

EXECUTIVE

Date: Wednesday 4th October, 2023
Time: 12.30 pm
Venue: Mandela Room

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Executive - 6 September 2023 3 - 4

THE MAYOR AND EXECUTIVE MEMBER FOR ADULT SOCIAL CARE AND PUBLIC HEALTH

4. Town Centre Funding and Community Safety 5 - 12

EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

5. Local Council Tax Support 2024/25 Consultation 13 - 26
6. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 26 September 2023

MEMBERSHIP

Mayor C Cooker (Chair) Councillors P Gavigan, T Furness, P Storey, J Thompson, Z Uddin and N Walker

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn / Scott Bonner, 01642 729742 / 01642 729708, chris_lunn@middlesbrough.gov.uk / scott_bonner@middlesbrough.gov.uk

EXECUTIVE

A meeting of the Executive was held on Wednesday 6 September 2023.

PRESENT: Mayor C Cooke (Chair), Councillors P Gavigan, T Furness, P Storey, Z Uddin and N Walker

PRESENT BY INVITATION: Councillors M Storey (Chair of the Overview and Scrutiny Board)

ALSO IN ATTENDANCE: S Arnold (Local Democracy Reporting Service). M Nath

OFFICERS: S Bonner, C Benjamin, R Brown, G Field, R Horniman, A Hoy, A Humble and E Scollay

APOLOGIES FOR ABSENCE: Councillor J Thompson

23/19 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

23/20 **MINUTES - EXECUTIVE - 23 AUGUST 2023**

The minutes of the Executive meeting held on 23 August 2023 were submitted and approved as a correct record.

23/21 **MIDDLESBROUGH DEVELOPMENT COMPANY CLOSURE**

The Executive Member for Regeneration submitted a report for Executive's consideration.

The purpose of the report was to set out the process followed to close down the Middlesbrough Development Company. This included the final steps that had yet to take place with a particular focus on how that process would ensure Value for Money was achieved during this period. It also showed how arrangements aligned with the Minimum Standards set out in the recently adopted Partly and Wholly Owned Council Companies Policy.

As previously reported to Executive in January 2023, the Council's wholly owned company, the Middlesbrough Development Company was identified as posing a potential risk to the Council through non-compliance with newly published guidance for such companies.

The guidance, developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) following a number of high-profile failures of Council owned companies nationally, set out the standards of management and governance that should be expected of any wholly or partly owned company.

Following an initial review of the company against this guidance it was evident the company either needed to be revised significantly or be closed down. As it was coming to the end of its current range of projects, and the changes needed to meet the new standards would require significant investment, the decision was taken to cease trading and close down the company completely. This was anticipated to be complete by December 2023 (although the audit/accounting actions that follow would extend into 2024).

Members discussed the reasons for the Middlesbrough Development Company's closure that were cited in the report.

The Mayor proposed an amendment to the report, agreed by Executive, to include an additional recommendation. The additional recommendation would be the creation of a learning document about the process that could be shared with neighbouring Councils and the TVCA.

ORDERED that Executive:

1. note the process undertaken to close down the Middlesbrough Development Company;
2. note the steps taken to align interim governance arrangements with the Minimum Standards of the Partly and Wholly Owned Council Companies policy and notes where there is a clear, evidenced rationale for non-compliance with elements of that policy because the company is being wound-up and,
3. approve the final steps of the Members Voluntary Liquidation.
4. approve the creation of a learning document about the process that could be shared with neighbouring Councils and the TVCA.

OPTIONS

Other options for the final closure of the company had been examined, including the option to simply deregister the company. Although this option could be delivered more cheaply (£15) it did not provide the appropriate assurance that all matters had been concluded satisfactorily and all risks had been managed.

REASONS


The action plan would see the orderly closure of the Middlesbrough Development Company, as previously approved by the Executive.

23/22

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

None.

All decisions will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.

