrawn bank balances by achieving a balanced daily cash position, unless market borrowing proves favourable by comparison;
 - h) to ensure that overall borrowing is within the authorised limit for external debt and that this is monitored on a regular basis.

10 Investment Strategy

Investment guidance

- 1 This Council’s investment policy has regard to the following:
 - a) MHCLG’s Guidance on Local Government Investments (“Guidance”)
 - b) CIPFA’s Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (“CIPFA TM Code”)
 - c) CIPFA Treasury Management Guidance Notes 2021

Investment principles

- 2 The primary policy objective of the Council’s treasury management and investment activities is the security of funds, and to avoid exposing public funds to inappropriate and unquantified risk. The Council’s investment priorities are:
 - a) Firstly – the security of capital (protecting the capital sum invested from loss) and
 - b) Secondly – the liquidity of its investments (keeping sufficient money readily available for expenditure when needed).

Provided that proper levels of security and liquidity are achieved, it may then (but only then) be reasonable to seek the highest **yield** consistent with those priorities. All investments will be in sterling.

- 3 Under the guidance investments made by local authorities are classified into two main categories:
 - a) Investments held for treasury management purposes
 - b) Other investments
- 4 All of the Council’s temporary investments are held for treasury management purposes and the interest received contributes to the General Fund budget, as shown in the table below. Investments are not split between General Fund and Housing Revenue Account (HRA) but held as one portfolio with a proportion of the overall interest received applied to the HRA, calculated on the levels of HRA reserves and balances.

Table 10.1 General Fund Investment Income	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Forecast Investment Income	1,751	1,472	624	562	511	487	463

- 5 The guidance maintains that the borrowing of monies purely to invest or lend on and make a return is unlawful and this Council will not engage in such activity.

Financial investments

- 6 Under the guidance financial investments fall into three categories:
 - a) Specified investments - are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - b) Loans – for example to local enterprises, charities etc. The Council has none.
 - c) Non-specified investments – are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- 7 Specified investment instruments identified for use in the financial year are listed in table 13.2. Non-specified Investments are any other type of investment, i.e. not defined as specified above, are listed in tables 13.3 and 13.4.

Non-financial investments

- 8 Non-financial investments are assets an organisation holds primarily or partially to generate a profit, essentially for commercial activities. The Council does not currently hold non-financial investments, but may consider doing so, if they support the priorities of the Council as detailed in the Corporate Plan, after taking expert external advice and a thorough appraisal by officers, scrutiny by the appropriate committee and approval by Council. The Council would have to carefully assess whether such assets retain sufficient value to provide security of investment, and if they do not, the Strategy must provide details of the mitigating actions taken to protect the capital.

Liquidity

- 9 Cash flows are monitored throughout the year to ensure that when surplus cash is available, this is only invested at a level and period to ensure no future limitations on services due to insufficient funds.

Risk assessment and risk appetite

- 10 As the Council's primary policy objective of treasury management is to avoid exposing public funds to inappropriate and unquantified risk, the Council has a very cautious approach to investing, reflected in the internal guidance which ensures the following:
- a) a very high average credit weighting for the portfolio, typically AA
 - b) a diversified portfolio
 - c) a weighted average maturity of approximately 250 days
 - d) strict stepped limits on lower-rated, but still high grade (A-rated) investments of up to £3m.

- 11 Officers monitor market information including financial updates from the Council's treasury adviser on a daily and weekly basis, to keep as well-informed as possible to make the best decisions. The internal guidance can be amended by the S151 Officer, with advice from treasury officers, at very short notice. This is for flexibility and to adapt to changing circumstances in the current time of economic uncertainty, firstly to protect the security of the Council's temporary investments and secondly to achieve liquidity and yield.

Credit ratings

- 12 Credit quality of counterparties (issuers and issues) and investment schemes will be determined mainly by reference to credit ratings published by Fitch, Moody's and Standard & Poors. In compliance with CIPFA recommendations and the CIPFA Treasury Management Code, the rating criteria use the lowest common denominator method of selecting counterparties and applying limits. Tables 13.2 to 13.4 also set out the Council's minimum credit ratings that it considers appropriate for each category of investment.

- 13 The sovereign rating for the UK is AAA with a stable outlook. Investments are placed with institutions with high long-term credit ratings (minimum A-) or in money market funds with the highest possible rating (AAA or equivalent). The Council has a policy of diversification to prevent over-reliance on a small number of counterparties and Money Market Funds are used to provide a broad spread of underlying holdings.

Monitoring of credit ratings

- 14 All credit ratings will be monitored on a regular basis, including when investments are made. The Council's treasury adviser, MUFG, also alert the Council to changes in ratings as they occur.
- a) If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - b) If a counterparty/investment scheme is upgraded so that it fulfils the Council's criteria, the s151 Officer will have the discretion to include it on the lending list.

Amendments to the 2026/27 Investment Strategy

15 There are no amendments proposed to the strategy in 2026/27.

Table 10.2 Specified Investments for the Financial Year 2026/27			
Investment	Counterparty limit	Security / Minimum Credit Rating	Maximum period of investment
Debt Management Agency Deposit Facility (DMADF) (this facility is at present available for investments up to 6 months)	No limit	The Debt Management Office is an agency of the UK Government	6 months (DMO imposed time limit)
Treasury Bills issued by the UK Government (currently maximum 6-month duration)	No limit	The Debt Management Office is an agency of the UK Government	364 days
Term Deposits with the UK Government or with UK local authorities (i.e. local authorities as defined under section 23 of the 2003 Act)	The lesser of £5m or 33% of total investments	High quality as either directly invested or via agencies of UK Government. (Although local authorities are not specifically credit rated)	364 days
Term Deposits with institutions	The lesser of £5m or 33% of total investments	long-term A-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	364 days
Money Market Funds (i.e. a collective investment scheme as defined in SI 2004 No 534) CNAV, LVNAV and VNAV These funds do not have a maturity date	The lesser of £5m or 33% of total investments	Fitch, Moody's or Standard and Poors AAA (Minimum of two ratings)	n/a (repayable on demand)
Current accounts, notice accounts or term deposits with credit-rated deposit takers (banks and building societies)	The lesser of £4m or 25% of total investments	long-term A-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	364 days (Call deposits repayable on demand)
Forward deals with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	The lesser of £4m or 25% of total investments	long-term A-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	364 days
Certificates of Deposit issued by institutions	The lesser of £4m or 25% of total investments	long-term A-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	364 days
Covered bonds (maximum 364-day period includes borrower extension option)	The lesser of £4m or 25% of total investments	long-term AA-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	364 days
Reverse repurchase agreements "repos" (a form of secured lending with enhanced security)	The lesser of £4m or 25% of total investments	long-term AA-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	364 days

Table 10.3 - Non-specified Investments for the financial year 2026/27			
Investment	Counterparty limit	Security / Minimum Credit Rating	Maximum period of investment
Term deposits with the UK Government or with UK local authorities (i.e. local authorities as defined under section 23 of the 2003 Act)	The lesser of £5m or 25% of total investments	High quality as either directly invested or via agencies of UK Government. (Although local authorities are not specifically credit rated)	2 years
Current accounts, notice accounts or term deposits with credit-rated deposit takers (banks and building societies)	The lesser of £4m or 25% of total investments	long-term A-, short-term F1 (lowest common denominator Fitch, Moody's & S&P)	2 years
Property Funds	The lesser of £4m or 25% of total investments	Unrated	n/a
Bond funds	The lesser of £4m or 25% of total investments	Unrated	n/a
Multi-Asset funds	The lesser of £4m or 25% of total investments	Unrated	n/a
Equity Funds	The lesser of £4m or 25% of total investments	Unrated	n/a

In relation to Investments placed and held by the Council:

- All Specified Investments listed above must be sterling denominated.
- All investments are managed in-house.
- No shares or loan capital is held by the Council
- None of the investments are classified as capital expenditure

Country, group and sector limits

- 16 The Council selects counterparties according to credit quality as well as the additional information in paragraph 16 below. Group and sector limits do not form part of the formal Investment Strategy, but are used within the temporary, stricter investment guidance described in paragraph 18.
- 17 Whilst there are no specific limitations on which countries the Council can or will invest in, consideration will be given to Environmental, Social and Governance (ESG) issues. For example, the Council will avoid investing in institutions based in or strongly linked to countries with questionable human rights practices. As always, any investments made will be with institutions meeting the required credit ratings.

