



Meeting	Cabinet
Date and Time	Wednesday, 16th December, 2020 at 9.30 am.
Venue	This meeting will be held virtually and a live audio stream can be listened to via www.winchester.gov.uk .

Note: *Owing to the ongoing Covid-19 pandemic and government guidance, it will not be possible to hold this meeting in person. The Council has therefore made arrangements under the Coronavirus Act 2020, and subsequent Regulations permitting remote meetings, to hold the meeting virtually. If you are a member of the public and would like to listen to the audio stream of the meeting you may do so via www.winchester.gov.uk*

AGENDA

PROCEDURAL ITEMS

- 1. Apologies**
To record the names of apologies given.
- 2. Membership of Cabinet bodies etc.**
To give consideration to the approval of alternative arrangements for appointments to bodies set up by Cabinet or external bodies, or the making or terminating of such appointments.
 - a) Kings Barton Forum – proposal to appoint Councillor Weir for the remainder of the 2020/21 Municipal Year.
Full Winchester City Council membership would be: Councillors Rutter (Chairperson), Godfrey, Horrill, Learney, Porter, Prince, Scott and Weir
- 3. Disclosure of Interests**
To receive any disclosure of interests from Members and Officers in matters to be discussed.
Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.
- 4. To note any request from Councillors to make representations on an agenda item.**



Note: Councillors wishing to speak about a particular agenda item are required to register with Democratic Services three clear working days before the meeting (contact: democracy@winchester.gov.uk or 01962 848 264). Councillors will normally be invited by the Chairperson to speak during the appropriate item (after the Cabinet Member's introduction and questions from other Cabinet Members).

BUSINESS ITEMS

5. **Minutes of the previous meeting held on 21 October 2020 and previous additional meeting held 10 November 2020** (Pages 5 - 22)
6. **Public Participation**
– to note the names of members of the public wishing to speak on general matters affecting the District or on agenda items
NB members of the public are required to register with Democratic Services three clear working days before the meeting (contact: democracy@winchester.gov.uk or 01962 848 264).

Members of the public and visiting councillors may speak at Cabinet, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on Thursday 10 December 2020** via democracy@winchester.gov.uk or (01962) 848 264 to register to speak and for further details.

7. **Leader and Cabinet Members' Announcements**
8. General Fund Budget Options and Medium Term Financial Strategy (less exempt appendix) (Pages 23 - 58)
Key Decision (CAB3276)
9. Housing Revenue Account (HRA) Budget Business Plan and Budget Options (Pages 59 - 84)
Key Decision (CAB3275)
10. Quarter 2 Finance and Performance Monitoring (Pages 85 - 152)
Key Decision (CAB3273)
11. The Council Tax Reduction Scheme – Consultation Results & Scheme Amendments (Pages 153 - 372)
Key Decision (CAB3255)
12. Local Plan Action Plan (Pages 373 - 410)
Key Decision (CAB3274)

13. Upper Brook Street car park site sale for development of new doctor's surgery (less exempt appendices) (Pages 411 - 424)

Key Decision

(CAB3277)

14. To note the future items for consideration by Cabinet as shown on the January 2021 Forward Plan. (Pages 425 - 432)

15. EXEMPT BUSINESS:

To consider whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- (i) To pass a resolution that the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100 (I) and Schedule 12A to the Local Government Act 1972.

16. General Fund Budget Options and Medium Term Financial Strategy (exempt appendix) (Pages 433 - 434)

Key Decision

(CAB3276 exempt apdx D)

17. Upper Brook Street car park site sale for development of new doctor's surgery (exempt appendix 2) (Pages 435 - 440)

Key Decision

(CAB3277 exempt apdx 2)

Lisa Kirkman
Strategic Director: Resources and Monitoring Officer

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8 December 2020

Agenda Contact: Nancy Graham, Senior Democratic Services Officer
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**With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website www.winchester.gov.uk*

CABINET – Membership 2020/21

Chairperson: Councillor Thompson (Leader and Cabinet Member for Communications)

Councillor Cutler (Deputy Leader and Cabinet Member for Finance and Risk)

Councillor	-	Cabinet Member
Ferguson	-	Cabinet Member for Local Economy
Learney	-	Cabinet Member for Housing and Asset Management
Murphy	-	Cabinet Member for Climate Emergency
Porter	-	Cabinet Member for Built Environment and Wellbeing
Prince	-	Cabinet Member for Sport, Leisure and Communities
Tod	-	Cabinet Member for Service Quality and Transformation

Quorum = 3 Members

Corporate Priorities:

As Cabinet is responsible for most operational decisions of the Council, its work embraces virtually all elements of the Council Strategy.

Public Participation at virtual meetings

Representations will be limited to a maximum of 3 minutes, subject to a maximum 15 minutes set aside for all questions and answers.-

To reserve your place to speak, you are asked to **register with Democratic Services three clear working days prior to the meeting** – please see public participation agenda item below for further details. People will be invited to speak in the order that they have registered, subject to the maximum time period allowed for speaking not being exceeded. Public Participation is at the Chairperson’s discretion.

Filming and Broadcast Notification

This meeting may be recorded and broadcast live on the Council’s website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Access to Information Procedure Rules within the Council’s Constitution for further information, which is available to view on the [Council’s website](#).

Terms Of Reference

Included within the Council’s Constitution (Part 3, Section 2) which is available [here](#)

CABINET

Wednesday, 21 October 2020

Attendance:

Councillor Thompson (Chairperson)	– Leader and Cabinet Member for Communications
Councillor Cutler (Vice-Chair)	– Deputy Leader and Cabinet Member for Finance and Risk
Councillor Ferguson	– Cabinet Member for Local Economy
Councillor Learney	– Cabinet Member for Housing and Asset Management
Councillor Murphy	– Cabinet Member for Climate Emergency
Councillor Porter	– Cabinet Member for Built Environment and Wellbeing
Councillor Prince	– Cabinet Member for Sport, Leisure and Communities
Councillor Tod	– Cabinet Member for Service Quality and Transformation

Others in attendance who addressed the meeting:

Councillors Brook, Hutchison, Horrill, Laming, Lumby, Miller and Pearson

[Full audio recording and video recording](#)

1. **MEMBERSHIP OF CABINET BODIES ETC.**

There were no changes to memberships of Cabinet bodies to be made.

2. **DISCLOSURE OF INTERESTS**

Councillors Tod and Porter declared personal (but not prejudicial) interests in respect of various agenda items due to their roles as County Councillors.

Councillor Porter also declared a personal (but not prejudicial) interest with regard to report CAB3267 as a trustee of a charity promoting the restoration of a railway line to the north of Winchester.

3. **MINUTES OF THE PREVIOUS MEETINGS**

RESOLVED:

That the minutes of the previous meeting held on 16 September 2020 and the additional meeting held on 29 September 2020 be agreed as a correct record.

4. **PUBLIC PARTICIPATION**

Six members of the public spoke during public participation as summarised briefly below.

Chris Corcoran (Twyford Parish Council)

Spoke regarding report CAB3257 and highlighted the impact on the parish of the decision to not award a grant for the flood application scheme. Following discussions with the Corporate Head of Regulatory about a way forward, he requested that the Parish Council be permitted to vire the £65,000 allocated for car park works to the flood mitigation scheme. He also asked that the Parish Council meet with the County Council, the City Council and the South Downs National Park to discuss further.

The following five speakers spoke regarding report CAB3268.

Charles Radcliffe

On the general subject of Central Winchester regeneration, welcomed the various projects now coming forward such as at Kings Walk and Coitbury House. Regarding CAB3268, highlighted that local residents had been informed that development of the Bar End depot would only take place following consultation, which had not taken place. Drew attention to a proposal for the community development trust to be established to develop the site. If the Council did agree to sell to a developer, requested that it be at best consideration and the interests of local residents be put first.

Kim Gottlieb

Believed there had been a lack of public consultation regarding the future of the Bar End site and that if sold to a developer, the Council would effectively lose control over what was developed. The preferred solution would be for the Council to develop the site itself, but if not possible, the next best proposal was for the site to be sold to a community development trust. He requested that the Council give adequate time to the local community to create such a trust.

Janet Berry (Highcliffe Community Forum for Action)

Highlighted that the previous John Thompson planning report had labelled the depot a "nuisance neighbour" and it was essential that future proposals provided a development of benefit to the local community by providing facilities for local residents. Concurred with previous comments about consultation not being undertaken prior to the decision to sell, despite residents previously been given this assurance.

Chris Allen

As a Highcliffe resident and member of the former Bar End Forum, highlighted the opportunity for the redevelopment of the depot site to provide much needed community facilities. Emphasised that consultation with local residents on the future of the depot site had not been carried out to date and was specifically excluded from engagement on the new leisure centre. Noted that the meetings of the Depot Insight Group were not held in public. Considered that if consultation was left until under the planning application process this was too

late for meaningful discussion. Expressed concern that price alone would be the primary factor in the council's decisions for the site future.

Geoff Wright

As a resident of Quarry Road and member of the former Bar End Forum, agreed with previous speakers regarding the lack of consultation, despite statements in the report to the contrary. Considered that the Design Framework did not offer adequate protection regarding future uses of the site. Requested that a residents' engagement programme be established to ensure a mix of facilities was provided on the site whilst also providing a reasonable commercial return to the council.

The Leader thanked all those speaking for their contributions which would be considered under discussion of the relevant report(s) below.

5. **LEADER AND CABINET MEMBERS' ANNOUNCEMENTS**

The Leader and Cabinet members made a number of announcements as summarised briefly below.

Councillor Thompson

Welcomed the letting to HM Courts and Tribunals for the use of the Winchester Guildhall as a Nightingale Court for a temporary period of nine months starting in November 2020.

Councillor Porter

Reported with regret the recent fire at Newlands play area and urged anyone with any information to come forward. The Council would undertake work to restore the equipment as soon as possible.

Ground work on installation of electric vehicle charging points had begun with work hoped to be completed before Christmas.

At the invitation of the Leader, as a ward member Councillor Brook provided an update on the situation regarding the Newlands play area and Councillor Porter suggested further discussions take place outside of the Cabinet meeting.

Councillor Tod

Announced that the additional charge to customers wishing to pay for parking by mobile phone was being discontinued. One parking app would apply across all the car parks within Winchester town centre.

6. **BAR END DEPOT SITE FUTURE**
(CAB3268)

The Leader drew Members' attention to the feedback from the Depot Insight Group which had been circulated as a supplementary agenda.

Councillor Learney introduced the report and emphasised that the intention was to gather information regarding the general market position. Councillor Learney responded to a number of comments made during public participation, including

emphasising that the preparatory work required would mean that the site would not be marketed for at least six months which would offer opportunities to engage with local residents on the site's future. In addition, the planning constraints of the site would be clearly defined in the marketing. The Council had a legal obligation to sell land at best consideration, but this could have regard to the promotion or improvement of economic, social or environmental wellbeing of an area. She welcomed the proposal to establish a community development trust and looked forward to a full proposal being submitted by Mr Gottlieb or others.

At the invitation of the Leader, Councillors Hutchison, Laming and Lumby addressed Cabinet as summarised briefly below.

Councillor Hutchison

Welcomed the comments made by the public above and the reassurances given by Councillor Learney in her response. Requested that a workshop be set up to consider future options for the site, noting its importance both to local residents and more widely, as situated on an entrance route to the city.

Councillor Laming

Believed that the future of the depot site must be considered alongside the new leisure centre. Considered it would be preferable for the council to develop the site itself or for a community development trust to be established.

Councillor Lumby

Welcomed the opportunity to be a member of the Depot Insight Group (DIG) but believed that the group had not had access to all the information required and that the feedback from the group circulated with the supplementary agenda had not been a consensus view. Considered the proposals were for a rushed sale and advice on different values for different uses of the land should be acquired first. Whilst noting the importance of the site to the local community, considered it was an asset of value to the whole district. If the decision was made to sell, consideration should be given to what protections could be given to the local community regarding restrictions on future use, design etc.

Councillor Learney responded to comments made, including confirming that she had considered the wider comments from the DIG members. The Strategic Director: Place also confirmed that there would be opportunities for consultation on the detailed schemes emerging from the marketing process.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That the marketing of the Bar End Depot site for disposal at best consideration be approved.

2. That the planning guidance note for the site be approved.

3. That authority be delegated to the Strategic Director of Place, in consultation with the Cabinet Member for Housing and Asset Management to take all appropriate action to initiate and complete the marketing of the Bar End Depot site with appropriate draft contractual terms, to evaluate the bids received, and to make recommendation for final disposal to a future cabinet for decision.

4. That a budget of £20,000 for associated marketing, site survey and S123 valuation expenses be approved.

5. That a budget of £10,000 for development appraisal valuations to better inform potential site value and the target market of developers be approved.

7. **RESPONSE TO THE GOVERNMENT'S WHITE PAPER ON PLANNING REFORM - "PLANNING FOR THE FUTURE"**
(CAB3262)

Councillor Porter introduced the report and thanked officers for their work, together with the input from other councillors. The proposals had been considered at a meeting of the Local Plan Advisory Group which had also supported the proposal to seek to become a pilot authority.

At the invitation of the Leader, Councillors Hutchison and Horrill addressed Cabinet as summarised briefly below.

Councillor Hutchison

Supported the council's response as set out in the appendix to the report. The Winchester Town Forum had also prepared a response which she considered complemented the Council's response. Highlighted that work on preparing the Vision for Winchester document was underway.

Councillor Horrill

Generally supported the proposed response whilst raising a number of detailed points seeking to change the emphasis slightly. For example, the importance of employment should be emphasised more. Supported the possibility of the Council becoming a pilot authority.

Councillor Porter thanked the Councillors for their support and responded to a number of points raised.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That the Council's response and submission to the Government White Paper 'Planning for the Future' consultation issued by

the Ministry of Housing, Communities and Local Government be approved, as set out in Appendix 1 of report CAB3262.

2. That the City Council explore in principle working as a pilot authority with central government to develop a new-style local plan for Winchester City Council.

3. That the City Council seek a meeting with the Ministry of Housing Communities and Local Government with a view to seeking clarification about how the City Council can progress a local plan bearing in mind the significant increase in housing numbers that are proposed in the government's consultation document.

4. That delegated authority be awarded to the Strategic Planning Manager in consultation with the Cabinet Member for Built Environment and Wellbeing to make minor and typographical updates to the consultation response in Appendix 1.

8. **COMMUNITY INFRASTRUCTURE LEVY (CIL) SPENDING PROGRAMME UPDATE**
(CAB3257)

Councillor Porter introduced the report and highlighted that the programme enabled the Council to work in partnership with parish councils and community groups to deliver various projects that would otherwise not be possible. The CIL Board had undertaken a review of projects allocated funds in the previous year and most were complete or well underway, with the exception of projects led by the County Council and as a consequence action was proposed as set out in recommendation 8 of the report.

At the invitation of the Leader, Councillor Brook addressed Cabinet as summarised briefly below:

Generally welcomed the report and thanked all involved for their work. Queried whether the Council would contact projects which had funds previously allocated but not yet commenced to offer assistance? With regard to the comments made by Twyford Parish Council during public participation, asked how the situation would be addressed.

Councillor Porter and the Corporate Head of Regulatory responded to comments made and confirmed that dialogue was ongoing with Mr Corcoran with the aim to seek a possible solution, with the involvement of the County Council and South Downs National Park Authority.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That the updated three year rolling CIL spending programme be approved as set out in Appendix A to report CAB3257.

2. That the allocation of £365,000 from Winchester City Council CIL income receipts be approved as set out in Section 12 of report CAB3257 and approve its expenditure under Financial Procedure Rule 7.4. This includes the allocation of funding for the eight community led projects recommended by the Informal Panel, subject to any conditions stipulated and included in Appendix A to the report. This includes the following specific projects:

- a. Badger Farm Community Centre – Kitchen upgrade
- b. Colden Common, St Vigor Way Playground – Outdoor gym equipment
- c. Colden Common Recreation Ground – Pavilion upgrade
- d. Denmead, George V Playing Fields – Multi use games area
- e. Headbourne Worthy St Swithun's Church – New car park
- f. New Alresford – West Street pedestrian improvements
- g. Wonston, Gratton Close – Pavilion extension
- h. Shawford Railway Station – Community hub café and meeting rooms

3. That an additional £49,000 be allocated from the Winchester City Council CIL income receipts to bring the total 2020/21 community budget to £414,000.

4. That a capital budget and expenditure of £50,000 be approved to be funded from the Winchester City Council CIL receipts for the provision of the Wayfinding signs recommended by the Informal Panel and included in Appendix A to report CAB3257.

5. That the capital budget and expenditure of £50,000 from the Winchester City Council CIL receipts be approved for the provision of footpath and cycle link in association with development at Bishops Waltham, previously considered by Cabinet on 17th September 2017 (CAB2962)

6. That an additional budget of £250,000 funded from unallocated CIL receipts be approved to allow the Community Bidding process to continue for a further year and to support a third tranche of bids in 2021.

7. That a report be brought to Cabinet early in 2021 reviewing options for the allocation of currently unallocated CIL funds. These may be used potentially to carry out Council infrastructure improvements relating to implementation of the Council Plan and other strategies, projects and opportunity to support the response to the Covid 19 public health emergency in relation to enhanced facilities. Also how this money could support public realm investment as part of the Central Winchester Regeneration project, City of Winchester Movement Strategy as well as wider infrastructure investment in the city and across the district in the coming years.

8. That the Corporate Head of Regulatory writes to Hampshire County Council seeking clarity regarding the timing of delivery for the highway schemes at Durley, Otterbourne, Twyford and Upham which are included in the CIL Spending programme as set out in Appendix A of report CAB3257.

9. **VAULTEX SITE - CREATION OF A DECKED PARK AND RIDE CAR PARK
(LESS EXEMPT APPENDIX)**
(CAB3263)

Councillor Tod introduced the report which outlined the next steps necessary for the delivery of the park and ride car park, highlighting that the provisions of the LEP funding required completion by January 2022. An additional budget was proposed to enable aspects of design to be improved to mitigate the impact of the car park in its setting.

At the invitation of the Leader, Councillors Miller and Lumby addressed Cabinet as summarised briefly below.

Councillor Miller

Welcomed the report and thanked the officers involved for their work.

Councillor Lumby

Questioned why the information contained in the appendix was exempt?
Questioned what was included within the construction costs, including whether it included contingency costs?

Councillor Tod responded to comments made and confirmed that costs had been fully considered and further details on the information contained in the exempt appendices could be made available as the project moved forward.

In response to questions from Cabinet Members, Councillor Tod confirmed that the intention was to engage with residents of Domum Road prior to any formal planning application.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That capital expenditure as set out in Exempt Appendix 2 of report CAB3263 be approved.
2. That a supplementary estimate of up to £153,000, funded by prudential borrowing be approved, to enable installation of a green wall if feasible and practical to install at the car park.
3. That Willmott Dixon be appointed to progress the construction of the decked car park based on the Feasibility Study through the preconstruction and construction stages to completion.
4. That authority be delegated to the Strategic Director Place and Service Lead Legal to negotiate and enter into preconstruction services and delivery agreements with Willmott Dixon which include a requirement for Willmott Dixon to appoint the Principal Designer; and to enter into any associated agreements such as leases, wayleaves, grant agreement as required to progress the decked car park.

5. That Willmott Dixon submit a full planning application and undertake consultation supported by Council officers prior to such submission in accordance with statutory requirements and the parameters set out in report CAB3263 at paragraphs 6.1 and 6.2.

10. **THE GOODS SHED, BARFIELD CLOSE**
(CAB3267)

Councillor Learney introduced the report which proposed the redevelopment of the site for small business and employment use whilst retaining the former Goods Shed which was part of the old railway line. The possibility of housing had been considered but employment had been assessed to be the most appropriate use.

At the invitation of the Leader, Councillor Miller addressed Cabinet as summarised briefly below.

Supported the proposals and thanked the Estates team for their work.

In response to Cabinet Member comments, Councillor Learney confirmed the possibility of rehoming the Winchester boxing club at the site was being investigated.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That the principle of retention of the Former Goods Shed site as a Council asset be agreed.
2. That the site be redeveloped for small business and employment use subject to final decision following development appraisal.
3. That a budget of £20,000 be approved, funded by the property reserve, to commission architectural drawings, a priced building specification and a detailed development appraisal as a precursor to submitting a detailed planning application.
4. That a future Cabinet meeting consider the outcome of the proposed detailed development appraisal and a business case supporting the Council's direct development of this site.

11. **CREATING A NEW GREEN ECONOMIC DEVELOPMENT STRATEGY**
(CAB3265)

Councillor Ferguson introduced the report, emphasising that it proposed a new approach to developing a 10 year strategy which was crucial to meet the target of being carbon neutral by 2030 and also to respond to the challenges relating to

the Covid pandemic. It was essential that the Council worked in partnership with key stakeholders to achieve this.

At the invitation of the Leader, Councillors Lumby and Pearson addressed Cabinet as summarised briefly below.

Councillor Lumby

Believed there had been undue delays in reaching this point in the preparation of the Strategy and queried the cost-effectiveness of employing a consultant to produce. Highlighted that once produced, the Strategy would require further Member consultation and input from stakeholders, delaying its introduction further.

Councillor Pearson

Concurred with points made regarding length of time to produce and cost of employing consultants. Queried why database information from Partnership for South Hampshire was not included. Noted that carbon emissions from transport were included but asked why emissions from housing were not?

Councillor Ferguson responded to comments made including highlighting the great deal of work that had been carried out to date by the Local Economy team in response to the Covid pandemic. It was proposed consultants would be employed for a three month period because there were not sufficient resources of expertise in-house.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That an allocation of £45,000 be made from the Climate Emergency Programme budget to cover the cost of the consultancy appointment.
2. That authority be delegated to the Corporate Head of Engagement to procure, select and award a contract to a suitable consultant in collaboration with the Cabinet Member for Local Economy and in compliance with the city council's contract procedure rules.
3. That authority be delegated to the Service Lead legal to negotiate, prepare and enter into a consultancy contract with the successful consultant.

12. **FUTURE ITEMS FOR CONSIDERATION**

At the invitation of the Leader, Councillor Godfrey addressed Cabinet as summarised briefly below.

Queried why the November forward plan included so few items and sought assurances that work on key projects was ongoing. Suggested

that a three month forward plan be produced to give more notice of forthcoming decisions.

The Leader responded to comments made and advised that the November Cabinet was an additional meeting, scheduled specifically to progress the Central Winchester regeneration project.

RESOLVED:

That the list of future items, as set out in the Forward Plan for November 2020, be noted.

13. **EXEMPT BUSINESS:**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
14	Vaultex site – exempt appendices) Information relating to the) financial or business affairs of) any particular person (including) the authority holding that) information). (Para 3 Schedule) 12A refers)

14. **VAULTEX SITE - CREATION OF A DECKED PARK AND RIDE CAR PARK (EXEMPT APPENDIX)**

Cabinet agreed to the following for the reasons outlined in the report.

RESOLVED:

That the information contained in the exempt appendices to the report be noted.

The meeting commenced at 9.30 am and concluded at 11.40 am

Chairperson

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CABINET

Tuesday, 10 November 2020

Attendance:

Councillor Thompson (Chairperson)	– Leader and Cabinet Member for Communications
Councillor Cutler (Vice-Chair)	– Deputy Leader and Cabinet Member for Finance and Risk
Councillor Ferguson	– Cabinet Member for Local Economy
Councillor Learney	– Cabinet Member for Housing and Asset Management
Councillor Murphy	– Cabinet Member for Climate Emergency
Councillor Porter	– Cabinet Member for Built Environment and Wellbeing
Councillor Prince	– Cabinet Member for Sport, Leisure and Communities
Councillor Tod	– Cabinet Member for Service Quality and Transformation

Others in attendance who addressed the meeting:

Councillors Brook, Horrill, Hutchison, Lumby, Mather and Read

[Full audio recording and video recording](#)

1. **MEMBERSHIP OF CABINET BODIES ETC.**

There were no changes to memberships of Cabinet bodies to be made.

2. **DISCLOSURE OF INTERESTS**

Councillors Porter and Tod declared personal (but not prejudicial) interests in respect of reports due to their role as a County Councillors.

3. **PUBLIC PARTICIPATION**

Five members of the public spoke during public participation as summarised briefly below.

John Fairey

Spoke regarding report CAB3272 (agenda item 6) as a member of the Taxi and Private Hire Forum and the operator of a private hire business which undertook school journeys for the County Council. He objected to the “end of life” provisions in the proposed Policy as he considered them unnecessary for his particular business and would make it unviable. He suggested other local authorities had been able to make exceptions for operators in similar circumstances.

The following speakers all addressed Cabinet regarding report CAB3271 (agenda item 5).

Kim Gottlieb

Considered that the report's proposals regarding Central Winchester regeneration (CWR) were too vague and did not offer adequate protection to the Council against a developer just seeking to maximise profits. The Council should either employ a master planner to lead on the scheme or delegate to a community based trust. The proposal disregarded the recommendation in the Supplementary Planning Document that the site be developed by multiple developers. He welcomed the quality of the Kings Walk feasibility study but considered the proposal lacked ambition and would effectively sterilise the site for 10 years.

Wendy Wyatt (Worthwhile works, co-author of the Kings Walk feasibility study)

Highlighted the current shortage of creative networks, support organisations and leadership for creatives within Winchester. Emphasised the demand for such support networks considering the high number of people working within the creative industries in Winchester and that there should be a Creative Enterprise Zone. Kings Walk offered an excellent opportunity to share and showcase talent, as well as acting as a catalyst for future initiatives.

Richard Baker (City of Winchester Trust)

Queried what response the Council was seeking to receive on the proposals as set out? Asked whether the viability assessment had included an assessment of the future proposed uses by the Council of the Cattle Market, Station Approach and River Park sites? At what stage in its proposals for CWR would the Council engage with the Winchester Movement Strategy?

Paul Spencer (Winchester BID)

Welcomed the opportunity for the BID to participate in the recent consultation on the Vision for Winchester with the Winchester Town Forum. Emphasised the wish of many Winchester businesses to see the plans for CWR progress as quickly as possible and to break the apparent cycle of continual opposition to change and development.

One member of the public, Mr T Gould, had registered to speak but technical difficulties had prevented him from addressing the meeting. He had submitted an email with comments on CAB3271 which was circulated to all Cabinet members during the meeting.

The Leader thanked all those addressing Cabinet for their comments which would be considered under the relevant reports below.

4. **LEADER AND CABINET MEMBERS' ANNOUNCEMENTS**

There were no announcements made.

5. **CENTRAL WINCHESTER REGENERATION DEVELOPMENT PROPOSALS**

(CAB3271)

Councillor Learney introduced the report and emphasised that despite the pressure facing the Council due to the ongoing Covid pandemic, the regeneration of the Central Winchester area had remained a priority. The proposals in the report sought to address the requirements of the CWR Supplementary Planning Document (SPD) and to deliver a financially viable scheme.

The Head of Programme gave a presentation on the proposals (presentation contained as Appendix B to the report). Councillor Learney also set out the timetable and contact options for the proposed consultation (further information available at www.winchester.gov.uk/cwr)

At the invitation of the Leader, Councillors Hutchison, Mather, Horrill, Brook and Lumby addressed Cabinet as summarised briefly below.

Councillor Hutchison

Welcomed the report and presentation and agreed with previous public speakers that the project should move forward as quickly as possible. However, with the exception of the proposals for Kings Walk, the report lacked detail and raised a number of questions (which she expected would be answered as the project proceeded). Listed a number of detailed points and queries for further consideration, including around the selection of the development partner, producing a master plan for the area and how would the Winchester Town Forum and other stakeholders be involved.

Councillor Mather

Highlighted the amount of consultation that had been undertaken on the CWR project already, for example in producing the SPD, and believed residents were weary of further consultation. Welcomed the proposals for Friarsgate surgery and the Kings Walk study, but with regard the latter, disputed whether the ideas would be commercially viable. Agreed with the idea of working with a development partner, but hoped that lessons would be learned from past experiences.

Councillor Horrill

Emphasised the extensive consultation undertaken by JTP in formulating the SPD and requested that future proposals adhere as closely as possible to these findings, including retaining the central bus hub. New ideas were welcomed where appropriate but the Council should not seek to “reinvent the wheel”. The proposed consultation event should be district wide. The development should be approached incrementally and the Council could seek to draw on the Oxford City Council’s experience of working in collaboration with specialist developers.

Councillor Brook

Generally welcomed the proposals outlined in the report and thanked the Projects Team for their work. Believed that the proposals for Kings Walk mirrored previous ideas for meanwhile use of the bus station and

questioned whether additional monies were being spent unnecessarily on work already carried out. Welcomed the idea of a Creative Hub for Winchester. Considered that the project should be progressed by a cross party group.

Councillor Lumby

Requested further clarity on the future timetable for the project and what further approvals would be required. Welcomed the useful questions asked by Councillor Hutchison. Believed there were other development options available than the three presented in the report. Considered that the preferred approach should be to develop the area in sections using different developers. Further clarity was required on a number of questions, such as what would happen if a selected developer was unable to proceed.

Councillor Learney responded to comments made, including emphasising that it would be impracticable to wait for all uncertainties to be addressed before proceeding and that the involvement of multiple developers would add to the time and complexity of the project. She stated that a number of the detailed points raised would be addressed as the project moved forward. Virtual consultation would enable participation by the whole district. The Strategic Director: Place also thanked invited councillors and members of the public/organisations for the points raised, which had been noted. He responded to a number of comments, including emphasising that the delivery strategy represented an emerging direction of travel and that officers worked closely with the County Council regarding the impact of the Movement Strategy on the project. It was proposed that a further report would be submitted to Cabinet in February 2021.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That a period of consultation on the draft Central Winchester Regeneration development proposals commence from 11 November 2020 to 12 January 2021.
2. That the project team be instructed to progress the schemes for Kings Walk and Friarsgate Medical Centre to the next stage of decision making.
3. That it be noted that the emerging delivery strategy approach is to enter in to a development agreement with a development partner and a further report be brought to Cabinet that sets out the proposal for development in due course.

6. **REVIEW OF HACKNEY CARRIAGE & PRIVATE HIRE POLICY PHASE 2**
(CAB3272)

Councillor Porter introduced the report, noting that the Policy had been produced following consultation with drivers and passengers. It was recommended for approval by Licensing and Regulation Committee on 15 September 2020 where a number of drivers had addressed the meeting, including Mr Fairey who had also made comments in the public participation session above (minute extract contained as Appendix 2 to the report). Following further forum meetings with drivers where the ongoing impact of the Covid pandemic was raised, it was now proposed that the introduction of some sections of the Policy be delayed as detailed in the report.

The Licensing Manager acknowledged the comments made by Mr Fairey (who was also a member of the Taxi and Private Hire Forum) and emphasised that the recommendation to delay the implementation of the Policy would go some way to mitigate the impact. However, the Council was required to balance the difficulties faced by the taxi and private hire trade against the overarching responsibility to ensure public safety and also to address the climate emergency by removing older, higher polluting vehicles.

At the invitation of the Leader, Councillors Read and Brook addressed Cabinet as summarised briefly below.

Councillor Read

Noted that a number of drivers had made comments at the Licensing and Regulation Committee and referred Cabinet to the minutes of that meeting where a number of other matters were raised, including the disability awareness training of drivers. Expressed concern that the Working Party established to review the Policy did not include cross party membership.

Councillor Brook

Welcomed the Policy review and the consultation undertaken with drivers. Supported the report and the Policy as proposed.

Councillor Porter responded to comments made and thanked Councillors for their support.

Cabinet agreed the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That the amendments as highlighted yellow in Appendix 1 of the report be approved, and;
2. That the Statement of Licensing Policy with respect to Hackney Carriage and Private Hire Vehicles, Drivers and Private Hire Operators (as amended) be approved and adopted as set out in Appendix 1 of the report, with effect from 1 December 2020.

7. **FUTURE ITEMS FOR CONSIDERATION**

RESOLVED:

That the list of future items, as set out in the Forward Plan for December 2020, be noted.

The meeting commenced at 9.30 am and concluded at 11.40 am

Chairperson

REPORT TITLE: GENERAL FUND BUDGET OPTIONS AND MEDIUM TERM FINANCIAL STRATEGY

16 DECEMBER 2020

REPORT OF CABINET MEMBER: Cllr Neil Cutler – Cabinet Member for Finance and Risk

Contact Officer: Richard Botham Tel No: 01962 848421 Email rbotham@winchester.gov.uk

WARD(S): ALL

PURPOSE

Previous reports have highlighted the uncertainty of future funding for local government. However, the impact of COVID19, ongoing restrictions and pressures on the local and national economy will place further significant pressures on Council funding in 2021/22 and beyond.

Initial projections of a potential shortfall of nearly £5m for next year have been revised in light of the Spending Review announcements. However, the projected deficit remains at £3.7m for next year and £12m for the period to 2025.

This report sets out the challenge of delivering on key priorities whilst achieving a balanced budget for 2021/22 in light of reduced income projections and ongoing pressure on the collection fund. Forecasting service demands and income projections will be subject to a broad confidence interval and the potential risk of under recovery is likely to remain high at least throughout next year.

The report reviews options for reducing net costs based on an assumption of 20% less funding for services and sets out a revised medium term financial strategy (MTFS) that reflects the very limited scope for generating additional funding through investment or commercial activity in the short term.

The financial risks can be mitigated in 2021/22 by reducing operating costs as set out in the report and by careful use of the transitional reserve, established in February 2020 specifically to make provision for unforeseen funding pressures.

RECOMMENDATIONS:

That Cabinet:

1. Note the projections set out in Appendix A to this report and support the assumption that budget projections be based on the potential reduction in income, fees and charges for services of 20% of the 2020/21 original budget.
2. Approve the Medium Term Financial Strategy as set out in sections 20-24 of the report.
3. Approve the proposal to reduce net operating costs by £3m in 2021/22, with additional shortfalls (projected at £0.6m for 2021/22) being met from the Transitional Reserve.
4. Approve that in the event of deficits being higher than the projected £3.7m for 2021/22, the Transitional Reserve be used to maintain a balanced budget.
5. Approve that a detailed budget be prepared for consideration by Council in February 2021 based on the above assumptions and:
 - a. A Council tax increase of 3%
 - b. The implementation of “cashless parking”, phased over 2 years, as set out in section 18.
 - c. That fees and charges are increased by an average of 3% and that a report be brought to Cabinet in January 2021 setting out all fees for services
 - d. That Building Control fees increase by 10%
 - e. That the budget for “small grants” is reduced by £15,000
 - f. That a one year grant agreement based on a maximum grant of £147,200 be approved for “Play to the Crowd”.
 - g. That the Council no longer directly delivers a programme of sports and physical activity but remains an active partner in the Winchester Sports and Physical Activity Alliance and continue to work with partners across the district to support programmes aimed at improving the health and wellbeing of residents.
 - h. That financial support for the annual Criterium event is not continued in 2021.
6. Note the proposed additional revenue provision of £990,000 required to fund

project work on 2021/22 and 2022/23 and support the proposal that this be funded from the Major Investment Reserve, subject to the final budget to be agreed by Council in February 2021.

7. Approve that charges for off street parking are not increased in April 2021, but that the impact of recent increases be assessed and a strategy developed to further encourage use of car parks outside of Winchester city centre (the air quality management area) and Park and Ride facilities.
8. That a supplementary budget estimate and expenditure of £400,000 for the redevelopment of Bishop's Waltham Depot, as detailed in paragraph 19.6, be approved.
9. That a supplementary budget estimate and expenditure of £140,000 for the works to the Guildhall Café, as detailed in paragraph 19.7, be approved.
10. Note the requirement for additional funding for staff implications associated with implementing the Movement Strategy and determine whether an additional £60,000 should be included within the detailed budget for February 2021.
11. That the proposal to write off the outstanding debt of £65,114 associated with the Barfield Depot be approved.
12. That the proposal to write off the outstanding National Non Domestic Rate debts listed in exempt Appendix D totalling £264,250 be approved.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 The budget approved in February 2020 (CAB3211 refers) directly supported the delivery of all outcomes set out in the Council Plan.
- 1.2 Whilst the above report assumed a balanced base budget for 2021/22 and 2022/23, the global pandemic and associated costs and loss of income required the Council to revise the budget in September 2020. The medium term financial strategy (MTFS) has also been reviewed in light of the current economic climate and a revised strategy is recommended as part of this report.
- 1.3 Key priorities set out in the Council Plan remain unchanged. A “refresh” of the Strategy is planned for February 2021. However, this report sets out a budget proposal aimed at maintaining a focus on key priorities, including the Climate Emergency, the delivery of Central Winchester Regeneration work, supporting the economy, delivering homes and improving the health and wellbeing of all communities.

2 FINANCIAL IMPLICATIONS

- 2.1 The Medium term financial projections set out in Appendix A highlight the potential budget shortfall in 2021/22 of £3.7m, based on the assumption that the currently economic pressures will result in income which funds Council services reducing by up to 20% in the next year, offset by additional Government support announced in the Spending Review. This assumption is subject to significant potential variance and this is reviewed later in the report.
- 2.2 Proposals in this report set out options to reduce the General Fund base budget by £3m in 2021/22. The proposals are summarised below with more detail in section 18 of the report:
- | | | |
|----|---|------------|
| a) | Vacancy management/reduced staffing - | £1,113,800 |
| b) | Operational efficiencies - | £1,308,000 |
| c) | Options requiring Cabinet consideration - | £ 648,000. |
- 2.3 With the uncertainty associated with the pace of economic recovery, it is proposed to address any actual shortfalls in excess of £3m from the Transitional Reserve, which was established in October 2019 (CAB3178 refers) specifically to mitigate against future funding pressures.
- 2.4 The report recommends an additional £60,000 per year of growth be approved subject to the final of the detailed budget in February. It also includes a proposal to fund a one off allocation of £990,000 to support the next phase of the Central Winchester Regeneration project work, to be funded from the Major Investment Reserve.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under section 151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs. Under s28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration of its budget.
- 3.2 The Council is required under Chapter 3 of the Local Government and Finance Act 1992 to set a council tax for the forthcoming year along with its budget estimates. The decision must be made by 11 March of the preceding year. The Council's prospective income from all sources must be equal to its proposed expenditure.
- 3.3 The Council is also required to set a balanced budget, taking into account a range of factors, including consultation feedback and decisions must be taken in accordance with the Council's duties in the Equality Act 2010.
- 3.4 The budget setting consultation and approval process is separate from any individual decisions in relation, for example, to service delivery or project implementation. Any implications arising from budget options contained within this report will be dealt with in the individual business cases and committee papers relating to those specific decisions and Council will approve the final budget in February 2021.
- 3.5 The approval of the budget and setting of the Council Tax is a decision reserved to Full Council under the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended). Under these regulations, the Cabinet makes recommendations as to the setting of the council tax and budget to Full Council.

4 WORKFORCE IMPLICATIONS

- 4.1 The proposals set out in this report have a direct impact on the workforce by reducing the overall establishment by 28 posts across a range of services. A number of these posts are currently vacant although the proposals do result in 17 staff being at risk of redundancy. The potential impact on services is set out in section 18 of the report. The "worst case" total severance costs are projected at £250,000 but are expected to be significantly less than this, as a number of vacant posts are being retained and provide opportunities for the "at risk" staff.
- 4.2 Capitalisation of Redundancy Costs - When making redundancies in order to make ongoing revenue savings, there are often considerable one-off costs which can adversely impact the revenue budget. Ordinarily capital resources, such as capital receipts, can only be used on capital expenditure (i.e. the creation or enhancement of a capital asset). However, in 2018 the MHCLG Secretary of State issued a direction to local authorities in order to give local authorities the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of

transformation projects and release savings, including through redundancy. By using capital receipts, the Council is able to avoid the negative impact on its annual revenue budget of one-off costs but this will reduce the available resources for future capital projects. However, it should be noted that the council is allowed to borrow for capital purposes whereas it is not for revenue.

- 4.3 The direction is in place until the 2021/22 financial year but was extended from the previous 3 year direction in 2015 so it is possible it will be extended further. In order to take advantage of this, the Council must formulate a “Flexible Use of Capital Receipts Strategy” and, if required, this will be set out as part of February’s budget papers to be approved by Full Council.
- 4.4 The Spending Review made announcements in relation to the “Public Sector Pay Freeze”. However, provision for pay inflation has been retained in budget projections at this stage.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 A key strand of the Council’s financial and treasury strategies is to maximise income from its assets and seek to manage risk by achieving a balanced portfolio of assets. Options considered during the budget planning process may therefore involve either the acquisition or disposal of assets, requiring a full business justification case.

6 CONSULTATION AND COMMUNICATION

- 6.1 This report is a key part of the budget consultation process. A presentation of the key issues was shared with parish councils at the annual parish briefing on 10 November. The options have also been discussed with local business representatives at the December meeting of the Hampshire Chamber of Commerce Business Strategy Group. The Group stressed the importance of progressing the Central Winchester Regeneration work and asked to be kept informed regarding national business rates announcements. It is proposed to consult on the budget options and encourage comment and feedback from residents and all stakeholders throughout December and January. Responses will be considered and will help to inform the final budget setting in February 2021.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Whilst proposals in this report recommend reducing investment in services, the commitment to carbon neutrality remains. Revenue budget provision approved in October 2019 has been retained in full and the capital programme includes proposals specifically aimed at reducing carbon emissions.
- 7.2 Reducing the operating footprint of the council’s Winchester operations will directly result in a reduction in carbon emissions from council buildings. “Work at home” arrangements have also resulted in a significant reduction in travel

to work mileage. The impact of both of these measures is currently being assessed.

8 EQUALITY IMPACT ASSESSEMENT

8.1 This document is part of the budget consultation process and the public sector equality duty is considered alongside any relevant budget options.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

9.2 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<p><i>Property</i> Commercial tenants unable to pay rents or subject to business failure</p> <p><i>Slowdown in commercial property investment, meaning that the council's development schemes achieve less interest or less income than expected</i></p>	<p>Rent abatement process established to support tenants, although deferrals of rent remain the main option where appropriate.</p> <p>The council's advisors are reviewing the property investment market and will provide advice as to timing of any marketing.</p>	
<p><i>Legal</i> The council is unable to balance the revenue budget resulting in the issuing of a S114 notice</p>	<p>Proposals set out in this report, including the strategy for management of reserves mitigate against this.</p>	<p>Present a balanced budget in difficult circumstances</p>
<p><i>Timescales</i> Slower than projected economic recovery affecting income received by the council</p>	<p>The council is actively supporting high street recovery through a EM3 LEP grant working with local partners</p> <p>The council has £12m uncommitted revenue reserves available to support further increases</p>	

	to the projected deficit	
<p><i>Financial</i></p> <p><i>The council is unable to balance the revenue budget</i></p> <p><i>Risk of lower than projected demand for income generating services specifically parking</i></p>	<p>Proposals set out in this report, including the strategy for management of reserves mitigate against this.</p> <p>The council has £12m uncommitted revenue reserves available which can be utilised as a last resort</p> <p>As above</p>	
<i>Reputation</i>		

10 SUPPORTING INFORMATION:

- 10.1 The Council's response to Coronavirus was set out in the Cabinet report CAB3244 dated 21 May 2020 and highlighted projections for the potential impact on the Council budget as a result of reduced income and additional cost of responding to COVID19, estimated between £6-12m. In order to address this, Council approved a revised budget in September 2020 (CAB3256 refers) which set out recommendations to address the projected £10.7m budget deficit and to maintain a balanced budget for 2020/21.
- 10.2 CAB3256 also highlighted the emerging MTFs and estimated potential shortfalls in 2021/22, now assessed as £3.7m and a total of £12m over the next four years, based on projections that pressure on income and service costs would continue throughout 2021/22 and beyond.
- 10.3 This report recommends that a detailed budget be prepared for consideration in February 2021, that supports the delivery of key priorities in the Council Plan and supports the economic and community recovery from the impact of COVID19, whilst addressing the funding challenges and projected shortfall.
- 10.4 To address the £3.7m projected deficit for 2021/22 and the £12m total deficit over the next four years, the need to urgently reduce net expenditure is unavoidable. A programme of efficiencies is currently being implemented and budget options set out in this report will support that.
- 10.5 Relying wholly on reserves to fund the projected deficits would severely impact on the overall sustainability of council finances and services and cannot be recommended. However, the report does recommend some reliance on reserves, both to support key projects and services, fund a

proportion of the projected deficit and to mitigate the risk of higher deficits. , In the event of shortfalls being higher, further draws on reserves would be required. Alternatively, additional service reductions to achieve base budget savings would be needed.

- 10.6 Rather than focussing purely on reducing net costs, it is essential that any budget report underpins key priorities. Whilst it is essential to ensure a balanced budget can be achieved and the projected deficits addressed, The budget options set out in this report aim to maintain high quality services, support the delivery of key programmes such as the Climate Emergency, the Movement Strategy and Central Winchester Regeneration and also supports economic recovery and the health and wellbeing of residents across the district.

11 The Spending Review

- 11.1 Prior to Spending Review announcements on 25 November, a deficit in excess of nearly £5m was projected for 2021/22, with a high risk of additional losses as a result of ongoing uncertainty. However, measures announced in the Spending Review have resulted in this being revised to a deficit of £3.7m as set out in Appendix A. The measures announced in the Spending Review included:

- a) Extending the 75% support for lost income for the first quarter of 2021/22
- b) An additional 75% support for collection fund losses
- c) A new one-off New Homes Bonus reward in 2021/22 for new properties
- d) Public sector pay freeze – Whilst a Public Sector pay freeze was announced as part of the Spending Review, provision for salary inflation has been retained in the Council budget projections at this stage

12 Income Projections

- 12.1 Accurately projecting income levels for 2021/22 with any certainty is not possible. Receipts will be subject to so many potential factors beyond the Council's control, including the extent of future controls/lockdowns; the pace of economic recovery; consumer confidence; and future trends in working practices.
- 12.2 Income losses in the current year are projected to be in the region of 60% and have in part been covered by Government grant and the "co-payment" scheme, which covers 75% of losses to March 2021.
- 12.3 The spending review announcements on the 25 November 2020 confirmed that the co-payment scheme will continue to the end of Q1 2021/22. This

gives some greater assurance into 2021/22. However, in the event of further “lockdowns” and/or income losses being well in excess of 20%, some further Government intervention will be needed to assist councils in avoiding the need for section 114 notices.

- 12.4 Officers have modelled income scenarios and the table below illustrates potential deficits if income losses are more than 20%. It is considered that preparing a budget assuming 20% reduction in overall income for 2021/22, (recovering slowly in the following years) is reasonable, although it should be noted that the risk of shortfalls being higher and the need to for further calls on reserves over and above the proposals set out in this paper remains high. If income recovery is better than projected, this will reduce the pressure on reserves or provide an opportunity for additional investment. Whether recovery is above or below projections, it is proposed to prepare for at least one revised budget in 2021.
- 12.5 In order to address this risk, very tight control of all spend will be maintained throughout the year with a detailed monthly review of actual spend. It is proposed that Cabinet will have to consider the need for revising the budget at least once during 2021/22 and more frequently if significant variances are realised.

General Fund Budget Projections – Potential Deficits

	21/22	22/23	23/24	24/25
Reduction in Income	0.0%	0.0%	0.0%	0.0%
Reduce Income - Covid-19	0.000	0.000	0.000	
Budget Surplus / (Shortfall)	-0.010	-1.019	-1.636	-3.083
Reduction in Income	20.0%	10.0%	5.0%	0.0%
Reduce Income - Covid-19	-3.651	-1.825	-0.913	
Budget Surplus / (Shortfall)	-3.661	-2.845	-2.549	-3.083
Reduction in Income	25.0%	15.0%	10.0%	5.0%
Reduce Income - Covid-19	-4.564	-2.738	-1.825	-0.913
Budget Surplus / (Shortfall)	-4.574	-3.757	-3.461	-3.996
Reduction in Income	30.0%	20.0%	10.0%	5.0%
Reduce Income - Covid-19	-5.476	-3.651	-1.825	-0.913
Budget Surplus / (Shortfall)	-5.486	-4.670	-3.461	-3.996

- 12.6 Parking Income – Forecasting parking income for 2021/22 is very difficult. Losses in 2020/21 will be in excess of 50% for the year, offset by Government support. Some recovery in 2021/22 is anticipated and as stated above, there is potential for additional Government assistance should losses exceed the assumed 20%. City centre parking will remain in high demand (except in

periods of national restrictions). However, the pace at which commuters and workers return to their workplace is impossible to predict (the 20% assumption takes account that working practices may well never return to previous levels) The table below provides an indication of the potential impact of more than 20% reductions in parking income:

Car Parking Income 2021/22	Reduction in Income			
	Budget	20%	40%	60%
Daily Parking Income (incl. PCNs)	-7,479,042	-1,495,808	-2,991,617	-4,487,425
Season Tickets	-540,000	-108,000	-216,000	-324,000
	-8,019,042	-1,603,808	-3,207,617	-4,811,425
Residents Permits	-340,000	0	0	0
	-8,359,042	-1,603,808	-3,207,617	-4,811,425

- 12.7 Commercial Rents – The Council as a commercial landlord has considered and agreed a number of rent abatements in the current year. Whilst further requests will only be considered in exceptional circumstances, some proposals in the coming months are anticipated. This risk of reduced rent through business failures, void periods and bad debts is also anticipated. These are not covered by the Government “co-payment” scheme. The Estates team has reviewed all leases and consider a provision for reduced income averaging 20% across all commercial property to be reasonable. This is likely to be offset by some increased income as a result of rent reviews and this is included within proposals set out in 16.8 below.

13 Government Funding

- 13.1 The current year 2020/21 was intended to be a one-year extension to the previous four year funding settlement. A fundamental review of local government funding is underway but has now been delayed by a further year to 2022/23.
- 13.2 Along with other local authorities, the Council is anticipating a significant financial challenge over the medium term financial planning period to 2024/25. A number of key grants such as new homes bonus and business rates retention are forecast to reduce significantly over this period due to changes in the current funding system.
- 13.3 Significant changes are expected, with a strong risk of material reductions to current funding.
- I. **Retained business rates**, totalling £4.9m in 2021/22, is made up of:
- a) The ‘baseline funding level’ of £2.2m which is calculated based on the needs assessment of the authority. A fair funding review is currently underway in order to review and update the mechanisms for calculating and distributing this assessment of ‘need’.

b) The 'retained growth' of £2.7m which is the share of business growth retained by the Council since the current scheme was implemented in 2013/14. Government confirmed in the spending review that the planned reset is delayed until April 2022.

c) The medium term financial projections currently show a forecast reduction in 2021/22 from £4.9m of retained business rates to £2.9m in 2022/23, with damping funding temporarily compensating for some of the total funding reductions. All of these forecasts are uncertain as there has been no confirmation exactly how the system will work post 2021/22 nor whether and how a damping scheme may apply.

d) Dependant on the strength of the economy, in particular the Winchester district, retained business rate growth may reduce, for example, due to empty properties and non-payment. This is not factored into medium term projections as they currently assume a hard reset of growth commencing 2022/23 anyway. Business rate forecasts are submitted in January and will be reflected in the February budget setting paper.

Government have previously announced plans to move to a 75% retention system, up from the current 50% retention. There is still uncertainty around the mechanics of this; for example will the current tier splits change (currently 40:9:1 between district:county:fire), will the current 'levy' of 50% change, and will the scheme be significantly simplified.

- II. **New homes bonus**, forecast at £2m for 2021/22, includes a new one-off reward in 2021/22 as announced in the spending review. New Homes Bonus has rewarded growth in housing through a reward grant equivalent to the council tax of a band d property (split 80:20 district:county), originally over a period of six years and subsequently reduced to a four year reward. Government have announced that the current scheme will end with no indications whether it will be replaced with a new reward scheme. If the current funding is distributed on the basis of 'need' then it is likely that the majority of this grant will be lost. This has been factored into future financial forecasts.
 - III. The Council ceased to receive **Revenue Support Grant** from 2019/20. The previously proposed negative grant of c£0.4m which was not implemented in 2019/20 is also forecast to remain unimplemented in 2021/22 but final confirmation has not yet been received. Other smaller grants relating to Homelessness are expected to continue, and new burdens grants are expected to continue on a one-off basis to match the extra burdens placed on local authorities.
- 13.4 These changes in local government funding are expected to have a significant impact on authorities that have seen strong growth in housing and business, such as Winchester. This will also create a significant shift in the balance of funding, with council tax making up a much larger share of overall funding.

14 The Pension Fund

- 14.1 The Hampshire Pension Fund completed its latest triennial review in 2019 which showed an improved fund position from the last review in 2016. This had the impact of removing past service employer pension contributions from 2020/21 to 2022/23.
- 14.2 The current review will only provide certainty of contribution rates until 2023 and is based on a number of assumptions which could be subject to change over the next three years, for example a significant fall in the value of equities or an increase in life expectancy.
- 14.3 Bearing this in mind the forecasts in Appendix A are based on current contribution rates with the proposal that any savings over the next three years are transferred to earmarked reserves and used for one-off 'transition' purposes rather than taken to baseline revenue projections.

15 Council Tax

- 15.1 The Winchester district 2020/21 council tax charge of £143.09 (per band d equiv.) is below the average charge levied by district council's across England.
- 15.2 Referendum limits are assumed to be set at 2% or +£5 (which equates to just over 3%), which would mean a maximum increase of 3% for the Winchester town and district. The base budget and MTFs approved in February 2020 assumed Council tax is set at 3% each year. Government funding allocations also assume councils set council tax at 3%. A decision to set a lower level of Council tax of 2% would in effect result in a growth requirement of approximately £70,000.
- 15.3 It has been confirmed that it will be mandatory for collection fund losses (business rates and council tax) incurred in 2020/21 to be spread over three years from 2021/22 to 2023/24. The forecasts in Appendix A assume all losses will be funded in 2020/21, with reserves used to spread this over the three year period. A final decision on this will be made during the 2020/21 outturn process in the spring/summer of 2021.
- 15.4 The spending review announced an extension to government funding in order to cover 75% of any non-recoverable losses. This gives much needed protection to key sources of funding.
- 15.5 The council tax base will be finalised at the end of November, including estimates for increases in council tax relief and forecast non-payment. Estimates will be updated when this work has been completed.
- 15.6 Using the 2020/21 council tax base, a three percent district increase (assuming an equivalent increase to the town precept) to £147.38 would generate an additional £0.21m of funding.

16 Collection Fund

- 16.1 The September revised general fund budget (CAB3256 refers) included estimates of collection fund losses (Business Rates and Council Tax) of c£1m in total, with these losses to be spread over three years. The Spending Review confirmed new Government funding will cover 75% of these losses. Current collection rates are better than the provision in the revised budget. This new support provides an additional c£0.8m funding and it is proposed to transfer this to the Major Investment Reserve.

17 Council Plan and Budget Strategy

- 17.1 The Council will refresh its Council Plan in February 2021. The refresh will need to take account of the budget constraints but will maintain a focus on:
- a) Carbon neutrality programme – The budget includes both revenue and capital funding to support this programme which remains central to all Council work.
 - b) Central Winchester regeneration – Proposals for future phases are currently subject to consultation and will be considered by Cabinet in February 2021
 - c) Economic recovery – The Council continues to play a critical role in supporting the economic recovery of the district.
 - d) Maintaining high quality services
 - e) Living Well – A focus on Health and Wellbeing – Proposals to refresh the Health and Wellbeing strategy have been reviewed by the Health and Environment Policy Committee and will be considered by Cabinet in the New Year. This will include an increased emphasis on working with partners rather than focussing on direct delivery of programmes by Council teams
 - f) Homes for All – Targets for New Homes Delivery are fully funded through the Housing Revenue Account Business Plan. Funding to support the establishment of the Housing Company is included in the budget as agreed in September 2020.
- 17.2 To balance the need to maintain a focus on these key priorities whilst achieving a balanced budget, the forecast deficit will be addressed by:
- a) Careful use of reserves (funding key projects/provision for risk)
 - b) A review of fees and charges
 - c) An ongoing transformation and efficiency programme

- d) Effective asset management
- e) Supporting and enabling partners through grant funding

18 Budget Options

18.1 With forecast shortfalls for 2021/22 and beyond projected at around £3.7m, urgent action to reduce net operating costs is required. Scope for generating additional income through fees or investment activity is very limited. The proposals set out below and in Appendix B identify the potential to reduce net operating costs by £3m. The proposals can be broadly summarised as:

a)	Vacancy management/reduced staffing -	£1,113,800
b)	Operational efficiencies -	£1,288,000
c)	Options requiring Cabinet consideration -	£ 668,000
	Total:	£3,069,800

18.2 Some additional costs are also recommended including:

- a) £990,000 funded from reserves to support the next phase of Central Winchester Regeneration work as set out in section 18.3 below.
- b) Movement Strategy Implementation – The Council has made a partnership contribution of £500,000 to the county council to resource the development of the Movement Strategy. However, this did not include provision for staffing requirements to coordinate the implementation of schemes, prepare funding proposals etc. which are currently funded to the end of March 2021. To support this work it is proposed that the post of transport planner be added to the establishment on a permanent basis with an additional cost of £60,000 per annum.