MIDDLESBROUGH COUNCIL	
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Report of:	The Mayor and Executive Member for Adult Social Care and Public Health Director of Environment and Commercial Services
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Submitted to:	Executive
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Date:	4 October 2023
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Title:	Review of Town Centre and Community Safety Funding
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Report for:	Decision
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Status:	Public
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Strategic priority:	Crime and anti-social behaviour
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Key decision:	Yes
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Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
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Urgent:	No
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Why:	Not Applicable
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Executive summary

This report reviews the decision made at the Executive meeting on the 18 October 2022 relating to the Town Centre Strategy (targeted support) Report. It also reviews some of the savings proposals set as part of the 2023 budget and how new grant funding can be utilised to deliver the councils revised strategic priorities.

In the Town Centre Strategy (targeted support) Report, the previous Executive agreed to deliver a range of activities which are listed within this report at table 1.0. This strategy was to be funded as a pilot programme at a cost of £1,120,000 over 2 years. It was expected that funding would be derived through a combination of United Kingdom Shared Prosperity Fund (UKSPF) £520,000, and Indigenous Growth Funds (IGF) £600,000. Subsequently, it was confirmed that IGF was a capital funding stream, not a revenue funding stream as previously anticipated. It has therefore been necessary to review spending plans to comply with the grant funding conditions.

On 4 May 2023, Chris Cooke was elected as the new Mayor of Middlesbrough and with the appointment of a new administration and Mayor came a new strategic direction. The new Mayor committed that estates are supported by community wardens in respect of reducing crime and antisocial behaviour. The Mayor also wished to see wardens deployed across the town rather than focused on the town centre.

In addition, there have been some changes in the funding available to deliver the Town Centre Strategy and new un ring-fenced grant funding that can be used to deliver the Mayor's

priorities. It is therefore necessary to re-prioritise the delivery plan within the revised funding envelope.

Purpose

The purpose of this report is to review a previous executive decision and propose an alternative delivery plan utilising the revised funding envelope. The report also reviews specific savings identified during the 2023/24 budget setting process as well as requesting that consideration is given to these services areas when setting the medium to long term financial plan.

Background and relevant information

1. This report reviews the decision of the Executive on the 18 October 2022 regarding the Town Centre Strategy (targeted support) Report. It also reviews some savings proposals set as part of the 2023 budget.
2. Town Centre Strategy (Targeted Support) original plan
The report approved by Executive on October 2022 recommended the use of UKSPF and the IGF to make a number of interventions into the town centre. This is set out in Table 1.0 below.

Table 1.0

Description	£
3 extra PC's	340,000
4 new Town Centre Enforcement Officers and re-designation of existing town centre street wardens x 8 (12 in total)	280,000
New Caretaking team staff x 2	128,000
Extend public spaces protection order (PSPO) in town centre	2,000
Launch promotional campaign focused on not to give money to beggars	5,000
Increase CCTV in the town centre	15,000
Marketing and Communications	20,000
Implement floating youth support	60,000
Light key routes and arrival points	30,000
Small grants programme for business-led initiatives to deal with causes of ASB	20,000
Orange Pip and other market development	50,000
Annual deep clean of town centre	40,000
Cover cost of Middlesbrough Retail Crime Partnership (MRCP) Membership for 100 town centre businesses	20,000
Programme of initiatives offering discounts/promotions i.e. Teesside Restaurant Week	10,000
Implement culture and arts programme to animate town centre and increase footfall	100,000
Total	1,120,000

3. At the time of agreeing the report of 18 October it was assumed that there was revenue grant available within the IGF, it was subsequently confirmed that there was only capital grant available, meaning that it cannot be used to fund revenue activity. Therefore, the level of activity set out in Table 1.0 is limited and the delivery plan needs to be revised

to reflect this change. This revision also needs to take account of the new strategic direction as well as reflecting the fact that some activity has been completed and others are due to be completed.

4. The impact of savings agreed at Full Council on 27 February 2023 also need to be considered when reviewing the delivery plan and how grant funding can legitimately be maximised in line with grant conditions to deliver on the new strategic priorities.