Money Market Funds

- 18 As has been the practice for several years, the Council continues to place a high proportion of its investments in Money Market Funds. Under money market fund regulations funds are low volatility net assets, where the underlying investments may have to be priced at market value, so potentially investors could get back slightly more or less than the £1 invested, although this is very unlikely with AAA-rated funds.

- 19 **Markets in Financial Instruments Directive (MiFID)**
From 3rd January 2018 changes in legislation required the Council to opt up to professional status (rather than the default status of a retail client) with several of its counterparties to continue using a range of secure and diversified investments and not be limited solely to simple bank deposits. Organisations classified as professional have a good understanding of financial products but do not have the same protection as retail clients or ordinary consumers.
- 20 **Use of additional information other than credit ratings**
Additional requirements under the Code of Practice now require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example equity prices, Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.
- 21 **Bail-in legislation**
To avoid a Government bailout (i.e. where Governments inject monetary support into institutions to keep them solvent) that occurred during the financial crisis, bail-in legislation is now fully implemented in the UK. In future large investors or creditors may contribute to the rescue of failing banks rather than taxpayers, as some or all their deposits are converted into equity which could be worth less than the original investment. Consequently, the potential risk of depositing with banks may have increased, however this is reflected in the credit ratings.
- 22 **Internal stricter guidance**
If deemed appropriate, the S151 officer could advise that lower limits should be in place for a temporary period, if this was to happen this would be documented and reported in a quarterly report. There are no such current limitations.
- 23 **Use of derivative instruments**
Local authorities can use any hedging tools such as derivatives, but only for the management of risk and the prudent management of financial affairs. When an authority intends to use derivative instruments the policy for their use must be clearly detailed in the annual Treasury Management Strategy. The Council does not currently use derivatives but should this change then the Treasury Management Strategy will be amended prior to their use. The Council will seek proper advice when entering into arrangements to use such products to ensure that it fully understands those products.
- 24 **Investments defined as capital expenditure**
The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as Non-specified Investments. As already stated, the Council does not currently intend to invest in Non-specified Investments.
- 25 Investments in Money Market Funds are not treated as capital expenditure.
- 26 A loan, grant or financial assistance by this Council to another body for capital expenditure by that body will be treated as capital expenditure, should it occur.
- 27 **Provisions for credit-related losses**
If any of the Council's investments appeared at risk of permanent loss due to default (i.e. a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

Investment strategy to be followed in-house

- 28 The Council's in-house managed funds are mainly cash-flow derived. It is expected that the majority of the Council's funds will be invested for periods of less than 365 days although this will be reduced should it be deemed appropriate.

Investment treasury indicator and limit

- 29 These limits, relating to funds invested for greater than 365 days and shown in the table below, are set with regard to the Council's liquidity requirements. They are designed to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

Upper limit for principal sums invested for longer than 365 days			
£m	2025/26	2026/27	2027/28
Principal sums invested for longer than 365 days	£15m	£15m	£15m
Current investments as at 31.03.2026 in excess of 1 year maturing in each year	£0m	£0m	£0m

The Council's banking arrangements

- 30 The Council's banking operations are with Lloyds Bank PLC with the current contract expiring on 31 March 2029.

Risk benchmarking

- 31 The most recent version of the CIPFA Treasury Management Code recommended the use of security and liquidity benchmarks alongside existing yield benchmarks used to assess investment performance.

- 32 These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the quarterly or Annual Report. Use of these benchmarks will be reviewed, and they may be amended or added to if necessary.

- 33 **Security** – The Council's maximum-security risk benchmark for the current portfolio is:

A credit-rating score of **4** for the overall investment portfolio. Each investment is given a score according to long-term credit rating (e.g. 7 for AAA, 4 for AA-, 1 for A-) and then weighted according to amount.

- 34 **Liquidity** – In respect of this area the Council seeks to maintain:

- The bank overdraft facility was reviewed for the new banking contract that started in April 2025 and it was decided it was not cost effective for the Council to have one permanently in place
- Liquid short-term deposits of at least £1m available with a day's notice
- Weighted Average Life benchmark is expected anything up to 270 days, with a maximum of 1 year

- 35 **Yield** – Local measures of yield benchmarks are:

Investments – returns above SONIA (Sterling Overnight Index Average) rate. The Council previously used LIBID but this measure has been discontinued by the Bank of England in favour of SONIA.

Treasury management adviser

- 36 Mitsubishi UFJ Financial Group Corporate Markets (MUFG) formerly Link Asset Services, the largest provider of capital financing and treasury advisory services to public sector organisations, is the Council's current treasury adviser. The company provides a range of services through a formal contract, which includes technical support on treasury matters and capital finance issues; economic and interest rate analysis; debt rescheduling advice surrounding the existing portfolio; investment advice on interest rates, timing and investment instruments; credit ratings/market information service provided by the three main credit rating agencies; and data from international money markets. The current contract expires in 2029. A procurement exercise will be undertaken to ensure a treasury management adviser is in place at the end of the current contract.
- 37 Whilst MUFG provide support to the internal treasury function, under current market rules and the CIPFA Treasury Management Code, the final decision on all treasury matters remains with the Council.

Member and officer training and experience

- 38 Members receive training on Treasury Management matters on a periodic basis. Treasury staff attend appropriate courses and seminars held by CIPFA and MUFG both to maintain and improve their knowledge and expertise. All treasury staff have accountancy or treasury qualifications and many years' experience in local authority treasury across the team.

Investment activity reporting and publication

- 39 Officers prepare a quarterly monitoring report on investment activity and an end of year report as part of its Annual Treasury Report after the close of each financial year. This does not preclude more frequent reporting should changes or circumstances dictate, including changes to the Treasury Management and Investment Strategy if required. The Investment Strategy is published annually on the Council's website.

11 Pay Policy

1 Introduction

- 1.1 This Pay Policy Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year for transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a Full Council meeting.
- 1.3 Castle Point Borough Council (the 'Council') reserves the right to review, revise, amend or replace the content of this Pay Policy Statement from time to time to reflect service delivery needs and to comply with new legislation.

2 Scope

- 2.1 This Pay Policy Statement meets the statutory duty to provide the Council with a description of the policy on staff remuneration for annual approval. It provides information on remuneration arrangements for staff directly employed by the Council.
- 2.2 This Pay Policy Statement sets out the Council's policy with regard to:
 - the remuneration of 'chief officers'
 - the remuneration of the lowest paid employees
 - the relationship between chief officers' remuneration and that of other officers.
- 2.3 In this Pay Policy Statement, 'senior management' covers posts in the top three tiers of the organisation. These include the Chief Executive (Head of Paid Service), Directors and Assistant Directors. Posts in this group in the Council are as follows:
 - (a) the Head of Paid Service (Chief Executive)
 - (b) the Director of Commercial and Assets
 - (c) the Director of Corporate and Customer
 - (d) the Director of Place and Communities
 - (e) persons who, as respects all or most of their duties, report directly to or are accountable to the posts listed in (a), (b), (c) and (d) above (other than staff whose duties are of an administrative or support nature).
- 2.4 "Remuneration" for the purposes of this Pay Policy Statement includes these elements:
 - basic salary
 - pension
 - all other allowances arising from employment.

3 Definitions

- 3.1 For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are posts in the top three tiers of the organisation.
- 3.2 Chief Executive is the Chief Executive, who also performs the statutory role of Head of Paid Service under section 4(1) Local Government and Housing Act 1989.
- 3.3 Chief Officers are Directors and the Statutory Senior Officers.

- 3.4 Senior Officers, for the purposes of this statement, are Assistant Directors.
- 3.5 Statutory Senior Officers are the Assistant Director Finance and Procurement, who is the Council's Chief Finance Officer (S151) under section 151 Local Government Act 1972 and section 6 Local Government and Housing Act 1989. Assistant Director Legal, who is the Council's Monitoring Officer under section 5 Local Government and Housing Act 1989. These posts are not Chief Officer posts as defined by the Council's constitution but meet the definition of S43 Localism Act.
- 3.6 All Other Staff refers to staff, excluding Chief Officers, Senior Officers and the Chief Executive.
- 3.7 The Lowest Paid Staff are defined as employees paid on Spinal Column Point 2 of the National Joint Council (NJC) for Local Government Services pay scales. This definition has been adopted as it is the lowest level of remuneration attached to a permanent post in the Council.
- 4 General policies relating to the Chief Executive, Chief Officers, Senior Officers and All Other Staff**
- 4.1 In accordance with the principle of equal pay, all staff will be treated equally irrespective of gender and average pay for men and women will be equal for like work. The Council has a legal duty to report on the gender pay gap and this information is published annually on the Council's website.
- 4.2 The Council has a Pay Protection Policy for those staff whose posts are downgraded as a consequence of changing organisational requirements and where this results in a salary reduction.
- 4.3 The Council has a Market Supplement Policy (which allows additional temporary payments to be made) for an individual post or job group where it can be shown that the substantive salary level of the post is adversely affecting the Council's ability to recruit and/or retain.
- 4.4 Where an employee is required to hold a membership of a professional body to carry out their role, one professional subscription will be paid annually by the Council on behalf of the employee.
- 4.5 Long Service Awards are made as follows:
- 25 Years service - £500
 - 40 Years service - £500.
- 4.6 Employees are automatically enrolled into the Local Government Pension Scheme (employees can exercise the right to opt out and casual workers are not automatically enrolled).
- 4.7 The Council has agreed policies in place for Acting Up and Honorariums, Redundancy, Redeployment and Retirement.
- 4.8 Annual leave is as follows:
- The Chief Executive and Directors, on appointment receive 33 days, increasing to 38 days annual leave after five years' continuous service.
 - All other staff, including Assistant Directors, on appointment receive 27 days, increasing to 30 days after five years' continuous service.