18.3 Specific measures to realise the savings summarised in 18.1 are set out below and detailed in Appendix B.

18.4 **Careful Use of Reserves** – Earmarked reserves are held for specific purposes and to support future projects and service delivery. A strategy of funding all shortfalls from reserves cannot be recommended. However, some use of reserves is proposed, including:

- a) Central Winchester Regeneration – The Council is currently consulting on proposals for CWR. Delivery options will be determined in 2021 taking account of the consultation. It is proposed to allocate £990,000, to be funded from the Major Investment Reserve, to support the next phase of project t delivery, including marketing, market testing, procurement and other preparatory works to bring forward future phases.

In addition, proposals for specific work in relation to the Friarsgate Medical Centre building and to Kings Walk are set out in sections 19.9 and 19.10 and can be funded either from prudential borrowing, reserves, or a mix of the two.

- b) **Reduced Revenue Provision to Reserves** - The existing base budget assumes additional annual contribution to reserves including £350,000 to the Parking and Transport reserve and £200,000 to the asset reserve. The parking reserve currently totals £2,500,000 and it is proposed to reduce annual contributions to £150,000 for the next four years, which is considered appropriate in light of the existing parking investment programme. The Asset Management reserve currently totals £3,500,000. This is considered to be a reasonable provision in light of the existing Asset Management Strategy. The need for further contributions to the reserve will be reviewed in the New Year when the strategy is reviewed and refreshed.
- c) **Balancing the Budget and Mitigating Risk** – Whilst this report includes proposals to reduce net expenditure by a total of £3.1m, it is proposed to fund any additional shortfalls (currently projected at £0.6m) and also cover the risk of losses being in excess of those forecast from the Transitional reserve, which was established as a specific reserve in 2019 as a direct result of emerging uncertainty of local government finance.

18.5 Review of Fees and Charges – With Council finances so reliant of income from fees and charges, it is essential that all fees are regularly reviewed to ensure they are appropriate and reasonable and that costs are recovered where appropriate. With the current reduced demand for many services, it is important that the level of fees do not further reduce demand. Most Council fees and charges compare reasonably with the average for other Hampshire councils. A review full of fees and charges will be reported to Cabinet in the New Year. It is recommended that the review be based on:

- a) Fees and Charges being subject to an average increase of 3% from April 2021. This is estimated to recover an additional £40,000
- b) That Building control fees be increased by an average of 10% to ensure all appropriate operating costs are recovered (a detailed review of these fees has indicated that they are not recovering appropriate costs). This is likely to increase income by a further £48,000.
- c) **Waste Management charges/income** – The budget approved by Council in February 2020 assumed increased costs totalling £500,000 in relation to recycling credits and waste management resulting from changes implemented by Hampshire County Council. Final changes will have a much reduced impact in 2021/22 estimated at £200,000, resulting in a base budget saving of £300,000.

- d) **Parking Fees** – Revised parking fees were implemented in October 2020. It is therefore recommended that no increase is made from April 2020. However, the impact of the new fees will be assessed in the New Year and the Parking and Transport Strategy refreshed to ensure charges support and encourage use of Park and Ride and car parks outside of the city centre and Air Quality Management Area. This will consider the potential for reducing fees in some car parks.
- e) **Garden Waste Service** – The fee for the new garden waste service that commences in February 2021 was set earlier this year. No change is recommended to this charge for 2021/22. Over 3,000 households have already subscribed to the new service and take up continues to be ahead of projections.

18.6 Transformation and Efficiency Programme – The existing MTFS identified both efficiency and transformation as key themes for reducing net costs. Measures to support addressing the deficit in 202/21 include:

- a) **Vacancy management/reduced staff establishment** (see Appendix B) – Approximately 47% of general fund expenditure relates to staff salary and associated costs. The need to identify such a significant level of efficiencies to achieve a balanced budget cannot be achieved without a direct impact on staffing levels. Transformation and restructure reviews have been completed across a number of services with a particular focus on vacant posts. Most changes have maintained service provision. However, proposals will result in reduced investment in physical activity programmes (see 18.7 a) below). Overall, in addition to the 11 posts removed from the establishment as part of the Guildhall changes approved in September 2020, a further 28 posts (6% of the workforce) are proposed for deletion, achieving a net reduction in annual salary costs of £1,113,800. 17 staff are currently “at risk” of redundancy. Whilst many will be retained, unfortunately a small number of redundancies will be unavoidable.
- b) **Budget contingencies** – A number of service budgets retained provision for “contingencies” that continually result in annual underspends. Provision totalling £121,000 has been removed from base budgets. Whilst this could impact on capacity to respond to demand changes for some services, reduced provision is considered reasonable and appropriate.
- c) **Staff training and development** – Whilst the commitment to staff development and training remains a key theme of the Council’s employment offer, training costs have reduced significantly in recent years as a result of increased emphasis on on-line tutorials and webinars to support “continuous professional development”. Spend on training has reduced by £50,000 in the current year and it is proposed to reduce provision by a similar level in 2021/22.

- d) Contract Inflation – The existing MTFS and base budget allowed 1% for contract inflation in 2021/22. However, key contracts have only been subject to average increases of 0.2% this year achieving a net saving of £78,000
- e) “Cashless” parking – Whilst the amount of cash collected through off street parking machines has reduced significantly in the last year, the cost of collecting and handling cash from machines remains high. The Council has also experienced significant ongoing vandalism and theft from cash machines resulting in high repair costs. The new Ringo phone/app payment system is now live and this, combined with increasing provision of “contactless” machines, would facilitate the implementation of fully “cashless” parking provision, achieving savings of £75,000 annually. It is proposed to phase in changes over the next two years to ensure appropriate scope for consulting users, gaining public support and to roll out additional “contactless” machines (funded through the parking reserve).
- f) Other changes – A number of smaller operational changes will achieve base budget reductions in excess of £131,000.

18.7 **Effective Asset Management**

- a) Guildhall – The changes approved in the revised budget report (CAB3256 refers) achieved a net saving overall of £200,000 (savings in staff and operational cost offset by loss of hire income). In addition, whilst income generated from the proposed “venue only” hiring approach will be significantly reduced, annual income from hiring and/or licence income is projected at an estimated £300,000 per annum.
- b) West Wing office utility costs – The “West Wing” office which forms part of the Guildhall complex is likely to remain closed for the foreseeable future and in all likelihood for much of 2021. Significant capacity exists within the “City Offices” building to allow for COVID 19 secure working and for the return of staff if and when existing restrictions are relaxed. Savings of £50,000 for utility and cleaning costs identified in the revised 2020/21 budget will also be realised in 2021/22. A review of office accommodation requirements and future working practices is underway and the future use of the “West Wing” building will form part of this review.
- c) Rent Reviews – A number of commercial rent reviews are due to be completed. The current economic climate will limit the scope to generate additional income from reviews although an increase of £78,000 is anticipated from this work.

18.8 **Supporting and enabling partners** – The Council spend an estimated £900,000 through provision of grants, which play an important role to support core partners delivering services that compliment and support council

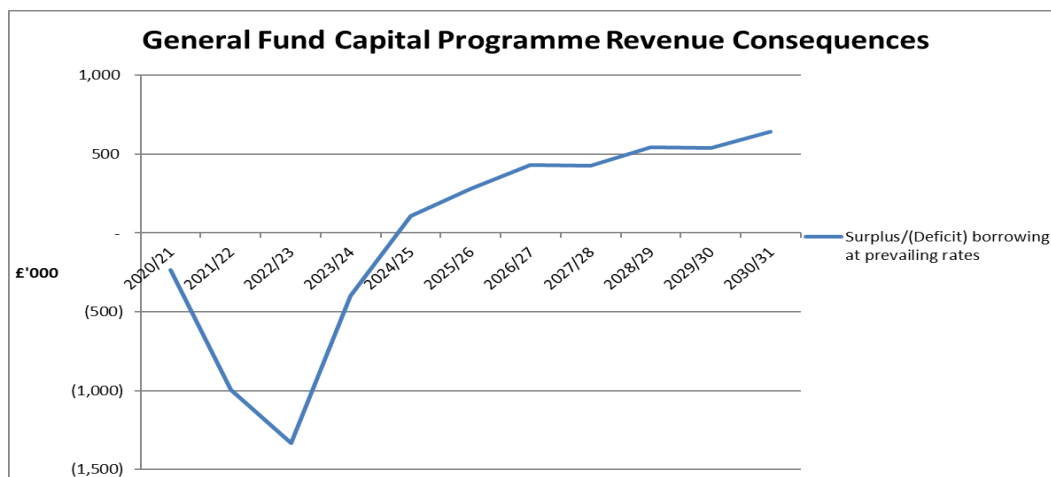
priorities. In addition, a refresh of the health and wellbeing strategy will be brought to Cabinet in the New Year with a clear focus on working with partners to support and improve the wellbeing of communities across the district. However, it is proposed to undertake less direct delivery of programmes to facilitate this. Proposals include:

- a) Criterium/Sports programmes – Council staff currently deliver a number of health activities and support sporting programmes across the district, with over 100 events a year. However, participation in many events is low and only a very small percentage of the population benefit from such activities. In future, health and wellbeing programmes will be delivered through the new Sports and Leisure Park and by working with sports clubs and other agencies rather than through direct delivery by council staff. In addition it is proposed to not directly fund the annual cycling Criterium. The event currently relies not only on a £29,000 financial contribution but also on very significant input and coordination by council staff, which cannot be supported in future years.
- b) Grants –it is proposed to complete a review of core grants (most of which are due for renewal in 2022) as part of the MTFs. For 2021, it is proposed to reduce spend on “small grants” by £15,000 (to reflect the fact that spend has been lower than budget in recent years). The “Play to the Crowd” grant is the only core grant due for renewal in 2021. It is proposed to agree a one year allocation to align with other core grants, but to reduce the annual provision by 20%, reducing spend by a further £36,000.

18.9 **Potential Additional Growth Issues** – It should be noted that there are a number of issues that are likely to require additional funding and increase pressures on the General Fund in the near future which have yet to be reflected in the forecasts set out in Appendix A, such as costs associated with the Government Planning reforms and the need to invest in mapping and digitisation of planning records as well as additional costs to support the delivery of major projects.

19 General Fund Capital

19.1 The Council has an ambitious general fund capital programme totalling more than £80m over the next 10 years. Not all projects provide savings or generate income but, in aggregate, the capital programme is forecast to have a positive net benefit to the General Fund from 2024/25. There is an overall negative impact on the General Fund prior to this year which reflects significant spend on preliminaries and costs associated with major projects early in their lifecycle. Any delays to the programme can defer these early lifecycle costs but also defers future benefits.



Capital financing

19.2 The main sources of finance for capital projects are as follows:

- Capital receipts (from asset sales);
- Capital grants and contributions (e.g. Disabled Facilities Grant, Local Enterprise Partnership, and Community Infrastructure Levy);
- Earmarked Reserves (e.g. the Major Investment Reserve, the Property Reserve, the Car Parks Property Reserve, and the IMT Reserve);
- Revenue contributions; and
- Borrowing including internal (also known as the “Capital Financing Requirement”).

19.3 Following revisions to the capital programme as set out in the revised budget (CAB3256), the majority of the capital receipts reserve is now committed. Any new projects will be reliant on funding from external grants and contributions, earmarked reserves where appropriate, prudential borrowing, and any future asset sales.

19.4 Capital projects financed by prudential borrowing will incur an annual revenue cost over the life of the asset – a minimum revenue provision (principal repayment) and external interest/opportunity cost. Where a project does not provide additional income or savings in excess of the annual borrowing cost, it may be necessary for the Council to make further savings elsewhere. There is a degree of uncertainty with the timing and extent of external borrowing need and the cost of that borrowing. To estimate the impact on the council’s annual revenue budget, borrowing costs are based on the current long term borrowing rates available to the council for prudence; however, the Council will seek to reduce its cost of borrowing by working closely with its treasury advisors (Arlingclose) to identify the optimum borrowing strategy.

Capital receipts

- 19.5 When a capital asset is sold the proceeds, known as capital receipts, can be spent on new assets or to reduce debt from prior year capital expenditure. The Council reviews the opportunity to realise additional capital receipts as part of its rolling asset challenge programme. There is potential for a significant capital receipt from the sale of the old Bar End depot (CAB3268). If realised, this will increase the capital receipts reserve and can be used to fund unfinanced capital projects as an alternative to borrowing and so reduce the annual revenue cost. For every £1m receipt applied to unfinanced capital projects the council could reduce its annual cost of borrowing by circa £40,000 per annum if reducing the borrowing requirement of a project with a 40 year life and assuming a rate of 2.6%. The actual saving will depend on the project to which it is applied and the prevailing cost of borrowing at the time of receipt.

Changes to existing projects

- 19.6 Expenditure of £1,375,000 for the redevelopment of **Bishop's Waltham Depot** was approved in June 2018 (CAB3048) and Cabinet subsequently approved the redevelopment prior to the new units being let (CAB3205). £225,000 has been spent to date and, following tender of the main construction contract, a supplementary estimate of £400,000 is required to bring the total approved budget to £1,775,000. There are various reasons for the increase including the additional requirements of a BREEAM planning condition; the impact of Brexit on the price of steel; and the requirement to strengthen the floor to one unit in order to meet the needs of one of the proposed tenants. In addition, solar panels and EV charging points (£18,000) were not included in the original budget; however, income generated from the solar panels (estimated at circa £1,500 per annum) will offset the capital cost of installation. As a consequence the estimated surplus has reduced to between £5,000 and £10,000 per annum (depending on the actual cost of borrowing). A value engineering exercise is being undertaken in order to identify potential reductions in construction costs in order to improve scheme viability.
- 19.7 Following the leasing of the Guildhall to HM Courts & Tribunal Service, it is likely to be necessary for the works to convert the Guildhall Cafe to be undertaken out of hours. Following a tender exercise, the estimated cost of the landlord works to create a self-contained unit and provide new toilet facilities is now £200,000 including additional security costs and a contingency of £10,000 - an increase of £70,000. In addition, the tenant's fit-out costs are estimated to cost an additional £70,000 to be completed out of hours for which the council, as landlord, will need to make a capital contribution. In total therefore a supplementary capital estimate of £140,000 is required bringing the total budget to £270,000. This will increase the annual cost of borrowing by £9,000 per annum; however, after rental income, the works will provide a net surplus to the council of around £50,000 a year. Officers will work closely with the contractors to establish whether it is

possible to complete at least some of the works during normal working hours and reduce the costs.

Central Winchester Regeneration

- 19.8 In addition to the revenue budget requirements set out in 18.3 above, options for meanwhile uses are being considered for both the former Friarsgate Medical Centre and Kings Walk, both of which will require capital budgets should the Council decide to proceed with any of the options as well as potential for public realm improvements to the Broadway which are estimated to cost up to £1.2m.
- 19.9 The installation of a “pop-up park” is being considered for the **Friarsgate Medical Centre** site. In order to achieve this it will be necessary to demolish the existing building. Early estimates of total costs are in the region of £500,000 including £250,000 for the pop-up park itself. The capital cost of demolition and associated costs enhances the land value and can be spread over 50 years at an estimated annual borrowing cost of circa £9,000 per annum. Demolishing the building now rather than waiting for the main development will bring forward estimated savings on business rates and ongoing maintenance (circa £64,000 per annum). The cost of borrowing is spread over the expected life of the asset to which it relates and if the pop up park is in place for 5 years the estimated annual short term borrowing cost is £53,000 per annum being the Minimum Revenue Provision (the repayment of principal) and interest. Alternatively, it is possible to fund this from earmarked reserves. It must also be recognised that an overage contract exists on the medical centre so, once this is triggered (by the granting of planning permission pursuant to the overage clauses which are linked to the 2003 Planning Brief), the Council will be required to pay a minimum of £150,000 indexed linked from 2007.
- 19.10 There are a number of options for the “repurposing” of Kings Walk as outlined below. The options are independent of each other and therefore members may decide to proceed with some or all of them. It is anticipated that any works will remain in place for a period of 10 years before further redevelopment is carried out on this area. Some of the works will generate additional income but this is not expected to cover the cost of borrowing.

The following three items could be completed for an estimated £200,000 in total (equivalent to an estimated £23,000 annual borrowing cost)

- *Ground floor & public realm* - external greening, lighting, internal alterations to create a refreshed image (£50,000).
- *Loading bay activation* - create external event space for letting and/or regeneration of the area (£50,000).
- *Activation of roof top car park* - structural changes required to create an event space (£100,000).

- 19.11 In addition, consideration will also be given to the creation of a creative hub on the upper floors. Early estimates of the potential cost is in the region of £2,000,000 which, if financed from prudential borrowing, would result in an annual cost to the council of an estimated £229,000 per annum. The feasibility of this will be considered in the context of the wider Central Winchester Regeneration scheme.

Potential new projects

- 19.12 With the reduced resources available to finance capital projects, careful consideration needs to be given to the impact of new emerging projects and changes to existing projects. Where possible, the Council will identify external funding sources and the potential for projects to generate income to defray the cost of borrowing and, in some cases, provide a surplus. In addition to Central Winchester above, the following potential projects have a number of challenges as well as opportunities. Further exploratory work and engagement will take place in the coming weeks and, where appropriate, new projects will be included in the Capital Investment Strategy in February 2021.
- 19.13 There is potential to redevelop the **former Goods Shed** site at an estimated cost of up to £5m which would provide several small business units. After borrowing costs, this could generate an estimated surplus income of between £50,000 and £70,000 per annum. Feasibility work is currently under way and the results of this are expected early in 2021.
- 19.14 **River Park Leisure Centre site** is due to close in spring 2021 once the new Sport & Leisure Park is completed. Capital expenditure of £410,000 was approved in June 2020 (CAB3242) to decommission the existing building; provide utilities and service supplies to clubs remaining on site; and to provide alternative toilet facilities.
- 19.15 Following the Council's declaration of a **Climate Emergency** and its goal of becoming carbon neutral as a council by 2024 and as a district by 2030, it is likely that a number of capital projects will be required in the near to medium term. Significant work has been undertaken during the year and two projects to install solar panels, including on a third party building, were approved in year. More such projects are expected in the next 12 months and several buildings in the Council's stock have been identified for potential retro-fitting to reduce carbon emissions. In some cases, such as with the installation of solar panels, the projects pay for themselves and deliver a small surplus to the Council. However, some projects may not provide sufficient income or savings to cover the associated cost of borrowing and will therefore increase the overall revenue costs to the Council; there are a number of possible sources of grant funding for these projects and the Council will explore these opportunities where appropriate in order to reduce the financial impact. In addition to specific projects, carbon reduction is now a key consideration in all council projects; for example, the provision of solar panels and EV charging points now form part of the scope for the Bishop's Waltham depot development.

- 19.16 A number of potential schemes will be required following the publication of the **Winchester Movement Strategy** Phase 2 report in December 2020. Where possible, external funding sources will be explored including Community Infrastructure Levy (CIL) contributions and grant funding such as the Local Enterprise Partnership (LEP). The provision of a new Park & Ride car park at the former Vaultex site was approved in October 2020 (CAB3263) and the Council was successful in securing £5.65m of grant funding from the LEP to finance this project.
- 19.17 Once the recently commissioned scoping report for the council's **Green and Blue Infrastructure** is published, the next stage, still to be fully determined, will look at an action plan for future green and blue related infrastructure projects that will ensure the incorporation of future tree planting; creation of accessible to all open spaces; and the biodiversity action plan as well as providing stronger guidance/policy for planning when determining applications.
- 20 Medium Term Financial Strategy
- 20.1 The Medium Term Financial Strategy (MTFS) is intended to set out the Council's strategic approach to the use and management of its financial resources and provide a framework within which decisions can be made.
- 20.2 Financial projections in Appendix A are shown over a ten year period to 2029/30 in order to provide insight into the longer term financial sensitivities and the earmarked reserves strategy.
- 20.3 The budget options set out in this report, if approved in February 2021, contribute towards a balanced budget through to March 2025.
- 20.4 Reserves are projected to reduce significantly over this period and the Transitional reserve will be used as cover for the risk of forecasts being worse than projected in this report.
- 20.5 The existing MTFS includes a specific focus on investment to generate additional future income. Whilst it is proposed to retain this aim within the strategy, it must be noted that scope for strategic investments to make a positive contribution to Council finances is very limited, at least in the short term. Councils that have relied heavily on this strategy in recent years are currently very exposed to the economic downturn and announcements of potential failures and issuing of section 114 notices are increasing.
- 20.6 The focus on efficiency and transformation that forms a key element of the existing MTFS has ensured the Council has maintained service provision in a climate of reducing resources. Significant savings and efficiencies have been identified, with £2.4m of budget reductions identified in 2020/21 and a further £3m of operational savings included in this report.

21 Medium Term Financial Planning

21.1 The existing MTFS grouped the medium term financial challenge options around five themes; transformation, efficiency, asset management, income generation and enabling partnerships. It is proposed to retain these themes. It should be recognised that scope for further operational efficiencies relies heavily on the Transformation programme and effective asset management.

21.2 TRANSFORMATION

- a) The Council Plan includes a commitment to improving service quality and accessibility and to deliver continuous service improvement. To support this, the existing focus on transformation continues to lead on both service improvement and modernising services with particular emphasis on improving digital service delivery.
- b) The Council will also need to consider how much funding it provides to a range of discretionary services. These services must remain affordable within the overall financial context and it is proposed to include a focus on “discretionary” services within this programme.

21.3 EFFICIENCY

- a) Efficiency review and planning plays a critical role in the continuing provision of high quality services by the most efficient and best value method of delivery. Significant savings have been achieved in recent years as a result of this work and future efficiencies will increasingly rely on the transformation programme referred to above.
- b) Contract review and management is a key element in this strand, with total third party payments budgeted at almost £7m. The Council operates a number of significant ongoing contracts such as: leisure centre management, environmental services contract, and the park and ride bus contract. Ensuring that both current and future contracts offer the best possible value to the Council is of great importance.

21.4 ASSET MANAGEMENT

- a) The Council operates an extensive portfolio of property assets which are either used in the delivery of services or generate an income to the Council which in turn provides the resources to deliver services. It is important that following very significant reductions in government funding that existing assets are used as effectively as possible.
- b) The Council operates a significant property portfolio which generates rental income in excess of £3m per annum. Properties are let at commercial rates with rent review periods built in as standard. A number of existing leases are due for review within the next few years and overall rental income is expected to increase significantly as a number of rent reviews are due in the life of the MTFS.

- c) The Council has an asset challenge programme. This process is reviewing all of the Council's assets on a rolling basis to establish why the Council holds assets, what options the Council has e.g. to increase income, dispose, hold or develop, and when these can be realised. The Council is currently holding a number of assets for strategic purposes which are not delivering any financial return. A number of these assets are linked to major projects such as Central Winchester Regeneration and the new Winchester sport and leisure centre. Options for the future use of these assets will be brought forward as soon as practicable but only where the business case can demonstrate the proposals are affordable when considered alongside the financial challenges outlined in the medium term financial projections.
- d) The capital strategy provides the opportunity for investment in new or existing assets should they meet the aims of the Council Plan and generate a financial return to the Council.

21.5 INCOME GENERATION

- a) Opportunities to invest which also generate a financial return, either through reductions in cost or income generation, are assessed on a case by case basis. Current economic pressures as well as the recent increase in the PWLB borrowing rates has had a significant impact on the scope for income generation from investment. Opportunities will continue to be reviewed in line with the SAP governance process, although it is acknowledged that opportunities will be very limited for the foreseeable future.
- b) Fees and charges are subject to annual review in order to ensure they are fair and, where appropriate, operate on a full cost recovery basis. Fees and charges are expected to increase by at least inflation every year in order to achieve these objectives.

21.6 GRANTS/ENABLING PARTNERSHIPS

- a) The Council recognises the value of effective partnerships. Many councils no longer retain a grants programme, although the current core grants do make a significant contribution towards the delivery of the Council Plan. It is proposed to retain the grant programme in future years but to review how it can best support core partners. A review will be completed in 2021 before any future grants from 2022 are agreed.

22 Strategic Reserves

- 22.1 The Council holds strategic reserves for specific purposes which are consistent with corporate priorities. These reserves are a key source of funding, helping to support specific service strategies and plans. They are also critical to our ability to fund the transformation of services and ability to invest in order to generate the necessary savings to balance the budget over future years. This includes one-off costs in relation to service and staffing

reviews as well as investing in systems to help develop digital service delivery.

- 22.2 Whilst the Council started in April 2020 with a healthy overall balance of earmarked reserves, there are significant existing budget commitments particularly in relation to major projects such as the new Winchester sport and leisure centre and central Winchester regeneration. In particular the Major Investment reserve, which has historically been the main reserve used to support revenue expenditure for major projects, is forecast to reduce from £7.6m in April 2020 to £3.3m by March 2023.
- 22.3 The creation of a new Transition Reserve was approved by Cabinet in October 2019 (CAB3178). The purpose of this reserve is to both support the significant financial risks faced by the Council in relation to Government and other funding reductions and also to enable investment in the Council Plan (for example supporting the Climate Emergency).
- 22.4 In light of the projected shortfalls set out in this report, it is proposed that the Transitional Reserve be used to fund shortfalls in excess of the £3m net base budget reductions set out in this report. If the 20% reduced income assumption is realised, this will require a transfer from the Transitional Reserve to achieve a balanced budget for 2021/22. The reserve could absorb additional losses before any call on other useable reserves would be needed. This highlights the importance of holding a transition reserve to mitigate an element of this risk and provide time for any further change plans to be implemented.
- 22.5 In summary, reserves are used to support:
- a) Funding of the capital programme
 - b) Investment in transformation
 - c) Funding one-off costs associated with staffing reviews and organisational development work.
 - d) Providing one-off support for service budgets (such as the local plan)
 - e) Community infrastructure plans
 - f) Council Plan support
 - g) Asset management plans, IT strategy, Car parking strategy
 - h) Winchester town account (notably major refurbishment and replacements of play areas.)
- 22.6 It is important to note that reserves are finite and can therefore only be used to fund one-off expenditure. One-off expenditure can include projects which

span a number of financial years but cannot include recurring expenditure such as utilities.

22.7 Total General Fund earmarked reserves, before proposals in this paper, are forecast to reduce from £28.6m at 01 April 2020 to £23.9m at 31 March 2025. The forecast closing balances (31 March 2025) of key earmarked reserves are summarised below;

- a) Operational reserves (£3.3m), significantly the major investment reserve, are revenue reserves which can be used to support revenue or capital expenditure, for example major projects.
- b) Risk reserves (£4.8m), such as business rates retention, are available to mitigate risks faced by the Council. The overall levels are reviewed each year in line with the medium term financial strategy.
- c) Asset reserves (£8.8m), such as the asset management reserve, are used to maintain existing council assets and are supported by spending plans such as the asset management plan.
- d) Restricted reserves (£7.0m), such as the Community Infrastructure Levy, can only be used for restricted purposes and therefore must be considered separately to other reserves which can be used for wider purposes.

22.8 The revised general fund (CAB3256 refers) is forecast to balance by March 2021 although this is subject to significant uncertainty. Any balance at year end after adjustments will transfer to the Transition Reserve. Any shortfall will be funded from the same reserve.

22.9 A summary of earmarked reserves is included at Appendix C. These have all been reviewed as part of the budget process and the levels are considered to be appropriate.

23 Balances / risk reserves

23.1 The Council also maintains a general balance which is held to mitigate against any potential financial risks. These could be known risks or completely unforeseeable risks. As a general guide the minimum balance will be 15% of net revenue expenditure and so the current balance of £2.789m can give some additional cushioning particularly against the uncertainty of funding over the medium term projections.

23.2 A minimum balance of £1m is held within the business rates retention reserve in order to provide mitigation against the short term risks of a reduction in income, for example an unexpected increase in successful appeals.

24 Adequacy of reserves and robustness of estimates

- 24.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the budget calculation.
- 24.2 Reserves are detailed in this report and specific comment is made on the most significant balances. The general fund working balance is discussed above and is considered to be adequate.
- 24.3 When considering the robustness of estimates for the budget calculation for the current year, savings and increased income proposals included in the budget must be considered to be achievable. Considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures. The purpose of reserves, in particular the general fund working balance, is to provide a cushion for these variations.
- 24.4 The S151 officer is able to provide positive assurance on the robustness of the estimates, within the context of the overall budget and reserve levels, for the purpose of the budget calculations for the next year.

25 Debt Write Off Proposals

- 25.1 The Council adopts a robust but supportive approach to managing debt. Formally writing off debt is always only considered a last resort. As a result, some older debts remain in the accounts for as long as it is considered there is a possibility of recovery (including the completion of administration decisions in the event of business closure). However, there are a small number of debts which can now be written off.
- 25.2 Additional works to the waste depot in Barfield Close, Winchester were completed in 2014, totalling £65,114, in order to ensure it was fit for purpose for the new waste contractor. A settlement was reached in contract negotiations for the 12 month extension commencing October 2019 whereby the Council agreed it would not seek to recover this expenditure from the waste contractor and that the facilities remain as Council assets. This avoided the same costs being added to subsequent tenders for the new Environmental Services contract which commences in February 2021. Formally writing off debts in excess of £50,000 require Cabinet approval and a recommendation is therefore included to address this issue.
- 25.3 NNDR Write Offs – The debtors listed in Appendix D have either become insolvent; entered into a Corporate Voluntary Agreement (CVA); or it is inadvisable to pursue the debt due to its age. The debts in all cases span a number of years. This is the case because action to write off debts is not taken until all avenues for recovering monies have been exhausted. In the case of dissolved companies it can take time afterwards for the administrator

to announce any dividends which may be available to creditors from funds not used to meet the expenses of the liquidation. As there is no longer any possibility of recovering monies from the ratepayers listed in Appendix D, it is recommended that these debts be written off to allow the Revenues team to concentrate its resources on debts which can be recovered.

26 OTHER OPTIONS CONSIDERED AND REJECTED

- 26.1 The option to fund a greater percentage of potential shortfalls from reserves has been considered. However, this is not recommended. The Transitional Reserve has been established to mitigate the risk of future budget shortfalls and is proposed to be used for this purpose. However, greater reliance on reserves would severely weaken the Council's capacity to manage projects moving forward.
- 26.2 The option of taking a harder line on budget savings and identifying more than the £3m included in this report has also been considered. Scope for achieving this does exist but would have a direct impact on service levels and service quality. With the uncertainty that exists regarding future funding, the recommended balance between savings and use of reserves to achieve a balanced budget is considered reasonable.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3178 - OUTCOME BASED BUDGET CHALLENGE dated 23 October 2019

CAB3211 - medium term financial strategy, BUDGET AND COUNCIL TAX 2020/21 dated 12 February 2020

CAB3256 - Revised general Fund Budget 2020/21 dated 12 September 2020

Other Background Documents:-

None

APPENDICES:

Appendix A:	Medium Term Financial Projections
Appendix B:	Budget Options
Appendix C -	Reserves
Appendix D (exempt):	Detailed list of NNDR debts to be written off

Medium Term Financial Projections

Council Tax Base	1.2%	1.2%	1.2%	1.2%	
Council Tax - Band D £	3.0%	3.0%	3.0%	2.0%	
Contractual Inflation	1.0%	2.0%	2.0%	2.0%	
Pay Inflation	2.0%	2.0%	2.0%	2.0%	
Reduction in Income	20.0%	10.0%	5.0%	0.0%	
General Fund Revenue (£m)	Forecast	Forecast	Forecast	Forecast	
(20% Reduction in Income)	2021/22	2022/23	2023/24	2024/25	Notes
Funding					
Council Tax (excluding Parish Precepts)	8.458	8.786	9.127	9.401	1
Retained Business Rates	4.901	2.872	2.853	2.873	2
New Homes Bonus	1.982	0.970			3
Damping - 5% cap on total resource reduction		1.878	1.629	0.655	4
Revenue Support Grant & Other Grants	0.200	0.200	0.200	0.200	5
	15.542	14.707	13.810	13.129	
Investment Activity	1.948	1.391	1.876	1.834	
Resources available	17.490	16.098	15.685	14.963	
Baseline Net Expenditure					
Gross Income	11.255	13.459	15.682	17.098	
Gross Expenditure	-31.117	-31.680	-33.207	-33.990	
No Increase in car parking fees 21/22	-0.100	-0.100	-0.100	-0.100	
Unavoidable Growth - Movement Strategy	-0.060	-0.060	-0.060	-0.060	
Baseline resource requirements	-20.022	-18.381	-17.685	-17.053	
One-off budgets & Reserve Related Movements	-1.129	-0.561	-0.549	-0.994	
Total net resource requirements	-21.151	-18.942	-18.234	-18.046	
Budget Surplus / (Shortfall)	-3.661	-2.845	-2.549	-3.083	
<i>% of Gross Expenditure</i>	11.8%	9.0%	7.7%	9.1%	

Notes

1. Uplift in Council Tax and Base per assumptions
2. Hard reset assumed from 2021/22
3. Scheme ends in 2022/23 with no replacement
4. A Damping scheme has not been confirmed
5. For example Preventing Homelessness
6. Includes assumed 3% Increase (£100k) p.a. - there is a budget option to remove this
7. Increase in take-up of the scheme each year
8. Prior to latest HCC announcement - see budget options

Budget Options 2021/22 - Summary of Proposals

Table 1 - Summary of Staff Changes

Team	Saving	Comment/Impact
Special Maintenance – drainage	£42,300	Team restructure. One vacant post not replaced. No impact on service
Parking restructure	£33,400	Team restructure/review of enforcement team. Positive impact on overall service
Environmental Health	£28,000	Team restructure. 0.5 vacant post not replaced. Some impact but overall service maintained
Planning	£149,600	Team restructure. 3.5 posts not replaced. Some impact on DM service but currently top quartile performance and aim to maintain this. Enforcement team strengthened.
Transformation	£173,500	Revised approach to Transformation agenda is proposed. 3 staff will be “at risk” and an additional vacant Policy Officer post will not be recruited to. No immediate impact on services.
Estates	£98,000	Team restructure inc. merging with Housing Property and New Homes Delivery. Overall service improvement and increased capacity can be achieved by the changes.
Finance	£37,000	New Corporate Head of Finance to be part HRA funded. 0.45 fte vacant post not replaced. Limited impact on service
Revs/Bens	£124,700	3 vacant posts (currently agency) to be deleted once current pressures on team resolved. Impact on service dependent on demand in 2021.
Land Charges	£38,000	Team restructure. 1.43 fte to be deleted (inc. one currently vacant). Limited impact on service
Democratic Services	£10,000	Team restructure. 1 fte to be deleted. Some impact but overall service maintained.

Housing	£194,000	Team restructure focussing on more generic approach to Housing Options service. Outreach work to be undertaken by partner agencies. 4 technician roles to be deleted (92 currently vacant) and two posts recharged to HRA (to reflect work now wholly with council tenants). Limited impact on service.
Engagement/Sports	£67,300	Team restructure to reflect deletion of Sports/Physical Activity services. 2 posts deleted (manager retained – lead of Health and Wellbeing). Also, 0.5 fte project support post to be deleted. Direct impact on discretionary service - no delivery of Physical activity events/functions (100+ events annually) + GP Referral scheme discontinued (or funded by Health/CCG).
Engineering	£35,000	Not replacing vacant post. No impact on service. Cost of team recharged to external customers (although operated at net cost when this post was filled).
Communications	£83,000	Team Restructure – Vacant Service lead not replaced. 2 vacant posts recruited at more senior grade. 1.6fte net reduction overall but capacity maintained.
	£1,113,800	

Table 2 - Operational Non Staff Savings

Option	Other Savings	Comment
Waste Changes	£300,000	Net impact of latest HCC announcements re waste charges/credits
Reduced provision for "Contingencies"	£121,000	Contingency budget - no longer considered to be required (not spent in 19/20 or 20/21)
Reduced spend on Officer Training (emphasis on webinars)	£50,000	Whilst the commitment to staff development and training remains a key theme of the Council's employment offer, training costs have reduced significantly in recent years as a result of increased emphasis on on-line tutorials and webinars to support "continuous professional development".

Estates - Rent and lease renewals	£78,000	Further increased income potential but this figure recognises current market conditions
West Wing remains closed	£50,000	Net impact of extended closure (savings relate to utilities/cleaning etc). No provision for additional letting included in this figure
Contract Inflation	£78,000	MTFS assumes 1% for 21/22. However, key contracts only subject to 0.2% this year achieving a net saving on assumed base budget.
Guildhall	£500,000	Net saving from changes approved in CAB3256 (£200k through staff changes and reduced net operating costs + £300k per annum est. income from venue only hire/business leasing)
Other	£131,000	A number of smaller operational changes across a range of support services
Total	£1,308,000	

Table 3 - Additional Recommended Savings Options

Option	Other Savings	Comment
Council Tax	-	Budget has been prepared assuming a 3% increase.
Fees and Charges	£40,000	3% increase to all fees and not including parking. MTFS assumes Council tax at 3%
Building Control - Review of fees (10% average increase)	£48,000	Review of charges has identified current charges do not recover full costs and are on average 10% too low, resulting in Gen. Fund subsidy. Market challenge but still considered to be competitive
Car Parking - move to full cashless parking	£30,000 (£75,000 by 2022/23)	A complete move away from cash payments. With no additional charge and simplified phone payment, alongside “contactless” machines, cash payments avoided completely with no cash collection arrangements (machines constantly subject to theft/damage)
£200k per year to parking reserve (rather than £350k)	£150,000	Income significantly down which this contribution was to be funded from. £200k annually sufficient to support a positive parking/transport investment programme.

No contribution to asset reserve	£300,000	£300k annual payment but no clear spending plan for reserve. Proposed to suspend revenue contribution for 4 years – but keep under review
Events - Cease support for annual Criterium	£29,000	Do not co-ordinate and organise the event. Most cost is associated with hiring the infrastructure (barriers/stewards). Possible family fun cycle element to be delivered in other ways through links with external partners.
Grants - Play to the Crowd	£36,000	One year grant agreement with 20% reduction on 20/21 grant
Grants - Reduced provision for small grants	£15,000	These support one off expenditure by local organisations. Demand in recent years has been less than the available budget so reduce by 50%.
	£648,000	

Total Staff	£1,113,800
Total Operational Non-Staff Savings	£1,308,000
Total Additional Savings Options	£648,000
Total 2021/22 Savings Proposals	£3,069,800

Reserves and Balances

GENERAL FUND EARMARKED RESERVES (£000)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Outturn		Forecast end of year balances								
OPERATIONAL RESERVES											
Major Investment Reserve	(7,616)	(5,462)	(3,221)	(2,270)	(2,270)	(2,270)	(2,270)	(2,270)	(2,270)	(2,270)	(2,270)
Transformation	(593)	(466)	(430)	(430)	(430)	(430)	(430)	(430)	(430)	(430)	(430)
Council Strategy Support	(145)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
Community Grants & Commissions	(363)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)
Flood Support Schemes	(67)										
Landscape Mitigation	(14)										
Local Development Framework (LDF)	(382)	(199)									
New Burdens	(389)	(216)	(206)	(206)	(206)	(206)	(206)	(206)	(206)	(206)	(206)
	(9,569)	(6,691)	(4,204)	(3,253)	(3,253)	(3,253)	(3,253)	(3,253)	(3,253)	(3,253)	(3,253)
ASSET RESERVES											
Property - Asset Management Reserve	(3,310)	(3,494)	(3,694)	(3,894)	(4,094)	(4,094)	(4,094)	(4,094)	(4,094)	(4,094)	(4,094)
Car Parks Property	(2,427)	(2,352)	(2,602)	(2,932)	(3,262)	(3,412)	(3,562)	(3,712)	(3,862)	(4,012)	(4,162)
Information Management and Technology	(532)	(646)	(817)	(985)	(1,151)	(1,314)	(1,367)	(1,324)	(1,408)	(1,448)	(1,386)
	(6,269)	(6,492)	(7,113)	(7,811)	(8,507)	(8,820)	(9,023)	(9,130)	(9,364)	(9,554)	(9,642)
RESTRICTED RESERVES											
S106 (Interest)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)
Community Infrastructure Levy - General Fund	(8,928)	(8,011)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)	(6,114)
Community Infrastructure Levy - Winchester Town	(875)	(569)	(490)	(480)	(480)	(480)	(480)	(480)	(480)	(480)	(480)
Winchester Town Reserve	(387)	(340)	(74)	(168)	(245)	(203)	(210)	(219)	(377)	(535)	(694)
	(10,584)	(9,150)	(6,909)	(6,992)	(7,069)	(7,027)	(7,035)	(7,043)	(7,201)	(7,360)	(7,518)
RISK RESERVES											
Municipal Mutual Insurance	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)
Transitional Reserve	(1,037)	(2,521)	(2,843)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)
Business Rates Retention	(1,000)	(1,536)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
	(2,176)	(4,196)	(3,982)	(4,834)	(4,834)	(4,834)	(4,834)	(4,834)	(4,834)	(4,834)	(4,834)
Total General Fund Earmarked Reserves	(28,598)	(26,528)	(22,207)	(22,890)	(23,663)	(23,934)	(24,144)	(24,260)	(24,652)	(25,001)	(25,247)
General Fund Balance	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)	(2,789)
Usable Capital Receipts Reserve - General Fund	(5,953)	(4,068)	(3,597)	(3,477)	(3,234)	(3,364)	(3,702)	(4,044)	(4,389)	(4,738)	(5,090)

* Nb. The forecast Major Investment Reserve balance does not include any call on this reserve to cover future forecast deficits.

CAB3275
CABINET

REPORT TITLE: HRA BUDGET BUSINESS PLAN AND BUDGET OPTIONS

16 DECEMBER 2020

REPORT OF CABINET MEMBER: CLLR KELSIE LEARNEY – CABINET MEMBER FOR HOUSING AND ASSET MANAGEMENT

Contact Officer: Dick Johnson Tel No: 01962 848136 Email
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WARD(S): ALL

PURPOSE

The purpose of this report is to update members on the current HRA 30 year Business Plan, and upon the impact of any proposed budget options. It confirms that the proposed business plan is both sustainable and viable over the 30 year period.

It further proposes a change in future financing strategy to fully take advantage of the introduction of Prudential Borrowing as well as a change in the VFM hurdles that new investment proposals need to demonstrate.

The report also provides a number of budget options for members to consider and approve.

RECOMMENDATIONS:

That Cabinet:

1. Approve the HRA Business 30 year Plan for 2020-21 to 2049-50 as summarised in the Operating Account included as Appendix 4.
2. Support an increase in the projected capital programme of £173m subject to the approval of individual items below, and the proposed long term funding strategy that will see borrowing increase to £407m subject to the final detailed

- HRA budget and the Capital Strategy being approved by Council in February 2021.
3. Note that the business plan is viable and sustainable and will support the council's ambitious delivery of 1,000 new affordable homes over the next ten years.
 4. Approve the changes proposed to refresh and simplify the current financial viability hurdles to recognise the residual value of housing within the HRA and take full advantage of historically low borrowing rates.
 5. Note that the calculation of the minimum HRA reserves will in future take account of both the scale of new build as well as the net operating expenditure within the HRA.
 6. Approve the creation of an Energy Officer post to facilitate the council's carbon reduction agenda and embed it within the current and future housing stock subject to the final detailed HRA budget being approved by Council in February 2021.
 7. Support the proposed increase in capital funding of £2.5m in retro fitting capital funding which will increase the funding from £10.7m to £13.2m subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.
 8. Support the proposal for a £10m investment in the purchase of a potential site for new housing development, as well as £0.5m for nitrate mitigation offset measures subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.
 9. Support the allocation of an additional £0.2m of investment as described at paragraph 17.2 of this report for sewage treatment works subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.
 10. Approve the increase in budgetary provision of £0.064m to support the increase in costs of the current 1 year Orchard contract and enable officers to procure a longer term 3 year contract subject to the final detailed HRA budget and the Capital Strategy being approved by Council in February 2021.

IMPLICATIONS:**1 COUNCIL PLAN OUTCOME**

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community. In particular
- 1.2 Tackling the Climate Emergency and Creating a Greener District
- a) Carbon Neutrality measures will be implemented across existing housing stock and include within the design and construction of new properties, and feasibility considered in the purchase of any substitute properties
- 1.3 Homes for all
- a) Assist with the increase of housing property stock across the Winchester district
- 1.4 Vibrant Local Economy
- a) Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.
- 1.5 Living Well
- a) The wellbeing of residents are considered within the design of new properties and any substitute properties will be viewed accordingly.
- 1.6 Your Services, Your Voice
- a) Housing tenants are directly involved in decisions regarding service provision, both through the work of TACT and through regular digital engagement processes. The service continues to review options to provide an improved customer experience, increase opportunities for digital engagement and to ensure satisfaction with services provided by the Council remains high.

2 FINANCIAL IMPLICATIONS

- 2.1 These are fully detailed in Section 10 of the report and the accompanying appendices.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income in relation

to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.

- 3.2 The Council is required to prepare proposals each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 3.3 Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit.
- 3.4 The proposed HRA budget fulfils these requirements. The report also seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Procedures which provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance of dwellings may be considered consistent with the Council's repairing obligation under Section 11 of the Landlord and Tenant Act 1985.

4 WORKFORCE IMPLICATIONS

- 4.1 Some of the options for consideration for next year's budget will require an additional staffing resource. These options are detailed within Section 17 as relevant but in summary will include up the creation of new Energy officer post to help facilitate the retro fitting project.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 In order to meet one of the key principles of the Council Strategy, the HRA is required to provide sufficient financial resources to both maintain existing stock to decent homes standard and to enable new affordable housing to be built to help meet local demands.

6 CONSULTATION AND COMMUNICATION

- 6.1 A draft of this report will be presented to Housing and Business Committee for their consideration on 1st December. A separate presentation was made to TACT members at a tenant briefing meeting on 25 November. Tenant

representatives will also be at Cabinet to give verbal feedback to Members on the report.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Housing Service considers environmental factors when preparing and developing major projects e.g. working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

8 EQUALITY IMPACT ASSESSEMENT

This document is part of the budget consultation process and the public sector equality duty is considered alongside any relevant budget options

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 All projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.	Self-Financing provides certainty around future resource allocations and facilitates better supply chain management
<i>Community Support Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</i>	Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.	Positive consultation brings forward alternative options that may otherwise not have been considered.
<i>Timescales Delays to new build contracts may result in increased costs and lost</i>	New build contracts contain clauses to allow the Council to recover	

revenue.	damages if the project is delayed due to contractor actions.	
<p><i>Project capacity</i> The HRA can borrow funds in addition to utilising external receipts and reserves but it must be able to service the loan interest arising and repay debt in the future.</p> <p>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</p>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.</p> <p>Staffing resources have been reviewed to support the delivery of the enhanced new build programme.</p>	<p>The Council monitor's government announcements on the use of RTB receipts and potential capital grant funding.</p> <p>Given the challenging nature of the delivery targets it may be necessary to review the resourcing requirements needed to successfully deliver this step change in anticipated activity</p>
<p><i>Financial / VFM</i> Risks, mitigation and opportunities are managed through regular project monitoring meetings</p>	<p>New build Schemes are financially evaluated and have to pass financial hurdles and demonstrate VFM.</p> <p>In addition Total Scheme Costs contain provision for 5% contingency on build and 10% on fees for new build developments that take account of potential residual development and sales risk.</p>	
<p><i>Legal</i> The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on social housing which must be monitored and considered within planning of future new build projects.</p>	<p>Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	<p>To create new housing developments within new guidelines and drawing on innovative thinking.</p>
<p><i>Innovation</i> The creation of a Housing Company to support the new build programme is</p>	<p>External legal and business planning advice has been sought to ensure</p>	<p>A Housing Company has the potential to increase the available supply of</p>

<i>introduced without reference to existing rules and consents.</i>	the Council has the most appropriate and effective solution and that any developments are only undertaken if they are financially viable.	affordable housing to support our residents.
<i>Reputation Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	
<i>Other – None</i>		

11.0 BACKGROUND

- 11.1 The 2012 Self-Financing HRA reforms and settlement resulted in the City Council buying itself out of the previous tightly controlled national HRA subsidy system. This system which had operated since 1989 was widely discredited in that it sought to redistribute notional HRA surpluses and deficits and relied upon annual notifications of financial resources. This discouraged any council from growing or improving the efficiency of its local HRA.
- 11.2 When Self-Financing was implemented council's in deficit had debt paid off whilst council's in surplus took on new debt. Winchester City Council was a surplus subsidy council and bought itself out of the previous system by taking on an extra £156m of new debt. This enabled the council effectively to take back ownership of its HRA and of all future income streams. At this time, it was envisaged and hoped that this would lead to the unlocking of resources and to the development of a significant national number of new affordable homes and incentivise a real step change in Local Authority strategic ambition and delivery capacity.
- 11.3 However this aspiration was curtailed and constrained by the Government's reluctance to allow councils to borrow for HRA housing investment, with individual borrowing caps imposed upon all councils as part of the self-financing settlement. Nevertheless, after 2012 the HRA could effectively be run in a more business-like way, with varying degrees of control over its own assets and revenue streams.
- 11.4 The 30-year HRA business plan remains the annual measure of the viability and sustainability of the HRA. The Business Plan projects future HRA revenue and capital budgets based upon future assumptions on key variables such as interest rates, inflation and Social rent policy, proposed future capital investment plans and associated funding requirements. Essentially the 30-year

Business plan demonstrates to stakeholders the impact of future investment decisions upon the sustainability and viability of the HRA.

12. THE IMPACT OF PRUDENTIAL BORROWING

12.1 In October 2018 the Government removed the HRA borrowing cap replacing it with the same borrowing regime as applied to the General Fund, Prudential Borrowing. The key requirements of the Prudential Code are that capital investment plans are affordable, prudent and sustainable. On 12th March 2020 the Government further announced that HRA borrowing would now be available at a reduction of 0.8 basis points below other PWLB certainty borrowing rates. Current 50 year PWLB rates are at a historically low rate of under 1.8% In addition the HRA is not required to set aside any annual Minimum Revenue Provision (MRP) towards the outstanding debt as is the case in the GF. The LGA described the abolition of the debt cap as a game changing opportunity for local authorities.

12.2 Before this change, investment decisions were largely constrained by the availability of capital resources. Resources such as revenue funding, capital receipts, grants, and borrowing headroom up to the HRA Debt Cap. Now providing that the council's 30-year HRA business plan can cash flow the interest costs involved in undertaking new borrowing, and remains viable, it has significantly more funds available to make future investment decisions. Previously the borrowing cap constrained funds available for investment and this led to the sub-optimal solution of revenue funding being applied to fund long term investment. An example of the potential impact of this is where £1 of revenue previously funded £1 of capital investment, now £1 of revenue can effectively fund 50+ times as much capital investment as long as it remains affordable, prudent and sustainable.

13. THE NEED TO REVIEW & CHANGE BARRIERS TO FUTURE INVESTMENT

13.1 Although debt is often perceived as being a liability, in a business operating long term assets with an ongoing positive income stream that maintain and often increase their value, prudential borrowing is a mechanism for achieving sustainable and viable growth. Most normal investment decisions would be on the basis that the asset has little or no economic value past the period of the evaluation e.g. investment in machinery, vehicles or warehouses, apart from the residual valuation at the end of both the asset life and investment period. However in Housing, the assets are maintained and kept at decent homes standard, the demand for housing is greater than the supply and at the end of the investment, the council owns a working asset that has an often significant residual value in existing use.

13.2 The current suite of financial hurdles that must be passed in order to produce an investment that is considered viable are listed below, they have their origin in the Housing Association sector. Here commercial borrowers place covenants on the balance sheet to mitigate the risk of lending.

1. Investments must show a positive Net Present Value (NPV).
2. The payback period should be no more than 35 years.
3. Total scheme cost as a % of combined property market value is a maximum of 95%
4. Net operating income is a minimum of 105% of the annual interest cost.
5. All costs and expenses applicable to the scheme, internal or external, should be fully accounted for and charged to the scheme with no 'hidden' Subsidy.

Generally, for an investment to be considered viable and worth undertaking all of the above hurdles must be met, this can make potential investment opportunities appear unnecessarily unviable and not worth undertaking. The council has instead to meet the requirements of the prudential code on borrowing

- 13.3 The case can be made that with Prudential Borrowing being at historically very affordable levels that if the residual valuation were taken into account in determining future HRA Investments, that potentially more opportunities would be viable. A hypothetical illustration of the impact of taking the residual valuation into account is shown in Appendix 1. The effective hurdles would therefore be that:-

1. The Scheme was NPV+ taking account of the residual value of the asset
2. The HRA can fund the ongoing debt financing costs from net rental income
3. That the HRA Business Plan remained able to cash flow the investment

14.0 RISK AND THE MINIMUM REVENUE BALANCES

- 14.1 Building homes involves significant risks. This is why market developers and investors demand high returns in reward for that risk. It will rarely be possible to eliminate risk; however it can be assessed and managed. The council's corporate project and risk management processes will be used to mitigate detailed risk and ensure that projects are progressed in a logical sequence to ensure that the council is not overexposed to risk. The majority of risks can be managed through adequate monitoring, site investigations and ensuring developments meet housing need locally and are made available at an affordable rent. In terms of shared ownership sales risk the viability and assumptions over the demand and affordability of the proposed products need to be carefully assessed.
- 14.2 In terms of accounting for these residual risks at present all the viability assessments take into account a contingency provision of 10% on build and 5% on fees. This is then included in the project budget total scheme cost envelope. Where a project is deemed to have an unacceptable level of risk it would not be recommended for approval.

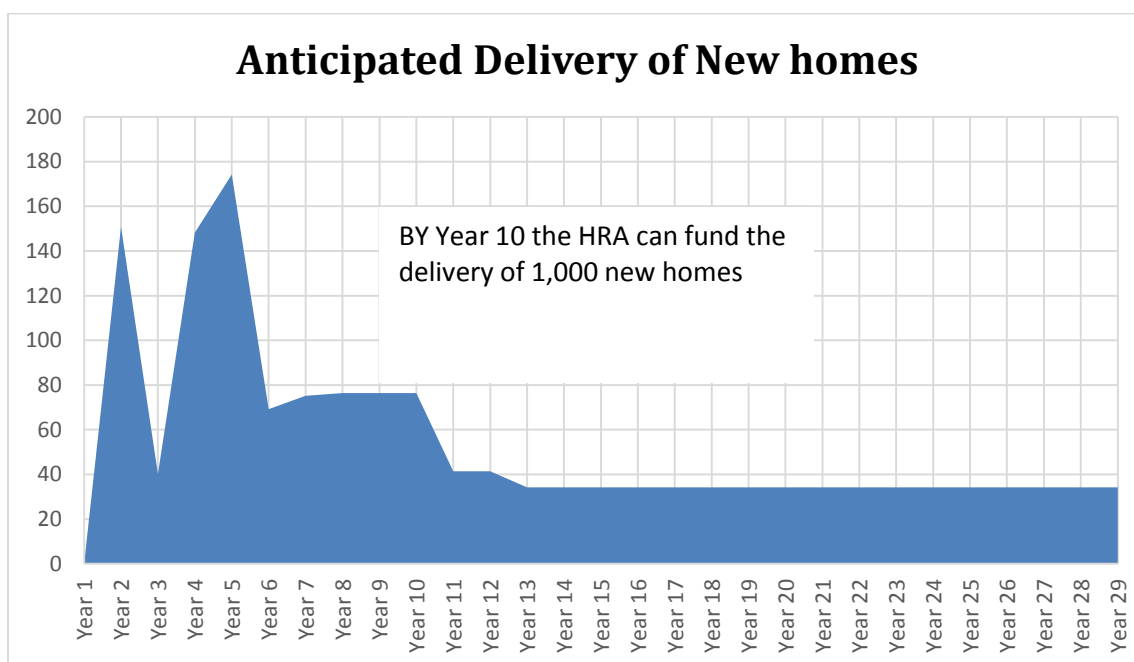
14.3 In addition it is normal practise to set a minimum level of working balances within the HRA, that reflect the risk of uncertainty, likely overspending and the inability of the HRA to budget for a deficit balance. It is recommended that in future this minimum balance is set with regard to both the revenue operating account and the scale of new build, with 10% set aside with regard to new build spend and 5% with regard to the operating account. See Appendix 2 for an exemplification.