Saving Requirements for 2023/24

5. At Full Council on 27 February 2023 a decision was made to reduce Council expenditure on Neighbourhood Safety and seek to maximise grant funding (Ref: ECS12). This saw a saving of £1,000,000 across two financial years which required £583,000 in 2023 and a subsequent saving of £437,000 in 2024.
6. At the same Full Council meeting on 27 February 2023 an additional saving of £142,000 was identified within Area Care specifically relating to environmental activities within the Town Centre. This was based on the maximisation of Indigenous Growth Fund (Ref: ECS16).
7. The 2023/24 budget also assumed that £100,000 of salary costs within Regeneration would be charged to the IGF grant. (Ref: RC04)
8. A further saving of £74,000 against Street Lighting was outlined in 2023/24 (Ref: ECS06). It is proposed that street lights are not turned off and that this saving is covered by maximising grants.
9. A business case will need to be provided to the medium term financial plan for all of the above if it is intended for the activities to continue beyond the timescales set out within this report.

Maximisation of Grants

10. Grants have been received that allow the Council to review the delivery plan and spending on community safety. These are the UK shared prosperity fund (UKSPF) £520,000 and an un-ringfenced thank you payment from the Home Office of £486,000. These total £1,006,000. Additionally, there is an element of general fund freed up from the use of a grant provided by the Department for Levelling Up, Homes and Communities (DLUHC), and Towns Fund as set out in Table 2.0 below.
11. It is proposed to use these grants to fund the activities set out in Table 2.0 below.

Table 2.0

Description	Financial Year			Funded By				Total £
	2023/24	2024/25	Total	UKSPF	Home Office	Council Core	Towns Fund	
	£	£	£	£	£	£	£	
Economic Development Reshaping of Economic Growth Team to Provide a Greater Focus on Town Centre Issues Funded by External Resources	100,000		100,000		7,000	45,000	48,000	100,000
Funding Council Services in the Town Centre such as Area Care	142,000		142,000		142,000			142,000
Street Lighting, Saving that would have resulted in approx. 1 in 2 Lights Turned off between midnight and 6am in less used spaces and intermittently in other appropriate space where safe to do so	74,000		74,000		74,000			74,000
Cover cost of Middlesbrough Retail Crime Partnership Membership for 100 Town Centre Businesses	10,000		10,000		10,000			10,000
Orange Pip & Other Market Developments	50,000		50,000		50,000			50,000
Community Safety Savings	433,000	260,000	693,000	520,000	173,000			693,000
Floating Youth Support	30,000		30,000		30,000			30,000
Total	839,000	260,000	1,099,000	520,000	486,000	45,000	48,000	1,099,000

12. Table 3.0 below shows an overview of what was going to be delivered and what will continue and discontinue doing and where it will be funded from.

Table 3.0

Description	Continued (Eligible for funding) £	Discontinued (Not eligible for funding)
Community Safety maximising grant	693,000	0
Implement floating youth support	30,000	30,000
Orange Pip and other market development	50,000	
Cover cost of Middlesbrough Retail Crime Partnership (MRCP) Membership for town centre businesses	10,000	20,000
Economic Development Reshaping of Economic Growth Team to Provide a Greater Focus on Town Centre Issues Funded by External Resources	100,000	
Funding Council Services in the Town Centre such as Area Care	142,000	
Street Lighting maximising grant, would have resulted in approx. 1 in 2 Lights Turned off between midnight and 6am in less used spaces and intermittently in other appropriate space where safe to do so.	74,000	
3 extra PC's		340,000
4 new Town Centre Enforcement Officers and re-designation of existing town centre street wardens x 8 (12 in total)		280,000
New Caretaking team staff x 2		128,000
Extend public spaces protection order (PSPO) in town centre	2,000	
Launch promotional campaign focused on not to give money to beggars		5,000
Increase CCTV in the town centre		15,000
Marketing and Communications		20,000
Light key routes and arrival points		30,000
Small grants programme for business-led initiatives to deal with causes of ASB		20,000
Annual deep clean of town centre		40,000
Programme of initiatives offering discounts/promotions i.e. Teesside Restaurant Week		10,000
Implement culture and arts programme to animate town centre and increase footfall		100,000