- 4.9 Where applicable, the following benefits are offered to staff:
- Flexible working arrangements (can relate to hours or time worked, or full or part home working including flexibility in start, finish and lunch times).
 - Flexitime (allows the accrual of hours, subject to business need, with the opportunity to take the time accrued at a later point in the form of days or part days). This does not apply to Chief Officers, Senior Officers or the Chief Executive.
 - Free staff membership at Waterside Leisure Centre for use of the swimming pool and fitness suite (not classes) to improve the health and wellbeing of staff working a minimum of 15 hours per week. Use of the swimming pool also free at Runnymede Leisure Centre with access to the fitness suite at lunchtimes only.
 - Essential car user allowance, where applicable to job role and subject to annual review in line with policy.

5 Remuneration for all other staff

All other staff with the exception of the Chief Executive, Chief Officers, Senior Officers, apprentices, group exercise and swimming instructors.

- 5.1 This staff group will receive the annual national NJC pay increase for Local Government employees, if and when offered and agreed by the Local Government Employers.
- 5.2 Staff in this group are paid at one of eleven pay grades, each with four or five pay points (with the exception of grade 1) derived from the national NJC spinal column points. Posts have been allocated to a pay grade through a process of job evaluation, using the NJC job evaluation scheme. These pay grades and scales are published on the Council's website.
- 5.3 All new or revised posts must be evaluated. This is done by trained evaluators in-house, using the NJC job evaluation scheme.
- 5.4 Usually starting salaries for both internal and external appointees will be at the minimum of the relevant salary grade. In exceptional circumstances, where there is sound evidence to support a business case a salary above the grade minimum may be applied with relevant approval from the Assistant Director People and Engagement.
- 5.5 Increments will normally take effect from 1 April each year, subject to the grade maximum and following a performance review with their line manager. New employees to the Council, or employees taking up a new role within the Council, who have not been in post for six months as at 1 April, will still be subject to a review, with length of service being taken into consideration when performance is being measured by their line manager.
- 5.6 Incremental progression is not automatic and is subject to a satisfactory review of performance. The Council reserves the right to withhold increments due to unsatisfactory performance. Any increment withheld may be paid subsequently if performance improves to a satisfactory level and no backpay would be due in these circumstances.
- 5.7 Other payments received by Council staff including Chief Officers and Senior Officers, will relate to payment for local election duties. These are based on a locally determined scale according to the number of electorate and payment is in addition to employee's basic pay. Fees for conducting Parliamentary and Police, Fire & Crime Commissioner elections and referenda are determined by way of a Statutory Instrument.

6 Remuneration for Apprentices

- 6.1 Apprentices are paid in accordance with the HMRC National Minimum Wage Rates which are based on age.

7 Remuneration for Group Exercise and Swimming Instructors

- 7.1 The pay rates for Swimming Instructor and Group Exercise Instructor roles recognise the commercial nature of the service and the need to ensure that the rates paid are reflective of the specific industry.
- 7.2 Pay rates for these groups will be subject to annual review each April by the Council, based on a review of market data. They will not be subject to annual pay increases awarded by the NJC.
- 7.3 Group Exercise Instructors will be paid one of three rates depending on the duration of the specific class.
- 7.4 Swimming Instructors will be paid one of two rates depending on the qualification they hold.
- 7.5 These pay rates for both these groups of staff are published on the Council's website.

8 Remuneration for Chief Officers and Senior Officers

- 8.1 Assistant Directors will receive the annual national NJC pay increase for Local Government employees if, and when offered and agreed by the Local Government Employers.
- 8.2 Directors will receive the annual national pay increase for Chief Officers if, and when offered and agreed by the Local Government Employers.
- 8.3 Senior management are paid at one of two pay grades (either Assistant Director or Director), each with 5 pay points. Posts have been allocated to a pay grade through a process of job evaluation, using the LGA Senior Manager job evaluation scheme. These pay grades and scales are published on the Council's website.
- 8.4 All new or revised posts must be evaluated. This is done externally to the Council by trained evaluators from the East of England Local Government Association (EELGA).
- 8.5 Starting salaries will be determined on an individual basis based on skills and experience.
- 8.6 Increments will normally take effect from 1 April each year, subject to the grade maximum and following a performance review with their manager. New employees to the Council, or employees taking up a new role within the Council who have not been in post for six months as at 1 April will still be subject to a review, with length of service being taken into consideration when performance is being measured.
- 8.7 Incremental progression is not automatic and is subject to a satisfactory review of performance. The Council reserves the right to withhold increments due to unsatisfactory performance. Any increment withheld may be paid subsequently if performance improves to a satisfactory level, no backpay would be due in these circumstances.
- 8.8 Senior management do not receive any additional payments such as bonuses or performance related pay.

9 Remuneration for the Chief Executive

- 9.1 The Chief Executive will receive the annual national pay increase for Chief Executives if, and when offered and agreed by the Local Government Employers.
- 9.2 The salary scale for the Chief Executive includes 3 scale points in one grade. This grade and pay scales are published on the Council's website.
- 9.3 The Chief Executive's role is subject to a process of job evaluation, using the LGA Senior Manager job evaluation scheme by trained evaluators from the East of England Local Government Association (EELGA).
- 9.4 The starting salary for the Chief Executive will be determined on an individual basis based on skills and experience.
- 9.5 As with other new employees to the Council, increments for a newly appointed Chief Executive will normally take effect from 1 April each year. Where the Chief Executive has not been in post for six months as at 1 April, a review will take place to determine satisfactory performance.
- 9.6 Increments will normally take effect from 1 April each year, subject to the grade maximum and at least six months in post. Incremental progression is not automatic and is subject to a satisfactory review of performance. The Council reserves the right to withhold increments due to unsatisfactory performance. Any increment withheld may be paid subsequently if performance improves to a satisfactory level, no backpay would be due in these circumstances.
- 9.7 The Chief Executive also receives a Returning Officer fee in respect of District, County and Town Council elections. Payment for local election duties are based on a locally determined scale according to the number of electorate and payment is in addition to the Chief Executive's basic pay. Fees for conducting Parliamentary and Police, Fire & Crime Commissioner elections and referenda are determined by way of a Statutory Instrument.
- 9.8 The Chief Executive does not receive any additional payments such as bonuses or performance related pay.

10 Publication of remuneration information

- 10.1 The remuneration of the Chief Executive and Chief Officers is disclosed in the Annual Statement of Accounts and published on the Council's website: <https://www.castlepoint.gov.uk/accounts>.
- 10.2 Details of the remuneration of posts paid over £50,000 are published in the Data Transparency section of the Council's website: <https://www.castlepoint.gov.uk/data-transparency>.

11 Payments and appointments subject to full Council approval

- 11.1 New appointments to posts with a salary package of £100,000 and above, plus appointments to the post of Chief Executive and Chief Officers, will be presented for approval by full Council. The definition of salary package in this context includes only annual salary, plus any market supplement applicable to a post.

11.2 Severance packages for staff leaving the Council of £100,000 and above will be presented for approval by full Council, with the exception of severance packages resulting from compulsory redundancy which will be presented for noting to full Council at the earliest available opportunity. Full detail of the severance package will be presented including Payment In Lieu of Notice (PILON), redundancy compensation, holiday pay and any other payments.