15. THE PROPOSED 30 YEAR BUSINESS PLAN

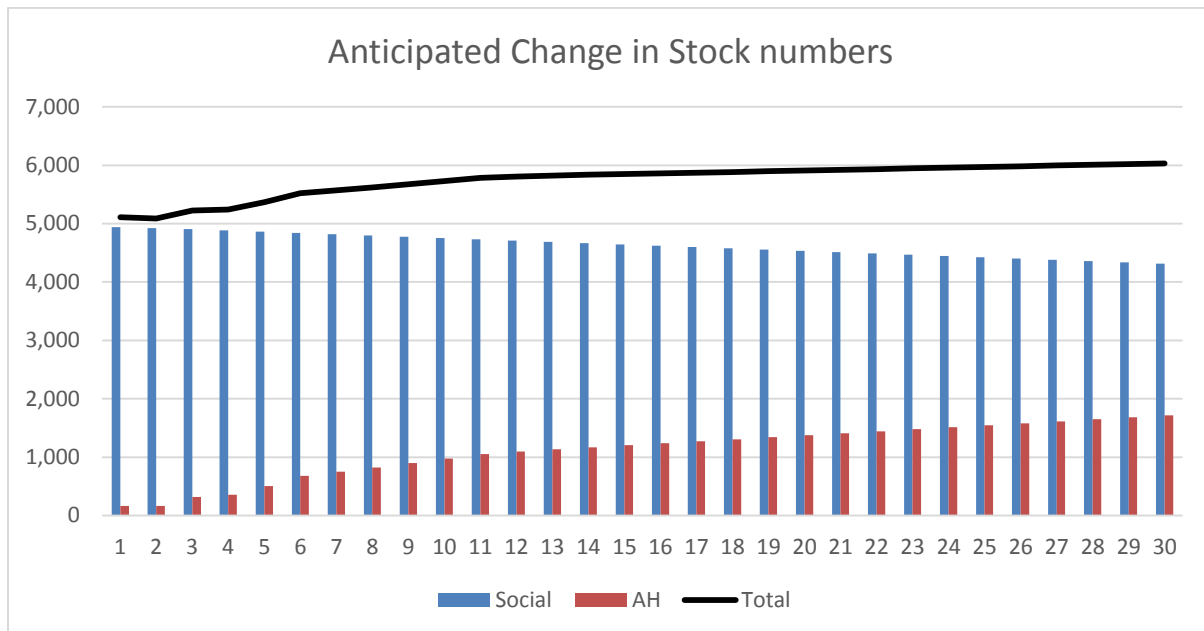
15.1 The general assumptions and forecasts used in the Plan have been reviewed and amended where considered necessary. The details of the key assumptions made are shown in Appendix 2. The current 30 Year Business Plan has been updated for changes in stock, actual average rent and service charges and projected HRA forecast outturn at period 5.

15.2 All of the identified current New Build Schemes have been individually reviewed by officers and the financial cash flow impact profiled in line with delivery expectations. The financial impact of this is now reflected within the proposed investment plans.

15.3 In addition, the council’s objective of delivering 1,000 new affordable homes is now fully recognised and funded within the current business plan, the increase in the overall costs of new build reflecting both these changes is anticipated to cost an extra £152m, which now also includes the future anticipated costs of new build major works. The profiled delivery of new homes is shown over the life of the business plan, with the target of 1,000 funded to be achieved within the first 10 years



15.4 The proposed business plan will see funding in place to deliver in total around 1,630 new affordable homes over the next 30 years including shared ownership of 279 units. The makeup of the stock, and forecast changes over time is shown below



16. RENT POLICY

16.1 The Rents for both social and affordable housing are now set in accordance with the guidance issued by the Regulator of Social Housing. The current policy framework applies to all registered social landlords, both local authorities and private registered providers (Housing Associations). This policy gives landlords a degree of certainty for 5 years from April 2020 that rents will be allowed to increase annually by a maximum of CPI+1% (based on CPI in September of the preceding year). The current year 2020-21 was the first year of this policy and followed 4 years of rent reduction under the Welfare Reform Act 2012.

16.2 The calculation of social rents is based upon a formulae of 70% relative earnings to 30% relative property value, applied to each individual properties value in January 1999, and then adjusted for bedroom size. This is then inflated by an index of applied annual rent increases to arrive at a current formula target rent for each property. There are also caps or limits on the maximum amount that can be charged by bed size. However as the government applied caps and limits to the permitted increases over a number of years it is possible that some tenants are paying less than the formula target rent. If a social rented property is re-let and the current actual rent is below the formula target, then the rent can be increased to the formula target rent. By contrast affordable rent is based on a maximum of 80% of certified market rent, and when affordable property is re-let the certified market value must be reassessed.

16.3 The current Business Plan assumes that the rents will continue to comply with this guidance and the increase will be in line with that allowed by Regulator. The September CPI was 0.5% so the proposed rent increase will be 1.5%. The impact of this in terms of weekly rents for Winchesters housing stock by type and bed size is shown over.

Type	No.	2020-21 Avg RENT per week	Min Rent per week	Max Rent per week	2021-22 Avg Rent per week	Min Rent per week	Max Rent per week
Affordable rent							
1	70	£133.94	£107.84	£150.78	£135.95	£109.46	£153.04
2	51	£162.16	£113.38	£185.51	£164.59	£115.08	£188.29
3	30	£182.66	£136.08	£240.00	£185.40	£138.12	£243.60
4	1	£219.83	£219.83	£219.83	£223.13	£223.13	£223.13
Affordable Total	152	£153.59	£107.84	£240.00	£155.89	£109.46	£243.60
Social rent							
B	80	£76.84	£71.45	£92.20	£77.99	£72.52	£93.58
1	1,561	£88.87	£63.52	£110.98	£90.20	£64.47	£112.64
2	1,624	£102.05	£83.15	£124.13	£103.58	£84.40	£125.99
3	1,509	£116.15	£96.89	£151.13	£117.89	£98.34	£153.40
4	66	£124.65	£89.99	£138.78	£126.52	£91.34	£140.86
5	1	£144.66	£144.66	£144.66	£146.83	£146.83	£146.83
6	1	£148.89	£148.89	£148.89	£151.12	£151.12	£151.12
Social rent Total	4,842	£102.10	£63.52	£151.13	£103.64	£64.47	£153.40
Grand Total	4,994	£103.67	£63.52	£240.00	£105.23	£64.47	£243.60

16.4 For information the Current and recent LHA rates for 1-4 bed properties in Winchester is shown below:-

Winchester Local Housing Allowance Weekly Rent Limits

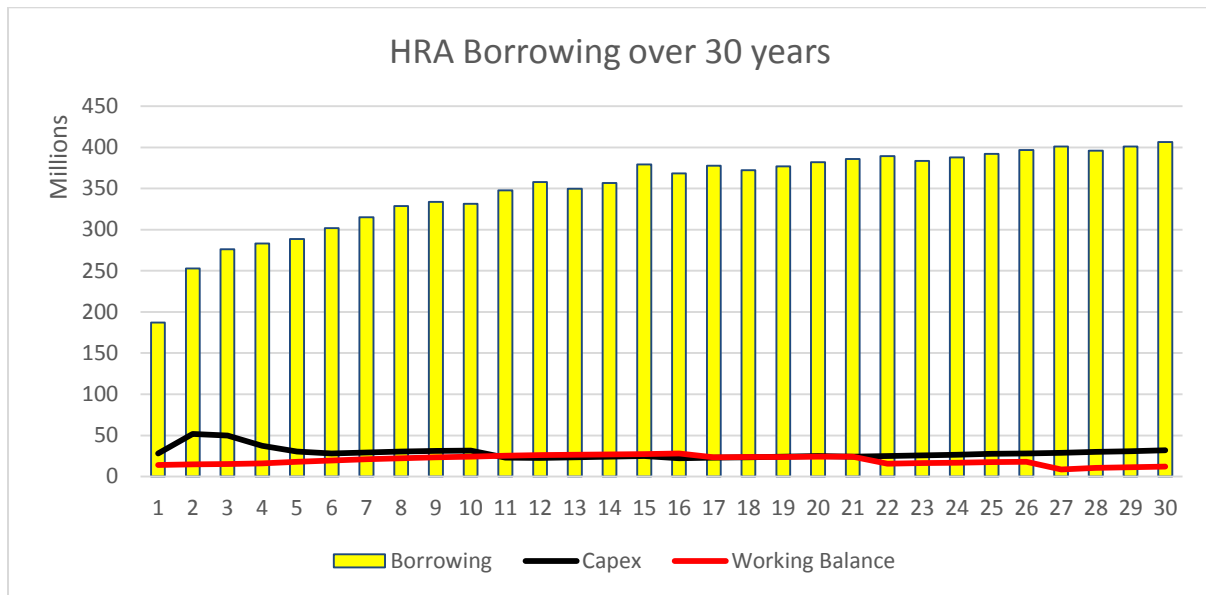
	Room(s)			
Year	1	2	3	4
LHA April 2018	£148.30	£182.45	£211.87	£312.77
LHA April 2019	£152.75	£182.45	£211.87	£322.15
LHA April 2020	£166.85	£197.92	£253.15	£368.22

17. HRA FUNDING STRATEGY

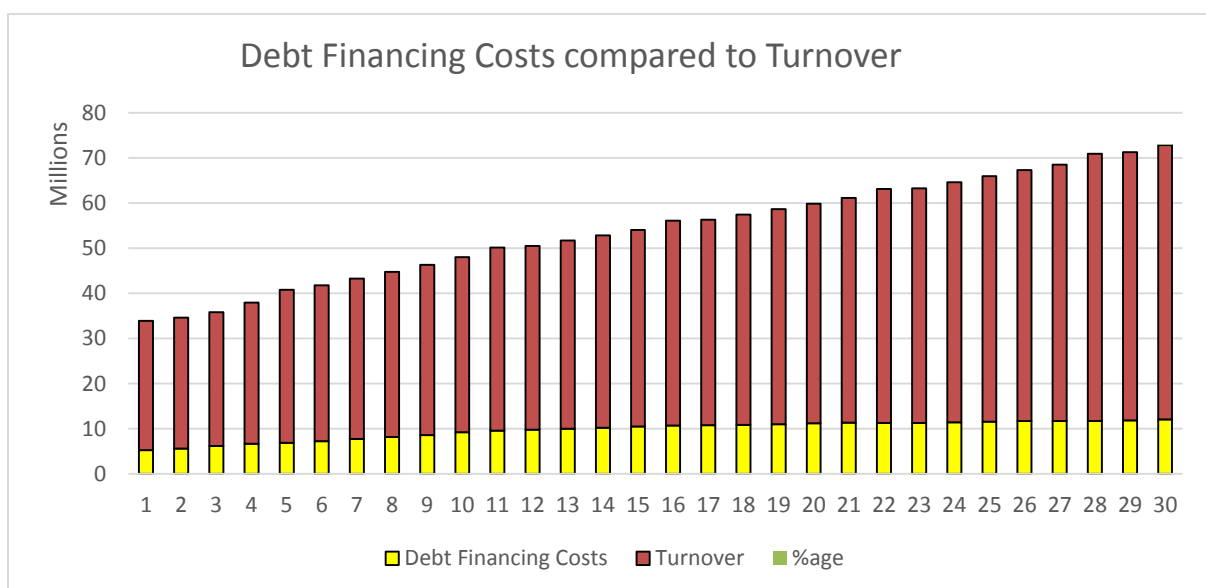
17.1 To facilitate the investment requirement needed to deliver the councils housing new build targets the HRA business plan external borrowing will need to increase from £156.7m to £406.7m, an increase of £250m over the life of the plan. This is necessary to deliver the step change in the anticipated delivery of new homes over the life of the plan. This will require over £136m of investment

in new homes over the next 5 years and take advantage of both the current historically low level of PWLB interest rates and the ability of the HRA to borrow prudentially.

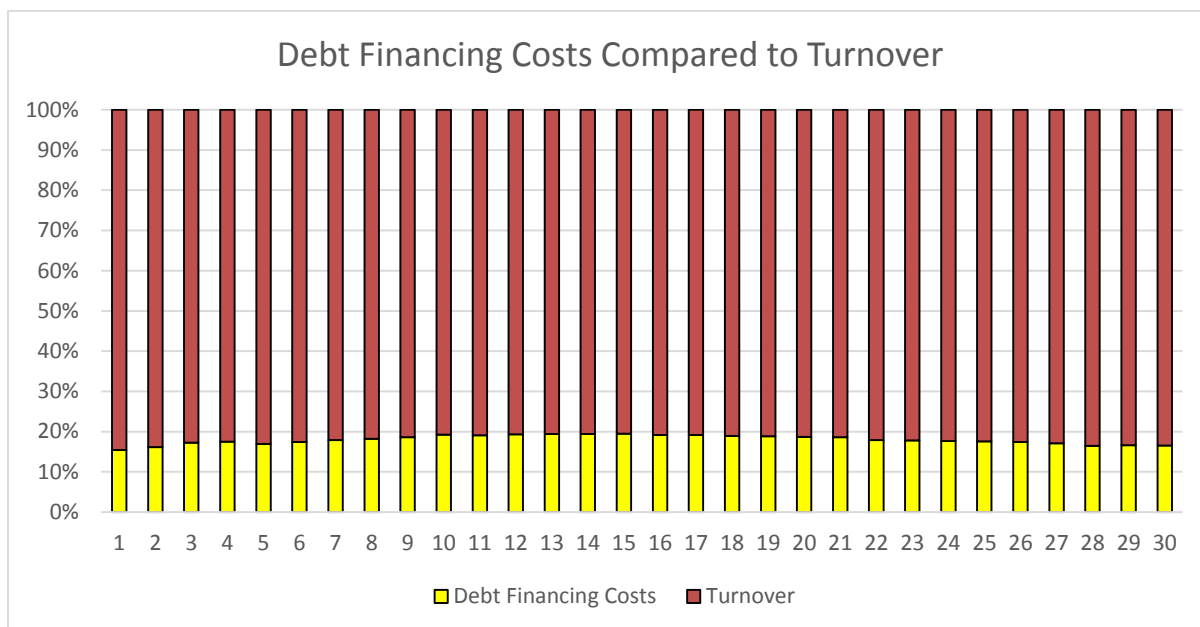
17.2 The interplay of capital investment, borrowing and the HRA working balance are shown over. The average amount of annual capital investment is £29m, and the projected HRA reserves at year 30 is £12m.



17.3 The projected increase in borrowing needs to be considered against the growth in both the asset base and the increase in turnover that this will facilitate. The increase in borrowing remains affordable as the interest costs can be funded from within the HRA and the associated increase in both the asset base and in turnover mean that the ratio of debt to income remains affordable



17.4 Looking at the relative relationship between the debt financing costs and turnover, the ratio of debt to turnover remains fairly constant at between 18%-24%.



17.5 In addition looking at the ratio of debt to asset cover, and the ratio of interest cover (interest compared to turnover) the ratios remain comparable over time and not dissimilar to the average for the major Housing Associations.

relevant Comparators	Debt to asset Cover	Interest Cover
Average for Housing Associations (2018-19)	44%	6.51
Housing Association Comparator Mixed	44%	6.51
Housing Association Comparator LSVT	48%	7.16
Housing Association Comparator Traditional	43%	5.16
Winchester HRA (2012-13)*	49%	4.60
Winchester HRA (2020-21)	38%	5.47
Forecast Winchester year (2049-50)	44%	5.06

* First year of HRA Self Financing

18. BUDGET OPTIONS

- 18.1 The proposed HRA Business plan is based upon the investment requirements from the asset management plan which in turn is informed by the component lifecycle replacement costs of maintaining both the current stock and importantly funding the long term maintenance costs of the new homes that are planned at the councils current decent homes standard plus.
- 18.2 In order to both maintain homes at decent homes and to fund the delivery of the new homes required, the HRA will need to undertake increased levels of prudential borrowing over both the medium and long term. A major part of the prudential assessment is having sufficient ongoing revenue funds to service the cost of borrowing undertaken. As identified previously the HRA does not have a legal requirement to set aside funds for the repayment of debt (MRP) as the assets held in the HRA are maintained as part of self- financing.
- 18.3 In order to further strengthen the capacity and capability of the HRA to facilitate and embed the carbon reduction agenda the plan allows for the further investment of £2.5m in the retro fitting programme on top of the current future allocation of £10.7m. In addition it allows for the creation of an energy officer post to support this important programme.
- 18.4 The ongoing investment requirements of the HRA sewage treatment works is currently being reviewed by officers with the aim of creating a robust future asset management strategy around these assets. In the meantime the plan allows for a minimum of £3.1m of investment over the next 30 years. An additional allocation of £200k is now required in 2021-22 to purchase & equip a new sewage vehicle, allow for the reinstatement of a collapsed sewer and to facilitate some minor urgent backlog investment.
- 18.5 The investment plan allows for an additional £10m investment in the purchase of a new site for new housing, as well as £500k for nitrate mitigation offset measures.
- 18.6 The costs of running the current housing management system Orchard have increased and the offering now includes a number of new modules that are required by the business. The increase in costs is approximately £64k and it proposed that future budgetary provision be allowed for this increase. This will allow officers to look at options to extend the current 1 year contract to 3 years.

19. OTHER OPTIONS CONSIDERED AND REJECTED

- 19.1 Indicative modelling has demonstrated that if the new housing delivery target is reduced by 1,112 units that the need to borrow would reduce from an extra £250m to only £26m over the life of the plan with debt at year 30 reduced to £200m. However the remaining level of new build would be insufficient to use all the expected RTB 1-4-1 receipts and c. £94m would need to be repaid to central government.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3111 – HRA Budget 2019-20 & Business Plan 2019/49 – 30 Jan 2019

CAB3016 (HSG) – HRA Budget 2018/19 & Business Plan 2018/48 – 31 Jan 2018

Other Background Documents:-

Social Housing 5th Dec 2019 – special report on how housing associations finance compare to others - UK housing associations: audited accounts 2018/19 summary.

[Social Housing - Insight - Special report: how do housing associations' finances compare to others?](#)

APPENDICES:

APPENDIX 1 - EXAMPLE OF USING RESIDUAL ASSET VALUATION IN DETERMINING VIABILITY

APPENDIX 2 – HRA BUSINESS PLAN ASSUMPTIONS

APPENDIX 3 - CAPITAL INVESTMENT AND THE ASSET BASE

APPENDIX 4 - HRA OPERATING ACCOUNT 2020-21-2049-50

APPENDIX 1 EXAMPLE OF USING RESIDUAL ASSET VALUATION IN DETERMINING VIABILITY

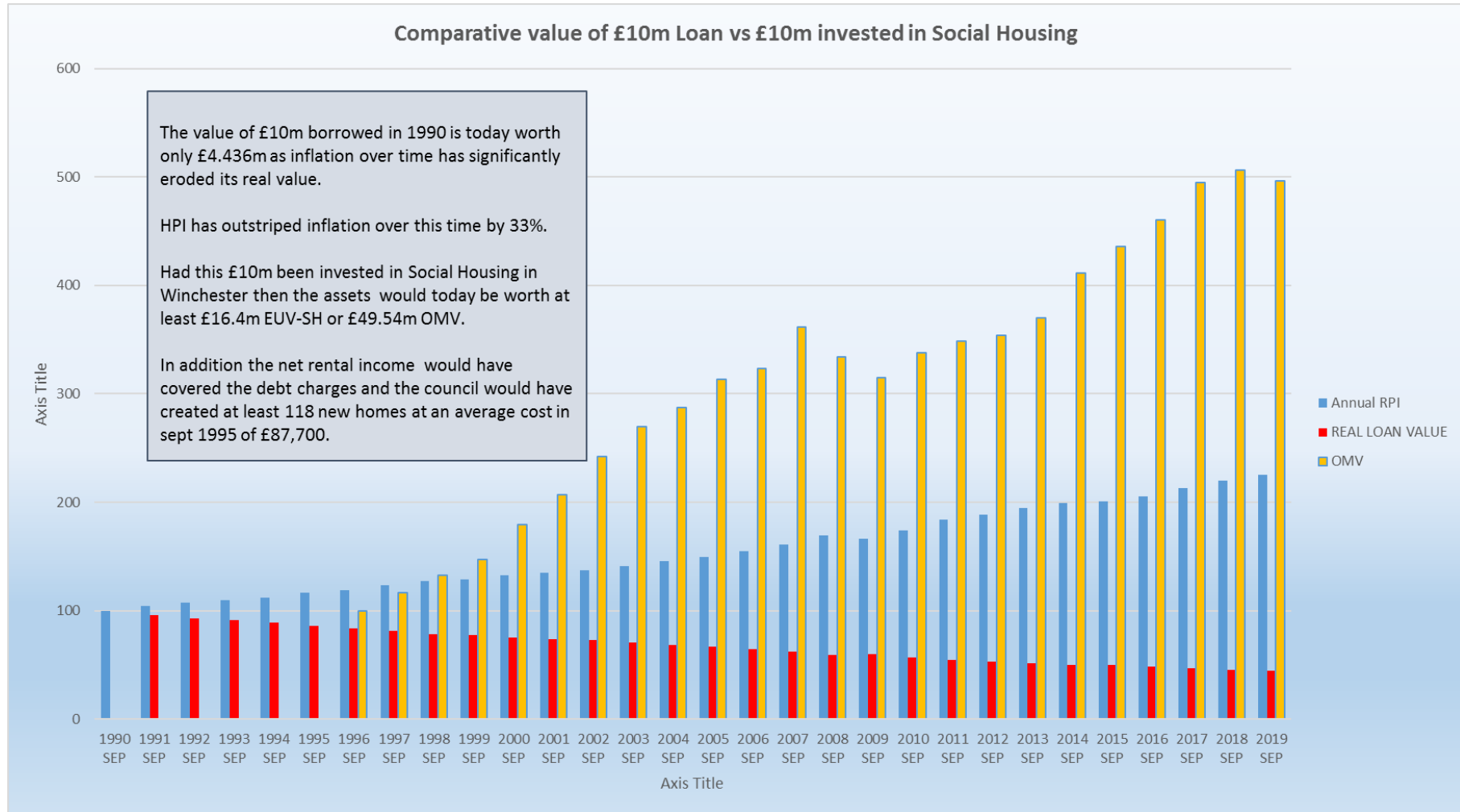
THE RESIDUAL VALUE OF AN INVESTMENT IN HOUSING

In the perspective where the HRA took on a fixed term loan (say a PWLB fixed rate long-term 50 year maturity loan) to invest in a viable housing project that resulted in an income generating asset, whose net rental income after costs covered the interest payments.

The value of this loan over time would be eroded by the impact of inflation whilst at the same time any investment where house price inflation over the long term performs better than inflation will lead to the investment generating an asset that has a material residual value that is potentially greater than the value of the loan at the end of the investment period.

- (1) This can be best illustrated by taking a hypothetical example shown on the next page based upon real inflation and house prices in Winchester over the period 1990-2019.
- (2) Here a hypothetical 30 year fixed term loan of £10m is borrowed at a coupon rate of 8.25% with interest at £825k a year. Had this been affordable to the HRA then it would have been sufficient to acquire c.118 properties at average cost at the time of £88k each. Had they increased in line with average house price inflation for Winchester (source Land registry), they would now be worth some £49.5m OMV or £16.4m EUV-SH. Whereas, the value of the £10m loan would have been eroded by the impact of inflation and in money terms the equivalent loan today would be worth £22.5m, therefore the loan has lost over half its value to inflation.
- (3) The council would therefore have had the social benefit of an extra 118 new homes over 30 years , the financial benefit of an increase in net assets with a residual value in existing use of £16.4m at the end of the loan period, and a £10m loan to refinance that in 1990 would at today's price base been worth £23m. This is largely because unlike other investments housing retains its residual value and its useful life is often in excess of over 60 years with major ongoing investment to keep it decent and replace key components.

APPENDIX 1 – HYPOTHETICAL EXAMPLE RESIDUAL ASSET VALUATION



APPENDIX 2 – HRA BUSINESS PLAN ASSUMPTIONS

There are a number of assumptions required for the 30 year HRA business plan. The key assumptions are detailed below.

Inflation

Year	RPI	CPI	Repairs
2021-22	1.10%	0.50%	1.60%
2022-23	2.50%	2.00%	3.00%
Thereafter	3.00%	2.00%	2.00%

NB RPI and CPI percentages for 2021-22 are based on September 2020 actual figures as published by the ONS. Repairs contracts are often linked to BMIS factors, produced by RICS.

Rent Increases

Year	Social & Affordable Rents	Shared Ownership Rents
2021-22	1.50%	2.10%
2022-23	CPI + 1%	RPI + 1%
2023-24	CPI + 1%	RPI + 1%
2024-25	CPI + 1%	RPI + 1%
Thereafter	CPI + 0%	RPI + 1%

NB Affordable rents have a requirement to “rebase” the rent level in relation to current market rents when a property is re-let. However, in business planning terms, it is assumed that market rent income will rise in line with CPI.

Voids and Bad Debts

Year	Voids			Bad Debts		
	Social	Affordable	Temp Acc.	Social	Affordable	Temp Acc.
2020-21	0.40%	0.15%	10.00%	1.60%	0.65%	12.60%
2021-22	0.40%	0.20%	10.00%	2.00%	0.80%	13.00%
2022-23	0.40%	0.20%	9.00%	4.40%	4.20%	14.00%
2023-24	0.40%	0.20%	9.00%	3.40%	3.20%	13.00%
2024-25	0.40%	0.20%	9.00%	2.20%	3.20%	3.00%
Thereafter	0.40%	0.20%	9.00%	4.00%	3.20%	4.00%

Appendix 2 (continued)

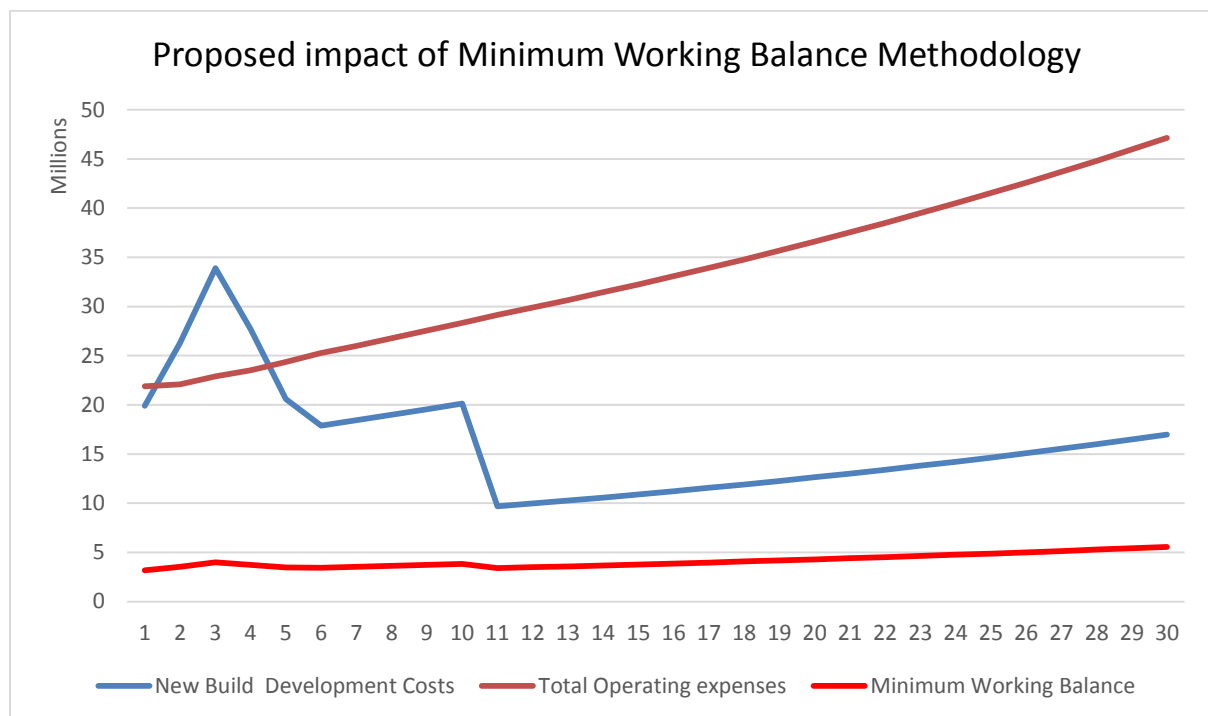
Right to Buy Sales

A review of the average number and value of RTB sales shows since the introduction of the reinvigorated RTB in 2012 that on average 22 sales have completed each year at a value in 2020-21 of £259k. The average discount that a tenant receives is currently £83,679, equivalent to 32% of the market value.

22 sales have been assumed for 2021-22 and all subsequent years.

HRA Working Balance

The minimum HRA working balance for 2020-21 has been reviewed in light of the challenging delivery and scale of investment required in new affordable housing with its inherent development/sales risks. It is now recommended that the minimum working balance should be set at 5% of the operating revenue expenditure and 10% of the annual new build programme. This will result in a minimum working balance shown below against the current budget for these two key activities. In 2021-22 this will be set at £3.5m.



Interest Rates and Borrowing

Internal

All internal transactions with the General Fund are determined by the Treasury Management Strategy approved by the Council and the statutory item 8Dr determination. All interest rates are variable and the current rates are set at 0% on both internal borrowings and credits in the HRA and reserves in light of the latest corporate guidance.

External

All current external borrowing was undertaken in March 2012 to fund the self-financing payment to DCLG. Loans outstanding were all for fixed terms and currently total £156.7m with interest rates ranging from 2.56% to 3.52% depending on the length of the loan. The current average cost of capital is 3.2%

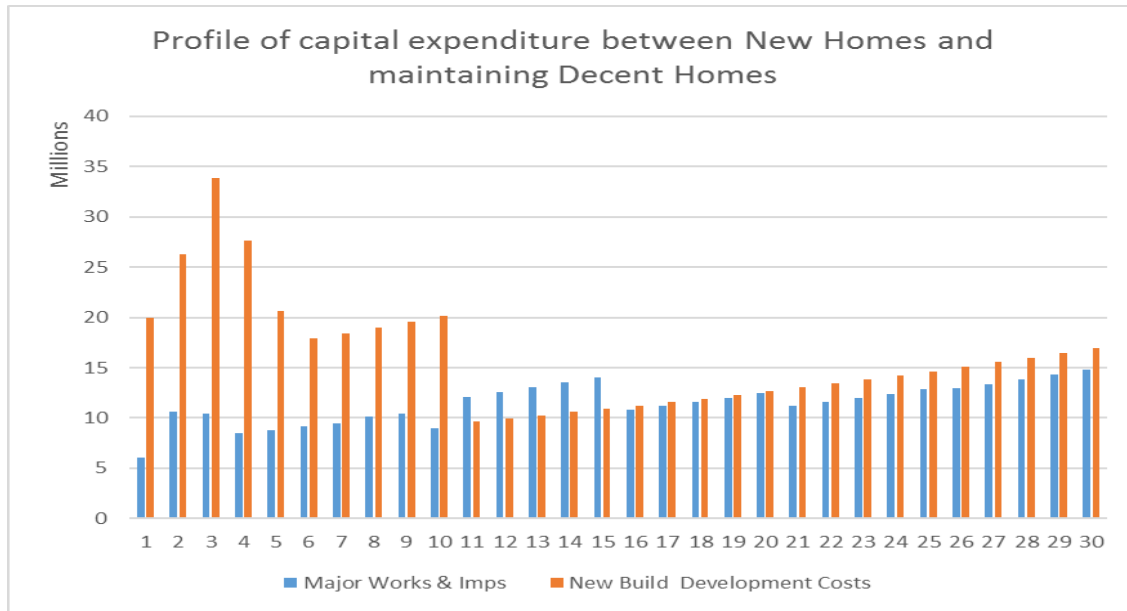
The latest business plan assumes that further external borrowing of £10m is undertaken in March 2021 at an interest rate of 1.8%. Thereafter the plan assumes that prudential borrowing is undertaken in order to finance capital expenditure, after the application of available RTB 1-4-1 funds, grants and Major Repairs Funding. The current HRA Capital Financing Requirement the (HRA CFR) increases over the life of the plan to £409.5m at year 30, an increase of £253m.

All current loans that expire during the plan are assumed to be refinanced. It is assumed that all new loans will bear an interest rate of 1.8% in the first 5 years and 3.5% thereafter. In the first 5 years £103m investment will be financed.

APPENDIX 3 CAPITAL INVESTMENT AND THE ASSET BASE

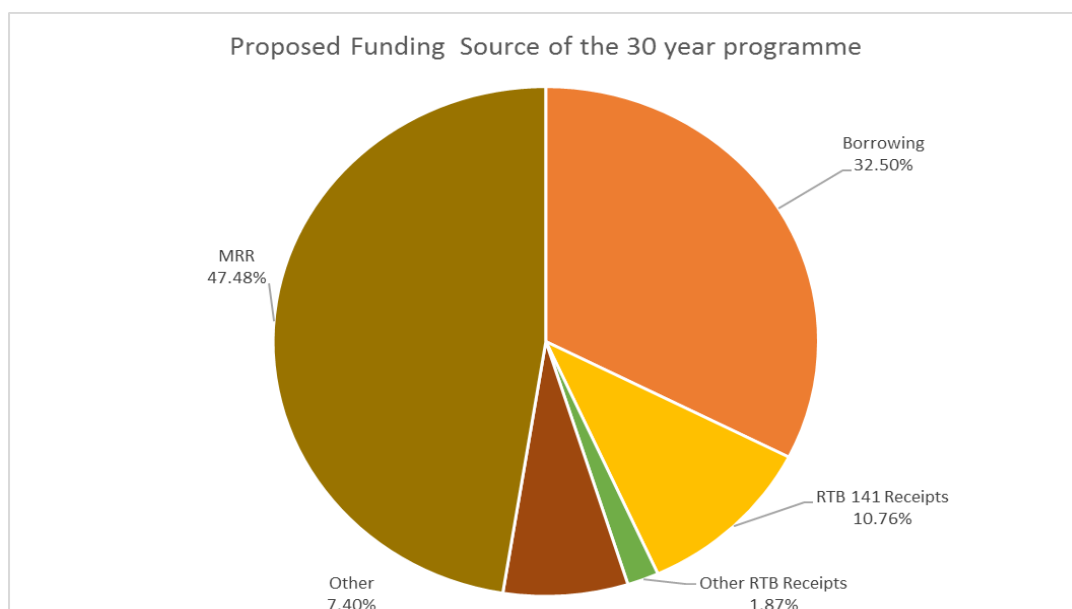
Capital Investment over the 30 year Plan

The Current plan allows for £345m of investment in maintaining Decent Homes standard+ which here includes investment in Climate change, estates improvement, disabled adaptations, sewage treatment works and Fire safety measures. At present the plan allows for £483m of new investment in affordable homes.

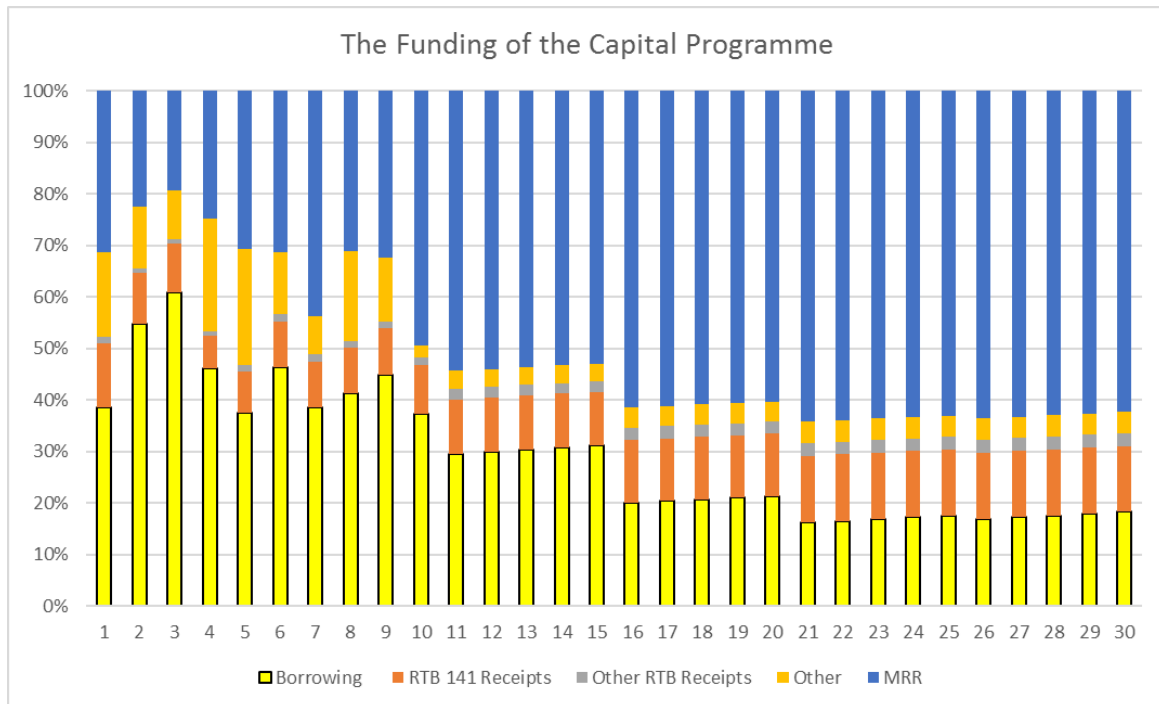


The funding of the Capital Programme

Based upon the funding strategy proposed the likely funding of the overall Capital Programme of £845m over the next 30 years is shown below.



The chart below shows the proposed funding profile by year over the 30 years.



APPENDIX 4 – The HRA OPERATING ACCOUNT 2020-21 to 2049-50

Winchester City Council
HRA Business Plan
Operating Account
(expressed in money terms)

Year	Year	Income			Expenditure					Net Operating (Expend) £,000
		Net rent Income £,000	Other income £,000	Total Income £,000	Managt. £,000	Depn £,000	Rev Repairs £,000	Total expenses £,000	Debt Financing Costs £,000	
1	2020.21	28,097	555	28,644	(9,848)	(8,193)	(4,237)	(22,278)	(5,239)	1,127
2	2021.22	28,475	565	29,029	(9,957)	(8,256)	(4,284)	(22,497)	(5,602)	930
3	2022.23	29,046	579	29,614	(10,206)	(8,678)	(4,418)	(23,302)	(6,194)	118
4	2023.24	30,728	593	31,310	(10,461)	(8,925)	(4,572)	(23,958)	(6,652)	699
5	2024.25	33,277	608	33,874	(10,722)	(9,361)	(4,741)	(24,824)	(6,917)	2,132
6	2025.26	33,921	623	34,532	(10,990)	(9,857)	(4,867)	(25,715)	(7,288)	1,530
7	2026.27	34,918	639	35,545	(11,265)	(10,187)	(4,996)	(26,449)	(7,748)	1,348
8	2027.28	35,957	655	36,599	(11,547)	(10,538)	(5,129)	(27,214)	(8,163)	1,221
9	2028.29	37,027	671	37,685	(11,835)	(10,903)	(5,266)	(28,004)	(8,630)	1,051
10	2029.30	38,126	688	38,801	(12,131)	(11,279)	(5,407)	(28,817)	(9,252)	732
11	2030.31	39,884	705	40,576	(12,435)	(11,667)	(5,535)	(29,636)	(9,562)	1,378
12	2031.32	40,037	723	40,746	(12,745)	(11,997)	(5,666)	(30,409)	(9,786)	551
13	2032.33	40,948	741	41,674	(13,064)	(12,337)	(5,800)	(31,201)	(10,024)	449
14	2033.34	41,862	759	42,606	(13,391)	(12,671)	(5,938)	(31,999)	(10,267)	340
15	2034.35	42,796	778	43,559	(13,725)	(13,014)	(6,079)	(32,818)	(10,524)	218
16	2035.36	44,593	798	45,376	(14,069)	(13,366)	(6,223)	(33,658)	(10,740)	977
17	2036.37	44,729	818	45,531	(14,420)	(13,728)	(6,371)	(34,520)	(10,802)	210
18	2037.38	45,728	838	46,551	(14,781)	(14,100)	(6,523)	(35,403)	(10,875)	272
19	2038.39	46,750	859	47,593	(15,150)	(14,481)	(6,678)	(36,310)	(11,038)	245
20	2039.40	47,796	881	48,659	(15,529)	(14,873)	(6,838)	(37,240)	(11,210)	209
21	2040.41	48,864	903	49,750	(15,917)	(15,275)	(7,001)	(38,194)	(11,361)	194
22	2041.42	50,918	925	51,825	(16,315)	(15,688)	(7,169)	(39,172)	(11,316)	1,337
23	2042.43	51,075	948	52,005	(16,723)	(16,113)	(7,341)	(40,176)	(11,277)	552
24	2043.44	52,218	972	53,171	(17,141)	(16,548)	(7,517)	(41,206)	(11,422)	544
25	2044.45	53,387	996	54,364	(17,570)	(16,996)	(7,697)	(42,263)	(11,575)	527
26	2045.46	54,583	1,021	55,584	(18,009)	(17,455)	(7,882)	(43,346)	(11,730)	508
27	2046.47	55,805	1,047	56,832	(18,459)	(17,927)	(8,072)	(44,458)	(11,713)	661
28	2047.48	58,153	1,073	59,205	(18,921)	(18,411)	(8,267)	(45,599)	(11,701)	1,905
29	2048.49	58,335	1,079	59,413	(19,394)	(18,908)	(8,467)	(46,769)	(11,878)	767
30	2049.50	59,643	1,106	60,748	(19,879)	(19,419)	(8,671)	(47,968)	(12,063)	716

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CAB3273
CABINET

REPORT TITLE: QUARTER 2 FINANCE AND PERFORMANCE MONITORING

16 DECEMBER 2020

REPORT OF CABINET MEMBER: CLLR TOD – CABINET MEMBER FOR SERVICE QUALITY AND TRANSFORMATION

Contact Officer: Lisa Kirkman Tel No: 01962 848 501 Email
lirkman@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report and Appendix 1 provides a summary of the council's progress during the period July to September (Q2) 2020 against the five priorities in the Council Plan 2020-25.

Appendix 2 provides a financial update as of 30 September 2020.

Appendix 3 provides the data where available for Q2 against each of the Strategic Key Performance Indicators (KPIs) and a brief narrative covering the impact that the COVID-19 pandemic has had or will have on performance.

Appendix 4 includes highlight reports for each of the council's significant 'Tier 1' programmes and projects.

Appendix 5 provides an update to the COVID-19 council services demand data from April to September 2020.

Appendix 6 are the action notes of the Performance Panel meeting that took place on 9 November 2020.

RECOMMENDATIONS:

1. That cabinet notes the progress achieved during Q2 of 2020/21 and endorses the contents of the report.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 This report forms part of the framework of performance and financial monitoring in place to report the progress being made against the projects and programmes supporting delivery of the priorities included in the Council Plan 2020-25 that was adopted in January 2020.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications arising from the content of this report. Almost all the programmes and projects undertaken to deliver the priorities included in the Council Plan will have financial implications, some significant and these are agreed and reported separately before the commencement and during the project life cycle.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Key performance indicators and progress reporting must be fit for purpose, monitored and managed to ensure effective council governance. Key performance indicators enable evidence based quantitative management reporting and where necessary allows for remedial actions and decisions to be taken.
- 3.2 There are no legal and procurement implications arising directly from this report, though individual projects are subject to review by Legal Services and Procurement as and when necessary, and in particular where they require consideration of the council's Financial Procedure Rules, Contract Procedure Rules and Public Contracts Regulations 2015 (PCR2015) where required.

4 WORKFORCE IMPLICATIONS

- 4.1 None directly.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly.

6 CONSULTATION AND COMMUNICATION

- 6.1 Members of Cabinet, Executive Leadership Board, Corporate Heads of Service and Service Leads have been consulted on the content of this report.
- 6.2 This report and appendices were reviewed and discussed by Performance panel on behalf of Scrutiny Committee on 9 November 2020. Appendix 6 is the action notes from this meeting.
- 6.3 A verbal update from the chairman of the Performance Panel was given at The Scrutiny Committee meeting held on 25 November.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Many of the activities detailed in this report actively protect or enhance our environment and support the council and district to reduce its carbon impact. These will be considered as part of each detailed business justification case.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None arising from the content of the report, although officers will have regard to the considerations as set out in the Equalities Act 2010 and whether an Equality Impact Assessment will be required to be undertaken on any specific recommendations or future decisions made. This report is not making any decisions and is for noting and raising issues only.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

10 RISK MANAGEMENT

- 10.1 The COVID-19 pandemic continues to have an impact on the way we live and work with the council adapting its services to the changes as they are announced by government.
- 10.2 One of the single biggest risks to the council is being unable to maintain essential services during a pandemic. Internal audit has undertaken a review of the council's business continuity arrangements and in particular how it has provided services during the pandemic and concluded the review with a substantial assurance opinion and no weaknesses that required management action.

Risk	Mitigation	Opportunities
<i>Property- none</i>		
<i>Community Support- Lack of consultation and community engagement on significant projects that affect residents and can cause objections and lead to delay.</i>	Regular consultation and engagement with stakeholders and residents regarding projects or policy changes.	Positive engagement and consultation can bring forward alternative options that might not have otherwise been considered.
<i>Timescales- Delays to project delivery can lead to increased cost and lost revenue.</i>	Regular project monitoring undertaken to identify and resolve slippage.	
<i>Project capacity- Availability of staff to</i>	Resources to deliver projects are discussed at	Opportunities present themselves for staff to get

Risk	Mitigation	Opportunities
<i>deliver projects.</i>	the project planning stage and agreed by the project board and monitored by the Programme and Capital Strategy Board	involved in projects outside their normal role enabling them to expand their knowledge and skills base as well as working with others.
<i>Financial / Value for Money (VfM) Budget deficit or unforeseen under or overspends</i>	Regular monitoring of budgets and financial position including forecasting to year end to avoid unplanned over/underspends.	Early notification of unplanned under/overspends through regular monitoring allows time for plans to be put in place to bring the finances back into line with budget forecast.
<i>Legal</i>	Legal resources are discussed with project leads.	Opportunity for the use of in house resources able to input to through the life of the project with local Winchester and cross council knowledge.
<i>Innovation – improvement in service delivery</i>		KPIs can evidence the need for innovation to improve service delivery
<i>Reputation- Ensuring that the council delivers the outcomes as set out in the Council Plan.</i>	Regular monitoring and reporting of the progress the council is achieving against its priorities included in the Council Plan, including this report.	Work with Communications Team on press releases to promote and celebrate successes.
<i>Other</i>		

11 SUPPORTING INFORMATION:

- 11.1 This report provides an update on the council's progress achieved against the priorities included in the Council Plan 2020-25 and Strategic Key Performance Indicators (KPIs). Information is also provided in the form of highlight reports that briefly set out the progress of the council's most significant, 'Tier 1' projects. All information and data is as at the end of Q2 i.e. 30 September 2020.
- 11.2 Appendix 1 provides an update on the progress achieved during the second quarter of the 2020/21 financial year against the five priorities included in the Council Plan 2020-25.
- 11.3 Council at its meeting on 23 September approved the revised revenue budget for 2020/21 and an update on the scenario based financial projections is included in Appendix 2 (report CAB3256 refers).

- 11.4 An update on the council's capital budgets Housing Revenue Account (HRA) is also provided in Appendix 2.
- 11.5 Appendix 3 provides an update on the performance against the Strategic KPIs. These were agreed by cabinet at its meeting on 21 May 2020 and are directly linked to the corporate heads of services and heads of programmes strategic service plans.
- 11.6 The monitoring and reporting frequency of each KPI varies between monthly, quarterly, annually and biennially depending on the availability of data and the table has been arranged so that the KPIs with quarterly data appear first.
- 11.7 First included with the Q1 Finance and Performance report, a column has been added to the table to capture the known impacts of the COVID-19 pandemic and the effect that this may have on the performance of each KPI.
- 11.8 Appendix 4 provides an update on the progress made against the council's significant 'Tier 1' programmes and projects which are being, or will be undertaken during the next five years. Senior officers have reviewed each of the council's programmes and projects and scored these against a range of criteria including relevance to the Council Plan and budget. The programmes and projects that have a score above an agreed threshold have been assessed as Tier 1 projects.
- 11.9 The council's 'Tier 1' programmes and projects are:
- Carbon Neutral Programme
 - Central Winchester Regeneration
 - Durngate Flood Alleviation Scheme
 - Environmental Services (Waste) Contract
 - Local Plan/ CIL
 - New Homes Programme
 - Winchester Movement Strategy
 - Winchester Sport and Leisure Park
- 11.10 Appendix 5 to this report provides an update on the demand for our services during the pandemic and covers the period April to September 2020. Data where available for the same period in 2019 is also included to allow for comparison against each of the services.
- 11.11 COVID-19 Response and Restoration
- 11.12 Throughout the outbreak of the pandemic the council has continued to maintain services to residents and businesses and respond to government announcements. During Q2 the council:

- Reopened the River Park Leisure Centre in Winchester and Meadowside Leisure Centre in Whiteley on 1 September allowing residents to enjoy activities and sports once again
- Redesigned and adapted the council's main reception by having in place appropriate measures (screens, one way system and sanitiser) to enable it to reopen on 27 July for customers who have pre-booked appointment only
- Reopened tennis courts on 8 June with 2,843 bookings by 26 August
- Provided direct support to 750 business enquirers
- On the 4 July reopened 24 council play areas
- Continued to provide a park and ride service into the city
- Council city offices building made COVID-19 secure to allow a number of staff to return to working in the office from 14 September.

11.13 Internal audit undertook a review of the council's business continuity framework which provided the opportunity for an independent review of the plans in place and the council's response to the pandemic.

11.14 The audit concluded with a substantial assurance, the highest available with no weaknesses identified.

11.15 The council continues to progress the actions that were included in the first draft of the Restoration and Recover Plan that was appended to the Responding to the Coronavirus outbreak report (Report CAB3244, Cabinet, 21 May 2020).

11.16 Almost six months has now passed since this plan was drafted and as corporate heads of service begin to update their service plans for 2020/21, a review of the actions in the plan has begun.

11.17 Appendix 5 includes an updated table that provides data on the demand of our services during the period April to September 2020 and compares this to the same period in 2019.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3251 – Quarter 1 Finance and Performance Monitoring dated 29 September 2020

Other Background Documents:-

None.

APPENDICES:

Appendix 1 Council Plan 2020-25 progress update – July to September 2020

Appendix 2 Financial update to 30 September 2020

Appendix 3 Strategic Key Performance Indicators Q2 update

Appendix 4 Programme and Project Management – Tier 1 project highlight reports

Appendix 5 COVID-19 Council services demand data – April to September

Appendix 6 – Notes from Performance Panel meeting on 9 November 2020

COUNCIL PLAN 2020–25**Q2 PROGRESS UPDATE****PRIORITY – TACKLING THE CLIMATE EMERGENCY AND CREATING A GREENER DISTRICT**

The climate crisis remains a significant, long term challenge to all of us in the coming years and decades. Winchester City Council has committed to tackling the crisis in order to hand our district to our children and grandchildren in a better state than it is now. The impact of COVID-19 presents an opportunity to foster behaviour change in our society that will help us to do this.

What we want to achieve

- Winchester City Council to be carbon neutral by 2024
- The Winchester district to be carbon neutral by 2030
- Reduced levels of waste and increased recycling, exceeding national targets
- An increase in the proportion of journeys taken by walking, cycling and public transport

Over the last quarter we have achieved the following

- **Carbon neutrality to be made central to everything we do**

Sustained move to home working for staff in response to the COVID-19 pandemic and measures such as video conferencing adopted to make this approach sustainable for the future.

£115k applied for from ERDF for solar panels at Chilcomb pavilion and ground source heat pump at Meadowside Leisure Centre.

Work is well underway on a major new flood defence for Winchester at Durrigate to provide three new sluice gates on the remaining uncontrolled channels of River Itchen to help to protect the city centre, homes and businesses from high water levels. A highlight report for this project is included at Appendix 4.

Over 500 trees planted during 2019/20 (target 100 trees per annum). More information on the tree planting programme for 20/21 has been provided to Performance Panel.

Cabinet approval for the installation of 34 new electric vehicle (EV) charging points on council land.

New cycle lockers installed at park & ride sites.

The new Procurement and Contract Management Strategy 2020-25 requires a minimum of 10% to environmental and social value will be included in the evaluation criteria of tenders and the Procurement Team are working with officers to embed this

A highlight report for the Carbon Neutral programme is included at Appendix 4.

- **Have an adopted and up to date Local Plan with positive policies which promote low carbon development and transport while protecting our heritage and natural environment**

Work had been progressing on the new Local Plan in accordance with the timetable in the council's adopted Local Development Scheme (LDS). This included finalising the evidence base. A Strategic Issues and Options document (formerly referred to as the "Prospectus"), was going to include how the council's climate change declaration had been fully woven into the heart of the Local Plan. This document was due to be considered by Cabinet on the 18th August with consultation planned for the autumn.

However, the Government has recently consulted on a number of radical changes to the planning system and a decision was taken to pause work on the Local Plan, as set out in the LDS, in order to fully understand and respond to the implications of these changes on the production of our development plan. A Local Plan Action Plan Paper, due to be discussed at Cabinet prior to Christmas, is currently being prepared and this will identify a range of actions that can be taken forward having regard to the government's proposed changes to the planning system.

- **Take a lead with partners and residents to deliver the Carbon Neutrality Action Plan throughout the district**

[Winchester Green Week](#) took place week commencing 28 September and included more than 30 events and activities.

Various grant applications have been made to deliver carbon reduction works in collaboration with partners, including:

- *£38k secured for solar panels at the Biffa depot*
- *£115k secured from BEIS to enable energy efficiency works to 3 council and 10 private sector homes with the lowest energy rating and experiencing fuel poverty.*

University of Southampton commissioned for feasibility work on an expanded EV charging network and low carbon energy hub / sites for alternative fuel generation, as well as research in options for the retrofit of listed or conservation area properties.

Hambledon Parish Council has signed up to the Greening Campaign and two further parishes have expressed an interest.

- **Deliver the City of Winchester Movement Strategy, refresh the air quality management action plan and prioritise walking, cycling and public transport throughout the district**

A highlight report for this programme is included at Appendix 4.

- **Work with other public authorities to expand the range of materials we recycle**

Winchester City Council continues to work through the Project Integra partnership to review options for a single MRF in Eastleigh and is looking at the option of moving to a twin stream or kerbside sort system to greatly increase the range of material being collected.

We are also continuing to work with Project Integra to understand the impact of introduction of food waste recycling which is Governments preferred direction of travel by 2023 for every local authority.

- **Safeguard our district's extensive natural habitats and precious ecosystems by delivering the actions in our Biodiversity Action Plan (BAP)**

Production of the BAP has started, and a summary of the draft document was presented to the Health & Environment Policy Committee on 30 Sep 2020 and it is planned to take the final plan to Cabinet in January 2021. In addition, a number of engagement activities have been undertaken to help inform the final document.