Total	1,099,000	1,040,000
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13. Due to the fixed term nature of the funding described in table 3.0, this is a short-term solution to 31 March 2024 in the main, with the exception of part UKSPF grant funding extending into 2024/25. The plans for medium to long term provision will be formulated during the budget development process for 2024/25 and will be assessed alongside other spending priorities as part of presenting the budget to Council in February 2024
14. In addition to the above funding, the Council have also been successful in obtaining additional ring-fenced grant funding from the Home Office via the Office for the Police and Crime Commissioner (OPCC) to recruit an additional 10 wardens on fixed term contracts who will work across Middlesbrough in the estates to reduce Anti-Social Behaviour and reassure the public. This will see an additional £435,000 worth of grant funding for the period 01/08/2023 to 01/09/2024 (with the option to extend to March 2025 – subject to further government funding) this will result in an increase in the staffing establishment on a temporary basis.
15. The number of wardens to service the Town Centre and estates will be set at 21 posts initially and will be reviewed subject to the funding constraints set out in paragraphs 13 and 14.

What decision(s) are being recommended?

1. Approve the revision to the approved street lighting saving – lighting levels will remain and funded via un-ringfenced grant to the end of 2023/24
2. Approve the revised delivery plan and funding as presented in table 2.0.
3. Note that the arrangements apply to 2023/24 financial year only, with the exception of £260,000 of UKSPF grant funding being available within financial year 2024/25, and future levels of delivery will be considered as part of 2024/25 budget process to be approved by Council in February 2024
4. Note and accept the Police and Crime Commissioner grant described at paragraph 13
5. Approve the establishment of a further 10 FTE wardens on a 12 month fixed term contract over 2023/24 and 2024/25 financial year.

Rationale for the recommended decision(s)

16. To ensure that the town centre is supported within the funding available whilst protecting the savings requirement of the authority and ensuring that the wider town is supported in respect of community safety.

Other potential decision(s) and why these have not been recommended

17. It could have been agreed not to fund the activities outlined and use some of the grant for other purposes. However, this would significantly affect the ability of these services to operate which are a priority for the Mayor and Executive.

Impact(s) of the recommended decision(s)

18. This report ensures that there is an adequate provision in respect of providing a community safety function in the short term. It also deals with some of the saving issues that are derived through the IGF funding being primarily capital funding and a change in

the policy direction of the new Mayor and Executive. Whilst supporting the town centre, it allows for all wards in Middlesbrough (along with the funding of wardens through the PCC) to have available wardens when required and therefore helping to reduce crime and antisocial behaviour across the Town.

Legal

19. There are no legal implications that arise from this report.

Strategic priorities and risks

This report supports the reduction of crime and antisocial behaviour priority of the council as well as supporting the physical regeneration of the town. In respect to risks whilst in the short term there are no associated risks the ability to maintain these services will depend upon decisions taken as part of the 2024/25 budget development process.

Human Rights, Equality and Data Protection

20. No Human Rights, Equality or Data Protection issues arise from this report.

Financial

21. In April 2023 the Council received notification from the Home Office that the Thank You payment is not ringfenced and as such the Council is free to expend the funding on the activities stated.

22. The UKSPF grant is specifically for the funding of the salaries and associated costs of employing 7.5 FTE Town Centre Enforcement Officers. As such, this grant must be expended over the course of financial years 2023/24 and 2024/25.

23. The Towns Fund grant is for the enablement of Economic Development opportunities across Middlesbrough with a specific revenue programme management and delivery allocation, as such this grant can be attributed to the reshaping of the Economic Growth team.

24. The Council is in receipt of £90,000 of revenue funding from DLUHC in relation to Levelling Up Partnerships, £45,000 of which is provided for 2023/24. Use of this funding has released the same amount of general funds, which can be attributed to the reshaping of the Economic Growth team. Consequently, there is no additional general funding required to fund the activities.