12 Pay Ratios

- 12.1 For the purposes of this Pay Policy Statement, employees on the lowest scale point (SCP) of the Council's pay structure are classed as the lowest paid employees. This relates to permanent employees only and excludes casual workers and apprentices.
- 12.2 The Council's current ratios, based on annual gross pay of all employees in post as at 31st March 2025 are:
- The ratio of the highest earning officer (Chief Executive) to the lowest paid full time equivalent employee in the Council is 6.3.
 - The ratio of the highest earning officer (Chief Executive) to the average of all other staff in the Council is 3.9.
 - The ratio of the average of the Chief Executive and other Chief Officers earnings to the average of all other employees is 2.3.
- 12.3 The ratios set out above should be used as a general guide only. The data used to calculate the ratios for the different categories of employees may differ for a variety of reasons which makes direct comparisons difficult. Average earnings will vary according to the mix of employees at any given point in time.

12 Chief Financial Officer's report under Section 25 of the Local Government Act 2003

- 1 Under Section 25 of the Local Government Act 2003, the Council's Chief Financial (s151) Officer is required to report to the Council on:
- the robustness of the estimates made for the purpose of the calculation of Council Tax requirement, and
 - the adequacy of the proposed financial reserves.

2 The Council must have regard to this report when making decisions on the Council Tax requirement calculation.

3 The report on the adequacy of reserves appears at section 6 and the report on the robustness of the estimates appears below.

General Fund services

4 Estimates in respect of General Fund services for the following expenditure types have generally been calculated by the Council's Financial Services department, based on a full recalculation of relevant factors: pay and related costs; insurances; leasing charges; interest payable and receivable. Business rate charges on Council owned properties are calculated by the Council's Revenues team. These estimates are considered robust for current service levels.

5 Estimates in respect of the Local Council Tax Support Scheme, Housing Benefit payments, government reimbursement of these payments and respective administration subsidy have been calculated by the Council's Revenue team. These are based on the latest information available about take up of benefits and caseload data, the latest levels of correctly paid benefits and government notifications of reimbursement and subsidy levels. These estimates are considered robust for current service levels.

6 Estimates in respect of service controlled income and expenditure have generally been calculated jointly by Financial Services and respective service departments, subject to final agreement and acceptance by budget holders in service departments. This has been a sound process and based on experience of past estimates prepared by a similar process, these estimates are considered generally robust.

Housing Revenue Account

7 Housing Revenue Account estimates, as set out in a separate report to Cabinet, have been jointly prepared by Housing and Financial Services staff as appropriate and in line with the procedures used for General Fund services.

Overall conclusions

8 The s151 Officer's overall view of the robustness of the estimates is therefore that the processes followed have been generally sound and aligned to those that have produced robust estimates in the past.

9 In order to ensure accountability is exercised in relation to financial management, it is essential that Cabinet continues to ensure that budgets are monitored diligently and accountable officers (budget holders) are reminded of their personal responsibility for budget compliance in line with the Council's Financial Regulations. Breaches of these regulations should be considered extremely serious and Cabinet is tasked with monitoring compliance.

13 Calculation of the Council Tax Requirement

- 1 The Localism Act 2011 requires the billing authority to calculate a Council Tax requirement for the year. This calculation is prescribed by Sections 31A and 31B of the Local Government Finance (LGF) Act 1992 (as amended by the Localism Act 2011) and is as follows:

Table 13.1 Council Tax requirement calculation LGF Act 1992		£
s31A(2)(a)	Gross spending on services	71,473,453
s31A(3)(a)	Less gross income from services	(47,814.400)
s31A(3)(a)	Less Government grant & business rates	(5,855.443)
	Less Capital and other grants & contributions	0
s31A(3)(b)	Less net Collection Fund surplus / plus deficit	0
s31A(3)(d)	Net amount taken to / (from) general and earmarked reserves	(8,041,301)
	Council Tax Requirement	9,762,309

- 2 The above figures include internal charges between services and **£317,390** relating to the Canvey Island Town Council precept. The tax base (see section 3 of this report) is then used to calculate the amount of Council Tax (including the Town Council) at band D, in accordance with Section 31B of the Act:

Section 31B - Band D charge	
Council Tax (including Town Council) £	9,762,309
Tax base (property number)	31,609.5
Band D charge £	308.84

- 3 The resultant figure is required by statute but does not actually represent the Council Tax payable by either a Canvey Island or mainland resident. A further calculation that sets out the actual amount of tax payable at band D as well as other bands is set out in table 13.2 below.
- 4 The calculation of Council Tax at band D, including and excluding the Town Council, is prescribed by Sections 34 and 35 of the Local Government Finance Act 1992. The calculation of Council Tax for other bands (shown below) is prescribed by Section 36 of the Act and is made by adjusting the basic amount of tax for band D by the ratio (in ninths) applicable to all other valuation bands.

Band	Ratio in 9ths	Canvey Residents Council Tax Including Town Council	Mainland Residents Council Tax Excluding Town Council
A	6	216.48	199.20
B	7	252.56	232.40
C	8	288.64	265.60
D	9	324.72	298.80
E	11	396.88	365.20
F	13	469.04	431.60
G	15	541.20	498.00
H	18	649.44	597.60

- 5 The Council Taxes set by other precepting authorities are added to these amounts to calculate the total amount of Council Tax due for the year, as shown in section 14.

14 Precepts & Council Tax levels

The information set out below is based on proposed information received from preceptors at time of writing. This is due to be confirmed at a series of meetings being held during February. A substitute report will be issued if there is any change.

Introduction

1 The Council is required by law to approve the calculation of Council Tax requirement for the Council's services (including that required by Canvey Island Town Council) and set the Council Tax level to be levied in the Borough that takes account of the following preceptors:

- Essex County Council
- Essex PFCC – Policing & Community Safety
- Essex PFCC – Fire & Rescue Authority
- Canvey Island Town Council

Essex County Council

2 The County Council has a duty to issue a precept to billing authorities before 1 March each year (including the Adult Social Care precept). The figures presented in this report are provisional. The County Council is to set and approve its budget and level of precept on 12 February 2026.

Essex PFCC – Policing & Community Safety

3 The PFCC has been elected to oversee Essex Police and is responsible for setting the Essex Police budget. The figures presented in this report are provisional as the PFCC is due to set its budget and precept on 3 February 2026.

Essex PFCC – Fire & Rescue Authority

4 The Fire & Rescue Authority operates as an independent body and is responsible for setting its own budget. The figures presented in this report are provisional as the Essex Fire and Rescue Authority is due to set its budget and precept on 3 February 2026.

Canvey Island Town Council

5 The Town Council is a separate and autonomous body within the Borough which approves its own spending and precept levels for each financial year, based on a separate tax base (calculated by the Council) consisting of Canvey Island properties only. The Town Council resolved its precept for the forthcoming financial year at its meeting on 19 January 2026.

6 There are currently no specific government controls over the Town Council's budget requirement or Council Tax level although the Government has consulted in recent years on the introduction of a referendum limit for Town and Parish Council's.

7 The Council is required to include the net expenditure relating to the Town Council in the Council's net overall budget requirement.

8 The Town Council's precept is added to the statutory calculation as an average for the overall Borough but is levied only on properties that are situated on Canvey Island.

Council Tax Levels 2026/27

9 Castle Point, as the billing authority for the area, is responsible for the collection of Council Tax on behalf of the three major precepting authorities, as well as Canvey Island Town Council which is a local precepting authority.