PRIORITY – LIVING WELL

We want all our residents to live healthy and fulfilled lives. We recognise that our residents are living longer and want to ensure the district offers the right mix of facilities for all ages and abilities.

What we want to achieve

- Reduced health inequalities
- Increase in physical and cultural activities
- An increase in active travel
- Services that work for all, but especially for residents who need more help to live well
- Attractive and well used green spaces with space for relaxation and play

Over the last quarter we have achieved the following

- **Focus our activities on the most disadvantaged areas, communities and groups**

The local response centre (LRC) continued to operate as part of countywide network to handle COVID-19 related requests for assistance which require local intervention. Call numbers have been very low and the service has now been integrated into the Housing Hub.

A survey of community support organisations was undertaken in August that identified high levels of confidence that voluntary networks could be sustained through a second wave of COVID-19 if required. This has been discussed further with parish and town councils in the market towns.

We continue to provide grant support to key voluntary sector organisations supporting our more vulnerable residents, such as Citizens Advice Winchester District, Trinity, Winchester Nightshelter, Home-Start, Winchester Live at Home scheme and Winchester Young Carers.

The Active Lifestyle programme of classes and bespoke activities for people with long-term health conditions has continued in a virtual style and some activities have returned to River Park Leisure Centre.

- **Opening of the new Winchester Sport and Leisure Park to offer sustainable, accessible facilities for all to enjoy a wide range of activities**

See project highlight report at Appendix 4.

- **Supporting communities to extend the range of sports facilities across the district**

Discussions continue with the developer over the specification and design of a cricket pavilion for the West of Waterlooville development.

- **Create safe cycle ways and pathways to make it safer and more appealing for our residents to cycle and walk to their destination**

A local cycling and walking improvement plan for Winchester is being developed as part of the City of Winchester Movement Strategy. The Parking and Access Strategy delivery will consider the needs of the market towns. Meetings will be arranged to discuss these with representative groups.

Also see project highlight report at Appendix 4.

- **Maintain and enhance the open spaces and parks that support good mental and physical health for residents of all ages**

Play areas were closed due to COVID-19 but following government relaxations of lockdown restrictions all facilities re-opened on 4 July with appropriate signage, social distancing and other measures in place to help keep the public safe. Most greenspaces remained open to the public but further steps, like introducing a one-way system in Abbey Gardens, have been taken in line with national guidance to manage pressure on heavily used areas. The position has been reviewed in light of the most recent Government guidance and no further actions have been necessary. Officers will respond to any specific issues which arise in particular locations.

Some projects have continued throughout lockdown including the creation of a new area called Badgers Patch in Stanmore and changes to Marnhull Rise, as well as work on the replacement of the North Walls Cricket Pavilion and the renovations to Chilcomb Pavilion. It is still expected that the renovation programme for play areas for 2020/21 will be delivered despite the delays due to the pandemic. However, delivery will depend on work pressures surrounding the pandemic and other factors such as contractor availability.

PRIORITY - HOMES FOR ALL

Housing in our district is expensive and young people and families are moving out because they can't find suitable accommodation they can afford.

Winchester district needs homes for all – homes that are affordable and built in the right areas for our changing communities.

What we want to achieve

- More young people and families working and living in the district
- All homes are energy efficient and affordable to run
- The creation of communities not just homes
- No-one sleeping rough except by choice

Over the last quarter we have achieved the following

- **The council building significantly more homes, both traditional council homes and through the council housing company**

There are currently 121 new homes under construction across four sites. Plans are progressing through the appointment of Wates contractors to build 75 new homes at Winnall, a proportion of which may be transferred to the council's housing company. There were no new starts or completions during the second quarter of 2020/21.

A highlight report for the New Homes programme is included at Appendix 4.

- **Strengthen our Local Plan to ensure homes are built for all sectors of our society including young people**

A Strategic Housing Market Assessment has been completed and this information will be used to inform the housing policies in the new Local Plan. The government is consulting on a number of proposed changes to the planning system which include significantly increasing the number of homes that would be built in the district (from just under 700 dwellings to 1,024 dwellings per year). The city council's response to the government's changes to the current planning system was discussed and agreed at Cabinet on the 29th September and the response to the government's White Paper is due to be discussed at Cabinet on the 21st October.

- **Use the new Winchester Housing Company to deliver a wide range of housing tenures to meet local needs**

A report on the Housing Company will be presented to a future meeting of the Business and Housing Policy Committee in the coming few months.

- **Provide support for our homeless and most vulnerable people**

In response to the Government directive to 'Get Everyone In' a total number of 33 individuals were accommodated in emergency accommodation including a temporary hostel and hotels during the initial lockdown. By the end of Q2, 29 of these individuals have been moved on to more suitable and longer term accommodation options.

An agreement has been entered into with A2Dominion to commission 2 beds within their young person's project, this will ensure young people becoming homeless can be accommodated in appropriate accommodation with support to meet their needs and prevent them from becoming homeless.

Plans are underway to refurbish and reopen City Road. This is a 10 bed project leased from A2Dominion and used initially to place those rough sleeping during the lockdown period. Now those individuals have moved on, we are planning to use the project to ensure no-one needs to sleep rough during the cold weather period.

Capital funding of £50k was provided to Trinity Winchester to support their new 12 bed housing project 'Under One Roof' which is due to open in the spring and provide accommodation and support for those most vulnerable individuals.

- **Be innovative in moving the energy efficiency of new and existing homes towards zero carbon**

Pre-application work with Development Management Team completed in respect of Passivhaus pilot project at Micheldever. A virtual consultation event took place on 14 August 2020, with 18 attendees.

An officer presentation on reducing the environmental input in the council housing stock (retrofit £1m per year /£10.7m programme) was presented at the Health and Environment Policy Committee on 30 September. A pilot retrofit work on Swedish timber frame non-traditional properties is underway and will look at worst performing / hardest to treat properties. Review of the pilot scheme will inform what retrofit work we do with the other similar properties. We continue to seek grant funding opportunities as they arise such as professional fees and/or capital works i.e. clean heat grants.

- **Work with developers to ensure that they provide affordable housing and homes at fair market value as part of new developments**

Discussions continue with Cala Homes regarding an affordable extra care scheme at Kings Barton.

PRIORITY - VIBRANT LOCAL ECONOMY

Winchester district is home to a host of successful businesses and enterprises with high levels of employment in our urban and rural areas. In the face of tough competition, our high streets, town and business centres must attract new investment in low carbon offices, workspace and transport links.

What we want to achieve

- Grow opportunities for high-quality, well-paid employment across the district
- New offices and workspace are located in areas with sustainable transport links or where they reduce the need to travel to work
- More younger people choose to live and work here
- Businesses grasp opportunities for green growth
- The city, market towns and rural communities across our district have a compelling and competitive visitor offer

Over the last quarter we have achieved the following

- **Working with business, universities and colleges to position Winchester district as a centre for digital, creative, knowledge-intensive networks**

We await the outcome of the £2m EDRF Digital Growth Factory project bid which was submitted in partnership with Basingstoke and Deane Borough Council and Rushmoor Borough Council. Assessments have been delayed due to COVID-19. However we hope to receive an update on progress of the bid by the end of quarter 3. The project aims to foster the growth of the digital tech sector. This will be achieved through a series of activities including Commercialisation courses, Acceleration support, Incubation and scale up support, Women in Digital Enterprise programme, SME Digital Productivity Programme and in response to COVID-19. The scope of the project has been extended to also focus on non-tech sector entrepreneurs and SMEs who have been affected by the impact of COVID-19 to support them becoming more digital, adapt to change and become more resilient. The project will run until June 2023, subject to funding being secured.

Activity as part of our sponsorship of the Winchester Business Excellence Awards is ongoing. PR support through the business e-newsletter has been undertaken and the deadline for applications was 31 July. Our sponsorship is of the Digital Innovation Award and we have judged all applications received. Preparations for a virtual awards ceremony are underway. This will include a piece to camera by the Cabinet Member for Local Economy, Paula Ferguson. The event is planned to take place in the upcoming quarter.

Winchester Design Festival is a recipient of a one-off project grant. However, due to COVID-19 the festival has been postponed to October 2021, with promotional activities due to start from February 2021. Engagement with the Festival organiser is ongoing as we recognise that design is the engine room of innovation. From reimagining the future of cities as healthy places,

restoring confidence in travel, shopping and the workplace, to entertaining audiences in lockdown through digital culture. There is a strong understanding of the economic need for growth following COVID-19, and therefore it is an optimal time to demonstrate how important design is to the local economy, culture and society. The Festival will aim to excite and inspire young people about how design can accelerate business growth and increase employability and promote Winchester to the world as an innovative city.

Four editions of Arts News supporting the arts, culture and creative sectors aimed at both the industry and the consumer have been delivered in the last quarter. These provided up to date advice and support throughout this period. Key stories included grant and funding opportunities such as Arts Council England; guidance and advice around the impact of COVID-19; local employment opportunities including Art commissions and opportunities at the Nutshell; local fundraising projects including TRW and Blue Apple; as well as virtual exhibitions, events and festivals.

Virtual meetings with Arts Officer colleagues in neighbouring local authorities have taken place, sharing best practice and topical issues relating to the impact of COVID-19.

The West of Waterlooville Arts Advisory Panel was organised which reviewed the status of ongoing arts projects in the area.

The redevelopment of central Winchester prioritises the needs of younger people and work continues on the development framework and delivery strategy for the area. Work to explore how Kingswalk could be developed into vibrant creative hub to support small businesses, the arts and opportunities for young people continues.

- **Grow opportunities for high-quality, well paid employment across the district**

Led on the mobilisation of the Discretionary Grant Programme from central Government to support small businesses impacted by COVID-19 who were not eligible for other grants. The grant was aimed at supporting business fixed property costs. 307 payments to the value of £1,419,050 were made to eligible business across two rounds.

Regular communications and business engagement has been maintained across the last quarter to support businesses in general and specifically those impacted by Covid-19. This has included:

- *Telephone support to over 800 businesses via the dedicated business support line set up at the beginning of the pandemic.*
- *Business support via our dedicated business support service provided by IncuHive including over 127 hours of contact via virtual 1:1s, workshops and networking events with over 180 business contacts across the district including ongoing support to 74 businesses throughout this quarter.*

- *Regular updates with the latest COVID-19 business guidance on the business pages of the council website*
- *Regular business bulletins direct to businesses with advice and support around the latest changes to guidance regarding COVID-19 and signposting to other support services*

Represented Winchester's local economy at weekly meetings with EM3, BIDs and economic development teams across the county and wider EM3 region, sharing opportunities, best practice and COVID-19 related recovery plans.

Initiated quarterly meetings with the city via the formation of the City Centre Partnership, each market town (Bishops Waltham – 20 July, Wickham – 21 July, Alresford – 22 Jul) and Whiteley. The purpose of the meetings are to build on the partnership relationship between WCC, Parish Councils and related key stakeholder business and community groups. Initially to tackle the challenges posed by COVID-19 with a planned legacy of an ongoing collaborative partnership sharing best practice, debating topical issues and exploring joint initiatives.

- **Strengthening the Winchester brand and working in partnership to promote and develop our unique cultural, heritage and natural environment assets**

Following on from the Dream Now -Travel Later campaign, designed to retain awareness of Winchester as a visitor destination during lockdown, the Rediscover What's On Your Doorstep campaign has been developed. Using the LOVE WINCHESTER logo activity to support businesses, raise awareness and drive trade was undertaken as restrictions were eased. Its aim was to influence residents to stay local and spend local. Activities have included:-

- *The production of a dedicated promotional film which illustrates:*
 - *how all areas in the district have prepared to welcome back residents and visitors*
 - *what residents and visitors can expect to experience locally and the guidelines that they are required to act within*
 - *what the whole district has to offer and in doing so influence confidence and impetus to stay and spend locally*
- *In partnership with Hampshire County Council and other local authorities across Hampshire who have a strong visitor economy offer, Winchester City Council were one of 10 successful bids out of 30 applications from destinations across the country, to the £6m government backed national visitor campaign. It provided access to an equivalent of £300k marketing spend resulting in one of the most significant campaigns in Winchester and Hampshire for some time. The multi-channel campaign was aimed at Hampshire residents and visitors within a 2 hour drive time and included national newspapers, outdoor billboard advertising, online including presence on the*

websites of Daily Telegraph, Conde-Nast Traveller and Forbes as well as social media and pay per click campaigns.

- *Radio Solent breakfast show interview on what is available to do and see in Winchester*
- *Hampshire Life coverage*
- *Dedicated VisitWinchester website pages, social media, consumer e-newsletters and blogs*

Co-ordination of Discover Winchester consortium with Rocket Launch PR whilst affected by COVID-19 has continued. Planning around collaborative marketing activities and shared messages as part of restore and rebuild programme has taken place along with virtual meetings. However, partners have not been in a position to make their consortia renewal payments and this remains under review.

Regular B2B e-newsletters kept businesses in the visitor economy updated regarding business support, the latest COVID-19 related guidance as well as national and regional initiatives alongside VisitWinchester updates.

Maintained engagement with the visitor attractions sector via virtual group meetings sharing advice, experience, intelligence and recovery plans.

Represented Winchester's visitor economy at Visit England/Visit Britain/Tourism South East meetings. Meetings undertaken with our taskforce contact at VB/VE and participation in the slack community – designed to share best practice, collaborate with other destinations across the UK.

- **Supporting business in meeting the challenge of carbon neutrality**

Various grant applications have been made to deliver carbon reduction works in collaboration with local businesses, including:

- *£119k secured from Enterprise M3 LEP for energy efficiency measures at Marwell Zoo.*
- *£28.5k applied for from ERDF for business engagement and energy audits.*

- **Securing support to replace LEADER funding and sustain business development in rural areas.**

Completed and submitted the annual LEADER Attestation report to the Rural Payments Agency. Currently administering one of the last few grant applications as part of this programme. Awaiting to hear from Government what successor to LEADER will become available. In the meantime the Economy team continue to seek out and publicise through the regular business e-newsletters grant and funding opportunities for rural based businesses.

YOUR SERVICES, YOUR VOICE

Throughout the outbreak of COVID-19, the council has continued to deliver high quality services and track the performance of our remote working teams in relation to customer response and service delivery. The pandemic has fast tracked developments around digital delivery and the streamlining of processes, creating improvements to efficiency and accessibility of services for residents, tenants, visitors, businesses and non-profit organisations across our district in restricted and sometimes difficult circumstances. Our commitment to ensuring residents are able to make their voice heard and be able to see and understand how the council makes its decisions has been upheld by the introduction of virtual committee meetings with special arrangements and new protocols around public participation.

What we want to achieve

- An open and transparent council
- Improving satisfaction for our services
- Good value compared to other similar authorities
- Continuous improvement in cost-effectiveness
- High accessibility and usage of our services
- Constructive and effective partnerships across the district
- A balanced budget and stable council finances

Over the last quarter we have achieved the following

- **New processes that involve the public, businesses, stakeholders and ward councillors earlier and more deeply in the design and decision making process**

The council has adapted swiftly to working in different ways over the period of lockdown. The need to socially distance has seen the majority of our interactions move to online channels – this has been a period of innovation.

The council is progressing its business in line with the Council Plan – and several ‘live’ consultations and engagement programmes are upcoming imminently. It is vital to continue with particular workstreams in order to assist the district’s recovery, our housing programme consultations for example, carrying out the Sustainability Conference to engage the public with the carbon reduction agenda, the vital public and stakeholder engagement surrounding the Development Framework for central Winchester.

The council has been developing new ways of delivering online virtual conferences and engagement events to educate, inform, update and promote our work to a wide audience on a specific topic and can comprise:

- *A series of presentations from experts in a field*
- *Interactive voting on matters we wish to put to the public*
- *Live Q&A sessions*

- *Case studies offered for review which then create a post event output.*
- *'Virtual exhibition rooms' for people to explore*
- **New processes that effectively respond to and use complaints and feedback to drive service improvement**

We have reviewed the current complaints procedures and updated the corporate Customer Complaints Policy. Furthermore a Customer Charter has been drafted and consulted on with Staff Forum and the Senior Leadership Team. This is due to be introduced in the autumn and will be supported by a communications campaign and a training programme.

- **New wider set of published measures designed to drive improved satisfaction and performance**

A new performance management area for the website is under development which will enable the council to publish regular updates against the performance indicators.

- **More effective use of technology to make it simpler and easier to deal with the council and its delivery partners while reducing cost**

The outbreak of COVID-19 has driven forward the agenda in terms of digitalisation of services, seeing high volume services switch to online and phone service delivery as default, in the absence of opportunity to have face-to-face meetings.

Bookable appointments in reception through a variety of methods including virtual video meetings via a terminal in reception and meetings by a phone provided in reception continue although uptake has been small.

The My Council Services (MCS) portal has replaced the Lagan system previously used by customer service advisors which has improved efficiencies internally. This has also increased the number of services which are available for residents to 'self-serve' and report issues / contact the council on-line.

- **Strong focus on accessibility standards to ensure our services are usable by all**

The commitment to accessibility has been upheld during the response to the pandemic. All signage produced complies with good practice around legibility, and the language and tone of communications has been adapted in order to ensure we are inclusive and our messages are framed clearly to reach the broadest possible audience.

The council's website was tested for accessibility during July 2020 and IT continue to evaluate the websites and where appropriate rebuild them to meet the required standards. An accessibility statement has been added to the footer of every website page which sets out how users can make changes to ensure that as many people as possible are able to use the site.

- **Investing in our staff and making the most of their skills and talents**

The COVID-19 response from the council developed in Q2 to focus on recovery of services; allowing COVID secure ways of delivering services to be put in place for the benefit of clients and customers. The reception was opened on an appointments only basis and the Visitor Information Centre was opened to the public. Managers and staff have developed ways of working using MS Teams for virtual meetings and digital working which have allowed high performance working to be maintained. Many of these innovations (such as a move to mainly cashless payments) will be maintained after the COVID emergency is over.

The office space has been consolidated to the city offices building which has been made COVID secure; with desks allocated and signage in place to allow staff to work from city offices on a rota basis. However, this move is on hold following the recent “work at home if you can” advice from central government.

A staff survey of IT equipment used at home has led to a focus on supporting employees with IT and other equipment where necessary.

A second staff survey found that staff felt that communication with senior management was better now than before the lockdown in March; and indicated that most employees will prefer to work some of the time from home when work returns to normal.

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FINANCIAL UPDATE

AS AT 30 SEPTEMBER 2020

This section presents a summary of the Council's financial position as at 30 September 2020 with regard to the General Fund and Housing Revenue Account budgets.

General Fund Revenue

Summary

Overall, including the latest tranche of government funding, the full year forecast for 2020/21 is favourable compared to the revised budget approved in September. There are risks associated with this 'base' forecast which is shown in the scenario planning, a second spike affecting income levels further would lead to further deficits.

Financial monitoring will continue to be monitored very closely along with the monthly COVID-19 financial estimates which are returned to government.

Income

- Based on updated treasury management forecasts we have a revised interest receivable estimate of £270k for the year (versus a budgeted net payable of £180k), giving a favourable variance of £450k for the year. The original budget was based on the council moving to external borrowing by the autumn but revised capital programme profiling has deferred this requirement.
- Car parking and enforcement income is currently stable at just under 60% of budgeted levels. The full year forecast is currently in line with the revised budget 'base' forecast but this is largely dependent on the current COVID-19 situation in Winchester remaining stable, particularly in the build up to Christmas.
- Other fee and charge income is currently in line with revised budget estimates.

Government Funding

- The first of three claims for lost fee and charge income was returned at the end of September. After deduction of an initial 5% and then a further 25% of the lost income, the 75% claim of £1.559m was in line with estimates and is expected to be received by the end of October.
- The Government has recently confirmed a further (fourth) tranche of funding with Winchester due to receive £100k to support the ongoing work to support communities during the pandemic.

General Fund Revenue Budget Forecast 2020/21 (£m)

	Forecast Budget Variance		
	Optimistic	Base	2nd Spike
Funding*			
Council Tax	-0.288	-0.336	-0.692
Business Rates	-0.324	-0.218	-0.648
	-0.613	-0.553	-1.341
Income			
NET Interest	0.450	0.450	0.450
Car Parking	-3.614	-4.551	-5.757
GF Property (Incl. Garages)	-0.889	-1.291	-1.378
Guildhall Trading	-0.301	-0.657	-0.657
Development Management	-0.271	-0.518	-0.518
Building Control	-0.118	-0.158	-0.158
Other	-0.235	-0.482	-0.483
	-4.980	-7.206	-8.501
Additional Expenditure	-1.559	-1.764	-2.134
Forecast Net Position Before Gov. Funding	-7.151	-9.523	-11.975
COVID-19 Government Support			
P&R Bus Subsidy	0.113	0.113	0.113
Benefits New Burdens Grant	0.170	0.170	0.170
First Tranche	0.039	0.039	0.039
Second Tranche	1.243	1.243	1.243
Third Tranche	0.158	0.158	0.158
Fourth Tranche	0.100	0.100	0.100
Additional Government Funding - Loss of Income Estimate	2.304	3.590	4.493
	4.126	5.413	6.316
NET GENERAL FUND DEFICIT	-3.024	-4.110	-5.659
Spending Review Proposals	1.074	1.074	1.074
Review of Capital Programme	4.150	4.150	4.150
TRANSFER TO / (FROM) RESERVES	2.200	1.114	-0.435

* Any collection fund losses (NNDR and Council Tax) will impact on future years but are shown in the table above in order to address these shortfalls in the current financial year.

	Forecast Budget Variance		
	Optimistic £m	Base £m	2 nd spike £m
<i>Reconciliation to report CAB3256:</i>			
Interest	0.450	0.450	0.450
Council Tax	0.000	0.182	0.000
Business Rates	0.000	0.228	0.000
Other	-0.050	0.054	0.037
COVID Government Support			
	0.400	0.914	0.487
	1.600	0.000	-1.122
	1.800	0.200	-0.922
	-0.200	-0.200	-0.200

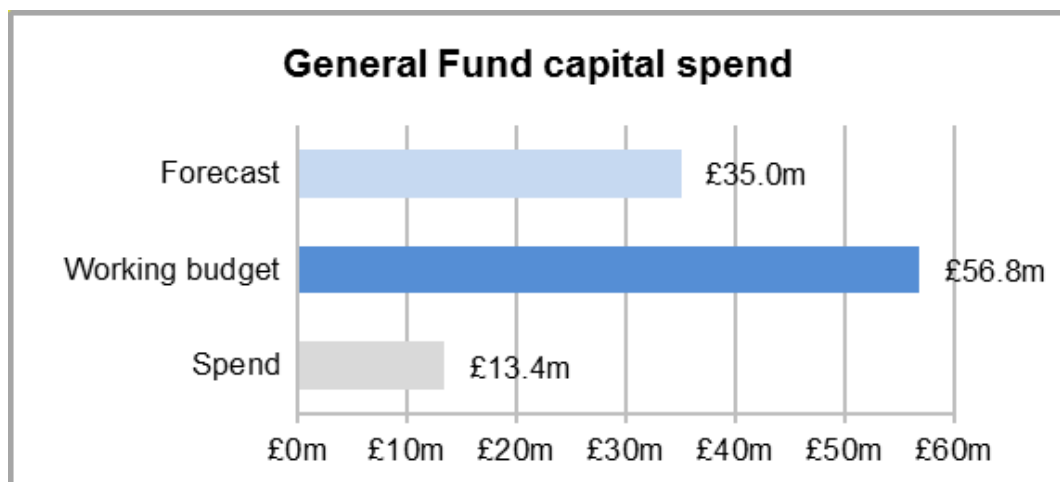
Notes: forecast expenditure

Leisure centre closure and re-opening	-£1,130,000
Homelessness/ Revenue/IT/ERC	- £308,548
Guildhall café savings not achieved	- £150,000
Garden waste lower income	- £75,000
	-£1,663,548

General Fund Capital

1. General Fund capital expenditure to the end of September was £13.4m of which the single largest item was £12.1m on Winchester Sport & Leisure Park.
2. Capital budgets for 2020/21 were revised for brought forward balances and other changes as part of the revised budget reported to September Cabinet.
3. Since then, the forecast has been revised down further by £21.8m with the largest item (£18.5m) being the Strategic Asset Purchase Scheme (SAPS) budget re-forecast to reflect the unlikelihood of a significant new asset purchase completing before the end of the financial year. Capital expenditure is always subject to a risk of slippage given the complexities around project delivery; however, there is increased risk of slippage in 2020/21 due to COVID-19 so further revisions to the forecast are expected. Other significant items where the profile of the budgeted spend has been revised include:
 - Bishop Waltham's Depot (£0.6m);
 - North Walls Pavilion (£0.6m);
 - Vaultex car park (£0.4m);
 - River Park Leisure Centre - decommissioning (£0.3m);

- Durngate flood prevention scheme (£0.3m); and
- Chesil car park (£0.3m).



4. Key items of expenditure in Q2 of 2020/21:

- **New Sport & Leisure Park** *Total Budget: £43.07m*

Expenditure: Prior years £18.08m Q1-Q2 £12.06m Total £30.14m

Work commenced on site in 2019 and significant progress has been made since with the new building rapidly taking shape. The budget was increased by £205,000 in 2019/20 to help the council achieve its priority of tackling the climate emergency by installing more solar panels. The new facility is expected to open in spring 2021.

- **Disabled Facilities Grants** *Total Budget: £1.28m*

Expenditure: recurring Q1-Q2 £0.35m

Expenditure on disabled facilities grants increased in 2019/20 by over £300,000 from the previous year. In addition to expenditure of £350,000 to date, over £320,000 has also been raised in committed expenditure.

- **Durngate flood prevention scheme** *Total Budget: £1.6mm*

Expenditure: Prior years £0.31m Q1-Q2 £0.38m Total £0.69m

Main works commenced in summer 2020 with a target completion date of November 2020.

Housing Revenue Account 2020/21

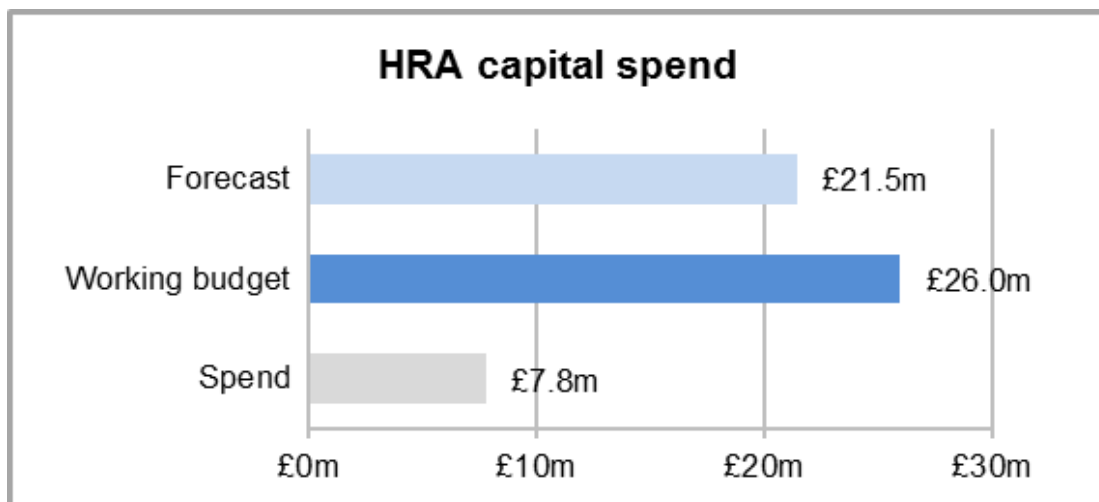
	Housing Revenue Account				
	Budget		Forecast		
	Income	Expenditure	Net contribution / (spend)	Full Year Forecast	Full Year Forecast Variance
£'000	£'000	£'000	£'000	£'000	
Rent Service Charges & Other Income	27,966	0	27,966	27,966	0
Housing Management General	164	(5,095)	(4,931)	(4,831)	100
Housing Management Special	1,155	(2,956)	(1,801)	(1,868)	(67)
Repairs (including Administration)	101	(5,583)	(5,482)	(5,482)	0
Interest	0	(5,961)	(5,961)	(5,231)	730
Depreciation	0	(8,570)	(8,570)	(8,570)	0
Capital Expenditure Funded by HRA	0	0	0	0	0
Other Income & Expenditure	26	(80)	(54)	(54)	0
	<u>29,412</u>	<u>(28,245)</u>	<u>1,166</u>	<u>1,929</u>	<u>763</u>
Working Balance at 1 April 2020			11,766	12,983	1,217
Add Surplus / (Deficit)			1,166	1,929	763
Projected Working Balance at 31 March 2021			<u>12,932</u>	<u>14,912</u>	<u>1,980</u>

Housing Revenue Account Capital 2020/21	HRA Capital Programme		
	Revised Budget	Forecast	Variance
	£'000	£'000	£'000
Housing Major Works	(4,121)	(3,947)	174
Improvements and Conversions	(1,124)	(1,200)	(76)
Other Capital Spend	(806)	(606)	200
New Build Programme	(19,917)	(15,401)	4,516
	<u>(25,968)</u>	<u>(21,154)</u>	<u>4,814</u>

Notes:

1. The current HRA revenue forecast outturn is £0.763m under the approved budget. The main reasons for this are an underspend on the debt financing budget of £0.730m, together with an underspend on the other professional and consultancy budget of £0.100m and offset by an increase in expected expenditure on the hostels as a result of increased security (£0.067m).
2. This together with the indicative underspend on the HRA from 2019-20 will result in the forecast end of year general reserve now being £14.912m compared to £12.320m originally budgeted for.
3. The original capital programme budgets have now been updated in light of slippage carried forward and programme spend re-profiling for 2020-21. These revised budgets represent the forecast position as at June 2020 based on best information at that time on likely scheme progression and spend.

- The current forecast is for an outturn of £21.154m against a revised budget of £25.968m an underspend of £4.814m. The largest variation is on the expected spend against the unallocated new build budget of £5m in light of the constrained opportunities to spend this fully in 2020-21. However officers are currently in discussion with Homes England over the potential acquisition of a site that may cost around £10m but fall within next year's programme.
- The overall position on the capital budget is shown graphically in the table below.



Strategic Key Performance Indicators

The following table presents an update against the strategic key performance indicators that were approved by cabinet on 21 May (report CAB3230 refers).

The availability of the data for each KPI is often from sources external to the council and varies from monthly, quarterly, annually and biennially. Where the data is available at annual intervals, this will usually be reported after the end of each financial year.

For ease of reading, the KPIs with either monthly or quarterly data or where annual data has become available in quarter, have been moved to the top of the table followed by KPIs with less frequently available data.

A column has been added to the table below to capture the impact and effect that the COVID-19 pandemic is having or will have on the performance data for the year.

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director/ CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19 - update
MONTHLY/QUARTERLY KPIs												
Tacking Climate Emergency												
TCE02	Reduced levels of waste and increased recycling	Percentage of household waste sent for reuse, recycling and composting	Service Quality & Transformation	Services/Regulatory	Monthly	Higher = better	36.1% (2018/19) 41st out of 54 collection authorities in South East	42.0%	43.3%		Increase against 2018/19 outturn	Main collection services maintained despite COVID-19. Volume of waste increased.
TCE03	Reduced levels of waste and increased recycling	Kgs of domestic residual waste collected per household	Service Quality & Transformation	Services/Regulatory	Monthly	Lower = better	461kg (2018/19) /household 38 th out of 54 South East collection authorities	119.91kg	112.05kg		Reduction against 2018/19 outturn	Main collection services maintained despite COVID-19. Volume of waste increased
TCE06	An increase in the proportion of journeys taken by walking, cycling and public transport	Proportion of visitors using parking sessions in each of three main areas of parking, central, inner, and outer	Service Quality & Transformation	Services/Regulatory	Quarterly	Higher = better	Centre 63.50% Inner 21.00% P&R 15.50%	Centre 78% Inner 17% P&R 5%	Centre 78% Inner 17% P&R 5%	Not applicable	To be developed	All parking patterns substantially affected and overall demand greatly reduced.
Homes for All												
HA06	Creating communities not just homes	No. of new homes started or in progress / completed	Housing & Asset Management	Services/Housing	Monthly	Higher = better	Started 121 Completed 19	No change Started 121 Completed 19	No change	Not applicable	Complete 121 Start 85	Completions delayed

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director/ CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19 - update
Vibrant local economy												
VLE13 (a)	Grow opportunities for high-quality, well paid employment across the district	% of procurement spend with local suppliers – Revenue spend	Local Economy	Resources / Strategic Support	Quarterly	Higher = better	21.99% (19/20)	20.14%	28.52%		Min 25% Revenue	No identified impact
VLE13 (b)	Grow opportunities for high quality, well paid employment across the district	% of procurement spend with local suppliers – Capital spend	Local Economy	Resources / Strategic Support	Quarterly	Higher = better	46.60% (19/20)	25.85%	34.99%		Min 25% Capital	No identified impact
Your Services. Your Voice												
YSYV04	Improving satisfaction for our services	Percentage of upheld complaints	Service Quality & Transformation	Resources / Strategic Support	Quarterly	Lower = better	59% 2019/20	61%	54%		≤ 59%	No identified impact
YSYV05		No. of valid Ombudsman complaints	Service Quality & Transformation	Resources / Strategic Support	Annual	Lower = better	1 2018/19	2 2019/20	As Q1		0	No identified impact
YSYV06	Improving satisfaction for our services	Availability of WCC critical infrastructure services excluding planned downtime - email - storage - telephony - document management system(s)	Service Quality & Transformation	Resources / IT	Monthly	Higher = better	Email 100% Storage 100% Telephony 99.5% DMS 100%	Email 100% Storage 100% Telephony 98.83% DMS 100%	Email 100% Storage 100% Telephony 98.21% DMS 100%		≥ 99.5%	No identified impact
YSYV07	Improving satisfaction for our services	Efficient waste collection services - missed bin collection report	Service Quality & Transformation	Services/ Regulatory	Monthly	Lower = better	AWC Q4 2019/20 68.89 per 100k bin collections	AWC 57.79 per 100k bin collections	AWC 42.59 per 100k bin collections		Contract compliance	No identified impact

RAG Parameters:

This performance indicator is on target

This performance indicator is below target but within 5% of the target

This performance indicator is more than 5% of the target

KPI's that are not due to be reported on in Q2:

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19
6 MONTHLY/ ANNUAL/ BIENNIAL KPIs												
Tacking Climate Emergency												
TCE01	Winchester City Council to be carbon neutral	WCC carbon emissions	Climate Emergency	Place / Engagement	Annual	Lower = better	4,005.19 tCO2e 2018/19 figure	Data collected annually	Data collected annually	Not applicable	20% reduction on 2018/19 figure	Likely to be significant positive impact as staff work from home and leisure centre closed for several months
TCE04	Reduced levels of waste and increased recycling	Percentage of recycling waste contaminated	Service Quality & Transformation	Services / Regulatory	Annual	Lower = better	13.33% contamination from 43 samples. 2 nd best performance of Hampshire authorities.	Data available annually	Data collected annually	Not applicable	Reduction against 2018/19 outturn	Main collection services maintained despite COVID-19. Volume of waste increased.
TCE05	An increase in the proportion of journeys taken by walking, cycling and public transport	No. bus users	Service Quality & Transformation	Place / Head of Programme	Annual	Higher = better	4.2m passenger journeys in the year 2019 in Winchester and surrounding area (Stagecoach figures). NB 2020 patronage figs severely distorted	Data collected annually	Data collected annually	Not applicable	2019 baseline data – target to be considered in line with WMS and in Liaison with HCC	Significant impact as more people work from home and less visitors to the city
TCE07	An increase in the proportion of journeys taken by walking, cycling and public transport	Traffic movement into Winchester	Service Quality & Transformation	Services / Head of Programme	Annual	Lower = better	Average daily traffic flows (HCC source) St Cross Rd 13,500 Stockbridge Rd 7,300 Andover Rd (N) 12,000 St Cross Rd 9300 NB 2020 traffic figs severely distorted	Data collected annually	Data collected annually	Not applicable	2019 baseline data – target to be considered in line with WMS and in Liaison with HCC	Significant impact as more people work from home and less visitors to the city
TCE08	The Winchester district to be carbon neutral by 2030	District carbon emissions - annual report - year on year reduction	Climate Emergency	Services / Engagement	Annual	Lower - better	629,000 tCO2e 2016/17	Data collected annually	Data collected annually	Not applicable	Reduction on 2016/17 figure	Significant impact as commuter travel reduces due to people working from home

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19
TCE09	The Winchester district to be carbon neutral by 2030	Produce Local Plan - plan adoption	Climate Emergency	Services / Regulatory	6 monthly	N/A	Evidence base being developed.	Data collected six-monthly	Not yet available	Not applicable	Deliver Plan to adoption in accordance with Local Development Scheme.	No significant impact.
TCE10	Safeguard our district's extensive natural habitats and precious ecosystems by delivering the actions in our Biodiversity Action Plan	Deliver the actions in the approved Biodiversity Action Plan (BAP) - percentage completed	Climate Emergency	Services / Regulatory	Annual	Higher = better	Biodiversity Plan not yet approved	Data collected annually	Data collected annually	Not applicable	Available once BAP approved	No significant impact.
TCE11	Safeguard our district's extensive natural habitats and precious ecosystems by delivering the actions in our Biodiversity Action Plan	Number of trees planted per year	Climate Emergency	Services / Regulatory	Annual	Higher = better	590	Data collected annually	Data collected annually	Not applicable	100	No significant impact to date.
TCE12	Take a lead with partners and residents to deliver the Carbon Neutrality Action Plan throughout the district	Number and percentage of all parish councils (Inc. Town Forum) that have local carbon reduction action groups / campaigns	Climate Emergency	Place / Engagement	Annual	Higher = better	Data not yet available	Data collected annually	Data collected annually	Not applicable	Baseline to be set when data available	No identified impact
TCE13	Take a lead with partners and residents to deliver the Carbon Neutrality Action Plan throughout the district	Number of people participating in carbon reduction event per year	Climate Emergency	Place / Engagement	Annual	Higher = better	No events held due to COVI-19	Data collected annually	Data collected annually	Not applicable	Baseline to be set when data available	No identified impact
TCE14	Improve Air Quality within the Air Quality Management Area	Improvement trends in nitrogen dioxide and particulates, with the intent of complying with national mandatory standards	Built Environment & Wellbeing	Services / Regulatory	Annual	Lower = better	St Georges St 2018: 41µg/m ³ 2019: 39µg/m ³ (First 6 months only) Chesil St & Romsey Rd 2018: 47.5µg/m ³ 2019: 47.2µg/m ³ (First 6 months only)	Data collected annually	Data collected annually	Not applicable	Review extent of AQMA in light of 2020 data as set out in CAB3217. NB: Covid-19 will impact this year's data set.	Levels of traffic reduced with corresponding impact on air quality in the town centre (to be quantified).
Living Well												
LW01	Reduced health inequalities	Inequality in life expectancy at birth (male)	Sport, Leisure & Communities	Place / Engagement	Annual	Lower = better	2018 – 5.8 years	Data collected annually	Data collected annually	Not applicable	≤ 5.8 years	Early studies suggest that COVID will have a negative impact on life expectancy
LW02	Reduced health inequalities	Inequality in life expectancy at birth (female)	Sport, Leisure & Communities	Place / Engagement	Annual	Lower = better	2018 – 6.4 years	Data collected annually	Data collected annually	Not applicable	≤ 6.4 years	Early studies suggest that COVID will have a

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19
												negative impact on life expectancy
LW03	Increase in physical & cultural activities	Number of users of the Winchester Sport & Leisure Park	Sport, Leisure & Communities	Place / Engagement	Annual	Higher = better	Figures available after new centre opens	Data collected annually	Data collected annually	Not applicable	Not yet published	Difficult to predict the impact due to the centre not opening until 2021
LW04	Increase in physical & cultural activities	Percentage of adults participating in 150 minutes of sport or physical activity per week within the Winchester district	Sport, Leisure & Communities	Place / Engagement	Annual	Higher = better	November 2019 71.4%	Data collected annually	Data collected annually	Not applicable	≥ 71.4%	Expected to increase due to people being at home during lockdown
LW05	Increase in physical & cultural activities	Number of adults with long-term health conditions engaged with physical activity (Winchester City Council - Active Lifestyles Scheme data)	Sport, Leisure & Communities	Place / Engagement	Annual	Higher = better	2019/20 - 469	Data collected annually	Data collected annually	Not applicable	200	Likely to increase due to the health impact of COVID-19
LW06	Increase in physical & cultural activities	Increase participation in the Cultural Network in order to strengthen engagement with and support of the arts and cultural sector working collaboratively to strategically develop the offer	Sport, Leisure & Communities	Place / Engagement	Annual	Higher = better	23 organisations	Data collected annually	Data collected annually	Not applicable	+10%	No identified impact
Homes for All												
HA01	All homes are energy efficient and affordable to run	% of all WCC homes achieving energy efficiency rating of C or above	Housing & Asset Management	Services / Housing	Annual	Higher = better	60%	Data collected annually	Data collected annually	Not applicable	62%	None identified
HA02		% all new homes achieving suitable energy standard	Housing & Asset Management	Services / Housing	Annual	Higher = better	80%	Data collected annually	Data collected annually	Not applicable	100%	None identified
HA03	Creating communities not just homes	No. of households in district (all tenures)	Housing & Asset Management	Services / Housing	Annual	Higher = better	54,017	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	N/A
HA04	No one sleeping rough except by choice	No. of rough sleepers	Housing & Asset Management	Services / Housing	Annual	Lower = better	0	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	Governments directive to 'Get everyone in' in response to Covid-19 meant anyone rough sleeping was

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19	
												offered accommodation. Financial implications - increased use of B&B, lease of a supported housing property.	
HA05	Creating communities not just homes	No. of new homes planned (5 year supply)	Housing & Asset Management	Services / Regulatory	Annual	Higher = better	505	Data collected annually	Data collected annually	Not applicable	500	None detected to date, but economic downturn may impact housing delivery.	
HA07	Creating communities not just homes	WCC housing stock, directly owned, housing company	Housing & Asset Management	Services / Housing	Annual	Higher = better	0	Data collected annually	Data collected annually	Not applicable	Complete 5 new houses	Completions delayed. Less general fund capital investment in the company.	
Page 19	Vibrant local economy												
	VLE01	Grow opportunities for high-quality, well paid employment across the district	No. of business enterprises in professional / technical sectors	Local Economy	Place / Engagement	Annual	Higher = better	21.3%	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	Insufficient data available
	VLE02	Grow opportunities for high-quality, well paid employment across the district	Close the gap between workplace earnings and residents' earnings	Local Economy	Place / Engagement	Annual	Lower = better	£105.4	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	Economic downturn likely to have an impact
	VLE03	Grow opportunities for high-quality, well paid employment across the district	Productivity measure – gross value added (GVA) per head	Local Economy	Place / Engagement	Annual	Higher = better	£39,714	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	Insufficient data available
	VLE04	New offices and workspace are located in areas with sustainable transport links or where they reduce the need to travel to work	Amount of floor space developed in market towns (planning approvals)	Local Economy	Services / Regulatory	Annual	Higher = better	Data not available	Data collected annually	Data collected annually	Not applicable	Refer to Planning team	Economic downturn may affect delivery of new floor space.
	VLE05	More younger people choose to live and work here	Percentage of residents aged 25-35 years old	Local Economy	Place / Engagement	Annual	Higher = better	11.4%	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	May increase if fewer job opportunities exist for young people
	VLE06	Businesses grasp opportunities for green growth	No. of businesses engaged on carbon reduction measures/projects	Local Economy	Place / Engagement	Annual	Higher = better	Data not yet available	Data collected annually	Data collected annually	Not applicable	Baseline to be set when data available	No identified impact

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19
VLE07	Businesses grasp opportunities for green growth	Crowd funder grants offered for green projects	Local Economy	Place / Engagement	Annual	Higher = better	0	Data collected annually	Data collected annually	Not applicable	Launched 15/6/20	No identified impact
VLE08	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Visitor stay length increasing	Local Economy	Place / Engagement	Annual	Higher = better	2.6 days domestic 6.7 days overseas	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	Likely to reduce due to a downturn in visitors staying overnight
VLE09	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Visitor spend increases	Local Economy	Place / Engagement	Annual	Higher = better	£263.4m	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	May increase as more staycation visitors to the district
VLE10	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Value of tourism to the economy increases	Local Economy	Place / Engagement	Annual	Higher = better	£339m	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	May increase as more staycation visitors to the district
VLE11	The city, market towns and rural communities across our district have a compelling and competitive visitor offer (including festivals)	Deliver tourism marketing activities alongside sector and key stakeholder engagement to influence Winchester's competitive position comparative with the South East and all of England, strengthening the number of trips to Winchester	Local Economy	Place / Engagement	Annual	Higher = better	5.05m trips	Data collected annually	Data collected annually	Not applicable	Trend data for monitoring only	No identified impact
VLE12	Grow opportunities for high-quality, well paid employment across the district	Business support service - percentage of businesses using the service seeing an increased turnover, improved efficiency or progression to a more sustainable business module. Service currently contracted to June 2021	Local Economy	Place / Engagement	Annual	Higher = better	New outcome based KPI for 2020/21. Previous data collected against different KPI, see Q4 report	Data collected annually	Data collected annually	Not applicable	50%	Increase in use of business support service during COVID-19 pandemic
Your Services. Your Voice												
YSYV01	Improving satisfaction for our services	Residents' Survey – satisfaction with the	Service Quality &	Resources / Strategic	Biennial	Higher = better	79% (2019 survey)	N/A	N/A	Not applicable	≥ 79%	Insufficient information to

Ref	What we want to achieve	KPI Definition	Cabinet Member	Lead Strategic Director / CHoS	Frequency of reporting	Polarity	Previously Reported Data	Q1 (where available)	Q2 (where available)	R A G Status	KPI Target 2020/21	Impact of COVID-19
		way the council runs things	Transformation	Support								predict what impact COVID-19 has had on residents' satisfaction
YSYV02		Tenants' Survey – satisfaction with the overall service provided by the council	Housing & Asset Management	Services / Housing	Biennial	Higher = better	87% (2019 survey)	N/A	N/A	Not applicable	≥ 87%	Insufficient information to predict what impact COVID-19 has had on residents' satisfaction
YSYV03	Good value compared to other similar authorities	Residents' Survey – percentage of residents who agreed the council provides value for money	Service Quality & Transformation	Resources / Strategic Support	Biennial	Higher = better	65% (2019 survey)	N/A	N/A	Not applicable	≥ 65%	Insufficient information to predict what impact COVID-19 has had on residents' satisfaction

CARBON NEUTRAL PROGRAMME
HIGHLIGHT REPORT OCTOBER 2020

Lead Cabinet Member: Cllr Ferguson
Programme Sponsor: Richard Botham
Programme Lead: Susan Robbins

Programme description and outcome:

In June 2019, the Council declared a 'Climate Emergency' and to commit to the aim of making activities of the city council carbon neutral by 2024, and the district of Winchester carbon neutral by 2030. The council in December approved the Carbon Neutrality Action Plan that sets out a number of priority actions that will help address nearly all the council's carbon emissions by 2024 and contribute to reducing emissions district wide by 2030.

Programme update summary:

Programme RAG Status:	Timeline		Budget	
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Council Update:

- The green energy tariff change has now been completed
- 400 solar PV panels installed on new Sport and Leisure Centre
- Re:Fit agreements signed. Tender process seeking bids for energy efficiency works on council buildings to begin during the autumn
- Estimated reduction of 33% (657 t CO2e) resulting from staff commuting in 2020/21 due to COVID-19 imposed home working

District Update:

- 300+ trees have been planted in Waterlooville and Whiteley
- We are in the process of signing contracts for a small scale solar site in partnership with a major local employer

- Further EVCP due to be installed on council car parks Oct 2020
- A presentation will be made at Policy Committee in September on the options for retrofit of council housing stock
- University of Southampton research into listed building retrofit / low carbon energy hub / sites for alternative fuel generation due to commence imminently
- In July we launched a summer sustainability competition social media campaign
- Climate conference took place in October 2020
- Greener Futures Fund launched on crowdfunding platform in July 2020
- Greening Campaign promoted to parish councils and the first two have signed up
- Long-term engagement strategy and plan for the programme is in development

The main risk to this programme is the timescales. The risk register and progress on the programme is regularly review and managed by the Carbon Neutrality Programme Board and the Implementation Group.

Council Carbon Footprint

	Forecast Carbon reduction (tCO2e)	Carbon reduction (tCO2e)	Target	Target Date	Status	Outcome
Introduce electric pool cars	1500		2	2020		
Pilot use of electric refuse freighter and/or P&R bus		286	N/A	2022		
Ultra low or zero carbon emissions		52	100%	2024		
Refuse and bus fleet converted to minimum EURO6 standard		361	100%	2020		Bus fleet already all at Euro6 standard. New waste contract allows for trial of electric vehicle but full electric fleet won't be possible until the contract expires in 2028.
Increased home working/ remote working			N/A			
Re: fit programme		600	N/A	2022		

	Forecast Carbon reduction (tCO2e)	Carbon reduction (tCO2e)	Target	Target Date	Status	Outcome
Energy efficiency measures in communal areas of council sheltered housing schemes	420		N/A	2021		
Source electricity purchased by the Council from renewable sources	1780	898	100%	2020		COMPLETE – New green energy tariff signed up April 2020
Solar panels on council owned sites		68	N/A	22/23		
Purchase/lease only highly energy efficient / low carbon technologies/materials, electrical equipment and appliances		N/A	100%	21/22		
		13.10	N/A			
	3700	2473				

District Carbon Footprint

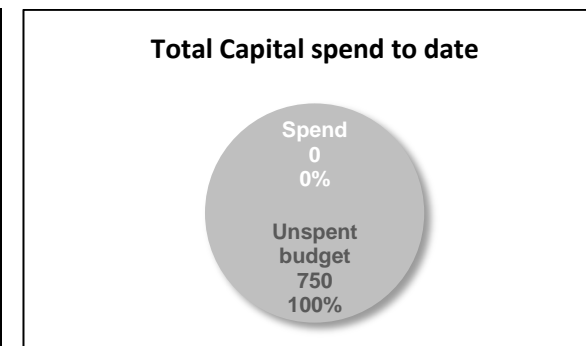
	Carbon reduction (tCO2e)	Carbon reduction (tCO2e)	Target	Target Date	Status	Outcome
Expanded network of EV charging points	287000		34	2024		Roll out of EV network to commence in October 2020, with expected completion by early 2021.
Private charging facilities in new commercial and housing developments						

	Carbon reduction (tCO2e)	Carbon reduction (tCO2e)	Target	Target Date	Status	Outcome
Winchester Movement Strategy						Phase 2 studies nearing completion.
Buses and Taxis to be low emission/alternative fuel vehicles			100%	2030		
Increase Park & Ride capacity			300	2021		
Smart mobility projects especially at P&R sites and key gateways			N/A	2021		E-scooter and e-bike schemes. New cycle lockers installed at park and ride sites.
Implement differential charging for low emission vehicles in council car parks						
Expand and enhance public transport services						
LEAP programme to facilitate energy efficiencies in homes	193400					Three council homes and 10 private sector homes to be retrofitted in March 2021.
Deliver campaigns to inspire people to reduce energy consumption				Ongoing		
Local groups to provide support in communities			N/A	Ongoing		
Develop a council wide led pilot Passivhaus housing scheme			N/A	2022		
All new council homes will be fitted to the highest efficiency standards			100%	2024		All new homes schemes reviewed and gas heating systems removed from designs.

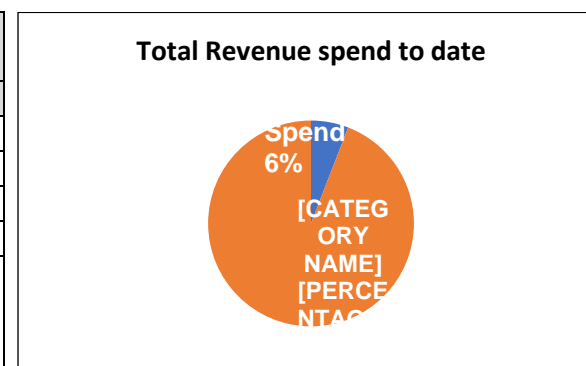
	Carbon reduction (tCO2e)	Carbon reduction (tCO2e)	Target	Target Date	Status	Outcome
Local Plan update with an emphasis on low carbon housing development			N/A	2021		
Retrofit of council housing stock to EPC standard C			100%	2027		
Undertake research into suitable alternatives to natural gas especially in relation to local generation potential	172000		N/A			
Build or invest in large scale renewable generation project(s)			N/A			
Explore the feasibility of developing a hydrogen generating plant			N/A			
Engage with the district's largest businesses to reduce energy use or generate renewable energy			N/A	Ongoing		
	652400					

Budget performance

CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	279	221	250	0	0	750
Spend	0	0	0	0	0	0	0
Unspent	0	436	221	250			907
Forecast	0	279	280	0	0	0	559
Variance to budget	0	157		250	0	0	348



REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	200	300	0	0	0	500
Spend	0	22	0	0	0	0	22
Unspent	0	178	300	0	0	0	478
Forecast	0	134	150	0	0	0	284
Variance to budget	0	66	150	0	0	0	216



CENTRAL WINCHESTER REGENERATION
PROJECT HIGHLIGHT REPORT OCTOBER 2020

Lead Cabinet Member: Cllr Learney

Project Sponsor: Chas Bradfield

Project Lead: Veryan Lyons

Project description and outcome:

Central Winchester Regeneration is a major regeneration project in the centre of the city. The Central Winchester Regeneration Supplementary Planning Document was adopted in June 2018. The vision is for the delivery of a mixed use, pedestrian friendly quarter that is distinctly Winchester and supports a vibrant retail and cultural/heritage offer which is set within an exceptional public realm and incorporates the imaginative re-use of existing buildings.

Development within the Central Winchester Regeneration area should meet the following objectives:

- 1 Vibrant mixed use quarter
- 2 Winchesterness
- 3 Exceptional Public Realm
- 4 City Experience
- 5 Sustainable Transport
- 6 Incremental delivery
- 7 Housing for all
- 8 Climate change and sustainability

Project update summary:

Project RAG Status:	Timeline		Budget	
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We are currently completing feasibility studies for Kingswalk and a hotel and investigating potential options for bringing Coitbury House back and FGMC back into use.

The biggest current risk is that Development proposals arising from the SPD are not financially viable resulting in development not going ahead as set out in the SPD. To mitigate this as far as possible we are undertaking high level testing of viability, engaging specialist consultants where required and continuing to engage with WCC members and other key stakeholders.

Project Gateways

	Duration (months)	Start Date	Planned End Date	Projected Actual End	Status	Outcome
Stage 1: Roadmap Review	5	Jun 19	Sep 19	-	Completed Nov 19	Review of CWR project to inform: - Land uses / mix - Delivery options and associated timeline - Key risks, constraints and opportunities
Stage 2a: Scheme options	5	Sep 19	Jan 20	-	Completed Mar 20	Test different land uses / mix to determine priorities
Stage 2b: Development Framework	3	Jan 20	Apr 20	-	Completed April 20	Generate development framework (preferred option)
Stage 2c: Development Framework and delivery strategy	5	Mar 20	Jul 20	Nov 20		Agree solution for bus operations and carry out soft market testing to further inform the development framework and delivery strategy
Stage 2d: Development framework and delivery strategy	8	May 20	Dec 20	Feb 21		Assessment of delivery models and appetite for risk and control Development framework and delivery strategy finalised following public engagement Cabinet approval of development framework and delivery strategy
Preparation for disposal (dependent on preferred route to market)	16	Feb 21	Jun 22	Jun 22		Dependent on the preferred route to market: Planning permission Market testing / preparation Market launch

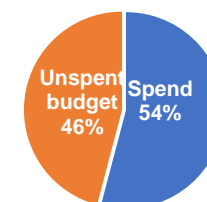
Budget performance

CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	50	0	0	0	0	50
Spend	0	0	0	0	0	0	0
Unspent	0	50	0	0	0	0	50
Forecast	0	50	0	0	0	0	50
Variance to budget	0	0	0	0	0	0	0

Nil capital spent

REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	372	396	0	0	0	0	768
Spend	372	43	0	0	0	0	415
Unspent	0	353	0	0	0	0	353
Forecast	372	396	0	0	0	0	768
Variance to budget	0	0	0	0	0	0	0

Total Revenue spend to date



Budget Comments

CAPITAL - £50,000 has been allocated to bring forward the LOWE Property Guardians proposal for Coitbury House. Currently there is no other capital budget for CWR as the amount required is unknown at this stage of the project.