25. Funding is only available for a limited period, the continuation of the activities would be subject to bids to the 2024/25 budget development process, with only £260,000 of grant funding for the Enforcement Officers being available within 2024/25.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline

Appendices

1	
2	
3	

Background papers

Body	Report title	Date
Executive	Town Centre Strategy (targeted support)	18 October 2022
Full Council	Budget 2023/24 - S25 Report of the Chief Finance Officer	27 February 2023

Contact: Marion Walker

Email: marion_walker@Middlesbrough.gov.uk

MIDDLESBROUGH COUNCIL	
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Report of:	Executive Member for Finance & Governance Director of Finance
Submitted to:	Executive
Date:	4 October 2023
Title:	Local Council Tax Support 2024/25 Consultation
Report for:	Decision
Status:	Public
Strategic priority:	Vulnerability
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Urgent:	No
Why:	Not Applicable

Executive summary	
<p>The report requests Executive approval to undertake consultation with the following:</p> <ul style="list-style-type: none"> • with Major Preceptors; (Fire Authority, Police and Crime Commissioner) and • with the public <p>on the proposed changes to the Council Tax Reduction (CTR) scheme with effect from 1st April 2024 (as required by the Local Government Finance Act 1992).</p> <p>The implications of the recommendations have been considered by the appropriate officers of the Council and are set out in the main body of the report.</p>	

Purpose

1. The purpose of this report is to request permission to undertake a consultation (a requirement of schedule 1A of the Local Government Finance Act 1992) with both the public and the major precepting authorities in respect of proposed changes to the Council's Council Tax Reduction (CTR) Scheme with effect from 1st April 2024. Executive approval is required to commence consultation on changes to the 2024/25 scheme ahead of the final decision being made by Council at the budget setting meeting on 28 February 2024.

Background and relevant information

2. CTR was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme that was 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 claimants with Billing Authorities.
3. Middlesbrough Council, as the billing authority, has a statutory requirement to revise or make a CTR scheme by no later than 11 March each year, approved by Full Council decision.

The current scheme

4. In 2022/23 the Council moved to an income-banded scheme, away from the previous complex means-tested schemes, to simplify the claiming process, reduce the administrative burden and cost of multiple in-year changes and associated recalculation of instalments, and to support its achievement of collection rates.
5. The scheme implemented a 90% maximum discount, with lower discount bands of 72%, 36% and 23%, aligned to the level of net weekly income and makeup of each household (up to 2 dependants).
6. The current scheme remained unchanged apart from an uplift for 2023/24 to the income bandings to reflect the inflation rise applied to working age benefits, to maintain the level of support for residents due to the Cost of Living and Energy crises.

The proposed approach for the 2024/25 Council Tax Reduction Scheme

7. It is proposed that the current income-banded scheme be retained for 2024/25, with the following amendments (option 2 in the table at paragraph 15):
 - i) **Care Leavers:** Inclusion of the cost of support for Care Leavers into Collection Fund from General Fund which is a technical adjustment. The adjustment has no impact on the support provided to Care Leavers within the scheme, which remains unchanged.
 - ii) **Childcare Cost Element:** A payment to reimburse part of the eligible costs of childcare while the parent is at work. Financial support is provided for childcare costs within the Universal Credit calculation. The element is provided to offset part of the cost of childcare expenses incurred by claimants. It is proposed that this element be disregarded as income within the Council Tax Reduction scheme, supporting those households with children taking paid employment. If

approved, those in receipt Council Tax Reduction awards would be automatically increased where appropriate from 1 April 2024. Those currently not claiming Council Tax Reduction, who potentially may be entitled would need to apply.

8. Work has been undertaken throughout this year to analyse the implications of various scheme options and amendments. The second amendment recommended above will be subject to consultation with the public and the major precepting authorities. Subject to the outcome of the consultation, and consideration and approval by Council as part of the 2024/25 budget setting process, the proposed amended scheme will take effect from 1st April 2024.

What decision(s) are being recommended?

9. That Executive approves the consultation on Option 2 as required by the Local Government Finance Act 1992, with the following:

- iii) the public; and
- iv) the major precepting authorities (Fire Authority and Police and Crime Commissioner).