10 Tables on the following page set out the individual and combined council tax charges by property band.

11 A summary of precepts notified and corresponding Council Tax levels is shown in the following table.

Table 14.1 Precepts and Council Tax Levels	Council Tax at Band D 2025/26 £	Council Tax at Band D 2026/27 £	Change from 2025/26 £	Change from 2025/26 %	Share %
Castle Point Borough Council (proposed)	290.16	298.80	8.64	2.98	12.80
Essex County Council (Including ASC precept)	1,579.59	1,641.96	62.37	3.95	70.34
Essex PFCC - <u>Fire</u> and Rescue Authority	87.57	92.52	4.95	5.65	3.96
Essex PFCC - <u>Policing</u> and Community Safety	260.37	275.31	14.94	5.74	11.79
Total (excluding Canvey Island Town Council)	2,217.69	2,308.59	90.90	4.10	98.89
Canvey Island Town Council	24.75	25.92	1.17	4.73	1.11
Total (including Canvey Island Town Council)	2,242.44	2,334.51	92.07	4.11	100.00

12 The table below shows the amount of Council Tax each authority has set for 2026/27:

Table 14.2 Council Tax for each band	Castle Point Borough Council	Essex County Council	Essex PFCC - Fire and Rescue Authority	Essex PFCC - Policing and Community Safety	Total excluding Town Council	Canvey Island Town Council	Total including Town Council
	£	£	£	£	£	£	£
A	199.20	1,094.64	61.68	183.54	1,539.06	17.28	1,556.34
B	232.40	1,277.08	71.96	214.13	1,795.57	20.16	1,815.73
C	265.60	1,459.52	82.24	244.72	2,052.08	23.04	2,075.12
D	298.80	1,641.96	92.52	275.31	2,308.59	25.92	2,334.51
E	365.20	2,006.84	113.08	336.49	2,821.61	31.68	2,853.29
F	431.60	2,371.72	133.64	397.67	3,334.63	37.44	3,372.07
G	498.00	2,736.60	154.20	458.85	3,847.65	43.20	3,890.85
H	597.60	3,283.92	185.04	550.62	4,617.18	51.84	4,669.02



Appendix 2

Castle Point Borough Council Council Tax Reduction Scheme

S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2026.
- 1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2026 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 (Prescribed Requirements) (England) (Amendment) Regulations 2018;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021:
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2024;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

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

- (1) In this scheme—
- (a) a person is a “pensioner” if—
 - (i) he has attained the qualifying age for state pension credit; and
 - (ii), he is not and, if he has a partner, his partner is not—
 - (aa) a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit; and
 - (b) a person is a “person who is not a pensioner” if—
 - (i) he has not attained the qualifying age for state pension credit; or
 - (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is—
 - (aa) a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit.
- (2) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (1) an award of universal credit is to be disregarded during:
- (a) during the relevant period; or
 - (b) where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award the relevant period.
- (3) In this scheme—
- “assessment period” has the same meaning as in the Universal Credit Regulations 2013;
 - “relevant period” means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends.

The three prescribed classes are as follows;

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

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

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

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

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- (c) who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority’s scheme;

- (d) whose income for the relevant week is greater than his applicable amount calculated in accordance with paragraph 9 and Schedule 2 to the Local Government Finance Act 1992;
- (e) in respect of whom amount A exceeds amount B where;
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount;
- (f) not have capital savings above £16,000; and
- (g) who has made an application for a reduction under the authority's scheme.

Class C: alternative maximum Council Tax Reduction

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

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

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

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

- (a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- (b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- (c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- (d) is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- (e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

1.5 For those who have reached the qualifying age for state pension credit, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 to disregard in full the following:

- (a) a war disablement pension;
- (b) a war widow's pension or war widower's pension;

- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of 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 Reduction amount can be calculated;
- (g) not have capital savings above £6,000;
- (h) not have income above the levels specified within the scheme;
- (i) be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income* is within a range of incomes specified within Schedule 1; and
- (j) has made a valid application for reduction.

Council Tax Reduction Scheme

Details of support to be given for **working age applicants** for the financial year 2026/27

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 reduction – for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

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

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

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

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

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

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

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

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

‘care home’ has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

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

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

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

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

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

‘claim’ means a claim for council tax reduction;

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

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

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

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

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

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

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

‘couple’ means;

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

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

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

‘designated authority’ means any of the following;

the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

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

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
- (c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

‘independent hospital’–

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

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

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

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

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

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

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

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

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

‘lone parent’ means a person who has no partner and who is responsible for and a member of

the same household as a child or young person;

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

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

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

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

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

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

'member of a couple' means a member of a married or unmarried couple;

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

'mobility supplement' means a supplement to which paragraph 9 of Schedule 2 refers;

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

'net earnings' means such earnings as are calculated in accordance with section 26;

'net profit' means such profit as is calculated in accordance with section 28;

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

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

'non-dependant' has the meaning prescribed in section 3;

'non-dependant deduction' means a deduction that is to be made under section 58;

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

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

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

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

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

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

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

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

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

Act 1972;

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

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

'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 reduction;

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

'remunerative work' has the meaning prescribed in section 6;

'rent' means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

'resident' has the meaning it has in Part 1 or 2 of the 1992 Act;

'Scottish basic rate' means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

'Scottish taxpayer' has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998

'second adult' has the meaning given to it in Schedule 2;

'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.

'single applicant' means an applicant who neither has a partner nor is a lone parent;

'the Skipton Fund' means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25th March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme's provisions.

'special account' means an account as defined for the purposes of Chapter 4A of Part 8 of the Jobseeker's Allowance Regulations or Chapter 5 of Part 10 of the Employment and Support Allowance Regulations;

'sports award' means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc Act 1993 out of sums allocated to it for distribution under that section;

'the SSCBA' means the Social Security Contributions and Benefits Act 1992

'State Pension Credit Act' means the State Pension Credit Act 2002;

'student' has the meaning prescribed in section 43;

'subsistence allowance' means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

‘the Tax Credits Act’ means the Tax Credits Act 2002;

‘tax year’ means a period beginning with 6th April in one year and ending with 5th April in the next;

‘training allowance’ means an allowance (whether by way of periodical grants or otherwise) payable—

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People’s Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;
- (b) to a person for his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

It does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the 1973 Act or is training as a teacher;

‘the Trusts’ means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust;

‘Universal Credit’ means any payment of Universal Credit payable under the Welfare Reform Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

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

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

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

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

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

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

‘water charges’ means;

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

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

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

‘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 determined by the authority.

¹ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or
 - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
 - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
 - (d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.4A For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
 - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.6 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).
- 3.0 Definition of non-dependant**
- 3.1 In this scheme, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.
- 3.2 This paragraph applies to;
- (a) any member of the applicant's family;
 - (b) if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
 - (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
 - (d) subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);

- (e) subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant–

- (a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - (i) that person is a close relative of his or her partner; or
 - (ii) the tenancy or other agreement between them is other than on a commercial basis;
- (b) a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
- (c) a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the 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 reduction is claimed;
- (b) to a person who;
 - (i) is a person in respect of whom a claim for council tax reduction is made;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act; and
 - (iii) has not previously been allocated a national insurance number.

² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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 Not Used

7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control

Persons treated as not being in Great Britain

7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.

7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.

7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—

- (a) regulation 13 of the EEA Regulations;
- (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
- (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).

7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—

- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
- (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
- (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
- (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.

7.4B Paragraph (4A)(b) does not apply to a person who—

- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
- (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)

7.5 A person falls within this paragraph if the person is—

- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
- (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
- (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
- (zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
- (ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act
- (zf) a person who—
 - was residing in a country or territory outside Great Britain immediately before His Majesty's Government—
 - (aa) provided public information to advise British nationals to leave that country or territory, or
 - (bb) arranged the evacuation of British nationals from that country or territory;
 - has left that country or territory and is present in Great Britain; and
 - has—
 - (aa) a right of abode in the United Kingdom within the meaning given in section 2 of the Immigration Act 1971(6),
 - (bb) no requirement of leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act(7),

(cc) leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of that Act, or
(dd) leave on a discretionary basis outside of rules made under section 3(2) of that Act; or

- (zg) a person who, as part of a safe and legal humanitarian immigration route, has leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of the Immigration Act 1971 or leave on a discretionary basis outside of rules;
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- (b) a family member of a person referred to in sub-paragraph (a);
- (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
- (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
- (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
- (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance;
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4); or
- (hb) in receipt of universal credit

7.5A Paragraph 7.5 (zf) does not apply after the expiry of 6 months beginning on the day on which the public information is issued, or the evacuation is started.

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; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and

Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020

“EEA national” has the meaning given in regulation 2(1) of the EEA Regulations;

“family member” has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);

“relevant person of Northern Ireland” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and

“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 reduction under an authority’s scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker’s allowance.

7A.3 In this section “the Act” means the Local Government Finance Act 1992.

8.0 Not Used

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.

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 following provisions.

- 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 section 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 in like manner as for the applicant.