REVENUE - The project will reach a major milestone in February 2021 when the development proposals and delivery strategy are approved. The next stage will be preparation for disposal - what will be involved and therefore what costs will be associated is dependent on the preferred route to market which is currently unknown.

Please note this does not include any spend relating to JLL as this is managed from a separate budget.

DURNGATE FLOOD ALLEVIATION SCHEME
PROJECT HIGHLIGHT REPORT OCTOBER 2020

Lead Cabinet Member: Cllr Porter
Project Sponsor: Richard Botham
Project Lead: Darren Lewis

Project description and outcome:

The Durngate scheme is the second phase of the North Winchester Flood Alleviation Scheme and will focus on the area around the Durngate Bridge, the Trinity Centre and Durngate Terrace and is jointly funded by the City Council and the Environment Agency.

When completed the scheme will provide various flood defences along the River Itchen and will support the council to control and maximise the flow of water safely through the city, and as a result will help multiple residential and commercial properties throughout the city centre.

Project update summary:

Project RAG Status:	Timeline		Budget	
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Works are progressing on-site. There have been some issues regarding the supply of the sluice gates which form part of the scheme and the council is working closely with Hampshire County Council, Environment Agency and contractor to try to resolve the issue so that the project remains on track.

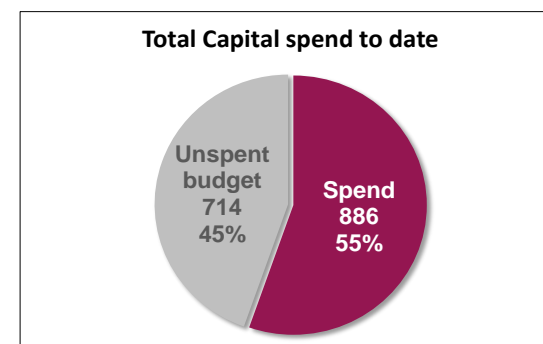
Project Gateways

	Duration (months)	Start Date	Planned End Date	Projected Actual End	Status	Outcome
Stage 0: Concept	-	-	-	-		
Stage 1: Feasibility	-	-	-	-		
Stage 2: Design						
Stage 3: Plan for delivery						
Stage 4: Delivery	5	Jun 20	Dec 20	Nov 20		Completion of Project. These works will help the Council control and maximise the flow of water safely through the city and as a result, will help multiple residential and commercial properties throughout the city centre.
Stage 5: Handover and Review	1	Dec 20	Jan 21	Jan 21		Handover of completed project to WCC. Cost review and communications i.e. press/release and photo shoot will take place.

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Budget performance

CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	314	1,286	0	0	0	0	1,600
Spend	314	572	0	0	0	0	886
Unspent	0	714	0	0	0	0	714
Forecast	314	993	0	0	0	0	1,307
Variance to budget	0	293	0	0	0	0	293



REVENUE	Prior	2020/21	2021/22	2022/23	2023/24	2024/26	Total
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Nil revenue spend

	years						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	0	0	0	0	0	0
Spend	0	0	0	0	0	0	0
Unspent	0	0	0	0	0	0	0
Forecast	0	0	0	0	0	0	0
Variance to budget	0	0	0	0	0	0	0

ENVIRONMENTAL SERVICES (WASTE) CONTRACT
PROJECT HIGHLIGHT REPORT JULY 2020

Lead Cabinet Member: Cllr Tod
Project Sponsor: Richard Botham
Project Lead: Campbell Williams

Project description and outcome:

This project relates to the contract renewal of the council's waste contract and roll-out of an improved garden waste scheme for the district.

Project update summary:

Project RAG Status:	Timeline		Budget	
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A Project board has been set up and is meeting regularly with councillor involvement. The current waste contract is being extended to February 2021, and is allowing some funding to move towards the implementation of the green waste charging scheme.

External communications support has now been appointed to provide additional support in preparing critical communications messaging.

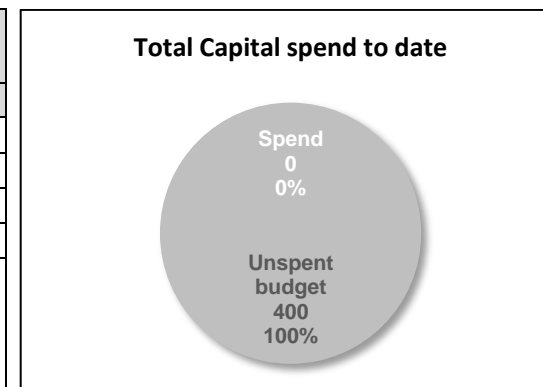
Sign-ups for the new service will be available for residents from November 2020.

Project Gateways

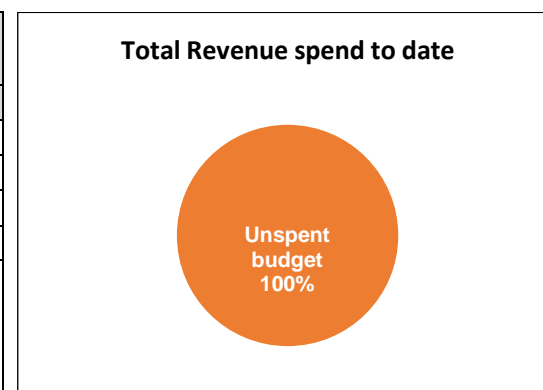
	Duration (months)	Start Date	Planned End Date	Projected Actual End	Status	Outcome
Stage 0: Concept	-	-	-	-		
Stage 1: Feasibility	-	-	-	-		
Stage 2: Concept design						
Stage 3: Plan for delivery	4	Jun 20	Oct 20	Oct 20		<p>Prepare to launch chargeable garden waste. All payment options live by Oct 20. Have external communications support in place, should receive detailed proposals mid Oct 20. Begin communications around new services that will commence Feb 21.</p> <p>Progress contract negotiations with Biffa re lease + bin delivery. Sign documents and begin 4 month contract extension (as set out in 220720 Cabinet report). Agree first amount of bins to purchase and use ESPO framework. Prepare, produce and successfully deliver new 12 month calendar.</p>
Stage 4: Delivery	4	Oct 20	Feb 21	Feb 21		<p>Four month extension underway, service does not change. Garden Waste bins procured and stored. Communications and marketing strategy implemented. Residents can purchase the service including either a 140l / 240l garden waste bin. 8yr contract and lease signed between Biffa and the council.</p>
Stage 5: Handover and Review	24	Feb 21	Feb 28			Continuous improvement.

Budget performance

CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	400	0	0	0	0	400
Spend	0	0	0	0	0	0	0
Unspent	0	400	0	0	0	0	400
Forecast	0	400	0	0	0	0	400
Variance to budget	0	0	0	0	0	0	0



REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	150	0	0	0	0	150
Spend	0	0	0	0	0	0	0
Unspent	0	150	0	0	0	0	150
Forecast	0	150	0	0	0	0	150
Variance to budget	0	0	0	0	0	0	0



LOCAL PLAN/ CIL
PROJECT HIGHLIGHT REPORT OCTOBER 2020

Lead Cabinet Member: Cllr Porter
Project Sponsor: Richard Botham
Project Lead: Adrian Fox

Project description and outcome:

In accordance with planning legislation, the council must review its Local Plan every 5 years.

The Plan is a key corporate document, as it is a statutory requirement under planning legislation to have an up to date development plan with the objective of sustainable development and setting out detailed planning policies for the management and development of land and buildings.

Project update summary:

Project RAG Status:	Timeline		Budget	
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It was agreed to pause work on the Local Plan whilst responses were prepared and the implications of the government consultation documents (Changes to the current planning system and the White Paper) were fully assessed. A Local Plan Action Paper is currently being prepared which will clearly set out what can be undertaken on progressing the Local Plan.

Project Gateways

	Duration (months)	Start Date	Planned End Date	Projected Actual End	Status	Outcome
Stage 0: Concept	28	Jul 18	Oct 20			Produce the new Local Plan evidence base
Stage 1: Feasibility	2	Oct 20	Nov 20			Consultation takes place on the strategic Issues and Options document at the end of sept/ early Oct for 6 weeks
Stage 2: Design	2	Mar 21	Apr 21			Consultation on the Draft 18 Local Plan
Stage 3: Plan for delivery	2	Dec 21	Jan 22			Consultation on the Submission version of the LP (Reg 19)
Stage 4: Delivery	-	Jan 23				Adoption of the Local Plan
Stage 6: Handover & Close Out	-	Feb 23				Monitoring the Local Plan and start the review process at the appropriate time

Budget performance

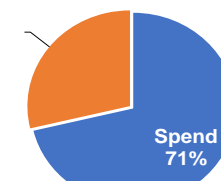
CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	0	0	0	0	0	0
Spend	0	0	0	0	0	0	0
Unspent	0	0	0	0	0	0	0
Forecast	0	0	0	0	0	0	0
Variance to budget	0	0	0	0	0	0	0

Total Capital spend to date

[CATEGORY NAME]
0 0%

REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	0	254	93	95	1	0	413
Spend	0	181	0	0	0	0	181
Unspent	0	73	0	0	0	0	73
Forecast	0	254	93	95	1	0	413

Total Revenue spend to date



Variance to budget	0	0	0	0	0	0	0
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NEW HOMES DELIVERY PROGRAMME
HIGHLIGHT REPORT OCTOBER 2020

Lead Cabinet Member: Cllr Learney

Project Sponsor: Richard Botham

Programme Lead: Andrew Palmer

Project description and outcome:

The cost and affordability of housing in Winchester District is a serious problem and there is a genuine shortage of affordable properties in Winchester

Providing affordable housing can help tackle these problems and delivering new homes is a Council priority.

The Council is constructing new affordable Council Homes and also working with Registered Providers (sometimes known as Housing Associations) to provide new affordable housing across the District.

Housing will not be built for profit; it will be to meet the needs of Winchester people who cannot afford a home of their own.

Programme update summary:

Update summaries are provided against each project below.

The main risks to the programme are workforce productivity and availability due to COVID-19 and the supply of materials. Both are being closely monitored.

Project Updates

Project Name	Start Date	Projected End Date	No. of New Homes planned	Current Project Gateway	Upcoming Milestone	Comments
The Valley, Stanmore	Apr 19	Aug 21	77	Delivery	Completion	Revised, on programme for completion.
Rowlings Road, Weeke	Jan 19	Mar 21	7	Delivery	Completion	Revised programme dependent on supply chain and workforce availability
Dolphin Road, Twyford	Jun 19	Sept 20	2	Delivery	Completion	Completed
Burnet Lane, Kings Worthy	Jun 19	Jul 21	35	Delivery	Completion	Revised programme dependent on supply chain and workforce availability. Purchase agreement in place
Southbrook Cottages	Nov 19	Mar 22	6	Design	Outline Business Case & Submission of planning application	Awaiting outcome of car park survey
Woodman Close, Sparsholt	Oct 19	Aug 22	5	Design	Submission of planning application	Community consultation event Sept 20
Winnall Flats	Apr 20	Apr 23	75 (approx.)	Design	Submission of planning application	Design work underway
Dyson Drive, Abbotts Barton	Jan 20	Dec 21	8	Design	Outline Business Case	TVGA preventing planning application being made
Corner House	Jan 20	Dec 21	6	Design	Outline Business Case	Final design being prepared in advance of community consultation
Witherbed Lane	Sep 19	Oct 22	4	Design	Outline Business Case	Ecology complete moving to community consultation

Q1 Budget performance

INCOME	Budgeted:	Forecast:	Actual:
Grants - Homes England	£1,611,000	£1,611,000	£0
Grants - Other	£0	£0	£0
MRA	£8,357,000	£8,613,000	£8,613,000
Capital Receipts	£950,000	£3,040,000	£3,040,000
RTB 1-4-1	£3,188,000	£2,065,000	£2,584,000
Borrowing	£17,358,000	£3,514,000	£0
Sales Income	£4,300,000	£200,000	£200,000
S106/Other Income	£250,000	£1,372,000	£1,372,000
Total Income	£36,014,000	£20,415,000	£15,809,000

COSTS	Budgeted:	Forecast:	Actual:
Interest Costs	N/A	N/A	N/A
Total Scheme Costs	£36,014,000	£20,415,000	£1,380,000

WINCHESTER MOVEMENT STRATEGY
PROJECT HIGHLIGHT REPORT OCTOBER 2020

Lead Cabinet Member: Cllr Tod
Project Sponsor: Chas Bradfield
Programme Lead: Andy Hickman

Project description and outcome:

The City Council and Hampshire County Council are working together to deliver the aims of a long term Movement Strategy for Winchester designed to improve all forms of movement in and around the city.

Programme update summary:

Project RAG Status:	Timeline		Budget	
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Phase two feasibility studies are well underway and due to be completed in the Autumn.

The study work has included stakeholder involvement and has reflected the impact of Covid-19. The City Council has been working in conjunction with HCC on transport recovery measures in Winchester and the market towns.

Programme details

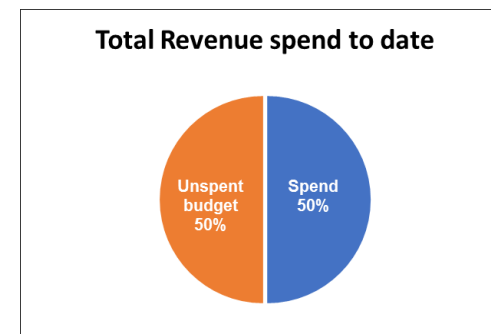
WMS Phase 1 – Identify Options and Phase 2 – Detailed Assessments

Project Name	Current Project Gateway	Start Date	Project End Date	Status	Upcoming Milestone	Comments
Cycling & Walking Improvement Plan	Phase 1 study completion	Aug 19	Feb 20		Phase 2 study completion - September	Completed Phase 1, summary report issued.
	Completion of	May 20	Nov 20		Review of designs based on	

Project Name	Current Project Gateway	Start Date	Project End Date	Status	Upcoming Milestone	Comments
	Phase 2				engagement with HCC engineers, the walking group and the cycling groups	
Freight and Delivery	Phase 1 study completion	Aug 19	Jan 20		Phase 2 study completion - September	Completed Phase 1, summary report issued
	Completion of Phase 2	May 20	Oct 20		Comments on Draft Freight and Delivery Plan to be provided	
Bus station relocation	Phase 1 study completion	Sep 19	Mar 20		Phase 2 study completion - September	Completed Phase 1, summary report issued
	Completion of Phase 2	Jun 20	Nov 20		Continued coordination with CWR as design developed	
Movement and Place	Phase 1 study completion	Sep 19	Mar 20		Phase 2 study completion - September	Completed Phase 1, summary report issued
	Completion of Phase 2	Jun 20	Nov 20		Engagement with walking and cycling groups	
Park & Ride	Phase 1 study completion	Jul 19	Mar 20		Phase 2 study completion - September	Completed Phase 1, summary report issued
	Completion of Phase 2	May 20	Oct 20		Review of designs based on engagement with HCC engineers	

Budget performance

REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	125	125	0	0	0	0	250
Spend	125	0	0	0	0	0	125
Unspent	0	125	0	0	0	0	125
Forecast	125	120	0	0	0	0	245
Variance to budget	0	5	0	0	0	0	5



WINCHESTER SPORT & LEISURE PARK
PROJECT HIGHLIGHT REPORT JULY 2020

Lead Cabinet Member: Cllr Prince

Project Sponsor: Chas Bradfield

Project Lead: Andy Hickman

Project description and outcome:

The Winchester Sport and Leisure Park is a fantastic new facility being constructed at Bar End in Winchester and will provides users with 50m pool, treatment rooms, 200 gym stations, four squash courts and two large studios.
The aim for the building is to be one of the greenest of its kind in the UK and is on track to achieve a BREEAM rating of excellence.

Project update summary:

Project RAG Status:	Timeline		Budget	
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Construction of the new Sport and Leisure Park is well underway albeit there have been delays with material supplies and availability of sub-contractors due to COVID-19.

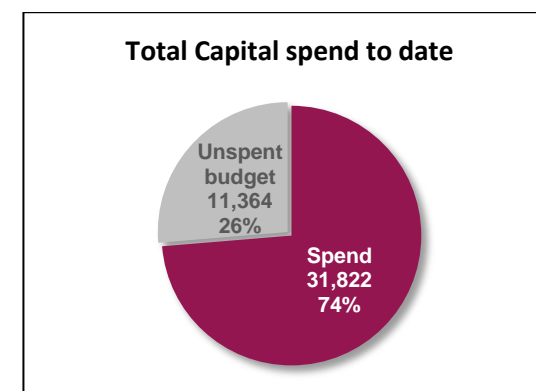
Highway works have been started on schedule and should be completed by end of October 2020.

Project Gateways

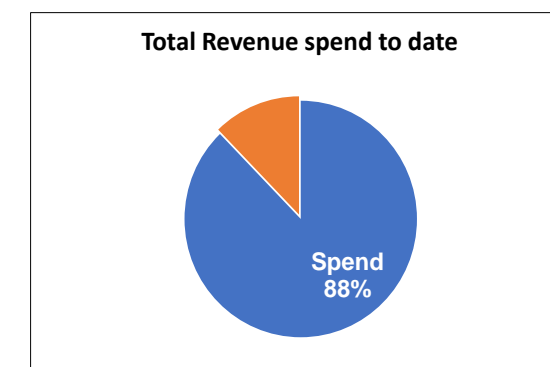
	Duration (months)	Start Date	Planned End Date	Projected Actual End	Outcome
Stage 0: Concept	-	-	-	-	
Stage 1: Feasibility	-	-	-	-	
Stage 2: Concept design	4	May 17	Sep 17	Completed Sep 17	Architectural concept approved by the client and aligned to the Project Brief
Stage 3: Developed design	5	Nov 17	Apr 18	Completed Apr 18	Architectural concept tested and validated via design studies and engineering analysis
Stage 4: Technical design	4	Apr 18	Aug 18	Completed Aug 18	All design information required to manufacture and construct the project completed. This includes: responsibility matrix, information requirements, design programme, procurement strategy, building regulations application, planning conditions, cost plan, building contract.
Stage 5: Construction	24	Mar 19	Dec 20	Mar 21	Manufacturing, construction and commissioning completed, in accordance with the construction programme agreed in the building contract.
Stage 6: Handover & Close Out	2	Feb 21	Apr 21		Building handed over, aftercare initiated and building contract concluded.
Stage 7: In use	1	May 21	June 21		Building used, operated and maintained efficiently.

Budget performance

CAPITAL	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	18,078	25,108	0	0	0	0	43,186
Spend	18,078	13,744	0	0	0	0	31,822
Unspent	0	11,364	0	0	0	0	11,364
Forecast	18,078	24,791	317	0	0	0	43,186
Variance to budget	0	317	(317)	0	0	0	0



REVENUE	Prior years	2020/21	2021/22	2022/23	2023/24	2024/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	670	139	0	0	0	0	809
Spend	670	40	0	0	0	0	710
Unspent	0	99	0	0	0	0	99
Forecast	670	84	0	0	0	0	754
Variance to budget	0	55	0	0	0	0	55



COVID-19 Council services demand data update April to September 2020

SERVICE AREA	MEASURE	2020						2019	
		APRIL	MAY	JUNE	JULY	AUG	SEP	TOTAL	TOTAL
Business Rate Relief and Grants (running total)	All Retail, Hospitality & Leisure Relief (RHL)	£26.02m	£26.67m	£26.77m	£27.34m	£27.79m	£27.88m	£27.88m *	n/a
	Small Business Rate Relief	£4.84m	£4.89m	£4.81m	£4.83m	£4.84m	£4.87m	£4.87m *	n/a
	Other Reliefs	£5.39m	£5.40m	£5.48m	£5.48m	£5.48m	£5.47m	£5.47m *	n/a
	RHL - £10k grants	£1.24m	£2.18m	£2.23m	£2.27m	£2.38m	£2.39m	£2.39m *	n/a
	RHL - £25k grants	£8.15m	£9.30m	£9.45m	£9.65m	£9.95m	£9.98m	£9.87m *	n/a
	Small Business Grants - £10k	£12.44m	£13.91m	£14.49m	£14.75m	£15.25m	£15.33m	£15.33m *	n/a
Local Resource Centre / Community Support	Total New Referrals from HCC	347	132	57	20	0	3	559	n/a
	Referrals passed to Voluntary Support Groups	125	65	8	7	3	0	208	n/a
	Prescriptions delivered	49	49	48	40	0	1	187	n/a
	Food parcels delivered	22	33	22	28	0	0	105	n/a
	Shopping purchased/delivered	15	4	11	9	0	0	39	n/a
	Council tenants contacted by phone to offer support	1650	11	4	1	0	0	1,666	n/a
Housing	Total Arrears (running total)	£500k	£535k	£571k	£580k	£592k	£553k	£553k *	£378k
	% of Housing tenants in arrears (running total)	31.00%	21%	22%	23%	24%	23%	23% *	21%
	% claiming Universal credit (running total)	14.50%	16%	16%	17%	18%	18%	18% *	9%
	% claiming UC in arrears (running total)	64.00%	55%	55%	57%	58%	54%	54% *	n/a
	% current debt due to UC claimants (running total)	58.00%	60%	61%	65%	65%	67%	67% *	n/a
	Residents in B&B (number at month close)	13	10	9	3	3	2	2 *	n/a
	Rough Sleepers in Council units (no. at month close)	12	10	6	3	0	0	0 *	n/a
	Tenancy Support Caseload (weekly new referrals)	58	27	22	22	14	19	162	n/a
Waste / Env / Licensing	Planning – Decisions issued (incl. SDNP)	225	181	196	199	182	199	1,182	896
	Bonfires reported	30	21	17	8	13	9	98	48
	Fly-tipping – reported – see note below	139	183	195	181	190	243	1,131	835
	Waste Collection – Missed Bin reports (cases closed)	260	288	222	278	324	372	1,744	4,326
	Garden Waste Bags - New / Replacement bag request	1068	1096	963	808	510	421	4,866	4,044

Notes

Fly-tipping

It is not unusual for the number of fly tip reports to rise or fall week by week or month by month. The summer months and the weeks leading up to Christmas and early in a new year are often much busier compared to the rest of the year.

However 2020 has been a far from normal year and we are seeing variations in the number of fly-tips reported that do not follow the normal seasonable pattern.

September has been a popular month for residents to take time off work due to the relaxation of social restrictions and have used the time to dispose of waste accumulated during the earlier lockdown period. Unfortunately not all residents will take their waste to a local household waste and recycling centre and will fly-up.

In the current circumstances, more people are getting out and about more in their local area rather than travelling further afield and are noticing more fly tips than perhaps they might have done before, and are taking the time to report what they've found

Notes of the meeting of the Performance Panel 9th November 2020

Present:

Members of the panel: Councillors; Horrill, Bronk, Craske, Godfrey and Power

Cabinet members: Councillors; Cutler, Learney, Murphy, Tod and Thompson

Officers: Lisa Kirkman, Simon Howson, Richard Botham, Chas Bradfield, Liz Keys & Matthew Watson

Apologies: None

None

Ref	Item and Actions.
1.	<p>COVID-19 Recovery and Restoration Planning</p> <p>Panel members discussed:</p> <ul style="list-style-type: none">• Support for the hospitality sector particularly regarding the use of public spaces.• The cost and benefits of reopening public facilities vs the cost of having them in “semi-hibernation”.• Whether guidance was available for businesses that wanted to erect temporary structures. Officers confirmed that any business could be advised to contact the Economy team at the City Council who would assist.• Rough sleeper count – Cllr Learney offered to update following her meeting with officers.
2.	<p>Q2 Finance and Performance Monitoring.</p>
2.1.	<p>Questions had been submitted in advance from Councillors Bronk and Power and were verbally responded to. The written responses to these would be circulated to panel members. Officers to consider the process and timescales for the submission, response and circulation of panel member questions.</p>
2.2.	<p>Specific actions arising from the report.</p> <p>Following a discussion regarding data on traffic counts, movements and air quality, the panel agreed to consider to bring this subject back to a future meeting. In the interim, Cllr Tod advised that air quality data is publicly available and he would request additional data and circulate where available from the City and County Council.</p>

	<p>Page 17. Officers to provide an update on the Digital Growth Factory project bid. Officers to action.</p> <p>Connected to the digital economic agenda, Cllr Craske asked for an update in the next quarterly report regarding the implications of a recent Telecoms application that he believed was significant. Officers to action.</p>
2.3.	<p>Appendix 4, Councillor Power asked if officers could consider whether these reports could be made publicly available albeit with some modifications. Officers to consider and update at next meeting.</p>
2.4.	<p>Flood Alleviation Schemes. Brief discussion regarding progress, funding, and capacity - the panel agreed to discuss this issue in detail at the next meeting. Officers to action.</p>
2.5.	<p>Movement Strategy. Councillor Tod agreed to consider an all member briefing on the subject.</p>
3.	<p>Notes from previous meeting of the 14th September 2020.</p> <p>These were reviewed along with the updates regarding the Tree programme, Project Tiering and Engagement.</p> <p>Members made comments on the Engagement paper, these related to; the benefits of earlier ward member engagement, that in some communities traditional methods of engagement can be more effective, that local exhibitions could be added to the paper on page 79 and that parish and town councils are underutilised. Officers to consider and update.</p>
4.	<p>Topics and date for future meetings:</p> <p>In addition to the Q3 report, panel members agreed to focus on the issues discussed earlier regarding flood alleviation schemes.</p> <p>Proposed that the next meeting takes place on 22nd February 2021, officers to confirm.</p>

CAB3255
CABINET

REPORT TITLE: THE COUNCIL TAX REDUCTION SCHEME – CONSULTATION RESULTS & SCHEME AMENDMENT

16 DECEMBER 2020

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet Member for Finance and Risk

Contact Officer: Terri Horner: Service Lead - Revenues and Benefits Tel No: 01962 848 160 Email thorner@winchester.gov.uk

WARD(S): ALL

PURPOSE

Approval to consult on proposed changes to the Council Tax Reduction (CTR) scheme was given by Cabinet on 16 September 2020 (see CAB3253). This report is to confirm the outcome of that consultation which closed on 1 November and to detail a new income banded CTR scheme and request that Cabinet recommend approval of this scheme to Council from 1 April 2021.

RECOMMENDATIONS:

That Cabinet agree and recommend to Council the new income banded Council Tax Reduction scheme for working age applicants with effect from 1st April 2021 as set out in this report.

IMPLICATIONS:**1 COUNCIL PLAN OUTCOME****1.1 Homes for all**

1.2 Changes to the CTR scheme from 1st April 2021 will enable all potential applicants to obtain help towards their Council Tax liability quickly, thereby ensuring that all low-income households are provided with financial support from the earliest possibility.

1.3 Living Well

1.4 Changes to the CTR scheme for working age applicants will allow for the automatic granting and potential backdating of support. This will ensure that households will not lose entitlement. Often failure to claim on time or lack of knowledge of the existence of the scheme leads to households struggling to pay higher levels of Council Tax.

1.5 The new scheme will ensure that applicants receive entitlement from the earliest possible date and also allow for the straightforward backdating of entitlement where the applicant was unaware or where circumstances have prevented the applicant from claiming.

1.6 By reducing the level of Council Tax payable, more of the household's finances can be used for other essential expenses, relieving some financial pressures.

1.7 Your Services, Your Voice

1.8 There is a requirement under the legislation to undertake a consultation with stakeholders. A full consultation has taken place over the autumn time and this report details the outcomes of the consultation with the public and the major precepting authorities.

1.9 All consultees were given the opportunity to give their views on each part of the recommended new scheme. A summary of the consultation results is provided within section 6 and full results are shown within Appendix 3.

2 FINANCIAL IMPLICATIONS

2.1 The current Council Tax Reduction scheme cost £6.4m in May 2020 which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in proportion to the share of Council Tax.

2.2 Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households nor to increase the overall costs of the scheme itself. The cost of the scheme for 2020/21 is considerably higher at present than the Council's

budget (£5.77m) due to the increase in CTR cases caused by Covid. The higher level of CTR is likely to continue in to 2021/22, although, not likely at the same level. This will be subject to future restrictions imposed by the government on Covid and the recovery of businesses in the area.

- 2.3 Financial modelling has been undertaken throughout the project and the intention is that the overall costs of the scheme falls within the same cost envelope as at present. With the continued effects of the COVID-19 crisis, the Council, as with all other authorities, will no doubt experience a rise in the number of applicants over the wintertime. Based on the previous 'lockdown' it is anticipated that the costs of the scheme will increase between 1% and 2%. However, this increase would occur irrespective of any change in scheme design.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Section 13A of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised council tax reduction scheme in accordance with section 1A of the Act. Each financial year the council must consider whether it wants to revise the scheme, leave as is or replace it. Consultation must occur on any options required to change the scheme prior to introduction, and is set out in Schedule 1A (3) of the Local Government Finance Act 1992
- (a) consult any major precepting authority which has power to issue a precept to it,
 - (b) publish a draft scheme in such manner as it thinks fit, and
 - (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 3.2 This cabinet report correctly sets out the result of consultation undertaken following the previous cabinet decision, report CAB3253. The result of the consultation should be conscientiously taken into account by the decision makers when this decision is made.
- 3.3 A decision by the council is obliged to be made by 11th March of the year prior to the scheme coming into place.
- 3.4 The purpose of this report is to recommend to council that the new scheme be approved and implemented with effect from 1st April 2021.

4 WORKFORCE IMPLICATIONS

- 4.1 At present, COVID-19 has caused an increase in CTR claims. This generates additional work for an already small team and the use of agency staff has been required in order for the team to process all additional claims and respond to the increase in enquiries.

- 4.2 Changes to the scheme will enable a reduction in administration and allow staff to be able to undertake all CTR work using existing resources. Failure to implement changes will inevitably lead to an increase in administration with the corresponding increase in costs and the requirement for more staff.
- 4.3 Changes to a more simplified approach will also allow for the work to be undertaken by other staff within the Revenues and Benefits service and should reduce the need for agency staff within the team overall, which are costly.

5 **PROPERTY AND ASSET IMPLICATIONS**

- 5.1 None

6 **CONSULTATION AND COMMUNICATION**

- 6.1 As required by the legislation, the Council has consulted with both major preceptors and also the public. In the case of the public consultation, a full consultation was undertaken during the period 21 September 2020 until 1 November 2020.

Major Preceptors

- 6.2 All major preceptors were requested for their views on the recommended new scheme. The Council received the following positive joint response:

Dear Ms Horner,

Thank you for consulting us about proposed changes to Winchester City Council's council tax reduction scheme. This is a joint response from Hampshire County Council, Hampshire Fire and Rescue Authority and the Hampshire Police and Crime Commissioner.

As noted in your letter, the changes are being made due to the rollout of Universal Credit being incompatible with the existing scheme. We agree it is sensible to make changes so that the scheme is compatible with Universal Credit.

The consultation proposes a number of options for changes to the scheme. As the billing authority is responsible for running the scheme, we believe that Winchester City Council is best placed to know the circumstances of existing recipients and thus what the fairest changes are. Therefore, we do not wish to comment in detail on the proposed options, other than noting we would most favour those which best meet two general principles. These are that the cost of the scheme needs to be kept within the resources available and that support should be prioritised for the most vulnerable. We note the consultation states that the overall cost of the scheme will remain the same as before and one of the aims of the changes is to support the most vulnerable, so based on this we are satisfied that the proposals meet these two principles.

Yours sincerely,
 Christopher Szubert
Accountant
 Corporate Finance
 Hampshire County Council

Public Consultation

6.3 The public consultation produced 188 responses. Full details are provided in Appendix 3.

6.4 The Council proposed 11 options for changes and a summary of the responses are as follows:

Option 1 – The introduction of an income banded scheme to replace the current scheme for all applicants of working age

Yes: 43.02%, No: 38.37%, Don't Know: 18.60%

Option 2 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two for all applicants

Yes: 58.44%, No: 27.27%, Don't Know: 14.29%

Option 3 – To remove non-dependant deductions from the scheme

Yes: 54.79%, No: 24.66%, Don't Know: 20.55%

Option 4 – Disregarding Carers Allowance, the support component of the Employment and Support Allowance and the housing element of Universal Credit

Yes: 60.56%, No: 22.54%, Don't Know: 16.90%

Option 5 - To reduce the maximum limit of capital from £16,000 to £6,000

Yes: 38.03%, **No: 50.70%**, Don't Know: 11.27%

Option 6 – Removing the current earnings disregards and replacing them with a standard £35 disregard for single applicants and £70 for applicants who are disabled, carers, those in special employments or lone parents or couples.

Yes: 51.47%, No: 27.94%, Don't Know: 20.59%

Option 7 - To allow further income disregards where an applicant, their partner or any dependant is in receipt of a disability benefit

Yes: 58.21%, No: 23.88%, Don't Know: 19.40%

Option 8 – Removing the Extended Reduction provision

Yes: 52.31%, No: 27.69%, Don't Know: 20.00%

Option 9 - Removal of Second Adult Reduction from the scheme

Yes: 54.69%, No: 23.44%, Don't Know: 21.88%

Option 10 – Any new claim or change in circumstances which changes Council Tax Reduction entitlement will be made from the date on which the change occurs, (rather than on a weekly basis as at present)

Yes: 71.88%, No: 9.38%, Don't Know: 18.75%

Option 11 – Extending the 'backdating' provisions within the scheme

Yes: 68.75%, No: 10.94%, Don't Know: 20.31%

- 6.5 It can be seen from the above that the overall response to the proposed changes have been positive and that the consultees largely support the recommended new CTR scheme. The one proposal that received less support was Option 5, *to reduce the maximum limit of capital from £16,000 to £6,000*. This proposal does offset some of the cost of the other recommended changes as they increase the amount of CTR. However, it is imperative that full consideration is given to the responses received from the consultation and as a result further work was undertaken to model this particular change within the scheme. Whilst a reduction in capital limit would significantly offset the cost of other adjustments, the self-financing of the scheme can still be maintained without making this particular change, at this time. As a result of this further consideration it is no longer proposed to reduce the capital limit from £16,000 to £6,000 but instead to monitor the impact of the additional work required to calculate tariff income on capital in excess of £6,000 through the next financial year.

7 **ENVIRONMENTAL CONSIDERATIONS**

- 7.1 Failure to adopt a new simplified scheme will inevitably lead to an increase in administration. This in turn will lead to the increased use of resources.

8 **EQUALITY IMPACT ASSESSEMENT**

- 8.1 A second stage Equality Impact Assessment is shown at Appendix 1. Details of those households affected by these changes are referred to below at para 11.14.

9 **DATA PROTECTION IMPACT ASSESSMENT**

- 9.1 None required, the project has used only existing data held. No further personal data has been requested, obtained, held or published

10 **RISK MANAGEMENT**

10.1 The following risks are associated with the changes

Risk	Mitigation	Opportunities
Property <i>No risk</i>	N/A	N/A
Community Support <i>Recommended changes to the support of some working age applicants</i>	<ul style="list-style-type: none"> Where an applicant may receive less Council Tax Reduction, they may apply for additional support under the Council's Exceptional Hardship Fund (see para 11.17) In some cases, applicants may receive more support under the recommended scheme. 	By accepting the recommendations, there is an opportunity to: <ul style="list-style-type: none"> Modernise the current scheme; Enable a scheme that will be fit for purpose; and Reduce administration.
Timescales <i>It will be essential for the Council to agree the new scheme if it is to be introduced for the 2021/22 financial year.</i>	<ul style="list-style-type: none"> The project is on time and if the recommendations are accepted by the Council, the new scheme shall be implemented on 1 April 2021. 	
Project capacity	<ul style="list-style-type: none"> Resources have already been allocated to the project which are sufficient 	
Financial / VfM <i>Changes to the scheme could potentially lead to changes in overall scheme costs</i> Potential increase in Fraud.	<ul style="list-style-type: none"> Extensive modelling has been undertaken to estimate the costs of the scheme. This continues at present. Experience of similar schemes identifies that 	<ul style="list-style-type: none"> The Council has indicated that it is not looking to make savings from scheme changes. However, a natural reduction in the resources required to administer

Risk	Mitigation	Opportunities
	<p>fraud tends to occur after a claim is made i.e. changes in circumstances are not reported. The change in scheme allows for a change in emphasis as evidence will only be requested in a very small number of cases. The vast majority of cases will be processed based on the information provided. The current scheme is not designed to prevent fraud, the new scheme with its reduced requirements will, by design, reduce fraud e.g. no requirement to report all income changes , non dependants etc.;</p> <p>Reviews will be undertaken on a risk based approach together with other Council Tax discounts</p>	<p>this scheme should yield savings once the new scheme is bedded-in.</p>
<p>Legal <i>Failure to set the scheme in accordance with the legislation and failure to comply with the legal requirements for developing a new CTR scheme</i></p>	<ul style="list-style-type: none"> • The project is being undertaken strictly in accordance with legislative requirements. Should the Council not agree the new scheme, the current scheme will remain in force. 	
<p>Innovation <i>Failure to maximise the potential of change and automation</i></p>	<ul style="list-style-type: none"> • The recommended approach takes full advantages of the latest automation of claims and the gathering of data 	<ul style="list-style-type: none"> • If the recommendations are accepted, there will be more opportunity to enhance customer's online experience by

Risk	Mitigation	Opportunities
		receiving immediate decisions of discounts being granted.
<p>Reputation <i>Failure to implement the new scheme on time or failure to deliver a comprehensive and robust scheme</i></p>	<ul style="list-style-type: none"> By accepting the recommendation, the Council s following previous successful implementations by other Local Authorities 	<ul style="list-style-type: none"> By accepting the recommendations, there is an opportunity for the Council to enhance its reputation by developing an up to date an effective CTR scheme

11 SUPPORTING INFORMATION:

BACKGROUND

- 11.1 Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:
- Placed the duty to create a local scheme for **Working Age** applicants with billing authorities.
 - Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
 - Prescribed that persons of **Pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.
- 11.2 Since that time, funding for the Council Tax Reduction scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.
- 11.3 The current Council Tax Reduction scheme created by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.
- 11.4 Pensioners, subject to their income, can receive up to 100 per cent support towards their council tax. The Council has no powers to change the level of support provided to pensioners and therefore any changes to the level of CTR can only be made to the working age scheme.

- 11.5 When Council Tax Reduction was introduced in 2013, the Council adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support and enhanced the scheme by increasing the earnings disregards in order to encourage people into work. Many other authorities in England took this opportunity to introduce a requirement for claimants to make some contribution to Council Tax, leaving Winchester's scheme as one of the most generous in the Country. Since that time, other minor changes have been made to bring the scheme into line with either Housing Benefit or Universal Credit. For example, disregarding income and capital from the We Love Manchester Emergency Fund, Windrush payments and London Emergency Trust.

The main issues with the current scheme

- 11.6 There are a number of issues with the current scheme that need addressing if the system is to continue to provide effective support to low income taxpayers and also if the Council is able to provide the service in an efficient manner. The main issues are as follows:
- The introduction of Universal Credit for working age applicants; and
 - The need for a simplification of the scheme;
- 11.7 Each of the above are examined in detail below.

Council Tax Reduction and the roll out of Universal Credit

- 11.8 The introduction of Universal Credit within the area has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All Councils have experienced the following:
- The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement;
 - A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and
 - The increased costs of administration through multiple changes with significant additional staff and staff time being required.
- 11.9 It is clear that the existing means tested Council Tax Reduction scheme, which is too reactive to change, will not be viable in the longer term now that Universal Credit has been rolled out fully within the area and with the massive increase in Universal Credit claimants due to the COVID-19 crisis. The move to a new more efficient scheme from 2021 is now imperative.

The need for a simplified approach to the Council Tax Reduction Scheme.

11.10 Notwithstanding the introduction of Universal Credit, the existing scheme is based on an 'old fashioned;' means tested benefit scheme. It has major defects namely:

- It is complex for customers to understand and is based on a complex calculation of entitlement;
- The administration for staff is complex, with staff having to request significant amounts of information from applicants;
- Staff have to undergo significant training to be proficient in processing claims;
- The timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications; and
- The administration of the scheme is costly when compared to other discounts for Council Tax.

11.11 Clearly there is a need now to simplify the scheme, not only to mitigate the effects of Universal Credit, but also make it easier for customers to make a claim and to significantly reduce the costs of administration.

The recommended approach for the 2021/22 Council Tax Reduction Scheme

11.12 In view of the problems being experienced with the current scheme, a new scheme has been devised and a full consultation was undertaken between 21 September and 1 November to consider the proposed changes. A summary of the consultation results is provided at section 6 and results with commentary are shown within Appendix 3. The overall response to the proposed changes are positive and the consultees largely support the recommended new Council Tax Reduction scheme. The one proposal that received less support was Option 5, *to reduce the maximum limit of capital from £16,000 to £6,000*. This proposal does offset some of the cost of the other recommended changes as they increase the amount of CTR. However, it is imperative that full consideration is given to the responses received from the consultation and as a result further work was undertaken to model this particular change within the scheme. Whilst a reduction in capital limit would significantly offset the cost of other adjustments, the self-financing of the scheme can still be maintained without making this particular change, at this time. As a result of this further consideration it is no longer proposed to reduce the capital limit from £16,000 to £6,000 but instead to monitor the impact of the additional work required to calculate tariff income on capital in excess of £6,000 through the next financial year..

11.13 It is recommended that a new scheme is introduced from 1st April 2021. The approach has been to fundamentally redesign the scheme to address all of the issues with the current scheme and in particular;

- (a) The problems with the introduction of full-service Universal Credit; and
- (b) The significant increase in administration costs due to the high level of changes received in respect of Universal Credit;

11.14 The recommended scheme has a number of features as follows:

- The overall expenditure (cost) of the scheme will remain as at present, subject to changes (increases and reductions) created by Covid;
- The recommended changes can **only be made to the working age schemes** as the current schemes for pensioners is prescribed by Central Government;
- It is recommended that the current means-tested schemes will be replaced by a simple income banded model as shown below:

Discount Band	Discount	Single Person	Single person with one child	Single person with two or more children	Couple	Couple with one child	Couple with two or more children
Weekly income ranges							
Band 1*	100%	£0 - £100.00	£0 - £165.00	£0 - £220.00	£0- £140.00	£0 - £205.00	£0 - £260.00

Discount Band	Discount	Single Person	Single person with one child	Single person with two or more children	Couple	Couple with one child	Couple with two or more children
Band 2	75%	£100.01 - £180.00	£165.01 - £245.00	£220.01 - £300.00	£140.01 - £220.00	£205.01 - £285.00	£260.01 - £340.00
Band 3	45%	£180.01 - £240.00	£245.01 - £305.00	£300.01 - £360.00	£220.01 - £280.00	£285.01 - £345.00	£340.01 - £400.00
Band 4	25%	£240.01 - £300.00	£305.01 - £365.00	£360.01 - £420.00	£280.01 - £340.00	£345.01 - £405.00	£400.01 - £460.00
	0%	Over £300.00	Over £365.00	Over £420.00	Over £340.00	Over £405.00	Over £460.00

- Where any applicant or their partner are in receipt of Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance, a Band 1 discount will be given;
- the highest level of discount will remain at a maximum level of liability (100%) and all current applicants that are in receipt of a 'passport benefit', and have capital of less than £16,000, such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) will receive maximum discount
- All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- There will be no charges made where an applicant had non-dependants living with them. A non-dependant is an adult who lives with the applicant, normally a grown up son, daughter, friend or relative. A non-dependant will normally reduce the claimants CTR by the amount we expect them to contribute to their household This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters for example remain at home;
- To encourage work, a standard £35 per week disregard will be provided against all earnings for single persons and £70 per week for disabled applicants, carers, those in special employment or couples or lone parents. This will take the place of the current standard disregards, childcare disregards and additional earnings disregards. Child Benefit will

continue to be disregarded and as the income bands for applicants with children are higher, they will be able to receive the same level of support with a higher income;

- Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded;
- Carer's Allowance and the support component of Employment and Support Allowance will be disregarded;
- Child Benefit and child maintenance will continue to be disregarded;
- The total disregard on war pensions and war disablement pensions will continue;
- Extended reductions will be removed - in certain cases, where applicants have been in receipt of prescribed benefits (such as Income Support, Jobseekers Allowance or Employment and Support Allowance) and move into work which ends their entitlement, CTR can be paid for an additional 4 weeks after commencing work or increasing their hours. This is known as an Extended Payment. Similar provisions do not exist for Universal Credit claimants. As Universal Credit is to replace those existing (legacy) benefits, the Council feels that these provisions are no longer appropriate;
- Second Adult Reduction will be removed - the current CTR scheme can grant a reduction up to 25% in certain cases where the income of a 'second adult' (not the applicant's partner) who resides with the applicant is unemployed or has a low income. The reduction is not based on the applicant's or their partner's income but is purely based on the income of the 'second adult'; Where the applicant, their partner and / or a dependant child is disabled, a further disregard will be made from their income prior to the calculation of CTR;
- The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund. In the case of those with a disabled child who will receive less support, this is primarily because they are large families;
- There may be other applicants with larger families who may see a reduction in support. Child Benefit will continue to be disregarded and as the income bands for applicants with children are higher, they will be able to receive the same level of support with a higher income. Cases which receive less CTR will be able to apply for assistance from the Exceptional Hardship Fund where they can demonstrate financial hardship.

How the recommended new scheme will address the problems with the current Council Tax Reduction

11.15 Due to the simplicity of the recommended new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with the increased administration caused by failings in the current scheme and Universal Credit as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the claiming process and where possible Council Tax Reduction will be awarded with minimal administration and without the need to request further information from the applicant. For Universal Credit applicants *any* Universal Credit data received from the Department for Work and Pensions (DWP) will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed without the need to request further information from the applicant.
- These changes will have the following distinct advantages namely:
 - **Speed of processing** – all claims will be able to be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays;
 - **Maximising entitlement to every applicant.** As there will no requirement for Universal Credit applicants to apply, and for all other applicants, the claiming process will be significantly simplified, entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;
 - **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate;
- **The income bands are sufficiently wide to avoid constant changes in discount.** The current Council Tax Reduction scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages:
 - In the vast majority of cases there will be no requirement to notify the Council of a change in income as the discount bands are so wide. Applicants will only be required to notify the Council when their income is likely to change the discount banding they are in

- Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments; and
- The new scheme is designed to reflect a more modern approach, where any discount changes it will be effective from the day of the change rather than the Monday of the following week;

Transition to the new scheme and the Exceptional Hardship Scheme

- 11.16 The Council must be mindful that any change in scheme or a transition to a new scheme may result in a change to the entitlement of certain applicants.
- 11.17 Inevitably, with any change in scheme, there will be both winners and losers although the recommended scheme has been designed to protect the most vulnerable. Whilst the new scheme has been designed to protect vulnerable groups and to, where possible, minimise any reductions in entitlement, it is recommended that the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support will be given to the applicant.
- 11.18 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The Exceptional Hardship Scheme (see Appendix 5) will form part of the Council Tax Reduction scheme and fall to be paid through the Collection Fund.

Matters raised in the consultation responses

- 11.19 Whilst the overall response to the consultation demonstrated support for the new proposals, a number of issues were raised. Where possible and appropriate, a response has been provided next to each of those comments in Appendix 3. The issue regarding the reduction in capital limit from £16,000 to £6,000 has also been addressed at paras 6.5 and 11.12.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The alternative to introducing a new scheme for Council Tax Reduction from 2021/22 is to leave the existing scheme in place. This would be a short-term option; lead to increasing costs of administration; and in the longer term, significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within the City Council's area

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3253 – CONSULTATION ON CHANGES TO THE COUNCIL TAX

APPENDICES:

Appendix 1 – Stage 2 Equality Impact Assessment;

Appendix 2 – Consultation response - Major Preceptors

Appendix 3 – Consultation responses - Public

Appendix 4 – Recommended Council Tax Reduction Scheme from 1 April 2021

Appendix 5 – Proposed Exceptional Hardship Scheme

Appendix 6 – Case studies

Stage 1 & 2	Equality Impact Assessment
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Policy/Strategy/Service Owner	Terri Horner, Service Lead Revenues and Benefits
Name of policy, strategy, function or service being assessed	Council Tax Reduction Scheme from 1 April 2021
New policy/function/service or review of an existing one?	Review and replacement of an existing policy
This issue date:	November 2020
Review date (if applicable):	Ongoing

Stage 1 – Identifying the aims and objectives of the policy, strategy, function or service
1.1 Aim(s)
To introduce a simplified Council Tax Reduction scheme with effect from 1 st April 2021
1.2 Objectives
<p>The implementation of Universal Credit within the area requires the Council to change its approach to Council Tax Reduction, given the high administrative burden of monthly changes and alterations to applicants' income.</p> <p>There is a requirement to introduce a simplified scheme which can be easily administered without significant additional costs being placed on the Council. The current scheme is too reactive to minor changes in applicant's income leading to constant changes in Council Tax liability.</p> <p>The scheme changes will only apply to working age applicants, pension age applicants are covered by the Prescribed Requirement Regulations determined by Central Government.</p> <p>The move to an income-based scheme (without the complexities of a full means tested as required by the current scheme).</p> <p>The changes will provide the following:</p> <ul style="list-style-type: none"> • Simplified claiming arrangements for all working age applicants; • Certainty, at present, multiple changes are leading to some taxpayer's receiving a large number of Council Tax bills per year as their Council Tax Reduction is constantly amended; • The maximisation of applicant's entitlement with clear straightforward messages to claim; • Speed of processing - applications will be dealt with more efficiently and without the need for significant levels of evidence; and • Reduced administration costs. The changes will prevent the administration costs from rising year on year which would be inevitable under the current scheme. <p>It should be noted that the overall costs of the recommended scheme will remain as at present.</p>

1.3 Scope
The new scheme will affect all working age applicants who are currently in receipt of Council Tax Reduction on 1 st April 2021 or those who apply after 1 st April 2021. The scheme will not affect pension age applicants
1.4 Other policies, strategies, functions or services linked to or affected
Council Tax is the only service directly affected by Council Tax Reduction due to the transactional interaction of the entitlement and the general collection of the Council Tax charge.
1.5 Stakeholders
Working age applicants who are currently in receipt of Council Tax Reduction or those who apply on or after 1 st April 2021.
1.6 Methods of measuring progress against objectives
The recommended scheme will be constantly monitored by the service through 2021 /22 to ensure that its objectives are met.

Stage 2 – Considering the relevant data and information		
	Source (plus link if electronic)	Brief description
2.1	EIA data - NOV - post consultation	The spreadsheet provides a full analysis of the effect on each demographic group. The spreadsheet provides an analysis of the average level of support given under the current CTR scheme in 2020/21 and compares it with the levels to be provided under the new scheme from 1 April 2021.
2.2	<i>Response from Major Preceptors</i>	A joint response has been received from the major preceptors (Council, Police and Fire and Rescue) (se main report). The response is broadly supportive of the recommendation to approve the new scheme
2.3	<i>Analysis of the public consultation</i>	Responses were received from 188 members of the public. The overall response was broadly positive of the recommended changes. A full analysis is included in the main report.

Stage 3 – Assess the actual or likely impact on equality taking into account the protected characteristics.
<p>Protected Characteristics <i>Protected characteristics covered by:</i> <i>All forms of discrimination - Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation</i> <i>Direct discrimination, indirect discrimination, victimisation – Marriage & Civil Partnerships</i> <i>Direct Discrimination, victimisation – Pregnancy & Maternity</i></p>
<p>Certain applicant groups may be affected due to the changes in the scheme. If the Council continues to grant up to 100% discount, then, in the main, most applicants will not be affected. However, those larger families who have more than two dependant children <i>may</i> receive less support given their higher level of available income.</p> <p>Likewise, with the change to the capital rule (reducing from £16,000 to £6,000), those applicants with high capital may no longer receive support.</p> <p>In all cases where there is a reduction in support, the Council will look to mitigate this by the use of an Exceptional Hardship Fund which will be available and which, on an individual basis, can ‘top up’ support for those applicants who are experiencing exceptional hardship.</p> <p>Applications can be made to the Council at any time for this and an individual assessment of need will be undertaken by staff.</p>
<p>Future Barriers <i>Will implementation of this policy/strategy/function or service potentially create any future barriers to equality.</i></p>
No
Consideration of Alternatives to the Proposal and Outcomes
<p>It is recommended that the Council proceeds with this new scheme.</p> <p>Should it decide not to proceed then the existing scheme will remain in place in accordance with the legislation.</p>
Consultation
<p><i>Method and details of consultation, links to any relevant documentation</i></p> <p>Consultation with the Major Preceptors (Fire and Rescue, Police and the County Council) has been undertaken and a joint response was received supporting the Council's recommendation.</p> <p>A full public consultation was undertaken from 21st September 2020 until 1st November 2020. Full details are provided in the main report. Eleven options were consulted on and the overall response was supportive of the changes.</p> <p>All consultation documentation can be viewed at the following link: Winchester City to provide link</p>
List of consultees:
<p><i>Staff Forum, Community Forum, Unions, Community Groups, Businesses etc</i></p> <p>See above</p>

Issues raised from consultation:

A full analysis of the consultation is included within the main report

Stage 4 – Decision making & action planning**Overall impact of policy/strategy/function or service**

The overall impact of the change is to leave the level of support available to working age applicants at the same level as in previous schemes.

Where any applicant feels that they have been disadvantaged by the change, they may apply to the Council for an Exceptional Hardship Payment

Decision

It is recommended that the proposed new Council Tax Reduction Scheme be implemented with effect from 1st April 2021

Communicating the Results

Full details of the recommended new scheme and this Equality Impact Assessment are available on www.winchester.gov.uk

Contact point for questions or advice regarding the policy, strategy, function or service

Terri Horner, Service Lead - Revenues and Benefits

Nancy Graham

From: Szubert, Chris <Chris.Szubert@hants.gov.uk>
Sent: 09 October 2020 15:05
To: Terri Horner
Cc: Williamson, Carolyn; Carr, Rob; Lowe, Andrew; Croucher, Richard; Robertson, Matt (Hampshire Fire and Rescue); Governance
Subject: RE: Consultation on changes to Council Tax Reduction

Hi Terri,

Please see below a joint response from all the major preceptors to Winchester's council tax reduction scheme consultation.

Kind regards,

Chris

Dear Ms Horner,

Thank you for consulting us about proposed changes to Winchester City Council's council tax reduction scheme. This is a joint response from Hampshire County Council, Hampshire Fire and Rescue Authority and the Hampshire Police and Crime Commissioner.

As noted in your letter, the changes are being made due to the rollout of Universal Credit being incompatible with the existing scheme. We agree it is sensible to make changes so that the scheme is compatible with Universal Credit.

The consultation proposes a number of options for changes to the scheme. As the billing authority is responsible for running the scheme, we believe that Winchester City Council is best placed to know the circumstances of existing recipients and thus what the fairest changes are. Therefore, we do not wish to comment in detail on the proposed options, other than noting we would most favour those which best meet two general principles. These are that the cost of the scheme needs to be kept within the resources available and that support should be prioritised for the most vulnerable. We note the consultation states that the overall cost of the scheme will remain the same as before and one of the aims of the changes is to support the most vulnerable, so based on this we are satisfied that the proposals meet these two principles.

Yours sincerely,

Christopher Szubert

Christopher Szubert
Accountant

Corporate Finance
Hampshire County Council

From: THorner@WINCHESTER.GOV.UK <THorner@WINCHESTER.GOV.UK>
Sent: 28 September 2020 14:38
To: Szubert, Chris <Chris.Szubert@hants.gov.uk>
Cc: lcobern@winchester.gov.uk
Subject: RE: Consultation on changes to Council Tax Reduction

Thanks Chris, that's really helpful.