Rationale for the recommended decision(s)

10. The proposed changes will further assist low-income households and support the collection of council tax whilst remaining affordable for the Council to provide.
11. Any changes to the existing scheme excluding the technical adjustment referenced in this report are subject to full consultation which will run from 9 October 2023 for 4 weeks and will inform the scheme from 1 April 2024. (with exception of the care leavers).

Other potential decision(s) and why these have not been recommended

12. The full list of options considered are as follows:

OPTION	Cost	Proposed?	Reason
1. No Change	£0	No	Existing scheme counts allowances for childcare costs in Universal Credit as income, disadvantaging some taking paid employment.
2. 90% amended: <ul style="list-style-type: none"> • Care Leavers into Collection Fund with current level of support maintained; • And for those in receipt of Universal Credit, disregard as income the childcare costs element. 	£21k	Yes	Improves the support and fairness of the current scheme whilst remaining affordable for the council. NB only the childcare cost element will be subject to consultation.
3. 95% scheme	£3.15m	No	The council is unable to meet this additional cost within the current budget position.

4. 100% scheme	£4m	No	The council is unable to meet this additional cost within the current budget position.
5. 90% with band uplift	£442k	No	The council is unable to meet this additional cost within the current budget position.

13. Option 1 is to leave the existing scheme in place. This is not recommended because the existing scheme counts allowances for childcare costs in Universal Credit as income, disadvantaging some people who take paid employment.

14. Options 3 and 4 enhance or increase the scheme, eg to a 95% or 100% maximum discount scheme respectively. This is not recommended because the associated cost (c£3.15 million for a 95% scheme and c£4 million for a 100% scheme) would be substantial and ultimately present an increased cost to the General Fund budget, a pressure that is considered to be unaffordable given the Council's current strained financial situation.

15. Option 5 provides an uplift in the amount of Council Tax Reduction awarded for those in the lower discount brackets, whilst maintaining a maximum support level of 90%. The c£442k cost of this option, however, is also considered to be unaffordable in the Council's current financial situation.

Impact(s) of the recommended decision(s)

16. The Council will obtain the views of the major precepting authorities and the public on the proposed alternative scheme and will be able to take those views into account when deciding whether to adopt the scheme with effect from April 2024.

Legal

17. Paragraph 5, Schedule 1A of the Local Government Finance Act 1992 states that for each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme. The authority must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

18. Paragraph 3 applies to an authority when revising a scheme as it applies to an authority when making a scheme:

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

19. The Local Government Finance Act 2012 inserted into section 67 of the LGFA 1992 (Functions to be discharged by the Authority) making or revising a Council Tax Reduction Scheme, and Section 5 (2) of Schedule 1A requires that each billing authority in England must make a Council Tax Reduction scheme by no later than 11 March each year. Any scheme cannot be made by officers, with the above legislation confirming that authorisation of the full scheme is subject to Council approval.

Strategic priorities and risks

20. The scheme supports the delivery of the Council’s strategic priority to “address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support those made vulnerable” as set out in the Strategic Plan refresh 2021-2024. It is expected that this will remain a valid priority within the development of the Council Plan as part of the 2024/25 planning process. The CTR scheme will enable residents to pay their required Council Tax instalments which, in turn, will mean that the Council has funding to work with communities and other public services in Middlesbrough to improve the lives of local people.
21. By implementing a local Council Tax Support scheme, it is ensured that there is adequate governance in place to comply with all relevant legislation and the Council does not breach governance requirements or fail to deliver organisational priorities (Risk 08-054). In addition, by reviewing the scheme annually, the Council continues to effectively review and amend the scheme to comply with legislative changes (Risk 08-055).

Human Rights, Equality and Data Protection

22. There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equality law. The previous impact assessment carried out when the scheme was revised for 2022/23 is still relevant.