- 12.4 In determining the income and capital of a person who has an award of universal credit of an applicant
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit the authority may, 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.
- 12.5 The award of universal credit shall be the gross award **before** any deductions for loans, sanctions, advances, third party payments, payments to landlords or any other such deductions made by the Secretary of State.
- 12.6 The authority may adjust the amount referred to in sub-paragraph (4) to take account of
- (a) income consisting of the award of universal credit;
 - (b) the authority's determination of any housing element;
 - (c) a sum of £20 disregarded from the calculation of earnings;
 - (d) any sum to be disregarded under paragraphs of Schedule 2 to this scheme (sums to be disregarded in the calculation of income other than earnings);
 - (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable)
- 12.7 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.
- 12.8 In determining the capital of an applicant;
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award
- 13.0 Not used**
- 14.0 Calculation of income on a weekly basis**
- 14.1 For the purposes of this scheme, the income of an applicant shall be calculated on a weekly basis;
- (a) by estimating the amount which is likely to be his average weekly income in accordance with this section; and
 - (b) by then deducting any relevant child care charges to which section 15 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 14.2 are met, from those earnings plus whichever credit specified in sub- paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.
- 14.2 The conditions of this paragraph are that;
- (a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
 - (b) that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.
- 14.3 The maximum deduction to which paragraph 14.1 b) above refers shall be;

- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- (b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

15.0 Treatment of child care charges

- 15.1 This section applies where an applicant is incurring relevant child-care charges and;
- (a) is a lone parent and is engaged in work;
 - (b) is a member of a couple both of whom are engaged in work; or
 - (c) is a member of a couple where one member is engaged in 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).
- 15.2 For the purposes of paragraph 15.1 a person shall be treated as engaged in work if:
- (a) they are engaged in genuine and effective work; or
 - (b) they were working but off work sick and getting Statutory Sick Pay from their employer; or
 - (c) they were working but on maternity and getting Statutory Maternity Pay from their employer
- 15.3 – 15.4 Not used
- 15.5 Relevant child care charges are those charges for care to which paragraphs 15.6 and 15.7 apply and shall be calculated on a weekly basis in accordance with paragraph 15.10.
- 15.6 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.
- 15.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 15.8 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.
- 15.8 The care to which paragraph 15.7 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 day care 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.

15.9 In paragraphs 15.6 and 15.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

15.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

15.11 For the purposes of this scheme the other member of a couple is incapacitated where, **but for the implementation of this scheme:**

- (a) the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work
- (b) the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- (c) the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or 2013 as appropriate;
- (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 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 (v) above;
 - (ix) main phase employment and support allowance;
- (g) a pension or allowance to which head (ii), (iv), (v) or (vi) 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.

15.12 For the purposes of paragraph 15.11, once paragraph 15.11 (e) 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.

15.13 For the purposes of paragraphs 15.6 and 15.8 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.

15.14 - 15.16 Not used

15.17 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

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 based on the last weekly pay slip or monthly salary slip. 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 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.

16.3 For the purposes of this section the applicant's earnings shall be calculated in accordance with the following sections.

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.

18.0 Average weekly income other than earnings

18.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 2 of this scheme

18.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that support is payable.

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 average weekly earnings of employed earners, 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 calculating the average weekly earnings of self-employed earners the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

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 amended³.

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 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)

23.0 Calculation of net earnings of employed earners

23.1 For the purposes of 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, be his net earnings.

23.2 There shall be disregarded from an applicant's net earnings, £20 per week. This disregard shall apply irrespective of the number of hours worked.

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 26.5 in respect of any qualifying contribution payable by the applicant; and
- (d) where those earnings include a payment which is payable under any enactment having 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.

³ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

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, 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 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 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.

24.2 ‘Earnings’ shall not include any payment 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 trade mark; or
- (b) any payment in respect of any–
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

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 of £20 per week. This disregard shall apply irrespective of the number of hours worked.

25.0 Calculation of net profit of self-employed earners

- 25.1 For the purposes of calculating the average weekly earnings of self-employed earners, the earnings of an applicant to be taken into account shall be in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment.
- 25.2 There shall be disregarded from an applicant's net profit, an amount of £20 per week. This disregard shall apply irrespective of the number of hours worked
- 25.3 The net profit of the employment shall be calculated by taking into account the earnings for the employment over the assessment period less
- (a) any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - (b) an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act; and
 - (c) one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 25.4 The net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 25.5 No deduction shall be made 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 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 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 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,; and
- (c) one-half of the amount calculated 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 Not used

27.0 Calculation of income other than earnings

27.1 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.

27.2 There is to be disregarded from the calculation of an applicant's gross income, any sum, where applicable, specified in Schedule 2.

27.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account shall be the gross amount payable.

27.4 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.

27.5 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 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

27.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

27.7 For the avoidance of doubt there shall be included as income to be taken into account 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.

28.0 – 29.0 Not used

30.0 Capital limit

30.1 For the purposes of this scheme, the prescribed amount is £6,000 and no reduction shall be granted when the applicant has an amount greater than this level.

31.0 Calculation of capital

31.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, be the whole of his capital calculated in accordance with this scheme.

32.0 - 38.0 Not used

39.0 Student related definitions

39.1 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;

‘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 paragraph 12 of Schedule 2 or paragraph 53 of Schedule 3 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

- 39.2 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.
- 39.3 For the purposes of sub-paragraph (a) of paragraph 39.2, 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.

40.0 Treatment of students

40.1 The following sections relate to students who claim Council tax reduction

41.0 Calculation of grant income

41.1 The amount of a student's grant, covenant income or loan income to be taken into account shall, be the **whole** of his grant, covenant or loan income. No disregards shall be applied.

41.2 Any grant, covenant income or loan income shall be calculated at the level actually received or at the level that could be received if applied for.

41.3 In calculating the weekly income, the authority shall take the total grant, covenant income or loan income and apportion it equally between the period for which it is paid or for which it could be paid if applied for.

42.0 Treatment of payments from access funds

42.1 This paragraph applies to payments from access funds.

42.2 A payment from access funds, shall be calculated as income.

42.3 In calculating the weekly income from access funds, the authority shall take the total access fund payment or any amount that could be paid if applied for and apportion it equally between the period for which it is paid or for which it could be paid if applied for.

43.0 Maximum council tax reduction

43.1 Subject to paragraphs 43.2 to 43.4, 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 70 per cent, of the amount A/B where;

A is the **lower** of either;

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 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.

43.2 In calculating a person's maximum council tax reduction any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.

43.3 Subject to paragraph 43.4, 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, in determining the maximum council tax reduction in his case in accordance with paragraph 43.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

43.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 43.3 shall not apply in his case.

44.0 Not Used

45.0 Non-dependant deductions

45.1 There shall be no non-dependant deductions.

46.0 Extended reductions

46.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

46.2 For the purpose of paragraph 46.1(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

46.3 For the purpose of this section, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they shall be treated as being entitled to and in receipt of jobseeker's allowance.

46.4 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where—

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 46.1(b).

46.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

47.0 Duration of extended reduction period

47.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

47.2 For the purpose of paragraph (47.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of

entitlement to that benefit.

47.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

48.0 Amount of extended reduction

48.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of–

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant’s partner ceased to be entitled to a qualifying income- related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 47 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant’s partner would be entitled under the general conditions of entitlement, if section 47 did not apply to the applicant.

48.2 Paragraph 48.1 does not apply in the case of a mover.

48.3 Where an applicant is in receipt of an extended reduction under this section and the applicant’s partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

49.0 Extended reductions – movers

49.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

49.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover’s partner, ceased to be entitled to a qualifying income-related benefit.

49.3 Where a mover’s liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

- (a) the second authority; or
- (b) the mover directly.

49.4 Where–

- (a) a mover, or the mover’s partner, makes a claim for council tax reduction to the second authority after the mover, or the mover’s partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover’s partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover’s partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

50.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement

50.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 51.1(b), that award will not cease until the end of the extended reduction period.

51.0 Extended reductions (qualifying contributory benefits)

51.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

51.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 51.1(b).

52.0 Duration of extended reduction period (qualifying contributory benefits)

52.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

52.2 For the purpose of this section, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

52.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax, if that occurs first.

53.0 Amount of extended reduction (qualifying contributory benefits)

53.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;

- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

53.2 Paragraph 53.1 does not apply in the case of a mover.

53.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

54.0 Extended reductions (qualifying contributory benefits) – movers

54.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

54.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

54.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to–

- (a) the second authority; or
- (b) the mover directly.

54.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

55.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement

55.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed, that award will not cease until the end of the extended reduction period.

55.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance amount of extended reduction– movers.

56.0 Extended reductions: movers into the authority's area⁴

56.1 Where;

- (a) an application is made to the authority for a reduction under its scheme, and

⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(b) the applicant or the partner of the applicant, is in receipt of an extended reduction from;
(i) another billing authority in England; or
(ii) a billing authority in Wales,
the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

57.0 Date on which entitlement is to begin

57.1 Any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that support shall be so entitled from the date on which that claim is made or is treated as made.

58.0 Date on which change of circumstances is to take effect

58.1 Where:

- (a) there is a change of circumstances which results in an **increase** in reduction for the applicant; **and**
- (b) the applicant has reported that change to the authority within 21 days of the happening of the event,
the change shall be effected from the actual date of the change.