I've attached 3 letters so they can be distributed separately. Look forward to the responses.

Kind regards
Terri

We are looking to make changes to our Council Tax Reduction Scheme and would like your feedback. To find out more please visit www.winchester.gov.uk/benefits (Closing date 1 November 2020)

Ms T Horner IRRV (Hons)

Service Lead: Revenues & Benefits

Winchester City Council
Colebrook Street
Winchester
SO23 9LJ

Tel: 01962 848 160
Ext: 2160



winchester.gov.uk
visitwinchester.co.uk



From: Szubert, Chris <Chris.Szubert@hants.gov.uk>
Sent: 28 September 2020 10:47
To: Terri Horner <THorner@WINCHESTER.GOV.UK>
Subject: RE: Consultation on changes to Council Tax Reduction

Hi Terri,

Please could you send the letter to me when finalised and I'll sort out a response from all the major preceptors (HCC, Fire and Police).

Many thanks,

Chris

Christopher Szubert
Accountant

Corporate Finance
Hampshire County Council

From: THorner@WINCHESTER.GOV.UK <THorner@WINCHESTER.GOV.UK>
Sent: 25 September 2020 17:55
To: Szubert, Chris <Chris.Szubert@hants.gov.uk>
Subject: Consultation on changes to Council Tax Reduction

Hi Chris

I hope you are keeping well.

You can see from the title of my mail that we are undertaking a consultation on changes to the Council Tax Reduction scheme and I'm trying to find some contact details for the County, Fire and Police, as the major Council Tax preceptors of Winchester. I wondered if you could help me with some key email addresses and names etc of those that could respond to the consultation – a draft letter is attached which I'll send on to them but it might give you a better idea of who we need to reach.

Thanks for any help you can give.

Kind regards
Terri

We are looking to make changes to our Council Tax Reduction Scheme and would like your feedback. To find out more please visit www.winchester.gov.uk/benefits (Closing date 1 November 2020)

Ms T Horner IRRV (Hons)

Service Lead: Revenues & Benefits

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CAB3255 Appendix 3 CTR Consultation Response - Summary

	Total responses	Yes	No	Don't know	% Yes	%No	%Don't know	No of comments
Read CTR background information	192	187	5	0	97.40%	2.60%	0.00%	
Keep the current CTR	128	55	46	27	42.97%	35.94%	21.09%	34
OPTION 1: Introduce an income banded scheme	86	37	33	16	43.02%	38.37%	18.60%	26
OPTION 2: Limit to 2 dependant children	77	45	21	11	58.44%	27.27%	14.29%	14
OPTION 3: Remove non-dependant deductions	73	40	18	15	54.79%	24.66%	20.55%	9
OPTION 4: Disregarding Carers Allowance, ESA (SC) and housing element of UC	71	43	16	12	60.56%	22.54%	16.90%	7
OPTION 5: Capital limit reduced to £6000	71	27	36	8	38.03%	50.70%	11.27%	20
OPTION 6: Earning disregard replacements	68	35	19	14	51.47%	27.94%	20.59%	7
OPTION 7: Further income disregards for the disabled	67	39	16	13	58.21%	23.88%	19.40%	12
OPTION 8: Removing Extended Reductions	65	34	18	13	52.31%	27.69%	20.00%	9
OPTION 9: Removal of Second Adult Reduction	64	35	15	14	54.69%	23.44%	21.88%	6

	Total responses	Yes	No	Don't know	% Yes	%No	%Don't know	No of comments
OPTION 10: Daily changes	64	46	6	12	71.88%	9.38%	18.75%	4
OPTION 11: Extending backdating	64	44	7	13	68.75%	10.94%	20.31%	3
FUNDING CTR: Increase Council Tax	62	18	37	7	29.03%	59.68%	11.29%	15
FUNDING CTR: Find costs by cutting other services	62	14	40	8	22.58%	64.52%	12.90%	
Other option suggestions								11
General comments								11
							TOTAL	188

CAB3255 Appendix 3 CTR Consultation Response - comments (1)

Keep the current CTR	WCC Response	OPTION 1: Introduce an income banded scheme	WCC Response
<p>I do not mind paying for my council tax i am receiving pip and esa, I do not go out and think personally I could contribute more</p>		<p>maybe everyone who gets a reduction of 100% should pay a set amount, 10.00 a month instead of paying nothing</p>	
<p>it is simple and easy to understand and protects people on low incomes from losing more of their income to pay council tax.</p>		<p>remove the 2+ children element</p>	

<p>The scheme does need modernising to stop fraud, abuse and misuse of the system. It has to consider the most vulnerable avoiding them financial hardship.</p>	<p>The current scheme is not designed to prevent fraud, the new scheme with its reduced requirements will, by design, reduce fraud e.g. no requirement to report all income changes, non-dependants etc. Reviews will be undertaken on a risk based. Whilst the new scheme has been designed to protect vulnerable groups and to, where possible, minimise any reductions in entitlement, it is proposed that the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment</p>	<p>I suggest you rethink the option of allowing only claimants that have savings or capital of less than 6,000 to benefit from this scheme. You should take into account the claimants' age group i.e.; 60 yrs + with savings or capital less than 16,000 should also be eligible.</p>	<p>Creating a separate scheme for working age claimants for example, 60+ would create more complexities and potential unfairness between those in different age brackets. For those that suffer financial hardship may apply for a Exceptional Hardship payment. The Pension age scheme has a capital limit of £16K</p>
<p>As a new claimant for CTR I do find these changes rather worrying and from my perspective, and I am sure many others, who are unfortunately in the same situation, very unfair. I do find it hard to believe that the additional administration costs incurred to cope with the increase in the number of claimants will force Winchester Council to put up their council taxes. It is already very high and equated to 12% of my income, when I was earning, not to mention the increase every year. My salary remained the same !! I would also like to add that the option to limit the maximum capital limit to 6,000 from 16,000 without considering the claimants' age is very discriminatory. I am 63 years old and single with currently 15,000 in the bank, which is dwindling rapidly. That is hardly a fortune at my age? Whilst I endeavour to find employment, it is unrealistic to think I will be able to live the rest of my years serenely.</p>	<p>The administration has increased due to the introduction of Universal Credit due to the high level of changes which are received & funding from central government continues to decrease. If the proposed change is agreed and included in the final scheme and financial hardship was suffered, The Exceptional Hardship Fund is available.</p>	<p>the problem with this is if you earn 1p more you could end up losing a significant amount of CTR and could lead to hardship, although there is an option of applying for hardship help it means yet another form to fill out. I do not agree that any household with more than two children should lose out, that is just vile and discriminatory .Couples without children are treated unfairly as they will end up paying more for the same services that those with children receive. I would suggest that no-one should have to pay any council tax if they have an income of less than £300 per week or if they are without employment for any reason. CTR should then reduce by 5p for each £ earned over that amount up to £500. All those earning £500 pw or above the average wage for the area, should pay full council tax</p>	<p>The income bands are wide / generous to allow for changes to occur without a change in CTR. If their total income increases & crosses to the next band a reduction in CTR will occur. Unfortunately, cliff-edges will always occur in a more simplified scheme. If any financial hardship occurs then assistance is available from the Exceptional Hardship Fund. We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well.</p>

<p>You should only change it when people move onto uc benefit this upset my learning difficulties as until if a change in my circumstances I has to apply uc benefit if u change my circumstances means I has to apply uc change upset disabled people first the government now you made me worried off losing my home I say you make a new benefit go with uc benefit keep the old scheme going while some still on old benefit system if you change it now lot will be homeless plus covid19 made people homeless including me please don't change it set up new benefit if u worried work with uc pay towards council tax I suggest</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. Creating a separate scheme for working age claimants on Universal Credit would create more complexities and potential unfairness between those in receipt of Universal Credit and those not in receipt of Universal Credit. For those that are uncertain on how these changes will effect them they can contact Benefits & Welfare who will explain/help them through the change. For clarity, the proposed changes will not move people onto claiming Universal Credit.</p>	<p>band, will only use/benefit from limited and minimal local council services. By removing the current 25% discount for a higher income single person, the system becomes completely unfair. Larger households will utilise/benefit significantly more from local services. Higher income individuals are already paying larger amounts of income tax, and spending more to support the national economy and local government funding. My second point is that increasing taxes such as this one will of course reduce disposable incomes that push back money into the economy. My third point, is that many, many people will change their status from higher income to lower income to unemployed over the next 0 months to 5 years, as businesses reel from the costs of this pandemic and any post Brexit costs. My second point is that by implementing this banding structure, the Council will open itself up to an inevitable administrative headache in keeping up with the continued change in individual and family circumstances as we are all exposed to the likelihood of frequent manoeuvre between the bands. The picture is currently very bleak and this</p>	<p>Single Person Discount will not be effected. In the vast majority of cases there will be no requirement to notify the Council of a change in income as the discount bands are so wide. Applicants will only be required to notify the Council when their income is likely to change the discount banding they are in</p>
<p>keep the same!! As single parents like myself to nearly 3 children it will be more difficult for.</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>Strongly disagree. Only reprieve offered for single people and Winchester already very expensive to live in. You will make it difficult for single people to live in Winchester unless earning a lot</p>	<p>Single Person Discounts will not be changed. CTR is still available to single people on a low income</p>

<p>we must protect families through the CTR scheme. I do not believe we should penalise families with 2+ children</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>To disregard any dependents over two should happen with new applications only. I cannot reduce the amount of children that I have now, so to penalise me for it would be unfair.</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. Creating a separate scheme for working age claimants for with more than 2 children at a certain date would create more complexities and potential unfairness. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>
<p>Being a working class family, we depend on all the help that we can get. Limiting this to help save costs on administration is a fair point but it would have a detrimental impact on families who depend on this help.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>50% more reduction</p>	
<p>I personally think there should be more changes leaning towards supporting those who are working, and encouraging more people to work. I really think it's unfair that working people have to pay more taxes so that people who can work but don't want to can stay at home. This might sound controversial but I think my taxes should be better spent.</p>	<p>To encourage work, a standard £35 per week disregard will be provided against earnings for single persons and £70 per week for disabled applicants, carers, those in special employments or couples or lone parents</p>	<p>One which does not discriminate against single people. Winchester very expensive to live in and council tax is only tax which gives single people a bit of reprieve.</p>	<p>The proposed scheme does not discriminate against single applicants. Single applicants require a lower income compared to couples or households with children, this is reflected in the bands. Single Person Discounts will not be changed. CTR is still available to single people on a low income</p>

<p>Firstly your explanation is unnecessarily complicated and confusing. My reading is that more people in financial hardship will be denied this assistance, which is unacceptable. I feel that current economic uncertainty during Covid and on the eve of Brexit make this an inappropriate time for this review. I feel that current economic uncertainty during Covid and on the eve of Brexit make this an inappropriate time for this review. Please withdraw it.</p>	<p>Every effort has been made to communicate the proposed changes clearly and concisely, contact details were provided if further explanation/clarification was required. COVID 19 has caused lots of uncertainty and financial suffering. Central government has provided (outside of the current welfare benefits) additional financial assistance & they have enhanced the existing welfare benefits. COVID 19 has also lead to an increase in CTR claimants - enhancing the requirement for a simpler scheme. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>I wouldn't agree to an alternative, because someone who you select will be in further poverty. Why don't you stop discounts on second homes instead! Some people can't even afford one home.</p>	<p>We don't offer a discount on second homes</p>
<p>The consultation is unclear in its intentions and not explained clearly enough for people to make an informed decision as to what change or changes would significantly effect them. Things like this need to be explained in plain english. The time period for this is also rather short.</p>	<p>Every effort has been made to communicate the proposed changes clearly and concisely, contact details were provided if further explanation/clarification was required. The consultation was widely publicised to reach all residents and stakeholders. The consultation period was 6 weeks, we did the following advertisements & actively encouraged engagement and want everyone to have their say. Wrote to all CTR claimants Added to WCC website Sent a leaflet with all Council Tax bills throughout the consultation (6500) Wrote to all landlords Wrote all major preceptors Wrote to Citizens advice, CAP, Frontline debt, Parishes Added survey to all our email responses Added to residents newsletter Added to internal comms Poster in reception Social media</p>	<p>What happens to those of 'working age' but because of disabilities are not capable of work.</p>	<p>The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund.</p>

<p>The question I have is what advice is the Council getting from the LGA? surely every council is facing the same issue and so will benefit from shared wisdom.</p>	<p>The following is a link to what other LA's have introduced: www.entitledto.co.uk/media/42779/review-of-income-banded-council-tax-reduction-schemes-2020-21-from-entitledto.pdf</p>	<p>Option 2 regarding only 2 children ... does this take into account parents with multiples (eg twins, triplets etc) as I think this needs to be considered</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. Creating a separate scheme for working age claimants for with more than 2 children because they are twins/triplets would create more complexities and potential unfairness. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>
<p>Can't afford the costs of living now, scared I will get in even more debt</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>we should stop shielding pensioners financially and penalise family with children</p>	<p>The Council has no powers to change the level of support provided to Pensioners</p>

<p>I will literally not be able to afford anything outside of food rent and medical bills if I have to pay more council tax</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>I'm unsure as to why am unnecessary change to make it more difficult financially for some people.</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>
<p>I am unable to work due to my mental health and receive universal credit, long term disabled element. I currently receive maximum reduction and am afraid how this will affect me. So any change to make people poorer is in my opinion unfair.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>Keep it the same and increase the council tax for the top level council tax - those who are in the most expensive houses. There is a lot of really expensive property in Winchester and surrounds - get them to pay more. And increase the council tax charged on homes that are second residences/holiday homes/empty. Get the most wealthy to pay more.</p>	<p>No discount on second homes. No discount for empty or unfurnished properties Long term empty properties over 2 years are subject to a higher premium</p>
<p>people getting a council tax reduction are already struggling to live so it would be very unfair to cause more hardship by reducing the benefit. There are many people struggling now with the bill and are unable to get help, don't make it worse as in the end more people would end up homeless which would cost the council more in the long run.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>According to table 1, it seems that 25 percent single person discount will disappear. So, my suggestion is to retain Single Person Discount for people whose income is below 31,250.01 a year, or 2,604.20 a month, or 601 a week, before HMRC tax and national insurance contribution applied.</p>	<p>Single Person Discounts will not be changed. CTR is still available to single people on a low income</p>

<p>CTR is needed by the people who get it. Fully not partially, if that is going to affect payments for people on low incomes.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>Stay the same as now</p>	
<p>People on low incomes can't afford to pay more.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>I think it should be left as it is, the change over would cost lots and make everything so much harder for all households.</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. The proposed scheme is simple. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>
<p>If you remove the CTR it will push me further into debt. My income is already reduced because of the lockdown. To remove these benefits in any percentage, will push me further into poverty.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>leave as is. Do not reduce the amount people are getting to many people are struggling as it is even more so in the current situation.</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. The proposed scheme is simple. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>

<p>I think it's a terrible time to put more pressure on the more vulnerable people who are struggling with work and money as it is</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>keeping it as it is. why change something that seems to be working (it does for me anyway)</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. The proposed scheme is simpler. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>
<p>In light of the Covid situation any changes could cause additional stress and mental health problems to claimants. This in turn would put additional burdens on council funding. The changes to the care element seems to be a tax on disability</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available. The care element is disregarded from the household income</p>	<p>Keep it the same</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. The proposed scheme is simpler. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>
<p>universal credit is the worst designed benefit for people making them poorer and I fear that adjusted council tax benefit will make things worse, especially in pandemic</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>To keep it them same. Financially people would struggle and im unsure, as to why this isnt working or why some people would be put in a situation to make them struggle more.</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements. The proposed scheme is simpler. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>

<p>Any change is extremely worrying to people receiving benefits and in care.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>Clearly I don't have all the figures and no what's spent were to be able to give answer to this question</p>	
<p>Keep it the same, as a single parent to nearly 3 and financially its already difficult.</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>What is the alternative? THE WEALTHY CITY AND COUNTY COUNCILLORS GET WHAT THEY WANT! SO I DON'T EVEN UNDERSTAND WHY YOU'RE ASKING! DON'T TREAT THE PUBLIC LIKE THEIR STUPID! WHAT'S THIS - MANAGEMENT TRYING TO FIND A REASON TO KEEP THEIR JOBS WHILST THE FRONT LINE STAFF TAKE THE CRAP! SLING YOU'RE HOOK!</p>	
<p>I think it should be left as it is as it does seem to be working for most households.</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements and allow the Council to provide effective support to low income taxpayers</p>	<p>Don't know</p>	

<p>If possible, why change a system is already working well</p>	<p>The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements and allow the Council to provide effective support to low income taxpayers</p>	<p>Cc</p>	
<p>some really need it. I don't mean myself, I'm happy to pay council tax when my income is good.</p>			
<p>Stop the wealthy (OH FIVE COUNCIL COUNCILLORS) robbing the poor! WE'RE NOT ALL BROWN NOSES! STOP TREATING THE WORKING CLASS LIKE THEIR ILITERATURE IMBECILES! IT'S SEEMS TIME THE WEALTHY 'TOOK STOCK' ! WE DON'T NEED CORBYNITES OR FALSE CRAP! IF THE CITY COUNCIL HAVE A 'RESPECTABLE OFFER' TO PUT ON THE TABLE - TO THE WORKING CLASS THEN WE MAY CONSIDER IT! GO ON TELL ME ""WHAT IS SOOOO GOOD ABOUT</p>			

Lower the tax			
I think Winchester is already a very expensive place to live. People on their own still have to pay all their Bill's on their own..	Single Person Discounts will not be changed. CTR is still available to single people on a low income		
Single person reduction must continue or it is discriminatory and essentially a single person tax.	Single Person Discounts will not be changed		

At the moment it is difficult for people to contact the Council, now is not the time to move the goalposts	Contacting the Council has not changed. We are available via email/letter or phone.		
Don't know			

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OPTION 2: Limit to 2 dependant children	WCC Response	OPTION 3: Remove non-dependant deductions	WCC Response
<p>We have five children and feel this would be very unfair and discriminate against large families who already struggle, this would be the worst option for many large families!</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>More than one adult should equal no discount, unless they are dependents. This is an insult to the single person. Low incomes should be sufficient to pay basic living costs, such as this. Benefits should be for the needy, not an alternative to insufficient pay - we need to start clamping down on this - we may need to post Brexit.</p>	<p>Removing non-dependant deductions means that the administration of the scheme would be more straightforward whilst also protecting low income families where, for example, adult sons and daughters remain at home</p>
<p>I'm sorry to say but most large family's like myself did not decide to end up as a single parent trying to work and provide and now out of no were have to struggle more. As I said work is hard enough and you will leave family's like mine with nothing left for bills and food shopping. I do not have all figures to be able to give an answer to this question and I don't believe anyone else answering this question will be able to give a sensible answer either</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>this is a terrible idea.</p>	<p>Removing non-dependant deductions means that the administration of the scheme would be more straightforward whilst also protecting low income families where, for example, adult sons and daughters remain at home</p>

<p>Do not apply the limit. I am concerned that this would harm poor families who happen to have >2 children.</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>Adult children in work, could contribute.</p>	<p>Removing non-dependant deductions means that the administration of the scheme would be more straightforward whilst also protecting low income families where, for example, adult sons and daughters remain at home</p>
<p>I only have twos children so this wouldn't affect me but I don't agree because again it means a rise in child poverty</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>non dependent adults should contribute to the applicant if living with them</p>	<p>Removing non-dependant deductions means that the administration of the scheme would be more straightforward whilst also protecting low income families where, for example, adult sons and daughters remain at home</p>

<p>You need to consider families with multiples eg twins/triplets etc</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. Creating a separate scheme for working age claimants for with more than 2 children because they are twins/triplets would create more complexities and potential unfairness. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>non dep deductions should continue. it is correct that adult children should make a contribution to the household</p>	<p>Removing non-dependant deductions means that the administration of the scheme would be more straightforward whilst also protecting low income families where, for example, adult sons and daughters remain at home</p>
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<p>Limit it for new applicant only.</p>	<p>children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. Creating a separate scheme for 'new' working age claimants for with more than 2 children would create more complexities and potential unfairness. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>keep the same</p>	
<p>allow for up to 4 children to reflect support for children in our community</p>	<p>More than 2 children could be considered but there would be an additional cost to this & it would not be in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well</p>	<p>keeping it as is</p>	

<p>this is unfair and discriminating see previous.</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>	<p>Stay the same as now</p>	
<p>Nothing that takes away income for poor parents</p>		<p>Don't know</p>	

wrong time

COVID 19 has caused uncertainty and financial suffering. Central government has provided (outside of the current welfare benefits) additional financial assistance & they have enhanced the existing welfare benefits. COVID 19 has also lead to an increase in CTR claimants - enhancing the requirement for a simpler scheme.

Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.

keeping as is.	The current scheme is complex and the administration is high. The link between Housing Benefit and Council Tax Reduction is no longer there, the scheme needs to be changed to meet future requirements and allow the Council to provide effective support to low income taxpayers		
Stay the same as now			

Because it really doesn't make a difference to how much waste is made. If thats the case people should make thier own way of rubbish disposal.			
Don't know			

CAB3255 Appendix 3 CTR Consultation Response - comments (3)

OPTION 4: Disregarding Carers Allowance, ESA (SC) and housing element of UC	WCC Response	OPTION 5: Capital limit reduced to £6000	WCC Response
Shouldn't be counted		Keep the maximum capital limit at £16,00 and don't apply the tariff income for £6,000 to £16,000. This will reduce the cost of administration for the tariff capital and simplify the scheme	This would significantly increase the CTR awarded, adding to the cost of the scheme.
Disabled people shouldn't loose out!		That is a very big reduction. Everyone should be encouraged to save not least because an element of savings gives a person some security and therefore peace of mind. A more reasonable reduction would be to £10,000, i.e. <40% vice > 60% reduction.	By capping the limit it eliminates the requirement to calculate tariff income which applies to capital in excess of £6k. This simplifies the assessment of capital and offsets the reduction in CTR against the other changes which in effect cause an increase in CTR. So - maintains the overall cost of the scheme at current levels. Other capital limits could be considered but there would be an additional cost.

<p>Just dont think this would be fair considering you were going to put a 2 child limit.</p>		<p>Make the Figure £12,000 as most people try to save money for replacements of ware and tare items</p>	<p>This could be considered but there would be an additional cost to the CTR scheme</p>
<p>I would agree to this scheme if ALL health, disability and housing benefits were disregarded income</p>	<p>PIP & DLA are disregarded disability benefits too</p>	<p>Make it no less than half of the original amount</p>	<p>This could be considered but there would be an additional cost to the CTR scheme</p>

This seems a tax on the most vulnerable

These incomes are being disregarded from the household income

the disregarded capital amount is to low if you want to lower it at all it should be lowered by no more than £2000 to £14000 at the most.

This could be considered but there would be an additional cost to the CTR scheme

<p>keeping it as is</p>		<p>I suggest you rethink the option of allowing only claimants that have savings or capital less than 6,000 to benefit from this scheme. You should take into account the claimants' age group i.e.; 60 yrs + with savings or capital of less than 16,000 should also be eligible.</p>	<p>Creating a separate scheme for working age claimants for example, 60+ would create more complexities and potential unfairness between those in different age brackets. For those that suffer financial hardship may apply for a Exceptional Hardship payment. The Pension age scheme has a capital limit of £16K</p>
<p>people claim universal credit because of low or no income</p>		<p>Those currently with just over £6000 would be unable to claim DESPITE being in receipt of Income Support, this would put excessive strain on households having to find considerable money to pay the full council tax monthly payment.</p>	<p>This could be considered but there would be an additional cost to the CTR scheme. For those that suffer financial hardship may apply for a Exceptional Hardship payment.</p>

		<p>Why should people who have saved throughout their working lives be penalised ?</p>	
		<p>Do not penalise people for having a bit of savings. £16,000 is not a large sum of money and you risk the most vulnerable taking the money out and keeping it somewhere that is insecure and at risk of being stolen. £16,000 in savings is something that would keep people from being homeless, help heat their homes, put food on the table. It is a safety net and a lifeline, and may prevent people from falling back on social services. Which would cost the local tax payer more.</p>	<p>This could be considered but there would be an additional cost to the CTR scheme. For those that suffer financial hardship may apply for a Exceptional Hardship payment.</p>

		<p>The reduction is too harsh, The £16000 capital limit has been in place for a very long time. Given inflation and actual higher cost of living the upper limit should not be reduced.by such a large amount. Is £16000 a snap shot or yearly average figure?</p>	<p>Its at the time of applicant</p>
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		leave at £16,000 . reason this is often pensioners life savings	
		Current system	

		£16000 should remain limit	
		Keep the capital limit at £16,000	

		keep the same	
		keeping it as is	

		Stay the same as now	
		Not realistic	

		Let's face it most people eligible for the council tax reduction scheme will never likely be able to have savings!	
		I still think single people discount should remain even for working individuals, actually specifically for working individuals.	

CAB3255 Appendix 3 CTR Consultation Response - comments (4)

OPTION 6: Earning disregard replacements	WCC Response	OPTION 7: Further income disregards for the disabled	WCC Response
<p>I think that there should be more thought around total benefits for certain groups, rather than chopping a bit off here, and a bit off there from the various departments.</p>	<p>LA do not have the powers to amend Welfare Benefits. We can only develop our own Working Age Council Tax Reduction scheme (which includes some prescribed rules from central government)</p>	<p>I think that you need to be very careful before taking anything away from those who may be receiving a disability payment as I suspect that there will always be those who fall between the lines and who will end up suffering because you have changed this.</p>	<p>The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund.</p>
<p>Again I think we should stick to the current system and leave well alone.</p>		<p>I don't think disabled persons or carers in the same household should end up with less council tax reduction than before</p>	<p>The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. Carers Allowance will also be disregarded in the proposed scheme There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund.</p>

<p>keep the same</p>		<p>Again without knowing how this would affect the current claim awards this could place serious strain on a household with a severely disabled adult in receipt of multiple premiums.</p>	<p>The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund.</p>
<p>I am concerned that an administratively good solution would penalise the poor. The current system seems fairer.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>The payments aren't for the council to dip into, it's too support someone disadvantaged via disability</p>	

keeping as is

all income generated from disabilities
should be excluded from CTR
assessments

DLA & PIP are disregarded

<p>Stay the same as now</p>		<p>I don't understand why you would do that. If their income has been pre-calculated and meets expected living costs, why would their council tax need to be based on a smaller income? That's not treating other local residents fairly, as they would feel penalised.</p>	<p>Disabled income is to meet the additional needs of a disability</p>
<p>Costs of living not thought about</p>		<p>Leave all of the current disregard in place. Unfair to ask sick/disabled to have to have ask for hardship payments is degrading they have enough to deal with as it is and many would not ask which would cause their conditions to worsen which again would cost the council more in the long run</p>	<p>The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund.</p>

		Keep the same	
		keeping as is	

		<p>I think the same as child tax credit it should be children born from April 2017 should be disregarded</p>	<p>We have limited the new scheme to 2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. Creating a separate scheme for 'new' working age claimants for with more than 2 children would create more complexities and potential unfairness. If financial hardship is suffered, the Exceptional Hardship Fund is available.</p>
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		I can't decide on this.	
		Don't know	

CAB3255 Appendix 3 CTR Consultation Response - comments (5)

OPTION 8: Removing Extended Reductions	WCC Response	OPTION 9: Removal of Second Adult Reduction	WCC Response
<p>It does not seem fair that two families/people who are on different benefit structures (legacy v UC) should be treated differently. The outcome for both must be seen as fair.</p>	<p>UC does not contain extended reductions</p>	<p>Again without knowing how this would affect those households with severely disabled adults living with the applicant it is difficult to assess whether this would cause further hardship.</p>	<p>Second adult rebate is based purely on the income of the 'second adult'. If the Tax payer cannot afford their Council Tax, they may be able to apply for CTR in their own right</p>
<p>people on legacy benefits should not be penalised. UC claimants should be treated the same.</p>	<p>UC does not contain extended reductions</p>	<p>Doesn't matter if it's a "small number of people" still affects them.</p>	

<p>I've had to tolerate universal credit since 2017 after high risk domestic abuse thanks to your councils mistakes so I don't have "legacy benefits for my disabilities.</p>		<p>keep the same</p>	
<p>Moving to universal Credit is a stressful time and it takes time to adjust to what the new income level is, especially since the majority of people seem to have less income. To remove the potential for an additional 4 weeks would cause hardship. Allowing it would help people to better prepare for the income drop.</p>	<p>The additional 4 weeks is for people moving into work not moving onto UC</p>	<p>Another hazard of the income-based assessment. It will be a nightmare to keep up with the circumstances of both adults.</p>	<p>Its only the applicant's (& partners) income that will be used in the proposed income banded scheme. If second adult rebate is removed, there will be no claim to maintain.</p>

When people start a job and get paid monthly or four weekly they will not have any support for four weeks!

Council Tax Instalments can be adjusted?

Look at alternative ways of saving money within the scheme. For example, restrict the banding on Council Tax Reduction to the mean for the area, so people who live in the higher banded properties will be expected to pay more

<p>this is an incentive to moving into work which should always be encouraged so please retain</p>	<p>We will continue to provide earnings disregards to incentivise a move into work.</p>	<p>Why should single people be penalised further. Already it is more expensive to live alone and the reduction has never been 50%. The scheme should remain the same.</p>	<p>The removal of second adult rebate will not effect single people</p>
<p>Keep the extended credit provision</p>			
<p>keep the same</p>			

<p>Stay the same as now and especially for those on legacy benefits which will be the most vulnerable as mostly disabled benefits. Unreasonable to tax those with disabilities</p>	<p>The scheme has been designed so that disabled people are not disadvantaged. This is achieved by continuing to disregard their disabled income plus up to £80 per week of their other income. There may be a small number of cases that receive less support. They will be able to apply for assistance from the Exceptional Hardship Fund.</p>		
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CAB3255 Appendix 3 CTR Consultation Response - comments (6)

OPTION 10: Daily changes	WCC Response	OPTION 11: Extending backdating	WCC Response
<p>Status quo. Too much personal admin and stress in this alternative</p>	<p>Council Tax is charged on a daily basis so it seems more sensible to change CTR on a daily basis. The proposed scheme is designed to reduce the number of changes</p>	<p>Some people can genuinely not comprehend a form after trauma, should be extended. Though the council still cancelled mine so I wouldn't trust them anyway.</p>	
<p>people could end up paying more if changes are made on a daily basis and could cause problems for those on ZHCs. Changes should be made on a weekly basis starting on the First Monday after the change.</p>	<p>Council Tax is charged on a daily basis so it seems more sensible to change CTR on a daily basis. The proposed scheme is designed to reduce the number of changes</p>	<p>Backdating rather messy think changes made from date applied is easier for claimant and for yourselves. Better too for managing expectations if refused.</p>	<p>We believe that the backdating of applications should allow for better alignment with the date that the applicant's circumstances changed and that the Council be given a general discretion to backdate any claim where a good reason is provided.</p>

keep the same

Keep the same

Stay the same as now

CAB3255 Appendix 3 CTR Consultation Response - comments (7)

FUNDING CTR	WCC Response	General comments	WCC Response
Option one is the only logical option + a ULEZ tax.		Maybe charge rich people more	
People who pay council tax shouldn't be penalised to subsidise those who don't		Disabled people, and those caring for them should be protected to the absolute maximum they can be, especially in a "Covid-19 world"	The proposals include: Disregarding Carers Allowance DLA & PIP remain disregarded Non-dependant deductions to stop Additional £80 to be disregarded from their income if disabled

<p>If the new scheme does not make it more complicated for vulnerable people e.g elderly , disabled and carers to apply then it's a good thing.</p>		<p>no-one currently in receipt of legacy benefits should see a reduction of support. I reiterate that all those without employment regardless of why should have to pay a penny in council tax. benefit levels are already appallingly low and taking just a couple of quid away is the equivalent of not being able to avoid a box of cereals or the bus fare to the job centre if the need to attend.the explanations of how these changes will apply is very poor.</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available. Every effort has been made to communicate the proposed changes clearly and concisely, contact details were provided if further explanation/clarification was required.</p>
<p>Maybe target people on higher incomes and second homes rather than pushing people further into poverty. It's a disgrace.</p>		<p>The watchword should fairness to all, both the tax payer and the poor.</p>	

If the outcome of the proposed changes is that the cost is higher but that the system remains fair, Council Tax needs to be raised to pay for it.

The council should not be charging so much for 'administrative costs', this is something that the tax payers will never see.

<p>Those that genuinely disadvantaged should not suffer financially. Services must not be cut. Raise Council Tax to cover the costs. It is always the disadvantaged who suffer and should NOT.</p>		<p>I believe the CTR letter dated 23/09/20 should have been made clearer. The letter has been a great worry for people with mental health problems and those that are vulnerable.</p>	<p>Every effort has been made to communicate the proposed changes clearly and concisely, contact details were provided if further explanation/clarification was required.</p>
<p>I think that you should increase council tax on the most expensive houses, at the very top level of the council tax banding system. Plus don't allow the occupants of those houses a discount if they flip homes. The lower bands should stay the same.</p>		<p>Please provide a benefit calculation urgently to allow current recipients of CTR to calculate the effects these changes will have BEFORE changes are made and those households are placed in considerable financial difficulty.</p>	<p>We have approx. 3700 working age households, we are unable to provide details to each applicant of what their new CTR would be if the proposed changes were implemented. We have provided details of the proposed bands & income disregards. Claimants can either calculate how it will effect their CTR from this information or contact us for further details.</p>
<p>It is very difficult to ascertain the effects on households if this scheme is introduced without being able to calculate the effects on benefit dependant households. The council needs to provide a benefit calculation for 2021/22 to allow households who may be affected to assess whether they are going to be able to manage any increases to their bills BEFORE it is implemented.</p>	<p>We have approx. 3700 working age households, we are unable to provide details to each applicant of what their new CTR would be if the proposed changes were implemented. We have provided details of the proposed bands & income disregards. Claimants can either calculate how it will affect their CTR from this information or contact us for further details.</p>	<p>Perhaps you could do telephone reviews/ applications for people who are not able to get out?.</p>	

<p>I do find it hard to believe that the additional administration costs incurred to cope with the increase in the number of claimants will force Winchester Council to put up the council taxes. It is already very high and equated to 12% of my income, when I was earning, not to mention the increase every year. My salary remained the same!</p>	<p>Administration costs are increasing & government funding is reducing. Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself.</p>	<p>I'll never forgive this council to making a massive error and forcing me onto universal credits causing me 4.5 months of a nil income food bank only and all for your over paid head of department to not give two hoots. After high risk domestic abuse and two kids and a crisis. This council is a disgrace.</p>	
<p>Over the years services have been cut, refuse collection from once a week to fortnightly, street lighting turned off, etc council tax never went down</p>		<p>please contact me to keel me up to date. Please consider my opinion</p>	

<p>Taking away all of reduction would be a hike of about 400 quid a year. Too sudden and expensive a change... Think a more moderate scheme needed so as not to impact any people so massively..</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>	<p>n/a</p>	
<p>I think this is making it harder on the most vulnerable</p>	<p>Whilst the approach and 'shape' of the scheme is changing, there is no deliberate intention either to reduce the level of support available to households or to increase the overall costs of the scheme itself. For those that suffer financial hardship, the Exceptional Hardship Fund is available.</p>		

<p>Thousands and thousands of WCC residents will be much poorer in the future. It is inevitable that local authority funding will be slashed (both funding from central government and those able to pay local taxes). The country will be on its knees in debt for several years to come, with very few people employed to prop it up. We have to accept that hardship for individuals, will be mirrored in local Council and National finances. If we need to make cuts, then we need to make cuts. The most important thing is that we need to make any changes easy to administer and cheap to administer, NOT more expensive, as I am certain, the circumstances and entitlements for many, many residents will change dramatically over the next few years, as we navigate an extremely difficult employment market.. The option to increase the level of Council tax will be gradually eroded over time, as more and more businesses fold and unemployment soars.</p>			
<p>more than 2 children. You need to consider if this is how you want the council to be seen at this time (especially in a global pandemic). There's no 'ideal' time to make savings to a scheme but is it right to do it when families are already struggling? When food bank demand is high. You could be asking families to pay more when they are at their most vulnerable. You state the exceptional hardship scheme will be available but how many people will look to this option? How many will bury their head in the sand? How will this effect the mental health of our area? What extra support will you put in place to ensure</p>	<p>2 children, in line with all other benefits i.e. Universal Credit, Tax Credits, Housing Benefit & Pensioner CTR (which are prescribed by central government). The vast majority of other Local Authorities also limit to 2 children as well. We will ensure that the exceptional hardship payments are accessible & easy to claim. UC standard allowance for a single person is £94.59 a week (the basic</p>		

n/a			
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CAB3255 Appendix 3 CTR Consultation Response - comments (8)

Other option suggestions	WCC Response
<p>Local Service scheme - 20 hours per week, performing part-time roles such as bin collection, street sweeping, council office reception, council office post room, school cleaner, council office cleaner, grass verge cutting, council and school window cleaning, car park attendants etc. to qualify for income support. Hopefully this should help with massive cost cutting. We have resources - there are lots of unemployed people, who could do their bit to earn their benefits. There are many roles that could be performed by people of all ages, with limited skills, and limited physical capabilities, reducing costs of rip-off outsourced services. I also believe that the council should look at total benefits packages, rather than discounts off this and that. We would then have a truer picture of household financial resources and where discounts should be provided. We could actually do something remarkable here, that other local authorities want to emulate. Finally, please stop wasting money, going back and forth on projects for years. The money that has been wasted is eye watering and unforgiveable. Residents shouldn't suffer financially due to terrible decisions, bad design work and poor project management. This isn't a game, it's taxpayers money, which is becoming a scarce resource..</p>	
<p>To recap, I feel the option to limit the maximum capital limit to 6,000 from 16,000 without considering the claimants' age is discriminatory. I am 63 years old and single with currently 15,000 in the bank, which is dwindling rapidly. That is hardly a fortune at my age? While I endeavour to find employment, it is unrealistic to think I will be able to live the rest of my years serenely.</p>	<p>Creating a separate scheme for working age claimants for example, 60+ would create more complexities and potential unfairness between those in different age brackets. For those that suffer financial hardship may apply for a Exceptional Hardship payment. The Pension age scheme has a capital limit of £16K</p>

Please design a scheme that takes into account the enormous number of households with single parents caring for severely disabled adults. They very often fall between the gaps of such changes which causes severe financial difficulty.

The proposals include:
Disregarding Carers Allowance
DLA & PIP remain disregarded
Non-dependant deductions to stop
Additional £80 to be disregarded from their income if disabled

I have set out my suggestion earlier. I feel this will be fairer for the vast majority of people.

An approach so that one group of people is not discriminated against ie in this case single people Did not like comment winners and losers..rather polarising and not democratic. Better fair deal and no extremes for everyone.Think is Councils job to ensure less extremes..noone gains excessively or loses severely.Maybe unrealistic to say everyone wins but everyone does alright or is treated fairly.Poor choice of phrase I think..

Modelling shows that on the whole it's not single people that will lose out. The single person discount will not be effected. The council is keen to protect as many applicants as possible. The council is not minded to reduce the overall total level of support

Streamlining the application process for claiming has come along way in the last few years and is a much less complicated process than it used to be . When you have disabled family members you always seem to be drowning in paperwork . It's always a bonus when you don't have to fill out the same paperwork every year if there's no changes in circumstances.

keep the same please. People are suffering enough financially due to changes.

Target Savings where people can afford it not targeting the most vulnerable in society, and just remember Hampshire DO NOT GIVE UNIFORM GRANTS whilst other counties do. So put that in your calculations pot as well.

Raise Council Tax. Eliminate fraudulent claims.

<p>A CITY CENTRE ULEZ TAX, like other local areas to meet the governments low emissions target and the 2035 deadline for cease of ICE propelled vehicles. This money would then provide enough revenue to provide a facelift the the town car parks, providing a better EV friendly future and investing in a better town infrastructure.</p>	
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**Winchester City Council
Council Tax Reduction Scheme
S13A and Schedule 1a of the Local Government Finance Act 1992**

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DRAFT

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 2021.
- 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 2021 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
 - The Council Tax Reduction Schemes (England) (Amendment) Regulations 2017;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

- 1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;
- a. has attained the qualifying age for state pension credit; and
 - b. is not, or, if he has a partner, his partner is not;
 - i. a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance; or
 - ii. a person with an award of universal credit

The three prescribed classes are as follows;

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

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

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the

- c. day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- e. not have capital savings above £16,000; and
- f. who has made an application for a reduction under the authority's scheme.

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

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

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

Class C: alternative maximum Council Tax Reduction

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

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

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

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

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or

- (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

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

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

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

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

Class D

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;

- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax 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.

DRAFT

Council Tax Reduction Scheme

**Details of support to be given for working age applicants for the financial year
2021/22**

DRAFT

**Sections 2- 8
Definitions and interpretation**

DRAFT

2.0 Interpretation – an explanation of the terms used within this policy

2.1 In this policy–

‘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 policy all references are in the masculine gender but apply equally to male and female;

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

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

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

‘attendance allowance’ means–

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

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

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

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

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

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

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

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

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

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

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

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

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

'child' means a person under the age of 16;
 'child benefit' has the meaning given by section 141 of the SSCBA as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;
 'child tax credit' means a child tax credit under section 8 of the Tax Credits Act 2002;
 'the Children Order' means the Children (Northern Ireland) Order 1995;
 'claim' means a claim for council tax reduction;
 'close relative' means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;
 'concessionary payment' means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act are charged;
 'the Consequential Provisions Regulations' means the Housing Benefit and Council tax reduction (Consequential Provisions) Regulations 2006;
 'contributory employment and support allowance' means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;
 'converted employment and support allowance' means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations;
 '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 reduction (or reduction)' means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);
 'couple' means;

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

 'date of claim' means the date on which the claim is made, or treated as made, for the purposes of this policy
 'designated authority' means any of the following;
 the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;
 'designated office' means the office designated by the authority for the receipt of claims for council tax reduction;

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

 'disability living allowance' means a disability living allowance under section 71 of the Act;
 'dwelling' has the same meaning in section 3 or 72 of the 1992 Act;
 'earnings' has the meaning prescribed in section 25 or, as the case may be, 27;
 'the Eileen Trust' means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;
 'electronic communication' has the same meaning as in section 15(1) of the 2000 Act;
 'employed earner' is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;
 'Employment and Support Allowance Regulations' means the Employment and Support

Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate; 'Employment and Support Allowance (Existing Awards) Regulations' means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

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

'employment zone' means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and 2014 and an 'employment zone programme' means a programme established for such an area or areas designed to assist applicants for a jobseeker's allowance to obtain sustainable employment

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

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

'extended payment (or reduction)' means a payment of council tax reduction payable pursuant to section 60;

'extended payment (or reduction) period' means the period for which an extended reduction is payable in accordance with section 60A or 61A of this policy;

'extended payment or 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 14(1)(b) or article 21(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005(b);

'he, him, his' also refers to the feminine within this policy

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

'Immigration and Asylum Act' means the Immigration and Asylum Act 1999;

'an income-based jobseeker's allowance' and 'a joint-claim jobseeker's allowance' have the same meaning as they have in the Jobseekers Act by virtue of section 1(4) of that Act;

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

'Income Support Regulations' means the Income Support (General) Regulations 1987(a);

'independent hospital'—

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

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

(c) in Scotland, means an independent health care service as defined in section 2(5)(a) and (b) of the Regulation of Care (Scotland) Act 2001;

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

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

'Jobseekers Act' means the Jobseekers Act 1995; 'Jobseeker's Allowance Regulations' means the Jobseeker's Allowance Regulations 1996 and Jobseeker's Allowance Regulations 2013 as

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

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

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

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

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

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

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

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

'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;

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

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

(B) Part 4 of the Employment and Support Allowance Regulations 2013 other than by virtue of regulation

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

'mobility supplement' means a supplement to which paragraph 9 of Schedule 4 refers;

'mover' means a 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 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;
- (l) 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
- (li) ‘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;
‘ordinary clothing or footwear’ means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;
‘partner’ means–

- (a) where an applicant is a member of a couple, the other member of that couple; or
- (b) where an applicant is polygamously married to two or more members of his household, any such member to whom he is married;

‘paternity leave’ means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;
‘payment’ includes part of a payment;
‘pensionable age’ has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;
‘pension fund holder’ means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;
‘pensioner’ a person who has attained the age at which pension credit can be claimed;
‘person affected’ shall be construed as a person to whom the authority decides is affected by any decision made by the council;
‘person on income support’ means a person in receipt of income support;
‘personal independence payment’ has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;
‘person treated as not being in Great Britain’ has the meaning given by section 7;
‘personal pension scheme’ means–

- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- b. an annuity contractor trust scheme approved under section 20 or 21 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

‘policy of life insurance’ means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;
‘polygamous marriage’ means a marriage to which section 133(1) of the Act refers namely;

- (a) a person is a husband or wife by virtue of a marriage entered into under law which permits polygamy; and

- (b) either party to the marriage has for the time being any spouse additional to the other party.
- 'public authority' includes any person certain of whose functions are functions of a public nature;
- 'qualifying age for state pension credit' means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)–
- (a) in the case of a woman, pensionable age; or
- (b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;
- 'qualifying contributory benefit' means;
- (a) severe disablement allowance;
- (b) incapacity benefit;
- (c) contributory employment and support allowance;
- 'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996
- 'qualifying income-related benefit' means
- (a) income support;
- (b) income-based jobseeker's allowance;
- (c) income-related employment and support allowance;
- 'qualifying person' means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- 'reduction week' means a period of seven consecutive days beginning with a Monday and ending with a Sunday;
- 'relative' means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;
- 'relevant authority' means an authority administering council tax reduction;
- 'relevant week' In relation to any particular day, means the week within which the day in question falls;
- 'remunerative work' has the meaning prescribed in section 6;
- 'rent' means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;
- 'resident' has the meaning it has in Part 1 or 2 of the 1992 Act;
- 'Scottish basic rate' means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;
- 'Scottish taxpayer' has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;
- 'second authority' means the authority to which a mover is liable to make payments for the new dwelling;
- 'self-employed earner' is to be construed in accordance with section 2(1)(b) of the Act;
- 'self-employment route' means assistance in pursuing self-employed earner's employment whilst participating in–
- (a) an employment zone programme;
- (b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
- (c) the Employment, Skills and Enterprise Scheme;
- (d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- (e) Back to Work scheme.
- 'Service User' references in this scheme to an applicant participating as a service user are to
- a. a person who is being consulted by or on behalf of—
- (i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
- (ii) a body which conducts research or undertakes monitoring for the purpose of

- planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- b. the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph

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

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

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

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

‘the SSCBA’ means the Social Security Contributions and Benefits Act 1992

‘State Pension Credit Act’ means the State Pension Credit Act 2002;

‘student’ has the meaning prescribed in section 43;

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

‘support or reduction week’ means a period of 7 consecutive days commencing upon a Monday and ending on a Sunday;

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

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

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

(a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People’s Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;

(b) to a person for his maintenance or in respect of a member of his family; and

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

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

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

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

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

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

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

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

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

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

‘water charges’ means;

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

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

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

‘Welfare Reform Act’ means the Welfare Reform Act 2007;

‘Working Tax Credit Regulations’ means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended¹; and

‘young person’ has the meaning prescribed in section 9(1).

- 2.2 In this policy, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this policy, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this policy, a person is on an income-based jobseeker’s allowance on any day in respect of which an income-based jobseeker’s allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker’s allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker’s allowance is not payable); or
 - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
 - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
 - (d) in respect of which an income-based jobseeker’s allowance or a joint-claim jobseeker’s allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.4A For the purposes of this policy, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
 - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.5 For the purposes of this policy, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

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

2.6 In this policy, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

3.0 Definition of non-dependant

3.1 In this policy, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.

3.2 This paragraph applies to;

- a. any member of the applicant's family;
- b. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
- c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
- d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
- e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

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

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

4.0 Requirement to provide a National Insurance Number²

4.1 No person shall be entitled to reduction unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming reduction.

4.2 This subsection is satisfied in relation to a person if–

- a. the claim for reduction is accompanied by;
 - i. a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or

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

- 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;
 - iii. is a person from abroad for the purposes of this scheme; and
 - iv. has not previously been allocated a national insurance number.

5.0 Persons who have attained the qualifying age for state pension credit

5.1 This scheme applies to a person if:

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

6.0 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) article 3 (grant of leave to EEA and Swiss nationals) of the Immigration (European Economic Area Nationals) (EU Exit) Order 2019 made under section 3A of that Act;
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act.
- 7.5 A person falls within this paragraph if the person is—
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971³ where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
 - (f) a person who has humanitarian protection granted under those rules;
 - (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
 - (h) in receipt of income support or on an income-related employment and support allowance; or
 - (ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4).
- 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 2016; and
 and the The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014;
 and
 “Her Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

³ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

Persons subject to immigration control

- 7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9
- 7.11 "Person subject to immigration control" has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

- 7A.1 The above does not apply to a person who, on 31st March 2015—
- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act; and
 - (b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7A.2 occurs.
- 7A.2 The events are—
- (a) the person makes a new application for a reduction under an authority's scheme established under section 13A(2) of the Act; or
 - (b) the person ceases to be entitled to an income-based jobseeker's allowance.
- 7A.3 In this section "the Act" means the Local Government Finance Act 1992.

8.0 Temporary Absence (period of absence)

- 8.1 Where a person is absent from the dwelling throughout any day then no reduction shall be payable
- 8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.
- 8.3 In paragraph 8.2, a 'period of temporary absence' means—
- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
 - i. the person resides in that accommodation;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;
 - b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period is unlikely to exceed 13 weeks; and
 - c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let;
 - iii. the person is a person to whom paragraph 8.4 applies; and
 - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

- 8.4 This paragraph applies to a person who is;
- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
 - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
 - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
 - b. resident in a hospital or similar institution as a patient;
 - c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
 - d. following, in the United Kingdom or elsewhere, a training course;
 - e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
 - f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
 - g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
 - h. a student;
 - i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
 - j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

- 8.5 This paragraph applies to a person who is:
- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986; and
 - b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

- 8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—
- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
 - b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
 - c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident

- 8.7 In this section;
- ‘medically approved’ means certified by a medical practitioner;
 - ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
 - a. in a care home;
 - b. in an independent hospital;
 - c. in an Abbeyfield Home; or
 - d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
 - ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of,

Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

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Sections 9 - 11
The family for Council Tax Reduction purposes

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9.0 Membership of a family

- 9.1 Within the reduction scheme adopted by the Council 'family' means;
- a. a married or unmarried couple;
 - b. married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - c. two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - d. two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
 - e. and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
 - f. except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person' A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- a. on income support ;
 - b. an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
 - c. a person to whom section 6 of the Children (Leaving Care) Act 2000 applies
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable

10.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- a. the person who is receiving child benefit in respect of him; or
 - b. if there is no such person;
 - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or

ii. in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this scheme a child or young person shall be the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

11.0 Circumstances in which a child or young person is to be treated as being or not being a member of the household

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is;

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002⁴ or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he—

- a. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- b. has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- c. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 The authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household in any reduction week where;

- a. that child or young person lives with the applicant for part or all of that reduction week; and
- b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 as amended.

12.0 – 14 Not Used

⁴ The Adoption and Children Act 2002 (Commencement No. 12) Order 2014

Sections 15 – 32 & Schedules 3 & 4
Definition and the treatment of income for Council Tax Reduction purposes

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15.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage

15.1 The income and capital of an applicant's partner within this scheme and for the purposes of claiming council tax reduction is to be treated as income and capital of the applicant and shall be calculated or estimated in accordance with the following provisions in like manner as for the applicant; and any reference to the 'applicant' shall, except where the context otherwise requires be construed for the purposes of this scheme as if it were a reference to his partner.

15.2 Where an applicant or the partner of is married polygamously to two or more members of his household—

- a. the applicant shall be treated as possessing capital and income belonging to each such member; and
- b. the income and capital of that member shall be calculated in accordance with the following provisions of this scheme in like manner as for the applicant.

15.2 The income and capital of a child or young person shall not be treated as the income and capital of the applicant.

15A.0 Calculation of income and capital: persons who are not pensioners who have an award of universal credit

15A.1 In determining the income of an applicant

- a. who has, or
- b. who (jointly with his partner) has,

an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

15A.2 The authority may adjust the amount referred to in sub-paragraph (1) to take account of

- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
- (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings);
- (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
- (d) section 33 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
- (e) any sum which may be disregarded as housing costs;
- (f) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

15A.4 sections 33 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

15A.5 In determining the capital of an applicant;

- (a) who has, or
- (b) who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award

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

16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.'

16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

17.0 Calculation of income on a weekly basis

17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;

17.2 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

18.0 Not used

19.0 Average weekly earnings of employed earners

19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—

- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - i. 5 weeks, if he is paid weekly; or
 - ii. 2 months, if he is paid monthly; or
- b. whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)

- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

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

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26

20.0 Average weekly earnings of self-employed earners

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

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme

21.0 Average weekly income other than earnings

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 4 of this scheme

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

21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this scheme

22.0 Calculation of average weekly income from tax credits

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3

22.3 Where the instalment in respect of which payment of a tax credit is made is;

- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- b. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- c. a two-weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- d. a four-weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

22.4 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

23.0 Calculation of weekly income

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

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

the number of days in the period to which it relates and multiplying the quotient by 7.

- 23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the quotient by 7.

24.0 Disregard of changes in tax, contributions etc.

- 24.1 In calculating the applicant's income the appropriate authority may disregard any legislative change
- a. in the basic or other rates of income tax;
 - b. in the amount of any personal tax relief;
 - c. in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
 - d. in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act;
 - e. in the maximum rate of child tax credit or working tax credit

for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

25.0 Earnings of employed earners

- 25.1 Subject to paragraph 25.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes—
- a. any bonus or commission;
 - b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
 - c. any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
 - d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
 - e. any payment by way of a retainer;
 - f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - g. (i) travelling expenses incurred by the applicant between his home and his place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
 - h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
 - i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
 - j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
 - k. any statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
 - l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work

- because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended⁵.

25.2 Earnings shall not include—

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of an applicant participating as a service user.

25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)

26.0 Calculation of net earnings of employed earners

26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
- d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.

26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—

- a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

⁵ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

- 26.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less—
- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
 - b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - c. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

27.0 Earnings of self-employed earners

27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self- employed earner, means the gross income of the employment any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

27.3 This paragraph applies to—

- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- b. any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction shall be treated as a corresponding fraction of a week) by dividing the earnings by the amount of council tax reduction which would be payable had the payment not been made plus an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

28.1 For the purposes of section 20 (average weekly earnings of self- employed earners) the earnings of an applicant to be taken into account shall be

- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- b. in the case of a self-employed earner whose employment is carried on in partnership or

is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—

- i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.

28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.

28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less

- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- b. an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.

28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of—

- a. any capital expenditure;
- b. the depreciation of any capital asset;
- c. any sum employed or intended to be employed in the setting up or expansion of the employment;
- d. any loss incurred before the beginning of the assessment period;
- e. the repayment of capital on any loan taken out for the purposes of the employment;
- f. any expenses incurred in providing business entertainment, and
- g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.

28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for—

- a. the replacement in the course of business of equipment or machinery; and
- b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a) or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

28.8 For the avoidance of doubt—

- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
- b. a deduction shall be made thereunder in respect of—
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the

- iii. any payment of interest on a loan taken out for the purposes of the employment

28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of

- a. income tax; and
- b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.

28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.

28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined

- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
- b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

29.0 Deduction of tax and contributions of self-employed earners

29.1 The amount to be deducted in respect of income tax under section 28.1b i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of—

- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

- 29.3 In this section 'chargeable income' means—
- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph (28.3)(a) or, as the case may be, (28.4) of section 28;
 - b. in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

- 30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.4, be his gross income and any capital treated as income under section 31 (capital treated as income).
- 30.2 There shall be disregarded from the calculation of an applicant's gross income under paragraph 30.2, any sum, where applicable, specified in Schedule 4.
- 30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.
- 30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations, the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- 30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 27.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.
- 30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.
- 30.7 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.
- 30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—
$$\frac{A - (B \times C)}{D}$$

Where
A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5
B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;
C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;
D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if–

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section– ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of sections 43 to 45, ‘assessment period’ means–

- a. in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;
- b. in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes–
 - i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
 - ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those date is earlier

‘quarter’ in relation to an assessment period means a period in that year beginning on;

- a. 1st January and ending on 31st March;
- b. 1st April and ending on 30th June;
- c. 1st July and ending on 31st August; or
- d. 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1

- a. any payment to which paragraph 25.2 (payments not earnings) applies; or
- b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 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.