Financial

23. The current CTR scheme annual budget is £20m which is borne by the Council’s Collection Fund. Costs are shared between the Council and the major precepting authorities.
24. The proposed scheme has been costed on the current number of active claims as at July 2023. It is not possible to estimate the impact to the scheme brought about by changes to claimants’ circumstances or unforeseeable issues. The model has been costed on the current position with the budget implications of the two proposed amendments as shown below:

Proposal	Budget Implication
Inclusion of support for Care Leavers to be met by the Collection Fund not the General Fund.	Cost of the Care Leavers is £131,000 by moving this to the collection fund and sharing the cost with the precepting authorities, this will generate an estimated saving of £21,000 to the Council
Those in receipt of Universal Credit, disregard as income the childcare costs element.	An estimated cost of £50,000 to the CTR scheme – which would lead the council to pay £42,000 which is the Councils precepting share.
Total net budget implication	Cost of £21,000

25. After adjusting for the precepting authorities within the collection fund, the cost to the Council is £21,000. This would affect the 2025/26 General Fund budget as this is the next time the Council can precept on the Collection Fund, after the change has been made.
26. The Collection Fund is legally separate from the council's General Fund, and accounts for all of the income received from Council Tax and Business Rates less specific eligible costs. As a result, the actual performance of the Collection Fund in terms of actual collection compared to that planned is considered in terms of the annual surplus or deficit to the Collection Fund. The impact on the council's general fund budget is then assessed each year at budget setting. Any other revenue income is payable into the council's General Fund.
27. The impact of the CTR scheme is to reduce the overall total income to the Collection Fund by decreasing individual Council Tax bills to reflect a customer's ability to pay in accordance with the CTR scheme criteria. Normally the impact of the CTR will reduce any surplus or increase deficit on the Collection Fund overall, which would lead to a reduced share of income being available to fund the Council's General Fund Budget.
28. For Council Tax, the Council acts as the billing authority for the local area and collects income on behalf of itself, the Police and Crime Commissioner and the Fire Authority. Any financial implications of the Collection Fund would need to be shared based on their overall budget demands. At present these shares are 84%, 12% and 4% respectively. The Council can only precept once each financial year on this Fund and this is done as part of the annual budget setting process in February each year and therefore there is a time delay in feeding in the actual performance of any particular financial year into the financial planning of the next financial year. E.g., 2022/23 outturn on the Collection Fund is fed into 2024/25 General Fund budget setting.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Consultation on the Council Tax Reduction (CTR) scheme will commence with major precepting authorities; and with the public. Feedback from the consultation will influence the future shape of the scheme.	Head of Resident and Business Support	30 November 2023
A final report for adoption of the CTR scheme for 2024/25 will be progressed to full council for approval.	Head of Resident and Business Support	11 March 2024

Appendices

Appendix A – Impact Assessment Level 2: Full Impact Assessment

Background papers

None

Contact: Janette Savage, Head of Resident and Business Support

Email: Janette_Savage@middlesbrough.gov.uk

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Appendix A - Impact Assessment Level 2: Full impact assessment

Subject of assessment:	Council Tax Reduction (CTR) Scheme 2024-25			
Coverage:	Service Specific (affects all wards)			
This is a decision relating to:	<input checked="" type="checkbox"/> Strategy	<input checked="" type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input checked="" type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input checked="" type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input type="checkbox"/>	Revision of an existing approach:	<input checked="" type="checkbox"/>
It is driven by:	Legislation:	<input checked="" type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities The aim is to introduce a cost effective, improved Council Tax Reduction scheme with effect from 1st April 2024. The proposed changes will provide the following:</p> <ul style="list-style-type: none"> • Inclusion of support for Care Leavers. • Removal of childcare cost element from the Universal Credit income calculation, supporting those households with children taking paid employment. <p>The new scheme will affect working age applicants who are currently in receipt of Council Tax Reduction on 1st April 2024 or those who apply after 1st April 2024.</p> <p>Statutory drivers (set out exact reference) The Local Government Finance Act 2012 inserted into section 67 of the LGFA 1992 (Functions to be discharged by the Authority) making or revising a Council Tax Reduction Scheme, and Section 5 (2) of Schedule 1A requires that each billing authority in England must make a Council Tax Reduction scheme by no later than 11 March each year. Any scheme cannot be made by officers, with the above legislation confirming that authorisation of the full scheme is subject to member approval.</p> <p>Differences from any previous approach The new approach brings support for Care Leavers into the scheme, and removes the childcare cost element of Universal Credit from the CTR income calculation. This proposal aligns to the change in DWP approach's and mitigates the detrimental effect on our residents from the current scheme which counts allowances for childcare costs in Universal Credit as income, disadvantaging some taking paid employment.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders include all residents on low incomes, and precepting authorities such as Cleveland Police and Cleveland Fire. Consultation will be carried out with all stakeholders.</p> <p>Intended outcomes.</p> <ul style="list-style-type: none"> • More support for disadvantage claimants including Care Leavers and low income families on Universal Credit; • Maintaining an affordable scheme. 			