58.2 Where:

- (a) there is a change of circumstances which results in an **increase** in reduction for the applicant; **and**
- (b) the applicant has failed to reported that change to the authority within 21 days of the happening of the event,
the change shall be effected from the date that the notification is received by the authority.

58.3 Where:

- (a) there is a change of circumstances which results in a **decrease** in reduction for the applicant the change shall be effected from the actual date of the change

59.0 Making an application⁵

59.1 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.

59.2 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.

59.3 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

⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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.

59.4 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).

59.5 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).

59.6 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.

59.7 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.

60.0 Procedure by which a person may apply for a reduction under the authority's scheme⁶

60.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme. 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. For the purposes of this scheme any Universal Credit claim, a Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall be treated as a valid claim

60.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication or by means of an electronic communication from either the DWP or HMRC; or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

60.3 (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.

60.4 (1) Where an application made in writing is defective because—

⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (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.

60.5. (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.

60.6. 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.

60.7 (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.

60.8 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.

60.9 The authority may determine that the date of application can be backdated. The backdating of applications will be at the authority's discretion but in any event would be no further than the start of the financial year in which the application is made.

61.0 Date on which an application is made

61.1 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.

61.2 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.

61.3 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.

61.4 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.

61.5 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.

61.6 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.

62.0 Submission of evidence electronically

62.1 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

63.0 Use of telephone provided evidence

63.1 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

64.0 Information and evidence⁷

64.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

64.2 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.

64.3 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.

64.4 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.

64.5 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.

⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 64.6 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.
- 64.7 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 paragraph 24 of Schedule 3, other than a payment under the Independent Living Fund (2006);
- 64.8 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.
- 65.0 Amendment and withdrawal of application⁸**
- 65.1 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.
- 65.2 Where the application was made by telephone the amendment may also be made by telephone.
- 65.3 Any application amended is to be treated as if it had been amended in the first instance.
- 65.4 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.
- 65.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 65.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 65.7 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.
- 66.0 Duty to notify changes of circumstances⁹**
- 66.1 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;

⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (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.

66.2 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 using the on-line council tax reduction form available on the authority's website; or

(d) 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.

66.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying

(a) changes in the amount of council tax payable to the authority;

(b) changes in the age of the applicant or that of any member of his family;

(c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

66.4 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.

66.5 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.

67.0 Decisions by the authority¹⁰

67.1 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.

68.0 Notification of decision¹¹

68.1 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.

¹⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 68.2 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.
- 68.3 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.
- 68.4 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.
- 68.5 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.
- 68.6 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.
- 68.7 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).
- 68.8 This sub-paragraph applies to—
- (a) the applicant;
 - (b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;
 - (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or
 - (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
 - (c) a person appointed by the authority to act for a person unable to act.

69.0 Time and manner of granting council tax reduction¹²

- 69.1 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

¹² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (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.

69.2 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).

69.3 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.

69.4 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).

70.0 Persons to whom support is to be paid¹³

70.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount of a reduction must be made to that person.

70.2 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.

71.0 Shortfall in support / reduction¹⁴

71.1 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.

¹³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

72.0 Payment on the death of the person entitled¹⁵

72.1 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.

73.0 Offsetting

73.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

74.0 Payment where there is joint and several liability¹⁶

74.1 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.

74.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

74.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

75.0 Use of information from and to the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC)

75.1 The authority may use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013

75.2 Where required by the relevant department and where required by law, the authority may share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements¹⁷.

76.0 Collection of information

76.1 The authority may receive and obtain information and evidence relating to claims for council

¹⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁶ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

¹⁷ 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

tax reduction, the council may receive or obtain the information or evidence from—

- (a) persons making claims for council tax reduction;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

76.2 The authority may verify relevant information supplied to, or obtained.

77.0 Recording and holding information

77.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

78.0 Forwarding of information

78.1 The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being

- (a) a local authority;
- (b) a person providing services to a local authority; or
- (c) a person authorised to exercise any function of a local authority relating to council tax reduction.

79.0 Persons affected by Decisions

79.1 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;

80.0 Revisions of Decisions

80.1 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.

80.2 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

81.0 Written Statements

81.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in

relation to Council tax reduction. The request must be received within one calendar month of the date of the notification being issued by the authority.

82.0 Terminations

82.1 The authority may terminate support in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;

- (a) the conditions for entitlement to Council tax reduction are or were fulfilled; or
- (b) a decision as to an award of such a support should be revised or superseded.

82.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;

- (a) the conditions for entitlement to Council tax reduction are or were fulfilled; or
- (b) a decision as to an award of such a 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

83.0 Procedure by which a person may make an appeal against certain decisions of the authority¹⁸

83.1 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.

83.2 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.

83.3 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 Act¹⁹.

84.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act²⁰

84.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance this scheme or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

84.2 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).

¹⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁹ 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

²⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

85.0 Electronic Communication

Interpretation

85.1 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.

86.0 Conditions for the use of electronic communication

86.1 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.

86.2 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.

86.3 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.

86.4 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.

86.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

86.6 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.

86.7 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.

86.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

87.0 Use of intermediaries

87.1 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.

88.0 Effect of delivering information by means of electronic communication

88.1 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.

88.2 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).

88.3 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.

89.0 Proof of identity of sender or recipient of information

89.1 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.

90.0 Proof of delivery of information

90.1 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.

90.2 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.

90.3 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.

91.0 Proof of content of information

91.1 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.

92.0 Counter Fraud and compliance

92.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council tax reduction;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

92.2 The authority believes that it is important to minimise the opportunity for fraud and;

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this scheme;

- d. will co-operate with the Department for Work and Pensions (DWP), 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.

92.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1

**Calculation of the amount of Council Tax Reduction in accordance with the
Discount Scheme**

1 The authority's Council Tax Reduction scheme from 2026/27 shall be calculated on the basis of the following Banded Discount Scheme:

	A	B	C	D	E	F	G
Percentage Discounted weekly income		£ - £	£ 171.16 £	£ 256.74 £	£ 342.31 £	£ 427.88 £	£ 513.46 £
	Passported	171.15	256.73	342.30	427.87	513.45	+
1 single no children	70.00%	70.00%	40%	20%	0%	0%	0%
2 couple no children	70.00%	70.00%	40%	20%	0%	0%	0%
3 single one child	70.00%	70.00%	40%	40%	20%	0%	0%
4 couple one child	70.00%	70.00%	40%	40%	20%	0%	0%
5 single 2 or more children	70.00%	70.00%	70.00%	40%	40%	20%	0%
6 couple 2 or more children	70.00%	70.00%	70.00%	40%	40%	20%	0%

2 The amount of discount to be granted is to be based on the following factors:

- a. The maximum Council Tax Reduction as defined within this scheme;
- b. The Council Tax family as defined within this scheme
- c. The income of the applicant as defined within this scheme;
- d. 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. Any applicant or partner who is in receipt of Income Support, Income Based Jobseeker's Allowance, Income-Related Employment and Support Allowance (passported benefit) will receive the maximum discount available.

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 £6,000 shall not be entitled to any Council Tax Reductions 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 such an amount as the Council feels is appropriate,

7 Where Government increase benefits or makes changes to the welfare benefit system generally to allow for additional monies to be paid to applicants generally, the authority may make changes to either the levels of discounts or to the income ranges within each discount band to ensure that applicants are not disadvantaged.

8 Where any scheme is implemented by the local authority or Government in response to any national crisis or situation, any amounts paid will be classified as a local welfare provision and may be disregarded by the Council in calculating the discount.

Schedule 2

Sums to be disregarded in the calculation of income other than earnings²¹

²¹ 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 30 (calculation of income other than earnings).
2. 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.
3. 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.
4. Any disability living allowance or personal independence payment or Armed Forces Independence Payments
5. 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.
6. Any attendance allowance.
- 7 (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.
8. 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.

- 9.** Any payment made to the applicant by a child or young person or a non- dependant.
- 10.** (1) Any payment made to the applicant in respect of a person who is a member of his family–
(a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978**(b)** (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
(b) not used
(ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child’s maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
(c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child’s maintenance);
(d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
(2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 11.** 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).
- 12.** 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).
- 13.** (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.
- 14.** (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).

15. Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare fund provision

16. Any payment under Part 10 of the Act (Christmas bonus for pensioners).

17. (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.

18. Any housing benefit or council tax benefit.
19. 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.
20. 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).
21. 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).
22. (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.
23. (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.