31.0 Capital treated as income

31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £6,000, be treated as income.

31.2 Any payment received under an annuity shall be treated as income.

31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.

31.4 Any Career Development Loan paid pursuant to section 2 of the 1973 Act shall be treated as income

31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

32.0 Notional income

32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of reduction or increasing the amount of that reduction.

32.2 Except in the case of–

- a. a discretionary trust;
- b. a trust derived from a payment made in consequence of a personal injury;
- c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
- d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
- e. any sum to which paragraph 48(a) of Schedule 5 refers;
- f. rehabilitation allowance made under section 2 of the 1973 Act;
- g. child tax credit; or
- h. working tax credit,
- i. any sum to which paragraph 32.13 applies;

any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.

32.3 – 32.5 Not used

32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–

- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
- c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

32.7 Paragraph 32.6 shall not apply in respect of a payment of income made–

- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- c. pursuant to section 2 of the 1973 Act in respect of a person's participation–
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

- (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- d. in respect of a previous participation in the Mandatory Work Activity Scheme;
- e. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
- (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person’s estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.
- 32.9 Subject to paragraph 32.10, where—
- a. applicant performs a service for another person; and
 - b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.
- 32.10 Paragraph 32.9 shall not apply—
- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
 - b. in a case where the service is performed in connection with—
 - (i) the applicant’s participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker’s Allowance Regulations, other than where the service is performed in connection with the applicant’s participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the applicant’s or the applicant’s partner’s participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or
 - c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.
- 32.10A In paragraph 32.10 (c) ‘work placement’ means practical work experience which is not undertaken in expectation of payment.
- 32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group.

Sections 33 – 42 & Schedule 5
Definition and the treatment of capital for Council Tax Reduction purposes

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33.0 Capital limit

33.1 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

34.0 Calculation of capital

34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Disregard of capital of child and young person

35.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

36.0 Income treated as capital

36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.

36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.

36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

36.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

36.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

37.0 Calculation of capital in the United Kingdom

37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—

- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. the amount of any encumbrance secured on it;

38.0 Calculation of capital outside the United Kingdom

- 38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated
- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
 - b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer, less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

39.0 Notional capital

- 39.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with section 40 (diminishing notional capital rule).
- 39.2 Except in the case of
- (a) a discretionary trust; or
 - (b) a trust derived from a payment made in consequence of a personal injury; or
 - (c) any loan which would be obtained only if secured against capital disregarded under Schedule 5; or
 - (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
 - (e) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
 - (f) any sum to which paragraph 48(a) of Schedule 5 refers; or
 - (g) child tax credit; or
 - (h) working tax credit,
- any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.
- 39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made
- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in subparagraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
 - (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made:
- a. under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
 - b. pursuant to section 2 of the 1973 Act in respect of a person's participation:
 - i. in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's

Allowance Regulations;

- ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
- v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- c. in respect of a person's participation in the Mandatory Work Activity Scheme;
- d. Enterprise Scheme;
- e. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme;
- f. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - i. a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - ii. the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - iii. the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- b. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

40.0 Diminishing notional capital rule

40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;

- a. in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
- b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.

40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that

- a. he is in receipt of council tax reduction; and
- b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.

- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- a. the additional amount to which sub-paragraph 40.2 (b) refers;
 - b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations (notional capital);
 - c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
 - d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations (notional capital) and
 - e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
 - b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
 - c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
 - d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which

- e. he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case—

- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words ‘relevant week’ there were substituted the words ‘relevant subsequent week’; and
- b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

40.6 The conditions are that

- a. a further claim is made 26 or more weeks after
 - (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
 - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
- b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.

40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.

40.8 For the purposes of this section

- a. ‘part-week’
 - (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
 - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 40.4 (c),(d) and (e) means—
- aa. a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker’s allowance is payable; and
- bb. any other period of less than a week for which it is payable;
- b. ‘relevant week’ means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1
 - (i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or
 - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;
 and where more than one reduction week is identified by reference to heads (i) and (ii) of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- c. 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

41.0 Capital jointly held

41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess

42.0 Calculation of tariff income from capital

42.1 There shall be no tariff income.

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Sections 43 - 56

Definition and the treatment of students for Council Tax Reduction purposes⁶

⁶ Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

'academic year' means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

'access funds' means;

- a. grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- b. grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- c. grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- d. discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- e. Financial Contingency Funds made available by the Welsh Ministers;

'college of further education' means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

'contribution' means;

- a. any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
- b. any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;

'course of study' means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

'covenant income' means the gross income payable to a full-time student under a Deed of Covenant by his parent;

'education authority' means a government department, a local education authority as defined in section 12 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973 an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body of the Channel Island, Isle of Man or any other country outside Great Britain;

'full-time course of study' means a full time course of study which;

- a. is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;;

- b. is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
 - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student’s learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- c. is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

‘full-time student’ means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

‘grant’ (except in the definition of ‘access funds’) means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

‘grant income’ means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

‘higher education’ means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992; ‘last day of the course’ means;

- a. in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- b. in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

‘period of study’ means—

- a. in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b. in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year’s start and ending with either—
 - (i) the day before the start of the next year of the course in a case where the student’s grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- c. in the final year of a course of study of more than one year, the period beginning with that year’s start and ending with the last day of the course;

‘periods of experience’ means periods of work experience which form part of a sandwich course;

‘qualifying course’ means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations;

‘modular course’ means a course of study which consists of two or more modules, the successful

completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

'sandwich course' has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

'standard maintenance grant' means—

- a. except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 ('the 2003 Regulations') for such a student;
- b. except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;
- c. in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as 'standard maintenance allowance' for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- d. in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

'student' means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

- a. a course of study at an educational establishment; or
- b. a qualifying course;

'student' loan' means a loan towards a student's maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Student's Allowances (Scotland) Regulations 2007

- 43.2 For the purposes of the definition of 'full-time student', a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course
- a. in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending:
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
 - b. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

- 43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;
- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
 - b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

- 44.1 The following sections relate to students who claim Council tax reduction

45.0 Students who are excluded from entitlement to council tax reduction

- 45.1 Students (except those specified in paragraph 45.3) are not able to claim Council tax reduction under Classes D and E of the Council's reduction scheme.
- 45.2 To be eligible for reduction, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this scheme (persons from aboard).
- 45.3 Paragraph 45.2 shall not apply to a student
- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) who is a lone parent;
 - (c) where, **but for this scheme**, whose applicable amount would, but for this section, include the disability premium or severe disability premium;
 - (d) where, **but for this scheme**, whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
 - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
 - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
 - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
 - (i) who is;
 - (i) aged under 21 and whose course of study is not a course of higher education, or
 - (ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);
 - (j) in respect of whom
 - i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
 - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or
 - (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

45.3A For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19

45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;

(a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
(i) engaged in caring for another person; or
(ii) ill;

(b) he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

(c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

(a) the day on which he resumes attending or undertaking the course; or

(b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
which shall first occur.

46.0 Calculation of grant income

46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.

46.2 There shall be excluded from a student's grant income any payment;

(a) intended to meet tuition fees or examination fees;

(b) in respect of the student's disability;

(c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;

(d) on account of the student maintaining a home at a place other than that at which he resides during his course;

(e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;

(f) intended to meet the cost of books and equipment;

(g) intended to meet travel expenses incurred as a result of his attendance on the course;

(h) intended for the child care costs of a child dependant.

(i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

46.3 Where a student does not have a student loan and is not treated as possessing such a loan,

there shall be excluded from the student's grant income;
(a) the sum of £303 per academic year in respect of travel costs; and
(b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.

46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;

- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

47.0 Calculation of covenant income where a contribution is assessed

47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.

47.2 The weekly amount of the student's covenant shall be determined—

- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
- (b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant

income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

48.0 Covenant income where no grant income or no contribution is assessed

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

49.0 Student Covenant Income and Grant income – non-disregard

49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme

50.0 Other amounts to be disregarded

50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

51.0 Treatment of student loans

51.1 A student loan shall be treated as income.

51.2 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,

- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
 - (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
 - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
 - (ii) no deduction in that loan was made by virtue of the application of a means test.

51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

51A.0 Treatment of fee loans

51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

52.4 Where a payment from access funds is made—
(a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
(b) before the first day of the course to a person in anticipation of that person becoming a student,
that payment shall be disregarded as income.

53.0 Disregard of contribution

53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

54.0 Further disregard of student's income

54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

55.0 Income treated as capital

55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

- 56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

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Sections 57 – 63
The calculation and amount of Council Tax Reduction

DRAFT

57.0 Maximum Council Tax Reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum Council Tax Reduction in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A divided by B where;

- (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
- (b) B is the number of days in that financial year,

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

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

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to Council Tax Reduction) applies, in determining the maximum Council Tax Reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case

58.0 Non-dependant deductions

58.1 There shall be no non-dependant deductions

59.0 - 62.0 Not used

Sections 64 – 67

Dates on which entitlement and changes of circumstances are to take effect

DRAFT

64.0 Date on which entitlement is to begin

64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that support shall be so entitled from date on which that claim is made or is treated as made.

64.2 Where a person is otherwise entitled to council tax reduction and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his claim is made or is treated as made, he shall be so entitled from the date of claim

65.0 - 66.0 Not Used

67.0 Date on which change of circumstances is to take effect

67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

67.6 If two or more changes of circumstances occur in the same reduction week, each shall be actioned on the day they actually occur.

67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

Sections 68– 74A
Claiming and the treatment of claims for Council Tax Reduction purposes

DRAFT

68.0 Making an application⁷

- 68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- 68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
 - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 68.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a);
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

69.0 Procedure by which a person may apply for a reduction under the authority's scheme⁸

69.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- (d) An application for Universal Credit may be treated by the authority as a claim for reduction.

69.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.
(2) The form must be provided free of charge by the authority for the purpose.

69.4 (1) Where an application made in writing is defective because—
(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
(b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,
the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

69.9 Where an applicant makes a claim which a period before the claim is made the authority may, at its discretion, backdate the claim to a period up to the beginning of the financial year.

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

69A.0 Date on which an application is made

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

(a) in a case where;

(i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and

(ii) the application for a reduction is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

(b) in a case where

(i) an applicant or his partner is a person in receipt of a guarantee credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling he occupies as his home, and

(iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where;

(i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and

(ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(d) in a case where;

(i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where;

(i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and

(ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which an application is received at the designated office.

69A.2 For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days), have been entitled to that allowance.

- 69A.3 Where there is a defect in an applications by telephone;
- (a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
 - (b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.
- 69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- 69A.5 The conditions are that—
- (a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or
 - (b) where an application is not on approved form or further information requested by authority applies;
 - (i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;
 - (ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,
 - in either case, within such longer period as the authority may consider reasonable; or
 - (c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.
- 69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.
- 69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than;
- (a) in the case of an application made by;
 - (i) a pensioner, or
 - (ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit, the seventeenth reduction week following the date on which the application is made, or
 - (b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.
- 69A.8 In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public

for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

70.0 Submission of evidence electronically

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim

71.0 Use of telephone provided evidence

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim

72.0 Information and evidence⁹

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

72.2 This sub-paragraph is satisfied in relation to a person if—

- (a) the application is accompanied by;
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
- (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.

72.3 Sub-paragraph (2) does not apply;

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who;
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.

72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

72.6 Where the authority makes a request under sub-paragraph (4), it must;

- (a) inform the applicant or the person to whom a reduction under its scheme has been

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

awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and

(b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

- 72.7 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 58.9.

72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;

- (a) the name and address of the pension fund holder;
- (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of application¹⁰

73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

73.2 Where the application was made by telephone the amendment may also be made by telephone.

73.3 Any application amended is to be treated as if it had been amended in the first instance.

73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.

73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

74.0 Duty to notify changes of circumstances¹¹

74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;

- (a) between the making of an application and a decision being made on it, or
- (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.

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

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

- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
- (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
 - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
 - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
 - (b) changes in the age of the applicant or that of any member of his family;
 - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 The duty imposed on a person by sub-paragraph (1) includes in the case of a person falling within alternative maximum council tax reduction, giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs.
- 74.7 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances

Sections 75- 90
Decisions, decision notices and awards of Council Tax Reduction

DRAFT

75.0 Decisions by the authority¹²

75.1 The authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and section 69 being satisfied, or as soon as reasonably practicable thereafter.

76.0 Notification of decision¹³

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;

(a) informing the person affected of the duty imposed by paragraph 9(1);

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(3) who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney

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

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

Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

77.0 Time and manner of granting council tax reduction¹⁴

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom reduction is to be paid¹⁵

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

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

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

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

79.0 Shortfall in reduction¹⁶

79.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonable practicable, as soon as possible afterwards.

80.0 Payment on the death of the person entitled¹⁷

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

81.0 Offsetting

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

82.0 Payment where there is joint and several liability¹⁸

82.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
 - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
 - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,
- it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

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

82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment under paragraph 4(3) or is treated as having been so appointed by virtue of paragraph 4(4), the amount of the reduction may be paid to that person.

83.0 – 90.0 Not used

¹⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁸ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

Sections 91 – 94

Collection, holding and forwarding of information for Council Tax Reduction purposes

DRAFT

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

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

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements¹⁹..

92.0 Collection of information

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from—

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

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

93.0 Recording and holding information

93.1 The authority may

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

94.0 Forwarding of information

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

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

¹⁹ Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

Sections 95 – 98
Revisions, Written Statements, Termination of Council Tax Reduction

DRAFT

95.0 Persons affected by Decisions

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- a. an applicant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or reduction appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - c. a person appointed by the authority under this scheme;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this scheme, a relevant decision ("the original decision") may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council tax reduction. The request must be received within one month of the date of the notification being issued by the authority.

98.0 Terminations

- 98.1 The authority may terminate reduction in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a reduction should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

**Section 99
Appeals against the authority's decisions**

DRAFT

99.0 Procedure by which a person may make an appeal against certain decisions of the authority²⁰

- 99.1 A person who is aggrieved by a decision of the authority, which affects;
- (a) the person's entitlement to a reduction under its scheme, or
 - (b) the amount of any reduction to which that person is entitled,
- may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must
- (a) consider the matter to which the notice relates;
 - (b) notify the aggrieved person in writing;
 - (i) that the ground is not well founded, giving reasons for that belief; or
 - (ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act²¹.

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

²¹ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

Section 100
Procedure for applying for a discretionary reduction and the authority's Exceptional Hardship Scheme

DRAFT

100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act²²

- 100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance this scheme or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 100.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

100A.0 Exceptional Hardship Scheme

- 100A.1 The authority may provide additional help to an applicant who is entitled to reduction under its Exceptional Hardship Scheme.
- 100A.2 Such payments shall be deemed to be made under S13A (1)(a) of the 1992 Act.

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 101 – 106A²³
Electronic Communication

DRAFT

²³ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

101.0 Interpretation

- 101.1 In this Part;
“information” includes an application, a certificate, notice or other evidence; and
“official computer system” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

102.0 Conditions for the use of electronic communication

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.
- 102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.
- 102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.
- 102.4 The second condition is that the person uses an approved method of;
- (a) authenticating the identity of the sender of the communication;
 - (b) electronic communication;
 - (c) authenticating any application or notice delivered by means of an electronic communication; and
 - (d) subject to sub-paragraph (7), submitting to the authority any information.
- 102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.
- 102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.
- 102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.
- 102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

103.0 Use of intermediaries

- 103.1 The authority may use intermediaries in connection with;
- (a) the delivery of any information by means of an electronic communication; and
 - (b) the authentication or security of anything transmitted by such means,
- and may require other persons to use intermediaries in connection with those matters.

104.0 Effect of delivering information by means of electronic communication

- 104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;
- (a) by this section; and
 - (b) by or under an enactment,
- are satisfied.
- 104.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

105.0 Proof of identity of sender or recipient of information

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

106.0 Proof of delivery of information

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;

- (a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
- (b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

106A.0 Proof of content of information

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

Section 107
Counter Fraud and Compliance

DRAFT

107.0 Counter Fraud and compliance

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

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

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

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this scheme;
- d. will co-operate with the Department for Work and Pensions (DWP), 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.

107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully. 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.

DRAFT

- 1 The authority's Council Tax Reduction scheme from 2021/22 shall be calculated on the basis of the following Banded Discount Scheme:

Discount Band	Discount	Single Person	Single person with one child	Single person with two or more children	Couple	Couple with one child	Couple with two or more children
Income Ranges							
Band 1*	100%	£0 - £100.00	£0 - £160.00	£0 - £220.00	£0- £140.00	£0 -£205.00	£0 - £260.00
Band 2	80%	£101.01 - £180.00	£160.01 - £240.00	£220.01 - £295.00	£140.01 - £240.00	£205.01 - £281.00	£260.01 - £340.00
Band 3	40%	£180.01 - £215.00	£240.01 - £255.00	£295.01- £350.00	£240.01 - £290.00	£281.01 - £320.00	£340.01 - £400.00
Band 4	25%	£215.01 - £255.00	£255.01 - £280.00	£350.01 - £450.00	£290.01 - £340.00	£320.01 - £370.00	£400.01 - £430.00
	0%	Over £255.00	Over £280.00	Over £450.00	Over £340.00	Over £370.00	Over £430.00

- 2 The amount of discount to be granted is to be based on the following factors:
- The maximum Council Tax Reduction as defined within this scheme;
 - The Council Tax family as defined within this scheme
 - The income of the applicant and partner as defined within this scheme;
 - The capital of the applicant and partner as defined within this scheme.
- 4 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.
- 5 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, It should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.
- 6 Any applicant who capital is greater than £6,000 shall not be entitled to any Council Tax Reductions whatsoever.
7. The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation measured by the Consumer Price Index (CPI) at 1st October preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for Housing Benefit for the relevant financial year, **whichever is the lowest**.
8. Where an applicant or partner is in receipt of a 'relevant benefit' namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at Band 1 level.

**Schedule 2
Not used**

DRAFT

Schedule 3
Sums to be disregarded in the calculation of earnings

DRAFT

1. There shall be disregarded from an applicant's (or their partner's) net earnings, £35 per week for a single applicant £70 per week where the applicant is one of a couple or is responsible for a dependant child or young person. This shall apply irrespective of the applicant's household and only one disregard shall be applied per claim.

DRAFT

Schedule 4

Sums to be disregarded in the calculation of income other than earnings²⁴

²⁴ 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).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is–
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant’s participation in a service user group.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker’s allowance, the whole of the applicant’s income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker’s allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker’s allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment–
 - (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of

- school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
 - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
 - (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
 - (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
 in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
13. Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
14. (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
15. (1) Subject to sub-paragraph (2), any of the following payments;
- (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any

agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–
 - (a) a former partner of the applicant, or a former partner of any member of the applicant’s family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant’s family.
- 16. 100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow’s pension or war widower’s pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of 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.
- 17. Subject to paragraph 35, £15 of any;
 - (a) widowed mother’s allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent’s allowance paid pursuant to section 39A of the Act.
- 18. (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
(2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of–
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of ‘water charges’ in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words ‘in so far as such charges are in respect of the dwelling which a person occupies as his home’.
- 19. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–
 - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student’s award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student’s bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
 - (c) the student’s student loan,an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

20. (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to–
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
21. Any payment made to the applicant by a child or young person or a non- dependant.
22. Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
23. (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to–
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
24. (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
25. Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

26. (1) Any payment made to the applicant in respect of a person who is a member of his family—
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child’s maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child’s maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
27. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under—
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
28. Any payment made to the applicant or his partner for a person (‘the person concerned’), who is not normally a member of the applicant’s household but is temporarily in his care, by—
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
29. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995 (local authorities’ duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person (‘A’) which A passes on

to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.

30. (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
31. Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
32. Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013
33. Any payment under Part 10 of the Act (Christmas bonus for pensioners).
34. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
35. The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
36. (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a

member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

- 37. Any housing benefit or housing costs element of universal credit.
- 38. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 39. - 40. not used

41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
42. Not used
43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
44. Not used
45. (1) Any payment or repayment made—
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
48. (1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.
 (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.
 (3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
- 48A. (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.
 (2) In paragraph (1)
 'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;
 (a) the Child Support Act 1991;
 (b) the Child Support (Northern Ireland) Order 1991;
 (c) a court order;
 (d) a consent order;
 (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;
 'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that

definition.

49. Not used
50. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
51. Any guardian's allowance.
52. (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
53. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
54. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
55. (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
 - (b) surviving civil partner of a person;
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A. Any council tax reduction or council tax benefit to which the applicant is entitled.
56. Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10
- 56A.–56B. Not used
57. Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
58. (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person–
- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;

(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.

(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account

59. (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
60. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
61. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
62. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
64. Not used
65. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
66. Any payment of child benefit.
67. Any Windrush compensation payment.
68. Any payment made under the We Love Manchester Emergency Fund.
69. Any payment made under the London Emergency Trust.
70. Carers Allowance.
71. The support component of Employment and Support Allowance.
72. Where, **but for this scheme**, the applicant would be entitled to either a Disability Premium, Enhanced Disability Premium, Severe Disability Premium or a Disabled Child Premium, a further disregard of £80 shall be made from their income.

**Schedule 5
Capital to be disregarded**

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1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
 - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
 - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8.
 - (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 - (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged

or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(3) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

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

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

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

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

(3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—

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

10. Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
 - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

11. Any sum—
 - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
12. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
13. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
14. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A. (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
 - (2) But sub-paragraph (1)
 - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
 - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
 - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
 - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
 - (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
 - (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
15. The value of the right to receive any income under a life interest or from a life rent.
16. The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
17. The surrender value of any policy of life insurance.
18. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
19. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the

applicant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

20. Any social fund payment made pursuant to Part 8 of the Act.
21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
22. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
 - (b) the payment is made either;

(i) to that person's parent or step-parent; or
(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,
but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

28. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of

entitlement to housing benefit.

30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
 - (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
 - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),but only for a period of 52 weeks from the date of receipt of the payment or repayment.
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
41. Any payment made to such persons entitled to receive benefits as may be determined by or

under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

- 41A. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
42. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
43. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
44. Not used
45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
46. (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax reduction), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax reduction), sub-paragraph (1) shall not have effect.
47. (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
(b) which can only be disposed of by order or direction of any such court; or
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
(2) This sub-paragraph applies to a sum of capital which is derived from;
(a) an award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
(a) award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
49. Any payment to the applicant as holder of the Victoria Cross or George Cross.
50. Not used
51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

53. (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to—
 - (i) regulations made under section 518 of the Education Act 1996;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

53A.-53B. Not used

54. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

55. Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of—

- (a) the applicant;
- (b) the applicant's partner;
- (c) the applicant's deceased spouse or deceased civil partner; or
- (d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is

- (a) a diagnosed person;
- (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's

- parents or a person who was so acting at the date of the diagnosed person's death; or
- (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
- (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
- (i) two years after that date; or
- (ii) on the day before the day on which that person—
- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,
- whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
- (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
- (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
- (i) two years after that date; or
- (ii) on the day before the day on which that person
- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,
- whichever is the latest.
- (5) In this paragraph, a reference to a person—
- (a) being the diagnosed person's partner;
- (b) being a member of a diagnosed person's family;
- (c) acting in place of the diagnosed person's parents,
- at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

- (6) In this paragraph– ‘diagnosed person’ means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;
‘relevant trust’ means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
‘trust payment’ means a payment under a relevant trust.
58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant’s partner, the applicant’s deceased spouse or deceased civil partner or the applicant’s partner’s deceased spouse or deceased civil partner
- (a) was a slave labourer or a forced labourer;
 - (b) had suffered property loss or had suffered personal injury; or
 - (c) was a parent of a child who had died,
- during the Second World War.
- 58 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) ‘local authority’ includes in England a county council.
60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments),
64. Any Windrush compensation payment.
65. Any payment made under the We Love Manchester Emergency Fund.
66. Any payment made under the London Emergency Trust.

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**Winchester City Council
Council Tax Reduction Scheme
Exceptional Hardship Policy
2021/22**

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1.0 Background

- 1.1 An Exceptional Hardship Fund has been created by the Council to assist applicants for Council Tax Reduction (CTR) who are facing 'exceptional hardship'. The fund has been created to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability.
- 1.2 The Exceptional Hardship Fund will be available to any applicant (whether pension or working age) where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and non-dependant deductions).
- 1.3 The Exceptional Hardship Fund will also be open to those applicants who have applied Council Tax Reduction but have not qualified **and** have made an application under the EHF scheme **within one month** of receiving the decision from the Council. However, in such cases the applicant will need to provide evidence of exceptional circumstances above and beyond a financial reason given that their income / capital will have already been determined to be in excess of the scheme levels.
- 1.4 In the case of paragraph 1.3, the Exceptional Hardship Fund will not be available for those applicants who are precluded from the scheme under the Prescribed Requirement Regulations.
- 1.5 The main features of the fund are as follows:
- The operation of the Fund will be at the total discretion of the Council;
 - The Fund will be operated by the Revenues and Benefits section on behalf of the Council;
 - There is no statutory right to payments from the fund although the Council will consider all applications received;
 - Exceptional Hardship Fund payments will only be available from 1st April 2021 and **will not be available for any other debt other than outstanding Council Tax;**

- A pre-requisite to receive a payment from the Fund is that an amount of Council Tax Reduction **must be in payment** for any day that an Exceptional Hardship Fund payment is requested **or** that an application has been made for Council Tax Reduction and has subsequently been refused within 1 month from the date of application for an Exceptional Hardship Fund payment;
- Where an Exceptional Hardship Payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested;
- Exceptional Hardship Payments are designed as a short-term help to the applicant only and it is expected that payments will be made for a short term only; and
- All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

2.0 Exceptional Hardship Fund and Equalities

- 2.1 The creation of an Exceptional Hardship Fund facility meets the Council's obligations under the Equality Act 2010.
- 2.2 This policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted that the Exceptional Hardship Fund is intended to help in cases of **extreme** financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition 'Exception Hardship' is not exactly defined by this policy, it is accepted that changes to the level of support generally will cause financial hardship and any payment made will be at the total discretion of the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'

3.0 Purpose of this policy

- 3.1 The purpose of this policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an Exceptional Hardship Fund payment can be made.
- 3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in terms of access to the Fund and also the decisions made.

4.0 The Exceptional Hardship Fund Process

- 4.1 As part of the process of applying for additional support from the Exceptional Hardship Fund, all applicants must be willing to undertake **all** of the following:
- a. Make a separate application for assistance (where required by the Council);
 - b. Provide full details of their income and expenditure;
 - c. Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure;
 - d. Identify potential changes in payment methods and arrangements to assist the applicant;
 - e. Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
 - f. Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- 4.2 Through the operation of this policy, the Council will look to:
- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions;
 - Enable long term support to households in managing their finances;

- Help applicants through personal crises and difficult events that affect their finances;
- Prevent exceptional hardship;
- Help those applicants who are trying to help themselves financially; and
- Encourage and support people to obtain and sustain employment.

4.3 It cannot be awarded for the following circumstances:

- Where full Council Tax liability is already being met by Council Tax Reduction;
- For any other reason, other than to reduce Council Tax liability;
- Where the Council considers that there are unnecessary expenses/debts etc. and that the applicant has not taken reasonable steps to reduce these; or
- To pay for any additional Council Tax caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly.

5.0 Awarding an Exceptional Hardship Fund Payment

5.1 The Council will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

5.2 When making this decision the Council will consider:

- The shortfall between Council Tax Reduction and Council Tax liability;
- Whether the applicant has engaged with the Exceptional Hardship Payment process;
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent;
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner, any dependants and any other occupants of the applicant's home;
- The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist;
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;

- How reasonable expenditure exceeds income;
- All income received by the applicant, their partner and any member of their household irrespective of whether the income may fall to be disregarded under the Council Tax Reduction scheme;
- Any savings or capital that might be held by the applicant, their partner and any member of their household irrespective of whether the capital may fall to be disregarded under the Council Tax Reduction scheme;
- Other debts outstanding for the applicant and their partner;
- The exceptional nature of the applicant and/or their family's circumstances that impact on finances; and
- The length of time they have lived in the property.

5.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

5.4 An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

5.5 An Exceptional Hardship Fund payment may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The level of payment may be nil if the authority feels that, in its opinion, the applicant is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

6.0 Publicity

6.1 The Council will make a copy of this policy available for inspection and will be published on the Council's website.

7.0 Claiming an Exceptional Hardship Fund payment

7.1 An applicant must make a claim for an Exceptional Hardship Fund award by submitting an application to the Council. The application form can be obtained via

the telephone, in person, at one of the Council offices and/or via the Council's website.

7.2 Applicants can request assistance with the completion of the form from the Revenues and Benefits Service or Customer Services at the Council.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

7.4 In most cases the person who claims the Exceptional Hardship Fund award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8.0 Changes in circumstances

8.1 The Council may revise an award from the Exceptional Hardship Fund where the applicant's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement.

9.0 Duties of the applicant and the applicant's household

9.1 A person claiming an Exceptional Hardship Fund payment is required to:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances, within 21 days, that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim.

10.0 The award and duration of an Exceptional Hardship Payment

10.1 Both the amount and the duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.

10.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.

11.0 Award of the Exceptional Hardship Fund payment

11.1 Any Exceptional Hardship Fund payment will be made direct onto the applicant's Council Tax account, thereby reducing the amount of Council Tax payable.

12.0 Overpaid Exceptional Hardship Fund Payments

12.1 Overpaid Exceptional Hardship Fund payments will generally be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

13.0 Notification of an award

13.1 The Council will notify the outcome of each application for Exceptional Hardship Fund payments in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.

14.0 Appeals

14.1 Exceptional Hardship Fund payments are subject to the statutory appeal process as they are made as part of the Council's Council Tax Reduction scheme under Section 13A 1A of the Local Government Finance Act 1992.

14.2 If the applicant is not satisfied with the decision in respect of an application for an Exceptional Hardship Fund payment, a decision to reduce the amount of Exceptional Hardship Fund payment, a decision not to backdate an Exceptional Hardship Fund payment or a decision that there has been an overpayment of an Exceptional Hardship Fund payment, the Council will look at the decision again.

14.3 An officer, other than the original decision maker, will consider the appeal by reviewing the original application and any other additional information and/or representation made, and will make a decision within 14 days of referral or as soon as practicable.

14.4 The outcome of the appeal will be set out in writing, detailing the reasons for the decision or upholding the original decision.

14.5 Further appeals can be made as per Council Tax Reduction to an independent Valuation Tribunal

15.0 Fraud

15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

15.2 An applicant who tries to fraudulently claim an Exceptional Hardship Fund payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16.0 Complaints

16.1 The Council's 'Compliments and Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this policy.

17.0 Policy Review

17.1 This policy will be reviewed every year and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation.

Household category	Income	Number of Non-dependants	Council Tax		Current CTR (wkly)
			liability (wkly)		
Passported	Income Support Carers Allowance Universal Credit	1	£	26.57	£ 22.52
Single	Carers Allowance	2	£	34.89	£ 18.44
Single	The claimant receives Second Adult Rebate for her disabled daughter.	N/A	£	42.06	£ 10.51
Single with 1 child	Earnings Tax Credits Child Benefit	1	£	31.87	£ 3.84
Single with 1 child	Earnings Tax Credits Child Benefit Capital £8800	1	£	30.93	£ 17.81
Single with 2 + children	Earnings Tax Credits Child Benefit x2 Carers Allowance Child Benefit x5	0		£19.83	£ 1.36
Single with 2 + children	Tax Credits SE DLA for dependant ESA (C)	0	£	29.87	£ 29.87
Couple	Private pension	0	£	31.87	£ 11.92
Couple	Private pension	0	£	49.36	£ 25.59

	Child Benefit				
	ESA (C)				
	ESA (SC)				
	PIP				
Couple with	UC				
1 child	Earnings	0		£25.45	£ 3.89
	Child Benefit				
	Earnings				
Couple with	Tax Credits				
1 child	PIP	0	£	32.05	£ 32.05
	Child Benefit				
	Carers Allowance				
	Tax Credits				
	SE income				
Couple with	Earning				
2+ children	DLA for dependant	0	£	31.51	£ 1.54
	Child Benefit x7				
	Tax Credits				
Couple with	Self Employed				
2+ children	ESA (C)	0	£	51.78	£ 51.78

New Scheme		CTR increased		Comments
CTR (wkly)		/ reduced by	£	
£	26.57	£	4.05	Current scheme - non-dependant charge of £4.05 which has been removed in the new scheme
£	34.89	£	16.45	Current scheme - 2 x non-dependant charge of £16.45
£	-	-£	10.51	Second Adult Rebate to be abolished. Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced. There is a non - dependant charge of £8.25.
£	14.34	£	10.50	New scheme - income is in the 45% band and no non-
£	-	-£	17.81	New scheme - capital over £6000 is the cut off Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced
£	8.93	£	7.57	New scheme - income is in the 45% band
£	7.47	-£	22.40	Current scheme - income below applicable amount. New scheme - income is in the 25% band
£	23.90	£	11.98	Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced
£	22.21	-£	3.38	Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced

			Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced
£	11.45	£	7.56 New scheme - income is in the 45% band
			Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced
£	24.04	-£	8.01 New scheme - income is in the 75% band
			Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced
£	14.18	£	12.64 New scheme - income is in the 45% band
			Current scheme - income is above applicable amount, the excess income is tapered by 20% & CTR reduced
	£0.00	-£	51.78 New scheme - income is above cut off

If the capital limit wasn't imposed, applicant would get 75% band. £5.38 more than on

£ 23.19 current

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CAB3274
CABINET

REPORT TITLE: LOCAL PLAN ACTION PLAN

16 DECEMBER 2020

REPORT OF CABINET MEMBER: CLLR JACKIE PORTER, CABINET MEMBER FOR BUILT ENVIRONMENT & WELLBEING

Contact Officer: Adrian Fox Strategic Planning Manager Tel No: 01962 848278
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WARD(S): ALL

PURPOSE

The Government has recently consulted on a number of proposed changes to the planning system. Whilst it is not known at this stage whether these proposed changes will be taken forward into primary and secondary legislation or when any such reforms will come into effect, as the preparation of the Local Plan is a corporate priority, the purpose of this report is to agree a Local Plan Action Plan (LPAP). The LPAP identifies what work can be undertaken on the Local Plan to enable work to be able to pivot between a new style Local Plan or for a Local Plan to be prepared under the existing regulations. Importantly it will demonstrate that progress can still be made on preparing the Local Plan.

This report is also recommending that Member's agree to the principle of undertaking a high level Strategic Issues and Priorities consultation on the Local Plan in early in 2021.

RECOMMENDATIONS:

That cabinet:

1. Approves the Local Plan Action Plan and that officers undertake the work programme as set out at Appendix A of the Local Plan Action Plan which will be published on the council's website as soon as practicable.
2. Agree that officers continue work on the Local Plan and that a further report

be brought to cabinet in early 2021 for approval to undertake consultation on Strategic Issues & Priorities in spring of 2021.

3. Notes that central government have yet to confirm the housing supply numbers relevant to the council.
4. Notes the additional funding will be required to implement the Local Plan Action Plan and that such implementation is a council Priority

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 The Local Plan Action Plan (LALP) has been prepared to identify what work can be undertaken on the preparation of a Local Plan and assist with management of the current uncertainties that are a direct result of the Government consultations on the proposed changes to the planning system. Given the uncertainties that this City Council and many other local planning authorities are facing, undertaking a strategic consultation on the Local Plan in February/March 2021 allows the City Council to be able to pivot between either preparing a Local Plan under the current system or being able to move to a new style Local Plan and is a pragmatic way forward.

2 FINANCIAL IMPLICATIONS

- 2.1 The resources for the preparation of the various elements of the District Development Framework have been approved as part of the budget process.
- 2.2 The Local Plan had an earmarked reserve at the start of 2019/20 of £382,000. The current forecast external expenditure of approximately £602,000 for the period of 2019/20 to 2024/25 is within existing budget projections and supported by the Local Plan budget. This is in addition to in-house resources to operate the Local Plan team and a further £160,000 that has been approved to create 2 fixed terms posts for 2 years to assist with the preparation of the Local Plan. One of these posts, an additional Principal Planner, has now been filled.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). This must specify (amongst other matters) the development plan documents which, when prepared, will comprise part of the development plan for the local area. The Local Development Scheme must be kept up to date and published on the Council website.
- 3.2 Consultation is a key statutory requirement under regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The Local Plan Action Plan is an informative part of the development of a consultation evidence base to inform the Local Plan and fulfil the consultation requirements. .

4 WORKFORCE IMPLICATIONS

- 4.1 The Strategic Planning Team leads the preparation of Local Plan, commissioning consultants and working with colleagues across the whole of the Council and neighbouring Local Planning Authorities under the current requirements of the Duty to Co-operate. The proposals that are contained within the White Paper will require changes to the Council's planning service

(Development Management and Strategic Planning) and have workforce implications for number of services within the Council such as the GIS team, heritage landscape and Community Infrastructure Levy.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Once the Local Plan has been adopted it will be the statutory Development Plan which means that any applications that come forward that are in Council ownership will need to be assessed against the policies and proposals in the Local Plan. There are, however, no implications at this stage on Property and Assets as the LPAP is a work programme for delivery the Plan.

6 CONSULTATION AND COMMUNICATION

- 6.1 The purpose of the LPAP is identify a work programme for the Local Plan and to ensure that the Council is 'White Paper ready'. Discussions have taken place with the Portfolio Holder regarding the content of the Action Plan and the proposals to undertake consultation on a Strategic Issues & Priorities consultation. Discussions have also take place with Local Plan Policy Advisory Group on 23rd November that has been established to oversee the work on the Local Plan and their input has been taken into consideration as part of the development of this report.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 All documents must comply with the requirements of planning legislation and the need to deliver sustainable development which encompasses all considerations in relation to the built and natural environment. Allied to this the Council has declared a climate emergency and the Council intends that the Local Plan will clearly set out how it will contribute towards dramatically cutting the district's carbon footprint and assist the Council to become carbon neutral by 2024 and achieve the same position for the district by 2030 subject to any constraints imposed by Government policy.

8 EQUALITY IMPACT ASSESSEMENT

- 9 Undertaking an Equality Impact Assessment (EqIA) is a key part of preparing a 'sound' Local Plan. The Local Plan process needs to ensure that the issues and options that are considered during the process do not lead to unlawful discrimination (direct and indirect), and that they should advance equality of opportunity and foster good relations between those with a 'protected characteristic' (race, age, sex, disability, sexual orientation, gender reassignment, religion or belief and pregnancy or maternity) and all others.
- 9.1 The same Consultants have been appointed by the Council to undertake an EqIA and Health Impact Assessment alongside the Sustainability Appraisal and the Habitats Regulations Assessment under the umbrella of the Integrated Impact Assessment (IIA). An EqIA has not been undertaken of the LPAP as this is a work programme for the Local Plan.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 None.

11 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	n/a	n/a
<i>Community Support</i> There is currently a great deal uncertainly around the Government's proposed changes to the planning system and there is a real risk under the proposals that there would be insufficient time to allow for full community engagement and consultation on the Local Plan.	Undertake an early consultation on the Local Plan in order to establish the Vision, objectives of the Local Plan and the options to accommodate more growth. This would allow the City Council to be able to pivot between preparing a new style Local Plan or to prepare a Local Plan under the existing regulations.	Ensure communication methods are relevant to the task in order to ensure those interested are kept informed of progress and provided with opportunities to participate.
<i>Timescales</i> The Action Plan is a project management tool that has identified the work priorities for preparing a Local Plan taking into account the changes that may be on the horizon.	Ensure that there is sufficient capacity to progress and the timings are realistic based on the knowledge and information that is currently available.	It will be necessary to update the LDS to align it with the Local Plan Action Plan and to keep the LDS under review as and when further information is known on the changes to the planning system.
<i>Project capacity</i> Medium Risk due to uncertainties surrounding the changes and insufficient resources to be able to accommodate the Government's proposed changes to the planning system.	Ensure that the necessary resources are in place and where necessary re-allocated to be able to progress with the work that has been identified in the Local Plan Action Plan	Work with colleagues, neighbouring authorities in order to establish the most effective way forward given the uncertainties that exist around the proposed changes to the planning system.
<i>IT resources</i> Must be of a high standard, be available and easily accessible to all potential viewers, especially during a period of lockdown.	Ensure that the necessary resources are in place and where necessary re-allocated to be able to progress with the work that has been identified in the Local Plan Action Plan	Work with colleagues, neighbouring authorities in order to establish the most effective way forward to make this digital transition given the uncertainties that exist around the proposed changes to the planning system.

<p><i>Financial / VfM</i> Owing to the fact there are proposed significant changes on the horizon a key risk is that there are insufficient financial resources to deliver the new style Local Plan within the timeframes that have been currently specified by the Government.</p>	<p>Funding for ongoing studies are within the existing budget but at this stage further clarification is required from Government on what evidence base would be needed to support a new style local plan. Resourcing will therefore be kept under review especially in relation to the move towards more digital technology</p>	<p>Working with neighbouring authorities and putting the Council forward as a pilot authority for a new style Local Plan.</p>
<p><i>Legal</i> Local Plan not found sound at the Examination.</p>	<p>Update the Local Plan Action Plan/LDS as necessary and publish on WCC website.</p>	<p>The Action Plan is a project management tool that is designed to ensure the most effective use of resources and ensure that it is sufficiently flexible to be able to be to accommodate change.</p>

12 SUPPORTING INFORMATION:

12.1 Background

12.2 Cabinet agreed a Local Development Scheme (LDS) in March 2020 which sets out the timetable for preparing the Local Plan. This timetable was prepared prior to the outbreak of the COVID-19 and the Government published the 'Proposed changes to the current planning system' and White Paper 'Planning for Future'. Representations were submitted by the City Council to both of these Government consultation documents (CAB3261 and CAB3262).

12.3 Prior to the publication of the Government consultation documents, work had progressed to the stage of preparing a draft Strategic Issues & Options (SIO) document and this was due to be discussed at Cabinet in August 2020. Work was 'paused' on reaching agreement with Cabinet to consult on the SIO document due to uncertainty around the housing requirements for the district which had increased by nearly 50% under the revised methodology in the Government's consultation and to allow Officers to fully assess the implications of the proposals. Accommodating the larger housing figure would have not been feasible under the development strategy options which were to be the subject of the SIO consultation.

12.4 Officers have now attended a number of useful webinars and spent a considerable amount of time drafting responses to the Government

consultation documents for Cabinet which have now been agreed and have been submitted to the Ministry of Housing and Local Government. The Chief Planning Officer has now written to all Local Planning Authorities strongly encouraging local planning authorities to continue with work on preparing their Local Plans. The Local Authority has offered a briefing on the White Paper and the changes to the current planning system to local MP's, which has, unfortunately, been declined.

- 12.5 The SIO document was focused around eight key topics and under these topics Officers had identified a number of local policies on which the City Council would have been seeking views. However, one of the government's proposals in the White Paper is that there would be a suite of national policies in national guidance which would apply to all local authority areas. Local policies could only be included in Local Plans in 'exceptional circumstances'. No further details are available on what these exceptional circumstances would be and one of the City Council's responses to the White Paper was to seek clarification on this matter.
- 12.6 In addition to the above, as a direct result of to COVID-19, local elections that were scheduled to take place in May 2020, did not proceed as planned and have now been moved to May 2021. This would have had implications for the Local Plan timetable that was agreed in the LDS and it would have meant that the Local Plan would not be adopted until at the earliest September 2023 (as opposed to January) in order to be able to accommodate the change in the date of the local elections in terms of when a decision could have been made on the draft local plan. The LDS was prepared on the basis of proceeding with a consultation on the Strategic Issues & Options document in September/October 2020 which did not take place as a result of the government publishing the White Paper.
- 12.7 Proposals contained in the White Paper
- 12.8 A key change in the White Paper is the need to speed up the Local Plan-making progress. The White Paper has included proposals that there would be a set time limit of 30 months to have a Local Plan in place from the date of the legislation coming into effect, or 42 months where a plan had recently been adopted or submitted for examination (not the case in Winchester). Therefore, Stage 1 above would have to commence immediately legislation came into effect. There would be a requirement for plans to be reviewed every 5 years and the government could intervene if the timescales were not met. The intention is that once an area has been 'zoned' as either Growth, Renewal or Protection, it will be very easy for a local planning authority to update a Local Plan.
- 12.9 This would mean that even if work had progressed on the Local Plan to the current timeline in the LDS, it appears possible that we would not have an adopted plan in place before the government reforms take effect (assuming the legislative process would be complete in 2022-2023). In such a case we would need to commence work on a new style local plan in 2022-2023. The

proposals allow 30 months for preparation of a new plan, so a new style local plan would be ready for adoption in 2025-2026 (depending on when the legislation took effect).

- 12.10 Whilst making progress on the Local Plan is a key corporate priority, there is a considerable amount of uncertainty surrounding the proposed changes to the planning system, when they will happen and the actual quantum of housing development that the City Council would need to plan for which ranges from just under 700 dwellings to 1,025 dwellings per annum. This means that until the quantum of development that the City Council needs to plan for is known it is very difficult to make any substantial progress on the Local Plan towards adoption as this is often one of the key matters that shapes the development strategy, is the most controversial matter and raises the most significant amount of representations. The City Council awaits the outcome of the government's consultation on standardised methodology.
- 12.11 Local Plan Action Plan
- 12.12 Officers consider that it is right time for Members to reassess what work can be undertaken on the Local Plan. In order to put the Council in the best possible position and to inform this decision on the next steps a Local Plan Action Plan has been prepared.
- 12.13 The LPAP that is set out in Appendix 1 is a response to the White Paper and it has gone through all of the proposals that are included in the White Paper and identified a number of key actions and a timeline for when they need to be completed. It is important to note that a number of the actions cross over a range of departments. The 'road map' that is included in the Action Plan is intended to place the City Council in the best possible position to be 'White Paper ready'.
- 12.14 As part of the City Council's response to the White Paper the City Council has put itself in principle forward to the Ministry of Housing and Local Government as a pilot authority for the new style Local Plan and if this offer is taken up, the LPAP would be a useful tool to assist with these discussions.
- 12.15 Strategic Issues & Priorities consultation
- 12.16 A key decision for Members is establish if there is agreement to the principle of progressing with work by officers on the consultation document, being the Strategic Issues & Priorities to be brought to cabinet for a decision early 2021 to begin consultation in early Spring 2021. This consultation document could for example, seek views on:
- a) the key objectives for the new Local Plan, the Vision for the new Local Plan and the process of preparing a new style Local Plan, possible development strategy and issues such as the need for a Green Belt and:

- b) a range of matters such as the process for preparing Design Codes, the way that we could go about identifying land under the different designations (Growth, Renewal and Protection) and how climate change issues can be woven into the heart of the new style Local Plan.

12.17 Whilst there is considerable uncertainty over the quantum of housing development and proposals in the White Paper would make the housing figures in Local Plans 'binding', it would need to be made clear that the exact distribution of housing requirements was not within the scope of this consultation document. However, the consultation document could be used to establish general views on the options to accommodate more growth in terms of whether there should be an urban or rural focus (expanding settlements, new settlements, densification of Winchester and market towns). If the government changes do not transpire as planned later on next year, it will be important that the consultation document is framed in a way that it could equally be used to inform a Local Plan under the current system as it is likely that by the date of the Cabinet meeting we may not know the outcome of the consultation documents.

12.18 Engaging with people

12.19 In recognition that the White Paper is centred around allowing people to access material online, Studio Republic (consultants appointed to assist with communications relating to the development of the local plan) are now pressing ahead with preparing the branding ideas for the Local Plan and a stand-alone Local Plan website that is centred around GIS and giving the ability for people to search planning information via their postcode. This new website would go live in February. This aligns closely with the digital approach to plan making that is outlined in the White Paper.

12.20 One of the points that has been identified in the Action Plan is to establish if there were any Parish Councils that were willing to work with the Strategic Planning team to develop a local Design Code.

12.21 Strategic Housing and Economic Land Availability Assessment (SHELAA)

12.22 Alongside the consultation there would be another 'Call for sites' for new SHELAA sites for housing and employment uses. There would also be a specific call for 'Green sites' (i.e. sites that might be suitable for green infrastructure, biodiversity enhancement/net gain, nitrate mitigation or renewable energy) and call for Gypsy and Traveller sites and brownfield sites.

13 OTHER OPTIONS CONSIDERED AND REJECTED

13.1 The key question is whether the City Council progresses forward under the current regulations or the new style local plan. The LPAP has identified a range of actions that City Council can undertake in order to be able to pivot between the new style Local Plan or if it becomes clear that the Government is not making progress with implementing the new system, to be able to continue with preparing a Local Plan under the current regulations. It enables

therefore the Council to progress its Local Plan notwithstanding the form it ultimately has to take.

- 13.2 Officers consider that there is considerable merit in consulting on a Strategic Issues & Priorities document in spring 2021. The information that would be gathered from this consultation could be helpful for either preparing a new style Local Plan or for preparing a Local Plan under the current system. An alternative option would be for the Council to wait until there is more clarity from the Government on the proposed changes to the planning and the quantum of housing development that the City Council would need to plan for. This option is not recommended as there is considerable merit in engaging early with the local community and demonstrating that progress can be made to shape and develop the scope of new Local Plan especially as it unclear when there will be a response to the Government consultation documents. Furthermore the Government's Chief Planning Officer has advised that plan making should continue.

BACKGROUND DOCUMENTS:-

None.

Previous Committee Reports:-

Response to the government's proposed amendments to the aspects of the existing planning system

<https://democracy.winchester.gov.uk/documents/g2551/Public%20reports%20pack%2029th-Sep-2020%2009.30%20Cabinet.pdf?T=10>

Planning for the Future' White Paper

<https://democracy.winchester.gov.uk/documents/g2390/Public%20reports%20pack%2021st-Oct-2020%2009.30%20Cabinet.pdf?T=10>

Other Background Documents:-

None.

APPENDICES:

Appendix A – Local Plan Action Plan

Winchester City Council Local Plan

Draft Action Plan

26 November 2020



Introduction

1. WCC has been working towards a new Local Plan since 2018. However a number of significant events have impacted on the Local Plan making process, consequently impacting timetable and prompting this action plan:
 - In 2019 the Council declared a climate emergency. The Local Plan is one key way we can impact climate change mitigation and adaptation.
 - The Covid pandemic has impacted the ability to conduct face to face consultation/engagement and also influenced life in many ways including transport patterns, vitality of our retail centres and the way we use our homes.
 - Central Government has recently issued a White Paper setting out proposals for significant reform of the planning process and changes to the existing system which will likely see a large increase in the number of new homes we will have to plan for¹. Consequently the Government's proposed reforms would fundamentally change the local plan preparation process and the way we determine planning applications.
 - The Environment Bill, currently at committee stage, will require 'biodiversity net gain' on major developments, and there may be a need for an offsetting scheme to enable delivery of housing on sites which cannot achieve 10% net gain on site.
 - In September 2020 new permitted development rights were introduced, including the introduction of a new 'Class E' which covers various employment uses. As such, no permission is required to change between some employment uses and therefore there is a need to consider whether any particular employment uses need to be protected.
2. As a result of the above the Council staff held a workshop (with officers from South Downs National Park Authority and East Hampshire District Council also) to consider the potential implications of the proposed reforms, and our suggested response. Drawing from the discussion at that workshop, this Action Plan has been prepared to set out the road map for continuing to progress the local plan in whatever form it ultimately takes. It seeks to ensure progress continues to be made on the Local Plan preparation, whilst also ensuring WCC is 'White Paper Ready' when the reforms come into force.
3. Appendix 1 to this Action Plan sets out the White Paper proposals, their implications for our local plan process, and the actions which WCC is proposing to take. Actions which can be undertaken immediately are shaded green. Actions which cannot yet be undertaken are shaded orange/ red, in recognition that these actions rely upon certain action by parties outside of

¹ <https://www.gov.uk/government/consultations/planning-for-the-future>

WCC (such as the need for clarification of housing targets by Government and introduction of new national legislation and policy).

4. This Action Plan will be reviewed and updated periodically, so that once such clarification is received, action can be taken as specified. Timing of actions marked amber/ red will be refined during each review.
5. The table below summarises the key actions which will be taken to progress the Local Plan.

	Current Actions (Nov 2020- March 2021)	Next steps April – Sept 2021 (Approximately) (Actions in this column will be categorised amber/ red once more detail becomes available)	Next steps October 2021- March 2022 (Approximately) (Actions in this column will be categorised amber/ red once more detail becomes available)
Engagement	<p>A new website will be developed as the primary vehicle for engagement on the emerging local plan. February 2021.</p> <p>Maintain website to hold Council papers and responses to Government consultations, alongside details of feedback received on the draft plan.</p> <p>Social media will be utilised to promote engagement with the local plan process and direct new audiences to the local plan website.</p>		
	<p>Encourage people to sign up to the website, to receive updates and participate in discussions around topical issues. Aim to create a wide group of interested parties to feed into the local plan process.</p> <p>https://www.winchester.gov.uk/no-listing/local-plan-enewsletter</p>		

	<p>WCC had intended to consult on Strategic Issues and Options in Q4 2020. Due to uncertainty around housing targets, this consultation will be re-focused. A high-level consultation on 'Strategic Issues and Priorities' will be undertaken in Feb/Mar 2021, which will focus upon the local plan's vision, objectives, key issues and priorities for action. The consultation will not, however, contain fine-grained detail on options for accommodating housing targets. In consulting on priorities for action, we will seek views on the 2019 declaration of a climate emergency, and how local plan measures can assist in addressing climate change concerns and reduce the carbon footprint.</p> <p>WCC will seek to engage a wide range of participants at this high level stage, with enhanced emphasis upon digital engagement and the use of social media, consistent with the aims of the recent White Paper and public health measures due to Covid-19.</p>	<p>Await outcome of Government's consultation on methodology for setting housing targets. Detailed proposals for strategic options for accommodating development will be developed and consulted on once there is clarity about the quantum of development to be planned for. If reforms have come into force by this point in time, consultation will focus upon land to be included in growth/ renewal/protected areas.</p>	
	<p>We want developers to submit more detailed information about site constraints and opportunities which could be used to inform designation of future growth/ renewal/ protections areas and underpin Design Codes for these areas if necessary.</p>	<p>Once reforms come into force, design codes will need to be prepared for growth areas – these may need to include mitigation (e.g. to address flooding, climate change). Site promoters may need to provide technical reports in support of sites they promote, to show they are deliverable and that constraints can be addressed.</p>	
	<p>Set up a series of meetings with Parish Councils/Town Forum in Q1/Q2 2021 on initial SHELAA assessment and on potential locations/ sites for Growth/ Renewal/ Protection Areas in a new style local plan.</p>	<p></p>	

	Undertake a further 'call for sites' in Q1 2021, with additional emphasis upon opportunities to build out small sites, self-build, custom build, land for biodiversity net gain (as required by the Environment Bill) or carbon off-setting/ nitrate neutrality or renewable energy or employment uses under the new Use Class Order.		
	Update Local Development Scheme (the timetable for preparation of and consultation on the local plan as and when necessary. Communicate any updates on the new local plan website.		
Options for Accommodating Growth	<p>Continue with the SHELAA Assessment. Depending on the outcome of this assessment and the growth strategy that is identified in the local plan decide whether it would be appropriate to designate any as 'Growth Areas' under a new style Local Plan.</p> <p>Criteria for assessment of sites will be expanded to promote the use of brownfield land first. Criteria to include issues arising in the White Paper such as whether sites represent 'sustainable development', options for self-build and whether sites could accommodate, for example, a variety of development types understanding appropriate density and assess the ability for the site to access public transport/ walking routes.</p> <p>When assessing sites and selecting options for accommodating development, it may be necessary to include reserve sites, should viability issues prevent development of some of the preferred options.</p>	Strategic options for accommodating development will be developed and consulted on once there is clarity about the quantum of development to be planned for. Await outcome of Government's consultation on methodology for setting housing targets before consulting on the different ways to meeting the housing target.	