Live date:	1 April 2024
Lifespan:	The proposed scheme (if accepted) will be in place for 2024-25 year. Each year the Council needs to confirm its scheme by 11th March.
Date of next review:	Annually - reviews can be made every April, and the Council will review the implementation of the scheme and any consideration for amendments; and use this learning when designing schemes in future years.

Assessment issue	Impacts identified					Rationale and supporting evidence
	None	Positive	Negative		Uncertain	
			Justified	Mitigated		
Human Rights						
Engagement with Convention Rights (as set out in section 1, appendix 2 of the Impact Assessment Policy).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No negative impacts identified in the level one assessment.
Equality						
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Government have legislated that the Council cannot amend their Council Tax Reduction scheme for pension age claimants, which central Government recognise as being a protected group, and as such should not be impacted by any proposed changes brought about by any revised scheme.</p> <p>The new approach brings support for Care Leavers into the scheme, and removes the childcare cost element of Universal Credit from the CTR income calculation. This proposal aligns to the change in DWP approach's and mitigates the detrimental effect on our residents from the current scheme which counts allowances for childcare costs in Universal Credit as income, disadvantaging some taking paid employment.</p> <p>For other individuals experiencing exceptional hardship, additional support is available from the Council's Exceptional Hardship Fund (Section 13a payments).</p>
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.
Gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.
Pregnancy / maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.
Race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.
Religion or belief	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.
Sex	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.
Sexual Orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.

Assessment issue	Impacts identified					Rationale and supporting evidence	
	None	Positive	Negative		Uncertain		
			Justified	Mitigated			
Marriage / civil partnership**	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.	
Dependants / caring responsibilities**	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Under the proposed scheme, the removal of the childcare costs element from the Universal Credit income calculation will better support those low-income households with children taking paid employment.	
Criminal record / offending past**	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No effect other than for working age applicants generally.	
Community cohesion							
Individual communities / neighbourhoods	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No negative impacts identified.	
Relations between communities / neighbourhoods	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Further actions						Lead	Deadline
Mitigating actions	The proposals will be subject to a full consultation with Major Preceptors and the public, the outcome of which will shape the final scheme. Any applicant experiencing exceptional hardship will be directed to apply for additional support from the Council's Exceptional Hardship Fund (Section 13a payments).					Janette Savage	April 2024

** Indicates this is not included within the single equality duty placed upon public authorities by the Equality Act. See guidance for further details.

Promotion	The revised CTR Scheme will be promoted through various means; including (but not limited to): <ul style="list-style-type: none"> ○ Information of the Council’s website; ○ Social media; ○ Communication to staff, stakeholders, partners, claimants, etc. 	Janette Savage	April 2024
Monitoring and evaluation	The scheme will be monitored in conjunction with the medium term financial plan, and alongside any changes brought about by central Government. Evaluation will be carried out in conjunction with monthly service review meetings, and against the service’s Key Measure of Success	Janette Savage	Ongoing – for all years that this scheme is adopted.

Assessment completed by:	Nicola Mearns	Head of Service:	Janette Savage
Date:	24/08/2023	Date:	24/08/2023

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