- 24.** 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.
- 25.** 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 2 to that Scheme.
- 26** (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).
- 27.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 28.** 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.
- 29.** (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.
- 30.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017
- 31.** 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
- 32.** Any payment of child benefit.
- 33.** Any payment of Council Tax Rebate paid under the Government announcement on 3rd February 2022.
- 34.** The following elements of Universal Credit:
 - (a) Housing Element;

- (b) Carer's Element;
- (c) Limited Capability for Work Element

35. Provision for all applicants: Homes for Ukraine scheme

(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—

- (a) an applicant's entitlement to a reduction under the scheme; or
- (b) the amount of any reduction to which the applicant is entitled.

(2) In this regulation—

“the Homes for Ukraine scheme” means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

Schedule 3
Capital to be disregarded²²

²² 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. 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.
3. 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.
4. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

 - (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.
 - (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.
5. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
 - (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 2;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

 - (2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is
 - (a) paid in order to rectify or to compensate for, an official error as defined in

regulation 1(2) of the Decisions and Appeals Regulations; and
(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

(3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—
(a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
(i) is the person who received the relevant sum; or
(ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

6. 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.
7. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
8. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
9. 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.
10. (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).

11. The value of the right to receive any income under a life interest or from a life rent.
12. The surrender value of any policy of life insurance.
13. 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).
14. (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.
15. Any social fund payment made pursuant to Part 8 of the Act.
16. 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.
17. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
18. (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.

19. (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.

20. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

21. The value of the right to receive an occupational or personal pension.

22. The value of any funds held under a personal pension scheme

- 23.** 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).
- 24.** 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.
- 25.** 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.
- 26.** Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 2 (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.
- 27.** 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.
- 28.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 29.** 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.
- 30.** 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.
- 31.** 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.
- 32.** (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.
- 33.** 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.

34. Any payment to the applicant as holder of the Victoria Cross or George Cross.

35. (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.
- 36.** 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.
- 37.** (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.
- 38.** Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 39.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 40.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).
- 41. Provision for all applicants: Homes for Ukraine scheme**
- (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
- (c) an applicant’s entitlement to a reduction under the scheme; or
 - (d) the amount of any reduction to which the applicant is entitled.
- (2) In this regulation—
 “the Homes for Ukraine scheme” means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

Annual Procurement Plan 2026/27

Appendix 3

Service	Procurement Project	Expected Route to Market	Start of Procurement				Estimated Contract Value
			Q1	Q2	Q3	Q4	
Environment	Pay & Display Machines	TBC	X				TBC
Environment	Playground replacement	Framework	X				£200K
Environment	Public Toilet Refurbishments	TBC					TBC
People and Engagement	iTrent payroll system - extension of current contract	Framework		X			TBC
Policy, Performance and Customer	Consultation software	Framework			X		£25,000 per annum
Policy, Performance and Customer	Hybrid Mail	Framework	X				TBC
Policy, Performance and Customer	MFDs	Framework	X				TBC
Policy, Performance and Customer	IDOX Uniform Replacement	Framework	X				£70,000 per annum
Policy, Performance and Customer	Network and WiFi renovation	Through IT contractor	X				£100,000
Policy, Performance and Customer	Microsoft 365 licences	Framework	X				£550,000
Estates	Refurbishment of Knightswick Shopping Centre	Open tender	X				£1.8m
Estates	The Paddocks. WC refurbishment and window replacement subject to quotation	Quotation	X				£45,000
Estates	The Paddocks. External replacement windows and doors	Open tender	X				£109,000
Estates	Thundersley Rovers Football Club refurbishment	Open tender		X			£220,000
Estates	Re-surfacing of borough wide car parks, paths and roads	Open tender	X				£725,000 pa
Estates	The Paddocks - Well-being Hub	Open tender		X			£750,000
Estates	Point Road Depot - Dilapidations	Quotation		X			£40,000
Estates	Waterside - Replacement Sports Hall Roofing	Open tender				X	£800,000
Estates	The Paddocks - Ground floor flat re-roofing	Open tender				X	£150,000
Estates	Kiln Road Council Offices	Open tender				X	£400,000
Estates	Runnymede Leisure Centre - Installation of PV solar panels	Open tender	X				£70,000
Estates	South Benfleet Pavilion - Changing Places WC	Open tender		X			£70,000 - £150,000
Estates	Solby House - Options to convert for commercial use	Planning and feasibility			X		£200,000
Estates	Former Crown Public House - Brownfield site. Planning and feasibility proposal	Quotation to RIBA 3 and D&B Route to market being explored		X			£200,000
Estates	Church Road Consultancy	Open tender	X				£100,000
Estates	Church Road Development	Open tender		X			£12m
Estates	The Paddocks Boiler and heating replacement (Capitalised planned works)	Open tender		X			£101,000
Estates	Benfleet Pavilion - Walls, Windows and doors replacements	Quotation	X				£36,400
Estates	Electrical Upgrades - Degaussing Station, Thorney Bay	Quotation		X			£13,700
Estates	Dutch Cottage Roofing and Associated electrical replacements	Quotation		X			£14,000

Annual Procurement Plan 2026/27

Service	Procurement Project	Expected Route to Market	Start of Procurement				Estimated Contract Value
			Q1	Q2	Q3	Q4	
Estates	Runnymede Leisure Centre - Replacement mechanical services	Quotation	X				£28,000
Estates	Woodside Cemetery - Electrical upgrades	Quotation		X			£10,500
Estates	Farmhouse - Mechanical services upgrades	Quotation		X			£14,700
Estates	Waterside Mechanical Services upgrades	Quotation	X				£20,300
Estates	Whitehouse - External walls panelling, windows and door replacements	Quotation	X				£36,400
Estates	Woodside Pavilion - WC installation refurbishment	Quotation		X			£42,000
Recreation	Pool Plant Servicing	Request For Quotes					TBC
Recreation	Pool Dosing System	Tender					TBC
Recreation	Marketing Support	Tender					£25,000 per annum
Recreation	Rostering System	Request For Quotes					£7,000 per annum
Recreation	Signage	Request For Quotes					TBC
Recreation	Swimming Pool Air Handling System	Tender/Framework					TBC
Recreation	Replacement flooring	Tender					TBC
Recreation	Bar Services	Tender					TBC
Recreation	Replacement showers and panelling	Request For Quotes					TBC
Recreation	Paddocks stage investment	Tender	X				£80,000
Recreation	Paddocks wellbeing hub, 1st floor refurb and fire exit. Subject to funding	Tender			X		£650- £850k
Recreation	Paddocks kitchen upgrade	Tender			X		£174k
Recreation	Runnymede LC solar panels	Tender		X			£75k
Climate and Growth	West Canvey Master Plan	Tender/Framework	X				£75k - £100k
Climate and Growth	Canvey Town Centre Master Plan	Tender/Framework		X			£60k
Climate and Growth	Engagement for PiP Programme	Request For Quotes	X				£20k
Climate and Growth	Biodiversity Net Gain Site Assessments x 2	Request For Quotes	X				£20k-£30k
Climate and Growth	Carbon accounting / reporting / monitoring software	Request For Quotes	X				£60k
Climate and Growth	Digitisation of CP Plan	Request For Quotes				X	£10k - £20k
Climate and Growth	IDP update during and post examination	Request For Quotes		X		X	£40k
Climate and Growth	Skills Improvement Feasibility work	Request For Quotes		X			£20k - £25k
Climate and Growth	Branding and marketing for business support	Request For Quotes		X			£30k
Climate and Growth	Choose Local branding and marketing support	Request For Quotes	X				£35k
Waste & Recycling	HVO fuel	Tender			X		£250,000 per annum
Waste & Recycling	HVO and Ad Blue Tank	Tender		X			£161,000
Waste & Recycling	The Farmhouse Yard Reconfiguration	Tender	X				£439,000
Waste & Recycling	Brake Testing, Washing & Ad-hoc maintenance	Tender	X				£49,999
Waste & Recycling	Materials Recycling Facility	Tender	X				£600,000
Housing, Health and Partnerships	CCTV Upgrade Project	Tender	X				£1m

Annual Procurement Plan 2026/27

Service	Procurement Project	Expected Route to Market	Start of Procurement				Estimated Contract Value
			Q1	Q2	Q3	Q4	
Housing, Health and Partnerships	CAB/Peabody/CAVs/Wyvern/Carers Choice Partnership Arrangements	Tender		X			CAB (£33k) Peabody (£33k) CAVs (£42k) Wyvern (£10k) Carers Choice (£42k)
Development Services	Developer Contributions Management System (BNG, BSL, CIL, RAMS & S106)	Not sure	X				£90,000