	Engage with Parish Councils on locations/ sites which could potentially form the basis of a Growth/ Renewal/ Protection Area in a new style local plan, alongside an urban capacity assessment to understand capacity for accommodating growth within existing boundaries.		
	Explore issues and seek further engagement around potential green belt designation.		
	Undertake a further call for sites as detailed above.		
	In assessing potential employment sites put forward in the SHELAA, consider implications of the new 'Class E' permitted development rights, and the need to protect employment land uses (based on evidence of such need).		
	Engage with University regarding future potential needs for student housing need and any proposals for purpose built student accommodation (Q1/Q2 2021)		
	Using information from the updated Gypsy, Traveller and Travelling Showpeoples' assessment, engage with these communities and consider options for meeting any needs identified.		
		Once WCC's housing target is set by government, commission updates to evidence base as needed (for example -	

		employment evidence is based upon population projections and may need updating if housing targets rise significantly; retail evidence may also need updating as a result of Covid-19)
Design Codes and Policy	<p>Undertake an audit of existing design statements e.g. Village Design Statements, Conservation Area Appraisals, Local Area Design Statements Design Codes for strategic sites.</p> <p>Establish a working group (Officers and Members) who will use the above information (derived from the audit) to take forward work on Design Codes. Initial steps to review content/ thematic coverage of existing Design Codes, and explore options for a future pilot project and engagement on what has / has not worked well in existing design codes.</p> <p>Explore possible pilot project to update existing Village Design Statement(s) which could in future form the basis of a Design Code for a new style local plan.</p>	<p>Design Codes are to be ‘provably locally popular’ and it is unclear at present whether the Government intends to prescribe a process for (e.g. through neighbourhood planning). We will await/ monitor legislative reform before commencing with preparation of Design Codes for a new style local plan.</p> <p>Once we have clarity around the content of the ‘National Model Design Code’ and national development management policy, WCC will prepare a template Design Code for Growth/ Renewal/ Protected Areas.</p> <p>WCC will explore options for production of Design Codes collaboratively with the local community/stakeholders.</p> <p>Whilst it is not known at this stage the exact range of information that Local Design Codes will need to include they might cover points such protecting heritage, townscape and visual amenity, ecology, ensuring, open space and community facilities are delivered, alongside any necessary flood mitigation etc (if these are not covered by national or local policy). WCC will need to</p>

		<p>explore ways of facilitating development of Design Codes by stakeholders which address all necessary issues.</p> <p>Local Plan development management policies will not be drafted until there is clarity from Government around national development management policy (in terms of its nature and content) in order to avoid abortive expense/ effort.</p>
Getting 'Digital Ready'	<p>Review evidence base and other Council documents, to extract and compile GIS data and start preparing an interactive map displaying data:</p> <p>Different designations</p> <p>Areas which benefit from existing 'Village Design Statements' and 'Conservation Area Appraisals' which could form the basis of a Design Code; and</p> <p>Designated Sites</p> <p>Green infrastructure networks/ routes</p>	<p>Explore the extent to which we can map development locations where CIL funds are generated and also those locations where funds are invested back into local projects.</p>
	<p>Undertake initial research on 'Prop-Tech' suppliers and services used by other local authorities which could be contacted.</p> <p>Work with other local authorities across Hampshire to see if there is any consensus around engagement with any</p>	

	specific Prop-Tech supplier.		
	Develop a new website as the vehicle for digital engagement on the emerging local plan.		
	Interactive Map with GIS data will feature on the new local plan website.		
	Consider issues of data ethics and principles for ethical use of data which is made available by WCC on its planning databases		
Skills and Resourcing	Undertake an audit of existing skills and resourcing within WCC particularly with respect to design, master-planning, digital and geospatial mapping capabilities.	Consider appointment of Chief Officer for Design and Place Making or how this role could be incorporated into an existing role.	WCC will undertake training, both internally and externally, to support the delivery of Design Codes. (Await production of Government's Skills Strategy before proceeding)
	Investigate options for investing in GIS training internally.		
	Explore options for additional Future 2050 Funding for improving management of historic resources. This could assist with building up digital data for inclusion of new style local plan.		
Process – Refining this Action Plan	Seek a meeting with Ministry of Housing, Communities and Local Government (MHCLG)/ Chief Planning Officer regarding timings of new legislation/ policy and how this impacts our local plan preparation process. Put WCC forward as a pilot authority for the new scheme,	Further Sustainability Appraisal (SA) may be undertaken once Strategic Options are developed (prior to consultation) – depending upon whether or not the requirement for SA has been abolished at that point in time.	

	so that we can officially pivot towards production of a new style Local Plan in the short term rather than awaiting enactment of reforms.	
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GOVERNMENT'S WHITE PAPER PROPOSALS			WINCHESTER CITY COUNCIL'S PROPOSED ACTION (LOCAL PLAN)			
PROPOSAL NO. (Planning for the Future White Paper)	SUMMARY	KEY DETAILS	IMPLICATIONS FOR WCC NEW LOCAL PLAN PROCESS	WCC ACTIONS	TIMING OF ACTIONS Green = short term actions ((next 6 months) Amber = medium term (6-9 months) Red = longer term (9 months +)	OUTSTANDING INFORMATION REQUIREMENTS
Pillar One: Planning For Development						
A NEW APPROACH TO PLAN-MAKING						
Proposal 1 (pg24 Planning for the Future White Paper)	Local plans to be simplified – main focus will be identification of three types of land: Growth areas suitable for substantial development, Renewal areas suitable for development, and areas that are Protected.	<p>Growth areas: suitable for substantial development, and where outline approval for development would be automatically secured for forms and types of development specified in the Plan; eg urban extension sites, new settlements, former industrial sites/ regeneration sites (para 2.8) LPAs to also identify sub-areas in their Growth areas for self and custom-build homes, so that more people can build their own homes.</p> <p>Renewal areas: suitable for some development – existing built areas where smaller scale development</p>	<p>All land in the Winchester City Council (outside SDNP) must be classified for growth, renewal or protection - based upon considerations of sustainable development which will be the test new style Local Plans will need to meet upon examination. Sites selected as options for accommodating development must be 'sustainable'. Consideration will also need to be given to the viability of potential Growth Areas.</p> <p>Whilst Sustainability Appraisal of plans may be abolished (see below)</p>	<p>Continue with SHELAA Assessment. Depending on the outcome of this assessment and the local plan growth strategy, consider designating different areas under a new style Local Plan.</p> <p>Develop criteria for assessment of SHELAA sites – including consideration of the extent to which each site amounts to 'sustainable development'.</p>		<p>National Policy to be updated to define the term 'substantial growth' (which is to be allowed in Growth Areas). It will also define some areas as 'protected areas' at a national level and will define the term 'sustainable development'.</p> <p>There remains significant uncertainty as to the amount of housing to be planned for. This prevents selection of potential options for Growth Areas / Renewal Areas until we have clarification on required</p>

		<p>is appropriate. Eg: gentle densification/ infill of residential areas, development in town centres, and development in rural areas that is not annotated as Growth or Protected areas, such as small sites within or on the edge of villages. Protected areas where development is restricted due to environmental and/ or cultural characteristics of the site/ area. More stringent development control required to ensure sustainability. Eg: Green Belt, AONB, Conservation Areas, Local Wildlife Sites, areas of significant flood risk and important areas of green space. Open countryside outside of growth/ renewal areas. May include residential gardens.</p>	<p>there may still be a need for strategic environmental assessment to underpin classification of land for growth/ renewal/ protection. Therefore, work undertaken to date in connection with Sustainability Appraisal is expected to be useful evidence of options meeting the 'sustainable development' test under the new system. There may be a need for some additional assessment of environmental issues within growth areas (for example, the White Paper suggests high flood risk may prevent an area being included in a Growth Area unless the risk can be mitigated (para 2.8) – suggesting the need for Flood Risk Assessment and design of high level mitigation options at classification / draft plan stage. It is unclear at this stage who would take responsibility for this assessment though the White Paper suggests those who gain from development should bear the cost. There may be a need, therefore, to request additional</p>	<p>Compile GIS data and start preparing an interactive map displaying data on: Different designations, Settlement Boundaries (which may form the basis of Renewal Areas) Areas which benefit from existing 'Village Design Statements' and 'Conservation Area Appraisals' which could</p>		<p>capacity of sites. We can, however, continue with assessment of SHELAA sites (as indicated in the actions). New primary and secondary legislation will be required, to give effect to these changes to the plan making process (para 2.6). It is assumed that legislation will be introduced in early 2021 and passed by end of 2021 (based on statements in the White Paper – see final row of this table).</p>
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			<p>technical detail in relation to any sites that have been submitted – to establish if any issues that have been identified might be able to be mitigated and to justify inclusion of sites within any designation. The mitigation recommended in such assessment would then be included in the relevant Design Code.</p>	<p>form the basis of a Design Code; and</p> <p>Designated Sites (of the kind listed in column 2) (which may form the basis of Conservation Areas.</p>		
				<p>WCC had intended to consult on Strategic Issues and Options in Q4 2020. Due to uncertainty around housing targets, this consultation will be re-focused, to consider the new local plans' vision, objectives and the key issues/ priorities for action (referred to in these documents as consultation on 'Strategic Issues and Priorities').</p>		
				<p>Strategic options for accommodating development will be consulted on a later date once there is clarity about the quantum of development to be planned for.</p>		<p>Requires Government decision on housing targets. Timing unclear at present.</p>
				<p>As part of the consultation to be conducted on Strategic Issues and Priorities engage with those involved in SHELAA sites around the extent of technical/ environmental information which will be expected, to support any future decision. Viability information may also be required at this stage, to provide assurances as to</p>		

				deliverability of development in these sites/ areas.		
				Explore issues around designation of a green belt.		
				Explore possibility of undertaking an 'Urban Capacity Assessment' which reviews capacity to densify existing settlement boundary – to underpin development of Strategic Options once housing target has been clarified.		
Proposal 2 (pg 25)	Development management policies established at national scale and an altered role for Local Plans.		NPPF to be updated to contain national DM policies, applicable to all development. There is a lack of clarity at present, of the scope of discretion over local development management policy.	Local plan policy will not be drafted until there is clarity from national Government around the nature and content of national development management policy, to avoid abortive expense/ effort.		NPPF to be updated to set out national development management policies. Timing unclear at present.
Proposal 3 (pg 26)	Local Plans should be subject to a single statutory "sustainable development" test, replacing the existing tests of soundness.		At the moment further details are awaited from the government on what the new single test of sustainability will be and what information you will need to undertake in order to meet this requirement. Some of the evidence required for current local plan process may no longer be required for a new style local plan. WCC have already commissioned a number	Development of criteria for assessment of SHELAA sites – including consideration of the extent to which each site amounts to 'sustainable development'		
				Design Codes prepared for a new style local plan will need to regulate social, environmental and economic issues which influence the delivery of sustainable development, not simply issues of 'architectural design'. For example, Design Codes will need to stipulate		

			of evidence base reports, some of which will be useful when preparing design codes. However, evidence around housing needs may prove partially redundant. Evidence around retail/economic issues may need updating due to the Covid pandemic.	rules for protecting heritage, townscape and visual amenity, ecology, ensuring, open space and community facilities are delivered, alongside any necessary flood mitigation etc. WCC Strategic policy team will work towards producing a template Design Code (discussed further below).		
Proposal 4 (pg 27)	A standard method for establishing housing requirement figures which ensures enough land is released in the areas where affordability is worst, to stop land supply being a barrier to enough homes being built. The housing requirement would factor in land constraints and opportunities to more effectively use land, including through densification where appropriate, to ensure that the land is identified in the most appropriate areas and housing targets are met.	New housing targets will be set nationally and will be binding upon LPAs. (Covered by separate consultation and it is expected that this change will come into force in advance of the other planning reforms outlined in this table. It is therefore assumed that the emerging local plan will be based upon a revised housing target, but with some possible adjustment for local constraints). Will factor in land constraints such as Green Belt. Aim is to deliver 300,000 homes annually.	The number of housing units to be accommodated in WCC could rise from 692 per annum to 1024 per annum under this proposed change. WCC would prefer not to consult on options for accommodating housing in the local plan until we have clarity over the quantum of development to be accommodated, so that a robust assessment of options can be undertaken first.	WCC had intended to consult on Strategic Issues and Options in Q4 2020. Due to uncertainty around housing targets, this consultation will be re-focused, to consider the new local plans' vision, objectives and the key issues/ priorities for action. WCC will seek to engage a wide range of participants at this high level stage, with enhanced emphasis upon digital engagement, consistent with the aims of the recent White Paper. A new website will be developed as the vehicle for engagement on the emerging local plan.		Unclear which constraints will be factored into standard methodology and whether WCC number will be reduced due to 40% of land being within SDNP.
				Strategic options for accommodating development will be consulted on a later date once there is clarity about the quantum of development to be planned for.		Requires Government decision on housing targets. Timing unclear at present.

A streamlined development management process with automatic planning permission for schemes in line with plans						
Proposal 5 (pg 29)	Areas identified as Growth areas (suitable for substantial development) would automatically be granted outline planning permission for the principle of development, while automatic approvals would also be available for pre-established development types in other areas suitable for building.	There will be a statutory presumption in favour of development being granted for uses specified as being suitable in each area.	There is an expectation that design codes will be produced at local level, but they will become the key means of controlling the outcomes of development and must therefore cover all topics required to deliver sustainable development (social, economic, environmental) to ensure placemaking is of a high standard.	WCC will commence consideration of options for production of Design Codes collaboratively with the community. Options will include a potential pilot project with one village, to update an existing Village Design Statement. This project could form the basis of a new template Design Code to be developed as a result of a collaborative process with the community, which enhances understanding of the support and training required to deliver local plan Design Codes.		National Model Design Code to be issued – monitor.
				WCC will undertake training, both internally and externally, to support the delivery of Design Codes.		Requires production of Government’s National Model Design Code; and decision around options for accommodating growth (which depends upon clarification of housing targets by the Government)
Proposal 6 (pg 31)	Decision-making should be faster and more certain, with firm deadlines, and make greater use of digital technology	More certain due to clear rules/ design codes; faster due to use of digital technology; and also faster due to ‘Streamlined consultation at planning application stage’ (Para 1.17, page 17)	We need to ensure the public have every opportunity to engage in plan preparation stage, as the work being undertaken now will underpin development outcomes in future, with possibly reduced consultation at that stage. We do not therefore want to consult the public on	Update Local Development Scheme as/when necessary to communicate changes in local plan preparation process/ timeframes.		
		There is an expectation that LPAs will use digital tools to support a new civic		A new website will be developed as the vehicle for digital engagement on the emerging local plan.		

		engagement process for local plans and decision-making, making it easier for people to understand what is being proposed and its likely impact on them through visualisations and other digital approaches. People should be able to engage via social networks and via their phones. (Para 1.17, page 17)	strategic options which very quickly become out of date due to changes in housing targets.	WCC had intended to consult on Strategic Issues and Options in Q4 2020. Due to uncertainty around housing targets, this consultation will be re-focused, to consider the new local plans' vision, objectives and the key issues/ priorities for action. WCC will seek to engage a wide range of participants at this high level stage, with enhanced emphasis upon digital engagement, consistent with the aims of the recent White Paper. A new website will be developed as the vehicle for engagement on the emerging local plan.		.
				Strategic options for accommodating development will be consulted on at a later date once there is clarity about the quantum of development to be planned for and once there is clarity on the revised local plan preparation process to be brought forward via these reform proposals.		Requires Government decision on housing targets. Timing unclear at present.
A new interactive, web-based map standard for planning documents						
Proposal 7 (pg 33)	Local Plans should be visual and map-based, standardised, based on the latest digital technology, and supported by a new template.	Plans should be significantly shorter in length, and limited to no more than setting out site or area-specific parameters and opportunities. Digitisation will enable a strategic national map of planning to be created (para 2.5)	Current work on evidence base to underpin Local Plan may prove abortive. Seek to minimise unnecessary expense where possible.	Review available GIS data sets, begin to compile a comprehensive interactive GIS map with all planning/ policy data.		Require sight of the new 'template local plan' to be produced by Ministry of Housing, Communities and Local Government (MHCLG) (timing unclear). Require clarity over the 'latest digital technology' expected to

						be utilised.
A STREAMLINED, MORE ENGAGING PLAN-MAKING PROCESS						
Proposal 8 (pg 34)	Local authorities and the Planning Inspectorate will be required through legislation to meet a statutory timetable for key stages of the process, and we will consider what sanctions there would be for those who fail to do so.	Statutory timetable will be no more than 30 months in total (42 months for those with a recently adopted plan) , for key stages of the process, and there will be sanctions for those who fail to do so	This timetable will be challenging to achieve. WCC will need to prepare design codes for all development, which will determine the nature of development which comes forward. LPAs will be expected to engage more meaningfully with the community and stakeholders in preparation of new style local plans and to also develop/ adopt new technology in doing so, which will require development of new skills.	Review available GIS data sets, begin to compile a comprehensive interactive GIS map with all planning/ policy data.		
				Interactive Map should be ready for inclusion in new local website, by mid February 2021		
				Continue with SHELAA Assessment. Development of criteria for assessment of SHELAA sites – including consideration of the extent to which each site amounts to 'sustainable development'.		
				WCC will commence consideration of options for production of Design Codes collaboratively with the community. Options will include a potential pilot project with one village, to update an existing Village Design Statement. This project could form the basis of a new template Design Code to be developed as a result of a collaborative process with the community, which enhances understanding of the support and training required to deliver local plan Design Codes.		
Proposal 9 (pg 36)	Neighbourhood Plans should be retained as an important					

	means of community input, and we will support communities to make better use of digital tools					
SPEEDING UP THE DELIVERY OF DEVELOPMENT						
Proposal 10 (pg 37)	A stronger emphasis on build out through planning (make it clear in the revised National Planning Policy Framework that the masterplans and design codes for sites prepared for substantial development (discussed under Pillar Two) should seek to include a variety of development types by different builders which allow more phases to come forward together. We will explore further options to support faster build out as we develop our proposals for the new planning system.)		Growth Areas to include a variety of development types by different builders, which will allow more phases to come forward together.	Consider how the assessment of SHELAA sites could potentially consider potential of sites to include a variety of development types.		The Government are considering other options for influencing housing build out rates, which may result in additional measures which need to be accounted for.
Pillar 2 Planning for beautiful and sustainable places						
CREATING FRAMEWORKS FOR QUALITY						
Proposal 11 (pg 39)	To make design expectations more visual and predictable, we will expect design guidance and codes to be prepared locally with community involvement, and ensure that codes are more binding on decisions about development.		There is an expectation that design codes will be produced at local level, but they will become the key means of controlling the outcomes of development and must therefore cover all topics required to deliver sustainable development (social, economic, environmental) to ensure placemaking is of a high standard.	(As above – Proposal 5)		

Proposal 12 (pg 40)	To support the transition to a planning system which is more visual and rooted in local preferences and character, we will set up a body to support the delivery of provably locally-popular design codes, and propose that each authority should have a chief officer for design and place-making.	Aim is to ensure there is capacity and capability locally to raise design standards and the quality of development. New Design Body will be set up to support delivery of design codes, and give permanence to the campaigning work of the Building Better, Building Beautiful Commission and the life of its co-chairman the late Sir Roger Scruton.	WCC needs to consider the resourcing implications of these changes. Design Codes will become the key means of controlling the impact of new development and should contain all information which would usually be considered/ conditioned on outline planning applications. Therefore, design codes will need to detail environmental mitigation and measures for protection of heritage/ visual amenity, alongside issues of urban design and placemaking.	Consider appointment of Chief Officer for Design and Place Making.		Clarification required on definition of 'provably locally popular' and the means by which this will be proven. Primary legislation may provide such clarity – timing unclear (anticipate mid 2021?)
				See action points above regarding development of template Design Codes.		
Proposal 13 (pg 41)	To further embed national leadership on delivering better places, we will consider how Homes England's strategic objectives can give greater emphasis to delivering beautiful places.					
A FAST-TRACK FOR BEAUTY						
Proposal 14 (pg 42)	We intend to introduce a fast-track for beauty through changes to national policy and legislation, to incentivise and accelerate high quality development which reflects local character and preferences.	Make it easier for those who want to build beautifully through the introduction of a fast-track for beauty through changes to national policy and legislation, to automatically permit proposals for high quality developments	Design Code to define local character of areas and also record preferences of local people, in terms of what is 'beautiful'.	Design Code template to include a definition of local character, to be prepared by the relevant local community in collaboration with WCC.		Clarification required – how varied definitions of 'beauty' are to be reconciled? Precise legislative and policy amendments will be reviewed to determine process for reaching agreement on these

		where they reflect local character and preferences.				points.
EFFECTIVE STEWARDSHIP AND ENHANCEMENT OF OUR NATURAL AND HISTORIC ENVIRONMENT						
Proposal 15 (pg 44)	We intend to amend the National Planning Policy Framework to ensure that it targets those areas where a reformed planning system can most effectively play a role in mitigating and adapting to climate change and maximising environmental benefits.					Amendment to NPPF – detail unclear at present. Unclear whether LPAs will be able to set more ambitious climate change targets than those set nationally? (this point has been raised by WCC in its consultation response)
Proposal 16 (pg 44)	We intend to design a quicker, simpler framework for assessing environmental impacts and enhancement opportunities, that speeds up the process while protecting and enhancing the most valuable and important habitats and species in England.	Sustainability Appraisal to be abolished.	As Design Codes will cover all matters necessary to ensure acceptable environmental outcomes, there may still be a need for environmental impact assessment which identified necessary mitigation. Such mitigation should be included in Design Codes for Growth/ Renewal Areas. WCC has already commissioned Sustainability Appraisal / Integrated Impact Assessment already. This report will provide useful data for inclusion in the Interactive digital map (as to protected sites) and also assist in justifying	Further Sustainability Appraisal considered once Strategic Options are developed (prior to consultation) – depending upon whether or not requirement has been abolished at that point in time.		Strategic Options can only be developed/ consulted upon once housing targets are clarified. The Government has suggested there may be a further consultation in Q4 2020 on streamlined environmental assessment.

			classification of land for growth/ renewal/ protection in sustainable development terms (under the new system).			
				As part of the consultation to be conducted on Strategic Issues and objectives, engage with those involved in SHELAA sites around the extent of technical/ environmental information which will be expected, to support any future decision to includes sites in the draft local plan or as a designation.		
Proposal 17 (pg 44)	Conserving and enhancing our historic buildings and areas in the 21st century	Protect our historic buildings and areas while ensuring the consent framework is fit for the 21st century.	WCC have been compiling and updating GIS data on heritage via Winchester Future 2050 which will provide a head-start on requirements under the new system. Methodology has been developed and initial project at Hursley commencing shortly.	Explore options for additional Future 2050 Funding for improving management of historic resources. This could assist with building up digital data for inclusion of new style local plan.		
Proposal 18 (pg 45)	To complement our planning reforms, we will facilitate ambitious improvements in the energy efficiency standards for buildings to help deliver our world-leading commitment to net-zero by 2050.					Amendment required to NPPF – detail unclear at present. Unclear whether LPAs will be able to set more ambitious climate change targets than those set nationally.
Pillar Three – Planning for infrastructure and connected places						
A CONSOLIDATED INFRASTRUCTURE LEVY						
Proposal 19 (pg 48)	The Community Infrastructure Levy should be reformed to be charged as a fixed proportion	Aim = to capture a greater share of the uplift in land value. Suggests the need for	How do we ensure sites promoted in the SHELAA are ultimately deliverable	When assessing SHELAA sites and selecting options for accommodating development.		Clarity required on timing of new Infrastructure Levy.

	of the development value above a threshold, with a mandatory nationally-set rate or rates and the current system of planning obligations abolished.	viability appraisal will be avoided. Clarity over infrastructure costs will enable these to be factored into value of sites during purchase. (Para 1.19, page 18)	if there is no mechanism for viability appraisal? Is there a risk that current SHELAA sites could be rendered unviable once the new Infrastructure Levy is introduced, rendering our plan deficient? Update CIL Schedule or not?	It may be necessary to include fall back sites, should viability issues prevent development of some of the preferred options.		WCC CIL Schedule will not be revised pending receipt of confirmation of the Government's approach to the new infrastructure tax/ levy.
Proposal 20 (pg 51)	The scope of the Infrastructure Levy could be extended to capture changes of use through permitted development rights					
Proposal 21 (pg 51)	The reformed Infrastructure Levy should deliver affordable housing provision	We will ensure that the new Infrastructure Levy allows local planning authorities to secure more on-site housing provision. (Para 1.19, page 18)	Should design codes for Growth/ Renewal Areas set out expectation regarding AH provision?			
Proposal 22 (pg 53)	More freedom could be given to local authorities over how they spend the Infrastructure Levy	Local authorities will have the flexibility to use this funding to support both existing communities as well as new communities. (Para 1.19, page 18)	There is potential for innovative approaches to the allocation of CIL funds at a local level (eg crowdfunding model to allow the public to vote on local projects to receive funding.	GIS mapping should capture the development locations where CIL funds are generated and also those locations where funds are invested back into the community, so that there is transparency around communities benefiting from allowing development in their local area (utilising data in Infrastructure Funding Statement)		
Proposal 23 (pg 57)	As we develop our final proposals for this new planning system, we will develop a comprehensive resources and skills strategy for the planning sector to support the	The Resources and Skills Strategy is aimed at, amongst other things, ensuring "local planning authorities are equipped to create great communities	GIS resource within WCC is limited at present. Limited staffing within Strategic Planning to deliver new style plans without additional	Undertake an audit of skills and resourcing within WCC particularly with respect to design, master-planning, digital and geospatial mapping capabilities.		Require detail of Government's proposed comprehensive resources and skills strategy for the

	<p>implementation of our reforms. In doing so, we propose this strategy will be developed including the following key elements.....</p> <p>Workforce planning and skills development, including training, should be principally for the local government sector to lead on, working closely with Government, statutory consultees, planning consultancies and universities.</p> <p>Reform should be accompanied by a significant enhancement in digital and geospatial capability and capacity across the planning sector to support high-quality new digital Local Plans and digitally enabled decision-making....</p>	<p>through world-class civic engagement and proactive plan-making". Yet will be for the local government sector to lead on workforce planning and skills development.</p>	<p>support. Development Management will be required to twin track services – providing current levels of development management support alongside front loaded plan making.</p>	<p>Invest in GIS training internally and existing Prop-Tech suppliers/ services</p>		<p>planning sector.</p>
Stronger enforcement						
Proposal 24 (pg 58)	We will seek to strengthen enforcement powers and sanctions					Clarity required on timing of introduction of new powers/ sanctions.
Timeframes for reform						
	<p>The consultation runs for 12 weeks from 6 August 2020 (to 28 October 2020).</p> <p>Subject to responses to this consultation, we will consider the arrangements for implementing these changes to minimise disruption to existing plans and development</p>		<p>The Government appears to anticipate new legislation would come into force at the end of 2021. LPAs would then have 30 months to prepare a new digital local plan, or 42 months if they have a recently adopted Local Plan. WCC will not have a 'recently adopted'</p>	<p>Follow initial actions (green) out in this Action Plan for the period up to March 2021. Reassess work streams as we receive clarity on the issues set out in the final column of this table. Key steps required are:</p> <ol style="list-style-type: none"> 1. Confirmation of housing targets to be accommodated and 2. Timing of reforms 		<p>Monitor announcements regarding timing of reforms.</p>

	<p>proposals and ensure a smooth transition. This includes making sure that recently approved plans, existing permissions and any associated planning obligations can continue to be implemented as intended; and that there are clear transitional arrangements for bringing forward new plans and development proposals as the new system begins to be implemented. Nevertheless, we do want to make rapid progress toward this new planning system. (para 5.2-5.3)</p> <p>Our proposals for Local Plan reform, changes to developer contributions and development management would require primary legislation followed by secondary legislation. The proposals allow 30 months for new Local Plans to be in place so a new planning framework [SIC], so we would expect new Local Plans to be in place by the end of the Parliament.</p>		<p>Local at that point in time as our current timetable targets adoption in Sept 2023.</p> <p>We will therefore need, in approximately Jan 2022, to pivot existing work streams toward production of a new style digital plan, for completion within 30 months (Jan 2022 to June 2024).</p> <p>We need to pivot work streams on our current Local Plan process, to ensure they set us up well for production of a new style Local Plan once reforms come into force. The 30 month timeframe will be challenging to achieve, so advance work on compiling digital data and public engagement around issues and objectives will place us in a good position to make a swift start.</p> <p>There are a number of issues which impact our ability to move forward with the current local plan process – in particular, lack of clarity around the number of housing units which must be delivered</p>	<p>relative to our currently published LDS.</p> <p>Seek a meeting with Ministry of Housing, Communities and Local Government (MHCLG)/ Chief Planning Officer regarding timings and process.</p> <p>Put WCC forward as a pilot authority for the new scheme, so that we can officially pivot towards production of a new style Local Plan in the short term rather than awaiting enactment of reforms.</p>		
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			over the plan period. It is undesirable to proceed to consult on Strategic Options for accommodating housing when the housing target is unknown. We will, however undertake a high level consultation on Strategic Priorities and Issues in Feb/ Mar 2021.			
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CAB3277
CABINET

REPORT TITLE: UPPER BROOK STREET CAR PARK SITE SALE FOR DEVELOPMENT OF NEW DOCTOR'S SURGERY

16 DECEMBER 2020

REPORT OF CABINET MEMBER: Cllr Learney - Cabinet Member for Housing and Asset Management

Contact Officer: Geoffrey Coe Tel No: 07776 681761 Email gcoe@winchester.gov.uk

WARD(S): [ST MICHAEL]

PURPOSE

This report follows the approved recommendations of Cabinet Report CAB3247 24th June 2020 where the process of shortlisting purchasers to develop the new surgery was approved.

A bidding and selection process has been concluded and Cabinet approval is now sought in accordance with Recommendation 6 of Cab3247, to progress the development of the new doctor's surgery by disposal of the site to the preferred purchaser.

RECOMMENDATIONS:

1. Approve the 150 year long leasehold disposal of the Upper Brook Street car park to the preferred purchaser.
2. Delegate to the Strategic Director - Place in consultation with the Cabinet Member for Housing and Asset Management, final negotiation and sale based on the draft heads of terms in Appendix 3 and for the Service Lead Legal to prepare, agree and enter in to all the relevant and necessary agreements.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

1.1 Tackling the Climate Emergency and Creating a Greener District

The new medical facility will be constructed to meet BREEAM Excellent standards as a minimum (a condition of planning consent). The successful purchaser of the site will be encouraged to exceed this standard where possible to meet the Council's emerging Net Carbon Zero initiative.

The site is located within the city centre; access is possible by foot and the bus and train stations are short walking distances away. Travel to the site by car is therefore unnecessary; there will be minimum parking bay requirements (e.g. disabled bays).

1.2 Vibrant Local Economy & Living Well

1.3 Provision of a new building used by doctors and healthcare workers will contribute towards the physical and economic regeneration of Winchester City centre. It will serve as an important new centre of excellence and provide a hub of services to support the health and wellbeing of residents.

2 FINANCIAL IMPLICATIONS

2.1 The council will receive a capital receipt of £930,000 for the disposal of the long leasehold - 10% on exchange of contracts in 2021 and 90% on practical completion in early 2023.

2.2 It is assumed that the capital receipt on disposal will be used to fund the expenditure to date with the balance remaining used to reduce the cost of borrowing associated with other capital projects. In CAB3247, it was estimated that the disposal would result in a small annual deficit between £10,000 and £30,000 depending on the offer received. After allowing for estimated lost car park income, the actual disposal is estimated to result in an annual deficit of circa £25,000 per annum rising with inflation, with the exception of the 2022/23 financial year. Prior to receipt on practical completion but after the car park is closed, the council will incur an estimated £54,000 deficit in 2022/23.

2.3 The financial impact needs to be considered in the context of the risks to the council of constructing the surgery itself. In addition to the non-financial risks, disposal transfers the risk of any increase in the cost of construction. For example, a 10% rise in the cost of construction would add an estimated £20,000 per annum to the cost of borrowing turning an estimated small surplus to a deficit. Disposal would also avoid the cost of borrowing during the construction phase (estimated at circa £100,000) and before any income is generated. In addition to the risks associated with direct development, there would be considerable additional expense incurred in Officer's time if the

Council undertook the development. These additional costs would outweigh any potential marginal surplus previously envisaged.

- 2.4 Further information is provided in the financial appraisal at appendix 1.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council has authority to dispose of land under the general power of competence provided for in section 1 of the Localism Act 2011, and section 123 of the Local Government Act 1972. The disposal being recommended would therefore be a lawful exercise of these powers.
- 3.2 On a land disposal the Council has an obligation to obtain the best consideration reasonably obtainable (section 123 Local Government Act 1972). That best consideration can be established by way of a competitive process or by valuation exercise (or both). In this case the Council is able to satisfy the duty by reference to and reliance on the outcome of the competitive process carried out, but will also gain assurance by way of separate valuation advice.
- 3.3 The disposal of the site will be in anticipation of the delivery of the new surgery in accordance with planning consent. The Council will enter into the leasehold sale on terms which make the grant of lease subject to the purchaser also entering into an agreement for lease with the GP Practice. The Council will not be specifying the works to be carried out or otherwise contracting on terms which engaged a requirement on the Council to go through a procurement exercise under the Public Contracts Regulation 2015 (PCR). Moreover, the expected value of construction work to be carried out by the purchaser falls marginally below the threshold for works under the PCR (and therefore would most likely not be subject to those requirements in any event).
- 3.4 Legal risks include a potential challenge by reference to the duty to obtain best consideration, under the PCR, based on other failure in public law (such as the duty to consult or on equality grounds), or because the Council is acting unlawfully with regard to general principles such as fiduciary duty. There may also be a risk that unsuccessful bidders for the acquisition of the site (including those that withdrew) take action on the basis that the process was in some way flawed.
- 3.5 With regard to these risks, the Council has taken and followed legal and procurement advice and has mitigated (and will continue to mitigate) these risks by:
- a) Conducting a robust and fair competitive process to select a purchaser, also taking separate valuation advice to demonstrate of achievement of best consideration and the intention to enter into a land transaction. Ensuring that the legal agreement entered into will satisfy the relevant

tests for being a land sale and is not a contract for works or services governed by the PCR;

- b) Taking all necessary advice in the conduct of the sale process, including the evaluation of tenders for purchase of the land; and
- c) Consulting with relevant parties and stakeholders.

4 WORKFORCE IMPLICATIONS

- 4.1 The recommended approach to disposal of the site will be managed within existing resources, supplemented with expert advice as required.
- 4.2 If the council were to directly develop the site, additional fixed term resource would be needed to supplement the establishment to manage the detailed design process and secure agreement with the St Clements GP Practice (GP's), NHS North Hampshire Clinical Commissioning Group (CCG), Valuation Office and NHS England, which will be a time consuming and complex process.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 As predicted in the June Cabinet report CAB3247, the bids received reflected a significant discount on value for a ground lease subject to an annual rent. However, only a small discount was applied by Bidders for a ground lease subject to a peppercorn payment. The bidder evaluation details are set out in Exempt appendix 2 and highlight the offers made. Following second round clarifications and best and final offers, the preferred purchaser discounted their long leasehold (peppercorn rent) bid by only £5,000 when compared to their freehold offer. The advantage to the Council of retaining a freehold interest is that the land and buildings will revert to WCC at the end of the lease term and permit a further sale of the site in the future.
- 5.2 The preferred bidder is a specialist, market leading, primary healthcare developer with the necessary experience and resources available to acquire the site and meet the Council's aspirations for the provision of a new City Centre medical centre.

CONSULTATION AND COMMUNICATION

- 5.3 The tender selection and evaluation process was undertaken in partnership with key stakeholders including the St Clements GP practice and the Clinical Commissioning Group. The conclusion reached and recommendation of preferred purchaser has been unanimous.

6 ENVIRONMENTAL CONSIDERATIONS

- 6.1 The existing surgery building in Tanner Street was built in the 1970's when the environmental performance of buildings was given very limited consideration. The NHS requires new buildings to deliver a high environmental performance.
- 6.2 The location of the health facility in the city centre will mean that it remains accessible to a wide section of the local community. During the design process careful consideration was given to the impact of the design on the neighbouring environment.
- 6.3 The decommissioning of the existing surgery will bring the opportunity of building a state-of the art BREEAM accredited surgery, with the ambition of being a net-zero emission building. The building will be designed to minimise heating and cooling demand; enabling the demand to be matched by the on-site generating technologies, including heating fed by renewable sources and electricity generated by solar panels.
- 6.4 The site will be built to include a biodiversity net gain of greater than 10%.
- 6.5 Access to the surgery will be encouraged by foot, minimising emissions and air quality issues from car transport to the site. Parking on-site will be limited to minimal requirements to ensure disabled access

7 EQUALITY IMPACT ASSESSEMENT

- 7.1 The location of the proposed health premises in the City Centre will enable health services to be accessed by a wide range of the local community, including those who have to rely on public transport. The public sector equality duty will be taken into consideration in the design of the proposed health facilities which provide an important service to the vulnerable sectors of our community.
- 7.2 In relation to Article 1 of the First Protocol of the European Convention of Human Rights, there is a case in the public interest to continue to facilitate this development and, as demonstrated by the Council the delivery of improved health facilities in the city centre and the procuring of a delivery partner to deliver the health facilities is important to the continued well-being of residents both within the immediate community and those with access to and reliant upon public transport.

8 DATA PROTECTION IMPACT ASSESSMENT

- 8.1 None required at this stage of the process. However data protection is ongoing and will be continuously re-evaluated.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i> <i>The preferred developer cannot reach agreement with the GP Practice and other parties.</i>	WCC to support where possible and undertake direct development if developer route fails	The preferred purchaser is very experienced in these negotiations with GP's and other stakeholders.
<i>Community Support</i> <i>GP Practice do not agree to HOTS</i>	Collaborative working in place	
<i>Timescales</i> <i>Developers may insist on a finite period in which to reach agreement with all parties.</i>	WCC to support where possible.	
<i>Project capacity</i>	N/a	
<i>Financial / VfM</i> An increase to the capital cost or the cost of borrowing could move the project to an annual net cost.	Selling the site to a specialist developer removes this risk	
<i>Legal</i> <i>Challenge brought under the PCR2015 or a judicial review</i>	Seek legal advice continually through the process	To ensure a sound disposal process and the provision of a new health facility
<i>Innovation</i>	A specialist healthcare developer has been selected.	
<i>Reputation</i> <i>Further unnecessary delay will not reflect well on WCC</i>	WCC to support where possible	This alternative delivery route is intended to avoid further delays by using specialist knowledge and experience
<i>Other</i>		

10 SUPPORTING INFORMATION:

Cabinet Report History:

- 10.1 The Council has long held an aspiration to support provision of improved health care premises in the city centre. Under CAB 2964 of 12 September 2017, Cabinet authorised: the development of the surgery, the grant of leases to the Practice and Lloyds Pharmacy, the appointment of Architecture PLB to design the surgery up to RIBA Stage 4, the appropriation of the land to planning purposes, the closure of the car park, the appointment of consultants and contractors and to accept tenders for the construction works.
- 10.2 Under CAB 3180 of 17th July 2019, Cabinet authorised: the provisionally agreed outline terms for letting the surgery; an increase in the budget of £250,000; an alternative health use to be found for the 'pharmacy' space; design to be developed to facilitate tendering of the works; the appointment of a full consultant team; obtain construction tenders; and appointment of building contractors.
- 10.3 Under CAB 3247, Cabinet approved:
- The marketing and site disposal through freehold or long leasehold of the Upper Brook Street car park to a specialist primary healthcare developer to enable delivery of a new doctor's surgery, instead of direct development by the Council. That final Cabinet approval would be sought to approve the final heads of terms and appointment of the preferred purchaser.

Progress to date and other relevant information:

- 10.4 Planning consent was implemented by the construction of a boundary retaining wall in 2019 which means that the consent is secure.
- 10.5 In February 2020 the revenue consequences of the project were revised as part of the capital strategy and the estimated surplus in the first full year following completion reduced to circa £13,000 per annum from the £43,000 reported in CAB 3180.
- 10.6 Following meetings in February 2020 with the St Clements GP practice and the Clinical Commissioning Group (CCG), the Property team undertook a review of lease terms and the build arrangements for the new surgery. As part of that work, disposal options and risks associated with the direct delivery of a new doctor's surgery on the Upper Brook Street car park were considered in detail.
- 10.7 It was evident that (i) build costs are rising and this would be a risk for the council, (ii) there is potential for a long void on the pharmacy space without rental income, (iii) the process for agreeing CCG funding and sign off as a pre-cursor to completing an Agreement for Lease with the GP Practice, is complex, protracted and requires specialist experience and knowledge. The

council does not have this experience or resources, (iv) there are specialist primary healthcare developers in the market far more capable of delivering a new surgery in accordance with the planning consent obtained.

- 10.8 The conclusion was that in order to facilitate construction to happen as efficiently as possible, and to minimise risks and further delays to the Council and GP Practice, a third party delivery method was preferred via a sale of the site to a specialist primary healthcare developer.
- 10.9 PLB Architects high level drawings were sufficient for the planning application but a detailed building specification has yet to be prepared and agreed. It will be important that the GP partners are advised professionally on their detailed specification (as this will be part of the sub-lease they enter into with the purchaser of the site). The GP practice has now appointed a Surveyor to act for them.
- 10.10 The District Valuer (DV) has seen draft HOTs and has given advice to the CCG on likely level of rent to be reimbursed. Because this is below the Current Market Rent (CMR) the CCG have agreed in principle to provide a supplement to bring it to the level approved in the July 2019 Cabinet Report. There is no guarantee this will prove adequate if building costs increase.
- 10.11 A detailed cost plan will not be available until a full specification is prepared and agreed after an internal re-design of the space by the developer and GP Practice. A re-design of internal space is required because the exiting layout is now five years out of date and the coronavirus pandemic has meant that further revisions are necessary for infection control purposes.
- 10.12 Outline HOTs for the occupational lease were provisionally agreed with the GP partner's but have been reviewed by their new Surveyor and require amending. The preferred bidder would now issue their own lease documentation to the GP Practice.
- 10.13 Construction and management of buildings occupied for medical purposes have their own unique challenges where specialist knowledge and experience is required. Public health sector funding presents numerous hurdles and bureaucratic processes to navigate, often involving multiple stakeholders and gatekeepers. The buildings themselves have to be designed to be compliant in different ways such as for infection control, utility services, waste disposal, privacy, security and accessibility. The current pandemic means that many of these specifications are evolving and are being addressed by specialists in the sector.
- 10.14 In March this year, a soft-market testing exercise was undertaken (by means of interviews and expressions of interest) and four of the UK's largest and most experienced primary healthcare developers were shortlisted and invited to interview by WCC and the GP practice. The developers were asked to present their approach to developing a new surgery. This was very helpful and revealed how much work there is yet to be done to secure CCG funding,

negotiate and complete legal agreements and redesign the interior of the new building.

- 10.15 Expressions of Interest were subsequently sought from all developers attending the interviews plus a non-specialist developer put forward by the GP Practice. The responses confirmed a positive interest in acquiring the Upper Brook Street site from the Council. There are relatively few specialist primary healthcare developers in the UK due to the complex funding nature of this market and the unique building design involved. For this reason, the soft market testing undertaken and Expressions of Interest sought was limited to four of the largest and most experienced developers. Two of these developers eventually declined to submit expressions of interest.
- 10.16 The recommendation approved in June 2020 was that the marketing shortlist of developers be limited to the three developers who submitted expressions of interest, two of whom are specialist primary healthcare developers. The third is a developer that the GP practice put forward as their preferred developer.
- 10.17 This approach saved time in selecting a preferred partner and avoided the unnecessary complication and delay of inviting bids from inexperienced developers.

11 **Summary of Sale Invitation Process and Conclusion:**

- 11.1 A selection panel comprising the Council, St Clements GP Practice, and the CCG was set up to review the terms of offers received.
- 11.2 Sale invitation documents were issued to the three shortlisted purchasers on 10th August 2020 with offers being received on 14th September.
- 11.3 Offer evaluations were undertaken in two rounds of clarification questions and meetings.
- 11.4 Following the first round of clarifications, it was unanimously agreed by the selection panel that the lowest bidder did not have sufficient experience of developing primary healthcare facilities which meant they were disqualified from the process.
- 11.5 The clarification process revealed that the November 2019 CCG letter regarding rent reimbursement to the GP Practice was incorrect and overstated the rent by approximately £20,000 pa. This was relayed to the two remaining bidders because it had a negative impact on the scheme viability. As a result, one bidder declined to respond in time to the second round of clarification questions and effectively disqualified themselves from the process.
- 11.6 The preferred bidder responded positively with only a marginal adjustment to their long leasehold offer (reduced from £950,000 to £930,000).

11.7 A S123 valuation report will be secured from a specialist valuer to demonstrate best consideration prior to entering into an agreement to dispose.

12 **Primary Care Funding and documentation complexities**

12.1 The following section explains the complex process necessary for agreement with public health bodies before construction works can be tendered and construction works started.

12.2 Primary Care Premises Funding changed in 2004 when a new GP contract was introduced and this affected the way new surgeries were procured. The rent and rates reimbursement element of GP costs became cash limited at this point which had the effect of giving the NHS total control to curb new expenditure on GP premises.

12.3 The process of developing new premises is now governed by the NHS (General Medical Services – Premises Costs) Directions 2013. (This is currently subject to review by NHS England who published a General Practice Premises Policy Review in June 2019. One of the recommendations is to pilot a 'new premises provision' by removing the current bureaucratic reimbursement system. This means that the mechanics of how rent is paid could possibly change in the foreseeable future and may affect lease drafting).

12.4 At the start of any new development an outline business case must be submitted to the CCG. If approved in principle then a full business case has to be prepared for further approval and must include plans, specification, costs and a reasoned argument as to why the project is good value for money. There is considerable onus on the GP partners to address technical and financial detail and this often slows the process down or can lead to inadequate business cases being submitted. The most successful schemes are where GP partners are represented by property professionals.

12.5 Following approval of the full business case, the process then moves on:-

1. An agreed draft lease has to be forwarded to the CCG, who then send this to the District Valuer (DV) with a request for their advice on the terms of the lease. The DV does not always agree the detailed provisions of the lease which makes further negotiations a protracted undertaking. .
2. A full set of plans and a specification is also sent to the CCG for approval. They will take advice from NHSE (NHS England) in this regard before giving approval.
3. If the GP's (and the landlord) agree to the changes in the terms of the lease suggested by the DV, then the CCG will ask to DV to prepare a valuation in relation to the rent to be paid by the partners for the premises. The landlord

can make representation in this regard, or even meet with the DV to discuss, but the DV is not obliged to talk to anyone other than the NHS

4. There is no appeal on the DV's estimated initial rent.
5. If the rental assessment is accepted then the CCG will write to the GP's setting out the terms upon which rent and rates will be reimbursed to them, and the level of that rent.
6. At practical completion of the building, the DV will visit and measure to assess the Net Internal Area (NIA) for rental purposes. The NIA is achieved by removing certain areas, different to that of an office – eg. patient WC's are included. It is therefore up to the Developer to ensure that the building is constructed accurately because the estimated initial rent can go down, but not up. Assuming that detailed design and legal documentation for the St Clements GP Practice lease can be completed by the summer of 2021, construction is anticipated to commence in Spring 2022.

13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 Direct Development by the Council remains an option but is considered to have an unacceptable high risk due to the potential for increases in construction costs and further delays in agreeing documentation with multiple parties. The risks have been highlighted above and distil to financial risk and the Council not having the necessary experience in primary healthcare development.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB 3180 Replacement GP Surgery update – 17 July 2019 (part exempt)

CAB 2964 Replacement Doctors Surgery, Winchester - 12 September 2017 (part exempt)

CAB 2786 St Clements Doctors Surgery, Winchester - 29 March 2016 (part exempt)

CAB 2709 St Clements Surgery, Winchester - 17 September 2015 (Exempt)

CAB 2609 Silver Hill Update - 10 September 2014 (part exempt)

Other Background Documents:-

None.

APPENDICES:

Appendix 1 – Financial Appraisal

Exempt Appendix 2 – Bids and Evaluation Summary

Exempt Appendix 3* – Draft Heads of Terms (HOTs)

* A summary of the heads of terms is attached as Exempt Appendix 3. These are highly commercially confidential and therefore limited in their circulation. For further information or clarification please contact Catherine Knight – Service Lead: Legal.

Financial Appraisal

The financial appraisal estimates the impact on the council's budgets by year including the estimated impact of closing the Upper Brook St car park.

To date the council has spent almost £200,000 on the preliminary works at the surgery and the receipt on disposal will be used to finance that expenditure. The remainder of the receipt can be used to finance other capital projects including projects already underway. It has been assumed below that the receipt will be used to reduce the borrowing need in relation to the new Sport & Leisure Park over its estimated life and consequently provide annual savings on the forecast borrowing cost.

Capital receipt									
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Deposit @ 10%	0	(93)	0	0	0	0	0	0	(93)
Remainder on completion	0	0	(837)	0	0	0	0	0	(837)
Total	0	(93)	(837)	0	0	0	0	0	(930)

Revenue Consequences									
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Lost car park income	0	(18)	(71)	(73)	(74)	(76)	(77)	(79)	(80)
Car park expenditure saving	0	4	18	18	19	19	19	20	20
Interest saving	0	0	0	22	22	21	21	21	20
Minimum Revenue Provision (MRP)* saving	0	0	0	10	10	10	11	11	11
Freehold - £0.8m receipt	0	(13)	(54)	(23)	(24)	(25)	(26)	(27)	(29)

*Borrowing need is reduced over the life of the asset by applying MRP annually from revenue

Incremental Impact of Capital Investment Decisions*	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £
General Fund - equivalent to increase/(decrease) in annual band D Council Tax	0.00	0.26	1.05	0.44	0.46

*This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax.

Assumptions

Discount Factor	3.00%	Estimated cost of capital
Capital receipt / premium	£930,000	10% deposit in September 2021 and balance in February 2023 on practical completion
Car park closure	December 2021	
Lost income	50% lost	Assumes remaining 50% will utilise alternative city centre capacity and P&R capacity which generates less income
Lease income	£1 peppercorn for 150 years	
Expenditure savings	Estimated business rates, maintenance, and management	25% of income
Inflation	CPI at 2%	Bank of England target rate
Interest saving	3.00%	Rate based on long term borrowing rates available to WCC including margin for prudence
Minimum Revenue Provision saving	3.00% on annuity basis	As above

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Forward Plan of Key Decisions

January 2021

The Forward Plan is produced by the Council under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The purpose of the Plan is to give advance notice of Key Decisions to be made by the Cabinet, Cabinet Members or officers on its behalf. This is to give both Members of the Council and the public the opportunity of making their views known at the earliest possible stage.

This is the Forward Plan prepared for the period **1 - 31 January 2021** and will normally be replaced at the end of each calendar month.

The Plan shows the Key Decisions likely to be taken within the above period. Key Decisions are those which are financially significant or which have a significant impact. This has been decided, by the Council, to be decisions which involve income or expenditure over £250,000 or which will have a significant effect on people or organisations in two or more wards.

The majority of decisions are taken by Cabinet, together with the individual Cabinet Members, where appropriate. The membership of Cabinet and its meeting dates can be found [via this link](#). Other decisions may be taken by Cabinet Members or Officers in accordance with the Officers Scheme of Delegation, as agreed by the Council (a list of Cabinet Members used in the Plan is set out overleaf).

The Plan has been set out in the following sections:

Section A – Cabinet

Section B - Individual Cabinet Members

Section C - Officer Decisions

Anyone who wishes to make representations about any item included in the Plan should write to the officer listed in Column 5 of the Plan, at the above address. Copies of documents listed in the Plan for submission to a decision taker are available for inspection on the Council's website or by writing to the above address. Where the document is a committee report, it will usually be available five days before the meeting. Other documents relevant to the decision may also be submitted to the decision maker and are available on Council's website or via email democracy@winchester.gov.uk or by writing to the above



Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 refers to the requirement to provide notice of an intention to hold a meeting in private, inclusive of a statement of reasons. If you have any representations as to why the meeting should be held in private, then please contact the Council via democracy@winchester.gov.uk or by writing to the above address. **Please follow this link to definition of the paragraphs** (Access to Information Procedure Rules, Part 4, page 32, para 10.4) detailing why a matter may be classed as exempt from publication under the Local Government Acts, and not available to the public.

If you have any queries regarding the operation or content of the Forward Plan please contact David Blakemore (Democratic Services Manager) on 01962 848 217.

Cllr Lucille Thompson

Leader of the Council

30 November 2020

Cabinet Members:	Title
• Cllr Lucille Thompson	Leader & Cabinet Member for Communications
• Cllr Neil Cutler	Deputy Leader & Cabinet Member for Finance & Risk
• Cllr Paula Ferguson	Local Economy
• Cllr Kelsie Learney	Housing & Asset Management
• Cllr Lynda Murphy	Climate Emergency
• Cllr Jackie Porter	Built Environment & Wellbeing
• Cllr Malcolm Prince	Sport, Leisure & Communities
• Cllr Martin Tod	Service Quality & Transformation

	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
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Section A

Decisions made by Cabinet

Page 427	1	Meadowside Leisure Centre – Update on Operator Tender	Cabinet Member for Sport, Leisure and Communities	Expenditure > £250,000	All Wards	Andy Hickman	Cabinet report	Cabinet	Jan-21	20-Jan-21	Part exempt 3
		Biodiversity Action Plan	Cabinet Member for Climate Emergency	Significantly effects 2 or more wards	All Wards	Sue Croker	Cabinet report	Cabinet	Jan-21	20-Jan-21	Open
	3	Consultation on the Strategic Issues & Priorities	Cabinet Member for Built Environment and Wellbeing	Significantly effects 2 or more wards	All Wards	Adrian Fox	Cabinet report	Cabinet	Jan-21	20-Jan-21	Open

	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
4	Air Quality Supplementary Planning Document (SPD)	Cabinet Member for Climate Emergency	Significantly affects 2 or more wards	All Wards	David Ingram	Cabinet report	Cabinet	Jan-21	20-Jan-21	Open
5	Land Transaction	Cabinet Member for Housing and Asset Management	Expenditure > £250,000	All Wards	Geoff Coe	Cabinet report	Cabinet	Jan-21	20-Jan-21	Part exempt 3

Section B

Decisions made by individual Cabinet Members

6	Authority to sign Partnership for South Hampshire initial 'Statement of Common Ground'	Cabinet Member for Built Environment and Wellbeing	n/a	All Wards	Steve Opacic	Cabinet Member decision report	Cabinet Member for Built Environment & Wellbeing	Jan-21	11-Jan-21	Open
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	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
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Section C

Decisions made by Officers

7	Treasury Management - decisions in accordance with the Council's approved strategy and policy	Deputy Leader and Cabinet Member for Finance and Risk	Expenditure > £250,000	All Wards	Deputy Leader and Cabinet Member for Finance and Risk	Designated working papers	Designated HCC Finance staff, daily	Jan-21	Jan-21	Open
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Notification of Key Decision(s) not included within the January 2021 Forward Plan

On 2 December 2020, the following additional item was notified for inclusion for the January 2021 Forward Plan:

	Item	Cabinet Member	Key Decision	Wards Affected	Lead Officer	Documents submitted to decision taker	Decision taker (Cabinet, Cabinet Member or Officer)	Date/period decision to be taken	Committee Date (if applicable)	Open/private meeting or document? If private meeting, include relevant exempt paragraph number
Section A										
Decisions made by Cabinet										
Page 431	Car Parks Major Work Programme	Cabinet Member for Built Environment and Wellbeing	Expenditure > £250,000	All Wards	Campbell Williams	Cabinet report	Cabinet	Jan-21	20-Jan-21	Open

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